

Chief Financial Officer Moves

Q1/Q2/Q3 2011



Chief Financial Officer Moves is a quarterly series issued by Russell Reynolds Associates' North American Financial Officers Practice representing a snapshot of CFO trends, expectations and moves within the Fortune 500.

The first three quarters of 2011 continued the pattern of low turnover in the CFO ranks of the Fortune 500. This trend is also consistent in the CEO ranks. There were 46 CFO changes in the period, of which 30 (65%) were internal promotions continuing a long standing trend of strong succession planning and Board approval of internal candidates who have been groomed for the role. Of the 46 changes, 9 were a result of the incumbent CFO's promotion into a General Management position. These trends have been consistent since the global financial crisis started, and there are no signs of any immediate change.

With respect to talent management, succession planning continues to be high on the agenda of CFOs and Boards. Retention of key staff becomes more difficult in a low turnover environment where executives see fewer opportunities at their current employer. The more progressive organizations are rotating staff between roles to avoid retention issues and to improve succession planning. We are also seeing high demand for FP&A skills and commercially oriented finance professionals who can link business performance to the underlying numbers allowing for better decision making and clarity of understanding as to what is happening in specific markets.

Moving beyond the Fortune 500, many of our clients are seeking to hire financial executives in Asia where significant growth continues to dominate the agenda. The market is moving fast, wage inflation is high and there are acute shortages of experienced executives, both of which are driving compensation levels higher. India and China will both experience compensation inflation above 12% this year and other parts of Asia will experience similar if not less severe increases. In China, there is a growing cadre of younger executives in their early 30's who will be the next generation of leaders and who will enable organizations to break the cycle of expat executive moves. As wage inflation continues, the gap between local hire compensation and expat compensation levels closes, raising the question of how MNC's fulfill their localization agenda while ensuring they have the best leaders. Market conditions in Asia are highly attractive to mobile executives. Many, who are already there, want to stay, and many others are interested in moving to a growth economy where they can accelerate their career development and introduce international skills to their capabilities.

Consumer/Retail

Altria Group Inc.

- Cigarette maker Altria Group Inc. (MO), named **Howard Willard** Chief Financial Officer, and moved **David Beran** to Vice Chairman, accompanying Martin Barrington in the role. The changes were made effective January 1, 2010.

Avon Products Inc.

- **Kimberly Ross** has been named to the top finance spot at Avon Products Inc., effective this fall. She will succeed **Charles Cramb**, Vice Chairman of the company's Developed Market Group, who has been Interim CFO. Ross previously was CFO at global retailer Royal Ahold NV.

BJ's Wholesale Club Inc.

- **Frank Forward** has retired as head of finance at BJ's Wholesale Club Inc. He was with the company since its founding in 1984 and had been CFO since 1997. Forward has been succeeded by **Robert Eddy**, Director of Finance.

CHS Inc.

- **David Kastelic** has been named Executive Vice President and CFO responsible for finance, accounting, and risk management at CHS Inc. He succeeded by John Schmitz, who retired at the end of 2010.

J.C. Penney Co.

- Retailer J. C. Penney Co. has promoted SVP, Finance **Michael Dastugue** to the top finance spot. He takes over from **Robert Cavanaugh**, who will stay on as an adviser to the chairman and CEO until January 2012, when he is expected to retire.

Kraft Foods Inc.

- Executive Vice President, Operations, **David Brearton**, took over as CFO at Kraft Foods Inc. after Q1, from **Tim McLevish**, who remains with the company as they execute the spin-off.

Penske Automotive Group

- **David Jones** is the new CFO at Penske Automotive Group, succeeding **Robert O'Shaughnessy**, who joined PulteGroup. Jones, who began with the automotive retailer in 2003, was serving as CFO of its European operations.

RadioShack Corp.

- RadioShack Corp.'s finance chief, **Jim Gooch**, has been promoted to President of the company. He will become CEO when current Chairman and CEO **Julian Day** retires (The company plans to separate the CEO and chairman posts). **Dorvin Lively** was appointed Chief Financial Officer and Chief Administrative Officer.

Sara Lee Corp.

- Sara Lee Corp. has announced that **Mark Garvey** will lead the finance function. He has been Interim CFO since May.

Sears Holdings Corp.

- **Robert Schriesheim** joined Sears Holdings Corp. as Chief Financial Officer, succeeding **Michael Collins**, who resigned earlier in 2011. Schriesheim was previously CFO at Hewitt Associates who were acquired by Aon, Inc.

Staples, Inc.

- **Christine Komola** has been promoted to Chief Financial Officer at Staples Inc., effective February 1, 2012. Komola, who joined the company in 1997, succeeds **John Mahoney** who will remain as Vice Chairman.

Energy

NRG Energy Inc.

- **Kirkland Andrews** has been named CFO of NRG Energy Inc. He succeeds **Christian Schade**, who is leaving the company. Andrews joins NRG Energy from Deutsche Bank Securities where he was a Managing Director and Co-Head of Power and Utilities-Americas.

