

Trends and Moves

European CFO Moves 2014: Q1 – Q2

To provide insights into trends in the European chief financial officers (CFO) market, Russell Reynolds Associates’ Financial Officers practice tracked and analysed CFO changes at Europe’s 450 largest companies. Below is a summary of our findings, followed by a detailed listing of the finance leader moves.

Key Findings

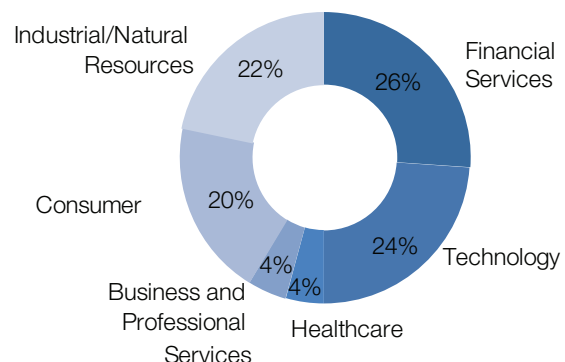
- CFO turnover remains above 20%, continuing an 18-month trend. In the downturn, turnover fell to 13%.
- Employee retention needs attention. Employees who have stayed loyal during the downturn now may be considering a move, and the buoyant hiring market means they have many options.
- Twenty-five percent of FTSE 100 CFO appointments were women, ensuring that the percentage of women in the CFO seat gradually is increasing from the long-standing 10% level.
- Fifty-two percent of all CFO appointments were external hires (70% in Technology and 66% in Financial Services). This is significantly higher than in North America, where strategic succession planning is driving a far higher proportion of internal candidate solutions.
- Seventy-eight percent of internal appointments had worked for their organisation for at least five years.
- Fourteen percent of CFO hires arrived primarily from investment banking roles.
- Twenty-five percent of the moves were a result of the incumbent CFO stepping up to the chief executive officer (CEO) position or another general management role.

Industry breakdown of CFO moves

CFO turnover across all sectors remains high.

Companies emerging from the downturn are seeking growth-oriented CFOs, while after six or seven years in that role through the downturn, many CFOs are ready to make a change.

Industry Breakdown of European CFO Moves
Q1 and Q2 2014



Trends and Moves

WHERE DID THEY GO?

Financial Services

Aviva Plc has appointed **Thomas Stoddard** as CFO. Prior to arriving at Aviva, he was Senior Managing Director, Head of Global Financial Institutions Advisory at Blackstone, a global investment and advisory firm. He replaces Pat Regan, who has left Aviva to become CFO of QBE Insurance Ltd.

International Personal Finance Plc has hired **Adrian Gardner** as CFO. He joins the company from his role at RSM Tenon, where he was CFO. Former CFO David Broadbent was promoted to the Chief Commercial Officer role.

Nordea Bank AB has promoted **Torsten Jorgensen** to the position of CFO. He was Chief Operating Officer before moving to the position of CFO. He replaces Fredrik Rystedt, who is the new CFO of Svenska Cellulosa Aktiebolaget SCA.

Old Mutual Plc has promoted **Ingrid Johnson** from Nedbank to the position of Group Finance Director. She was Group Managing Executive of Nedbank's Retail and Business Banking. She replaces Philip Broadley, who has left the group.

Paragon Group has promoted **Richard Woodman** to the position of Group Finance Director. He joined Paragon in 1989 and replaces Nick Keen, who now is Chairman of the Iden division.

Royal Bank of Scotland Group has appointed **Nathan Bostock** as CFO from the CEO role at Lloyds Wholesale Banking. He subsequently left to join Santander as UK Deputy CEO. Royal Bank of Scotland later hired Ewen Stevenson from Credit Suisse to the vacant Group CFO role. Stevenson previously was Co-head of Credit Suisse's Investment Bank.

Standard Chartered Plc has appointed **Andrew Halford** from Vodafone to the position of Group Finance Director. He also is a Non-executive Director of Marks & Spencer's Group plc. He replaces Richard Meddings, who has stepped down.

Standard Life Plc has appointed **Luke Savage** as CFO. He previously was Finance Director at Lloyds of London. He replaces Jackie Hunt, who moved to Prudential plc as CEO of its UK business.

Zurich Insurance Group AG has appointed **George Quinn** as CFO. He previously was at Swiss Re as CFO and promoted David Cole to CFO from the Chief Risk Officer role.

Technology

Aggreko Plc has promoted **Carole Cran** to Group CFO following her appointment as interim CFO in April. She replaces Angus Cockburn, who has moved to interim CEO.

ASML Holding N.V. has appointed **Wolfgang Nickl** to the role of CFO. He previously worked for Western Digital Corporation, where he was CFO. He succeeds Peter Wennick, who has stepped up to the CEO role.

Cable & Wireless Communications Plc has appointed **Perley McBride** to the position of Group CFO. McBride was CFO of Leap Wireless International Inc. and succeeds Tim Pennington, who left to join Millicom International Cellular S.A.

Deutsche Telekom AG has promoted **Thomas Dannenfeldt** to CFO. Previously, he was Finance Director of the German business. He replaces Timotheus Hottges, who has moved from CFO to CEO following the departure of former CEO Rene Obermann.

