The Destruction That Creeps

When destruction is caused by an instant catastrophic event, the decision to take remedial or reparative action is easy. If, however, destruction creeps up on you slowly, so that you are not really sure of the nature or full impact of some potential destruction, it is much harder to make the possibly difficult decisions necessary to offset the potential damage. In fact, it may be easier to put your head in the sand and make out that it isn't happening or even to convince yourself that it will reverse itself and everything will be OK.

My first taste of creeping destruction came with the end of Thatcher's false 'boom' of the 1980's. The 'bust' started in early 1988 when interest rates started to rise wiping out the lives of those who had borrowed money to buy homes or to start businesses. In just seven months between May 1988 and December 1988 interest rates climbed from 8% to 13%. They continued creeping upward until November 1989 when they stood at 15.5%. This meant that borrowers were now repaying almost double the interest that they had planned for.

Like all of these examples of creeping destruction, you always expect it to reverse - surely it can't keep going up, but it does and it takes your life with it. The stress, the anger, the impact on your family and your job or your business, is so very destructive.

The next example of creeping destruction is at the core of this story: The inveiglement itself. My first inkling of something not being right was in 1997 when Buchanan asked me to authorise a 'loan' of £60,000 from the NCR money being held specifically to support the NCR/PSL/UPU postal program. This 'loan' was to help his ailing father to retire. Buchanan knew that I was a soft touch when it came to humanities and he also knew that I would do nothing to endanger the investment of my customers.

How could I have known that NCR had no financial controls whatsoever over the funds that Buchanan was depositing for the program; I trusted him totally. Much later, when he had requested other such transfers I had to accept that he was indeed able to shift funds out of NCR with no other authorisation whatsoever. But even then I had no idea just how much money he had access to in this way. The funds being transferred simply continued a bit at a time and I became more and more frightened and stressed. When would it end? The amounts of money being taken by Buchanan kept creeping up and up. How could NCR lose control of so much money? It was the creeping inveiglement that sucked me in deeper and deeper.

Despite the vicious nature of NCR's early civil action and the cancellation of their funding for the postal program, I continued to build PSL through my own personal funding.

Through 1999 to 2002, the company was successful, becoming acknowledged leaders in global postal automation. Then the next dose of creeping destruction hit me.

In April 2002 the exchange rate was 1.42 US dollars to the pound sterling. This had been roughly the same exchange rate since before PSL was incorporated in 1995. I had made the business mistake of taking dollar contracts with no exchange rate protection. This came about originally because we were subcontractors to NCR and they took their international contracts in US dollars.

The creeping destruction then started and between April 2002 and April 2004 the dollar kept on sliding all the way from 1.42 to 1.90. Every further single point slide in the value of the dollar wiped off more of PSL's expected income. Of course, just as in all other examples of creeping destruction, I expected the dollar to bottom out and start to recover but for two years the dollar got weaker and weaker, wiping out between 25% and 30% of PSL's project revenues.

Had I been able to predict the depths to which the dollar would fall I would certainly have requested contract re-negotiations with our customers. However, during this period of extreme exchange rate 'fluctuation', I was also being mentally crushed by the vicious nature of NCR's aggression and I also had the criminal trial looming in 2004. I suspect that the impact of the civil and criminal actions made it more difficult for me to effectively manage the situation caused by the dramatic change in exchange rates.

The failure of PSL was unthinkable to me after the tens of millions of dollars invested by PSL's customers and the many years of effort made by so many devoted and determined people. Having invested all the savings I had in order to save PSL, I then borrowed all I could borrow in the battle to save my customer's investments. I borrowed; I borrowed some more; then some more, until there were just no more sources of funds.

The creeping destruction of interest rates, the creeping inveiglement and the creeping exchange rates had fooled me. In every case I kept thinking that the destruction would end – it must end – it really must end soon – but it didn't - in every case, it just carried on and on and on taking my life with it.