

Title: Your Wrong About Enron - McKinsley, Consultants, and Natural ■■■ & eating too much ■■■

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I miss the songs to listen to while reading a post so I'm going to bring that back for this one.

[JUT](https://www.youtube.com/watch?v=32hUIGnMpOY) give this one a listen while you Jam on this DD to set the mood a bit.

That Ryan Cohen "Ew I stepped in Shit" tweet focused up something for me with the fruits, the shit smell, and connecting it to Natural Gas.

[Yes handsome actors, this does make me see the poop more clearly.](https://preview.redd.it/f5yo8mr7fiu81.png?width=1600&format;=png&auto;=webp&s;=6f23ae6d1d4880bbf52434f9813f42d6f8df2303)

[The Tweet](https://twitter.com/ryancohen/status/1512103363311243269?s=20&t;=-pAzmjhgMSpWqy9sNWCihw)

[Deciphered

Tweet](https://www.reddit.com/r/Superstonk/comments/tygpab/rc\_tweet\_woot\_woot/i3s86ig/?context=3)

[The Podcast](https://www.imdb.com/title/tt16657246/?ref\_=ext\_shr\_lnk)^(1)

Full credit goes to my wife on this one. She heard from the usual source(s? she could have more than one) about a podcast called "You're Wrong About."

> \*\*\*You're Wrong About\*\*\* is an American history and pop culture

[podcast](https://en.wikipedia.org/wiki/Podcast) created by journalist Michael Hobbes and writer Sarah Marshall. [...] Launched in May 2018, the show explores misunderstood media events by interrogating why and how the public got things wrong. Show topics have included events like the [Challenger

Disaster](https://en.wikipedia.org/wiki/Challenger\_Disaster), [O. J. Simpson

Trial](https://en.wikipedia.org/wiki/O.\_J.\_Simpson\_murder\_case), and the [Murder of Kitty

Genovese](https://en.wikipedia.org/wiki/Murder\_of\_Kitty\_Genovese) and covered people such as [Anna

Nicole Smith](https://en.wikipedia.org/wiki/Anna\_Nicole\_Smith), [Yoko

Ono](https://en.wikipedia.org/wiki/Yoko\_Ono), [Tonya

Harding](https://en.wikipedia.org/wiki/Tonya\_Harding), and [Lorena Bobbitt](https://en.wikipedia.org/wiki/L

orena\_Bobbitt).[[2]](https://en.wikipedia.org/wiki/You%27re\_Wrong\_About#cite\_note-2) It was named

one of the ten best podcasts by [\*Time\*](https://en.wikipedia.org/wiki/Time\_(magazine)) in

2019. [[3]](https://en.wikipedia.org/wiki/You%27re\_Wrong\_About#cite\_note-Dockterman-3)

My wife really likes but specifically mentioned an episode that was entirely about the Enron Scandal. She told me it should listen to this podcast and I kept going, "Yeah, but I'm GameStop Ryan Cohen Tweet Tits Jacked Rocket Ass Moon What was that about a Podcast and Enron you said to me?"

So I'm giving it a listen as I'm on my way to get allergy shots. I'm allergy to everything:

- \* grass,
- \* hay, or super grass
- \* Moss, or short grass
- \* pollens, invisible grass
- \* trees, cats, dogs, evolved grass...

anyway I'm listening to this podcast while I try not to itch my arms from those therapy shots... Outside is trying to kill me and so I retreat to the safe, stress-free comfort of my house where I take care of 4 cats and 2 dogs that I'm hyper allergic to.

Sorry, so after the introduction stuff, which was good, ngl... normally I'm like, stfu and get to the podcasting but they somehow start into the podcasting juicy goodness right away while doing an introduction, it was nice.

I have ADHD... I remember now! Back to it.

[Enron](https://en.wikipedia.org/wiki/Enron) was a gas company to start out until they consulted with McKinsley & Company's [Jeffery Skilling.](https://en.wikipedia.org/wiki/Jeffrey\_Skilling)

> As a consultant for [McKinsey & Company](https://en.wikipedia.org/wiki/McKinsey\_%26\_Company), Skilling worked with [Enron](https://en.wikipedia.org/wiki/Enron) during 1987, helping the company create a [forward market](https://en.wikipedia.org/wiki/Forward\_market) in [natural gas](https://en.wikipedia.org/wiki/Natural\_gas). Skilling impressed [Kenneth Lay](https://en.wikipedia.org/wiki/Kenneth\_Lay) in his capacity as a consultant, and was hired by Lay during 1990 as chairman and chief executive officer of Enron Finance Corp.[18](https://en.wikipedia.org/wiki/Jeffrey\_Skilling#cite\_note-FOOTNOTEMcLeanElkind200335-18)

Until Jeff showed up it was just pipelines and supply. Enron has X gallons for Y price and their customer say they wanted to by it for Z years. The podcast, in the first 7 minutes connects how Jeffery Skilling came in and told them you won't ever have a rising stock market price with this business model. You can't be doing 10 year contracts.