ONEOK Inc.

- **Robert Martinovich** has succeeded **Curtis Dinan** as Chief Financial Officer of ONEOK and ONEOK Partners. Dinan has been promoted to President - Natural Gas of ONEOK Partners, and will oversee commercial and operational activities in natural gas gathering and processing and natural gas pipelines segments. These changes were made effective March 1, 2011.

Sempra Energy

- **Mark Snell**, Chief Financial Officer at Sempra Energy, has been promoted to President of the company. **Joseph Householder**, the company's Controller and Chief Accounting Officer, has been named Chief Financial Officer and will lead Sempra Energy's finance team.

Wisconsin Energy Corp.

- **Frederick Kuester**, currently President and CEO at We Generation, will become CFO of Wisconsin Energy. He has succeeded **Allen Leverett**, who has become President and CEO of We Generation. Leverett will continue to serve as an EVP of Wisconsin Energy.

Financial Services

Ally Financial Inc.

- Ally Financial Inc. (formerly GMAC Inc.) has appointed **James Mackey** as CFO. Mackey, who has been with the firm since 2009, has been Interim CFO since April 2010.

Bank of America Corp.

- Chief Financial Officer, **Chuck Noski**, has been promoted to Vice Chairman at Bank of America Corp. He will be succeeded by **Bruce Thompson**, who has been promoted from Chief Risk Officer. Thompson, who will take over from Noski by the end of the second quarter, will remain Chief Risk Officer until a replacement has been found.

Discover Financial Services

- Discover Financial Services has appointed **Mark Graf** as Chief Accounting Officer and CFO. He takes over from **Roy Guthrie**, who has been Finance Chief for the past six years. Graf joins the firm from Aquiline Capital Partners, where he was an investment adviser.

Fannie Mae

- **Susan McFarland** has been tapped as the next CFO of Fannie Mae, effective July 2011. Previously, she was Principal Accounting Officer and EVP, Finance, at Capital One Financial Corp.

SLM Corp.

- Treasurer **Jonathan Clark** has been promoted to lead the finance function at SLM Corp. (Sallie Mae). He joined the company as Senior Vice President, Corporate Finance in 2008. SLM Corp. (Sallie Mae) has promoted **John Remondi** to the posts of President and Chief Operating Officer. He has been Vice Chairman and CFO since 2008.

Wells Fargo & Co.

- **Timothy Sloan** has been promoted to Finance Chief at Wells Fargo & Co. He takes over immediately from **Howard Atkins**, who will retire in August. Sloan had been Chief Administrative Officer.

Healthcare

CIGNA

- CIGNA has appointed **Ralph Nicoletti** to lead the finance function, effective June 20. He succeeds acting CFO **Thomas McCarthy**, who will become Vice President of Finance. Nicoletti joins the company from Alberto-Culver Inc., where he also served as CFO.

Genworth Financial Inc.

- **Martin Klein** has been appointed Finance Chief at Genworth Financial Inc. He joined the firm on April 11 and will take over as CFO after the company files its 10-Q for the first quarter. Klein currently serves as Managing Director of Barclays Capital.

Lincoln National Corp.

- Lincoln National Corp. promoted **Randal J. Freitag** to Executive Vice President and Chief Financial Officer, effective January 1, 2011. He succeeded **Frederick J. Crawford**, who assumes the newly created position of Executive Vice President and Head of Corporate Development and Investments.

UnitedHealth Group Inc.

- **David Wichmann**, Executive Vice President, UnitedHealth Group, and President, UnitedHealth Group Operations, has been appointed as CFO for UnitedHealth Group. In addition, **Mike Mikan**, Executive Vice President and CFO, UnitedHealth Group, will take responsibility and oversight for the company's health services platform, including OptumHealth and Ingenix.

Industrial

Alliant Techsystems Inc.

- **John Shroyer** announced his departure from Alliant Techsystems Inc. Current Controller, **Tom Sexton**, has been named Interim CFO until a successor is named.

Commercial Metals Co.

- Commercial Metals Co. has appointed **Barbara Smith** to the top finance spot, effective June 1. She comes to the company from Gerdau Ameristeel, where she also served as CFO.

General Motors Corp.

- Vice Chairman and CFO **Chris Liddell** announced his resignation from General Motors effective April 1. Liddell, who joined GM in January 2010, will be succeeded by Vice President, Finance, and Treasurer, **Dan Ammann**.

Lear Corporation

- Lear Corp. promoted Chief Financial Officer, **Matt Simoncini** to the posts of President and Chief Executive Officer. There is currently a search underway for the Chief Financial Officer replacement.

Lubrizol Corp.

- **Charles Cooley**, CFO of specialty-chemicals firm The Lubrizol Corp., will retire soon after the company's merger with Berkshire Hathaway Inc. is finalized. **Brian Valentine** will take over from Cooley while continuing in his role as treasurer of Lubrizol.