Deregulation was going in full force at this time and suddenly they could have contracts that were as short as 1 day.

This allowed them to go from 1 city to another and start a bidding war. Enron owned MORE pipelines than anyone else allowing them to:

1. Squeeze any producers to \*allow them to put gas in\* the pipeline.
2. 'Bum Fights' their customers against each other to max profit \*to get the gas out.\*

By 1990, 75% of Enron's sales have switched to these \*Spot\* markets. This is where the fluctuating and volatile prices that play different entities against each other would trade futures.

Additionally, they set up a \*\*Gas Bank.\*\* This lets them setup \*\*Gas Futures\*\* that allows their customer to \*\*\*HEDGE AGAINST THE VOLATILITY IN THE SPOT MARKETS THEY CREATED.\*\*\* At this time Enron is the only company with a bank like this. Fucking A. We know a little bit about Futures, don't we!

This allows them to form another completely new revenue stream! ~~Retards!!~~ People who want to engage in Gas Stocks!!!. However, \*\*ENRON\*\* was the\*\* \*\*\*MIDDLE MAN,\*\*\* in this exchange. Once this was set up, Enron could strong arm the producers to get the best price for themselves, they then turn around and control the natural gas market for all of their customers; in parallel, they are profiting from the fees that \*\*\*Both sides of the futures market payed them,\*\*\* while controlling the market price of the asset.\* This scheme is so good its infamous, by definition.

I think this is what Ryan was trying to tell us. It's not the fruit or the gas, it's what Enron DID to it... with the help of McKinsley. But just hold on now...

[It does go deeper though... ](https://preview.redd.it/jjocnmn9miu81.png?width=484&format=png&auto=webp&s=fa52a012c962a23bd4bfe982a1a54c775f3c4eb7)

The idea of the gas bank and futures are still here even though Enron is not. We still have fluctuating gas prices and volatility that's just \*part of the market... right.\* Since it went so well for them in natural gas and they now have stacks of cash they move into electric power, coal, steel, paper pulp, water pipes... 18,000 miles of \*\*\*BROADBAND CABLE... You know.... Monopolies!\*\*\*

\*Oh yeah.\*

They now can buy capacity from Comcast and then sell it to your city, aka you. \*\*This is in the late 1990's when broadband was just getting started... \*\* Enron was the Middleman. They charged entities, business or otherwise, on both sides of the trade while at the same time controlling the commodity. I'm willing to bet the entire ISP business model is doing this pipeline squeezing on all their customers. "Hello, who is this? Oh, hi phone companies?"

[The 1990's aren't even on this fucking chart \\*.](<https://preview.redd.it/d6fkzdlslui81.png?width=640&format=png&auto;=webp&s;=d7f1167f27fb914eac547a31392e06a0875ff84d>)

I'm 13 minutes into the podcast... and am just going to listen to the rest of it now. I honestly haven't finished it I was in such a rush to get this DD out.

HAVE A Great rest of the day everyone!

DRS.

Fuck Hedge Funds and Middlemen.

Educate yourselves and anyone else who will listen...

And Hey, Look at us go.

^(1) Marshall, Sarah, host, Hobbs, Michael, cohost. "Enron.\*" You're Wrong About,\*  
[Wikipedia]([https://en.wikipedia.org/wiki/You%27re\\_Wrong\\_About](https://en.wikipedia.org/wiki/You%27re_Wrong_About))

[\*]([https://www.pewresearch.org/internet/wp-content/uploads/sites/9/2019/12/e41a4173a0ea12e397919e27e0fcae64\\_broadband-vs-dial-up-adoption-over-time.png?w=640&h;=460&crop;=1](https://www.pewresearch.org/internet/wp-content/uploads/sites/9/2019/12/e41a4173a0ea12e397919e27e0fcae64_broadband-vs-dial-up-adoption-over-time.png?w=640&h;=460&crop;=1)) [Hot Sauce]([https://www.pewresearch.org/internet/wp-content/uploads/sites/9/2019/12/e41a4173a0ea12e397919e27e0fcae64\\_broadband-vs-dial-up-adoption-over-time.png?w=640&h;=460&crop;=1](https://www.pewresearch.org/internet/wp-content/uploads/sites/9/2019/12/e41a4173a0ea12e397919e27e0fcae64_broadband-vs-dial-up-adoption-over-time.png?w=640&h;=460&crop;=1))