PPG Industries

- PPG Industries has promoted Controller, **David Navikas** to the roles of CFO and Senior Vice President, Finance. He takes over from **Robert Dellinger**, who is resigning for health-related reasons. Navikas has been Controller since he started at the company in 1995.

Pulte Group

- Homebuilder PulteGroup Inc. has appointed **Robert O'Shaughnessy** to lead the finance function, effective May 31. He takes over from **Roger Cregg**, who is retiring. Most recently, O'Shaughnessy was CFO of Penske Automotive Group.

Sealed Air

- Sealed Air Corporation's Chief Financial Officer, **David Kelsey**, has announced he is leaving. A search for a replacement is currently under way. Treasurer, **Tod Christie**, has been named Interim CFO.

UGI Corp.

- **Robert Flexon** became the new Head of Finance at energy products and services distributor UGI Corp., on February 14. He takes over from **Peter Kelly**, who had earlier announced he would retire next month. Previously, Flexon was CEO of Foster Wheeler AG.

PPG Industries

- Whirlpool announced its Chief Financial Officer succession plan in preparation for **Roy Templin's** retirement in April of next year. **Larry Venturelli**, the company's Chief Accounting Officer, Corporate Controller, and CFO of Whirlpool International will move into the Chief Financial Officer chair.

Services

AECOM Technology Corp.

- AECOM Technology Corp. has promoted Head of Finance **Michael Burke** to the post of President, effective October 1. He has been at the technical and management support services provider since 2005 and was named CFO the following year. He will be succeeded by **Stephen Kadenacy**, who joined the firm in 2008 as Senior Vice President, Finance.

Cablevision Systems Corp

- Executive Vice President **Gregg Seibert** has added to his responsibilities by taking on the top finance spot at Cablevision Systems Corp. He succeeds **Michael Huseby**, who has resigned but is expected to stay on through July 1 to help with the transition. Seibert has been at the company since 2009; prior to that, he was Vice Chairman of Merrill Lynch.

R.R. Donnelley & Sons Co.

- R.R. Donnelley & Sons Co. has promoted **Daniel Leib** to lead the finance function. He takes over from **Miles McHugh**, who has resigned. Leib has been at the printing company since 2004 and has held several finance positions, including Senior Vice President- Treasury, Mergers & Acquisitions and Investor Relations.

Time Warner Cable Inc.

- **Irene Esteves** will be the new Finance Chief at Time Warner Cable Inc. She takes over from **Robert Marcus**, who was promoted to the roles of President and Chief Operating Officer last year, but also stayed on as CFO until his replacement could be found. Most recently, Esteves headed finance at XL Group plc.

United Stationers Inc.

- **Fareed Khan** has been named to the top finance spot at United Stationers Inc., effective July 18. He will succeed **Victoria Reich**, who announced in November that she would leave the company. Previously, Khan was Executive Vice President, Finance and Strategy, at USG Corp.

Xerox Corp.

- **Luca Maestri** was named CFO of Xerox Corp., which became effective on February 16. Most recently, he headed finance at Nokia Siemens Networks. Maestri succeeded **Lawrence Zimmerman**, who has retired from both his post as Head of Finance and also his post as Vice Chairman.

YRC Worldwide Inc.

- **Sheila Taylor**, who had led the top finance spot at global-logistics and transportation company, YRC Worldwide Inc. since 2009, left the firm on March 31. Board member **William Trubeck** will serve as Interim CFO while the company finishes a restructuring.

Technology

3M Inc.

- 3M has announced that **David Meline** has been promoted to the posts of CFO and Senior Vice President, Finance. This appointment was made effective on April 1. He succeeds CFO **Patrick Campbell**, who retired on May 1. Meline, who is currently Corporate Controller and Chief Accounting Officer, joined the company in 2008.

AT&T Corp.

- **Rick Lindner**, finance chief at AT&T since 2004, will retire on June 1. He will be succeeded by **John Stephens**, who has been at the company for 19 years and has been Controller since 2001.

Anixter International Inc.

- **Dennis Letham**, who has led the finance function at Anixter International Inc. for 18 years, will retire at the end of June. He will be succeeded on July 1 by **Ted Dosch**, who has been Senior Vice President-Global Finance since January 2009. Before coming to Anixter, Dosch was CFO, North America, at Whirlpool Corp.

Oracle Corp.

- President **Safra Catz** will add CFO to her title at Oracle Corp. She succeeds **Jeff Epstein**, who has resigned. Catz has been at the firm since 1999 and has been President since 2004. She also held the top finance spot once before, from 2005 to 2008.

Yahoo!

- **Timothy Morse**, Chief Financial Officer at Yahoo!, was named Interim Chief Executive Officer in the wake of **Carol Bartz's** departure.

About Russell Reynolds Associates

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Our in-depth knowledge of major industries and our clients' specific business challenges, combined with our understanding of who and what make an effective leader, ensures that our clients secure the best leadership teams for the ongoing success of their businesses. For more information, please visit us at www.russellreynolds.com.