Trends and Moves

Immarsat Plc has hired **Tony Bates** to the position of CFO. Previously, he worked at hibu Ltd as Group CFO. He succeeds Rick Medlock, who joined Misys Plc to take the role of CFO.

Informa Plc has promoted **Gareth Wright** to Group CFO from Blackstone, where he was Senior Managing Director, Head of Global Financial Institutions. He succeeds Adam Walker, who joined GKN plc as Group Finance Director.

Sage Group Plc has appointed **Stephen Hare** as CFO. He previously was at Apax Partners, where he was an Operating Partner. He succeeds Paul Harrison, who joined WANdisco, Inc. as CFO.

Spirent Communications Plc has promoted **Rachel Whiting** to the position of CFO. She previously was Company Secretary and will continue in this role alongside her position of CFO. She replaces Eric Hutchinson, who has moved to CEO. Whiting has been with the firm for 28 years.

Telecity Group has announced **Eric Hageman** as CFO. He previously was CFO at Koninklijke KPN N.V. He succeeds Brian McArthur-Muscroft, who stepped down from his position as Group Finance Director earlier this year.

TeliaSonera has promoted **Christian Lugia** to Group CFO after five years with the company. He replaces Per Arne Blomquist.

Vodafone Group Plc has promoted **Nick Read** to Group CFO. Prior to this appointment, he was CEO of Africa, the Middle East and Asia/Pacific for the company. Joining in 2001, he also has held roles as CFO, Chief Commercial Officer and CEO of Vodafone UK. He succeeds Andrew Halford, who now is Group CFO at Standard Chartered.

Healthcare

Novartis AG has promoted **Harry Kirsch** to the position of CFO. He has been with Novartis for 11 years. He succeeds Jonathan Symonds, who has joined the Board of HSBC.

Shire Plc has promoted **James Bowling** to be interim CFO. He will carry on in his role as Vice President of Group Finance. He replaces Graham Hetherington, who has left the company to pursue other interests.

Business and Professional Services

PageGroup has promoted **Kelvin Stagg** to the position of CFO. He was appointed acting CFO in October 2013 and held the title of Company Secretary until December 2013. He succeeds Andrew Bracey.

Consumer

AO World Plc has promoted **Stephen Counce** to Chief Operating Officer and CFO ahead of its initial public offering in June 2014. Counce previously was Finance Director and Company Secretary. He has been AO's Executive Director since having joined the company in 2005. Previously, he was Finance Director with Phones 4U Limited between 2001 and 2003.

Ted Baker Plc has promoted **Lindsay Dennis Page** to the role of Group Finance Director and Chief Operating Officer. He has been with the firm for 17 years.

Debenhams Plc has appointed **Neil Kennedy** to the role of acting CFO on an interim basis. He previously was Director of Finance and replaces Simon Herrick, who resigned in January.

Trends and Moves

Domino's Pizza Group Plc has hired **Sean Wilkins** to take the position of CFO. Previously, he worked for Coles Group, where he was General Manager of Supermarkets Finance. He replaces Lee Ginsberg, who left the business and has taken a number of Non-executive Director roles.

Howden Joinery Group Plc has promoted **Theresa Keating** to the position of Finance Director. She previously was Group Financial Controller and has been with the firm for nearly 15 years. The business also promoted Mark Robson, who has stepped up to serve as Deputy CEO.

InterContinental Hotels Group Plc has promoted **Paul Edgecliffe-Johnson** from CFO, AMEA, to Group CFO. He has been with the firm for almost 10 years. He succeeds Tom Singer, who has left the company.

Moneysupermarket.com Group Plc has appointed **Matthew Price** as CFO. Previously, he was Financial Director at Costa Coffee, a division of Whitbread plc. He succeeds Paul Doughty, who held the role for a decade.

Vivendi SA has appointed **Hervé Philippe** to the position of CFO. He previously was at Havas Group, where he was Chief Financial Officer. He replaces Philippe Capron, who has moved to Veolia Environnement S.A. to become Senior Executive, Vice President and Chief Financial Officer.

Industrial/Natural Resources

Akzo Nobel N.V. has hired **Maëlys Castella** as CFO. Previously, she worked at Air Liquide for 14 years, most recently as Group Deputy CFO. She replaces Keith Nichols, who resigned earlier in the year.

BBA Aviation Plc has appointed **Mike Powell** to the position of Group Finance Director. Powell previously was CFO at AZ Electronic Materials Plc, which was acquired by Merck. He succeeds Mark Hoad, who has stepped down.

Cairn Energy Plc has appointed **James Smith** to the position of Finance Director. He previously was at Rothschild, where he was Director of the Energy & Power team in London. He replaces Jann Brown, who has stepped down and now is Chair of the Consultative Committee of Accountancy Bodies.

Johnson Matthey Plc has appointed **Dennis Jones** as Group Finance Director. Previously, he was interim CFO at BG Group. He replaces Robert McLeod, who has moved to the role of CEO.

Kentz Corporation Limited has appointed **Meg Kash Lassarat** as CFO. She previously was with UniversalPegasus International, where she was CFO. She succeeds Ed Power.

Kier Group Plc's Group Finance Director **Haydn Mursell** was promoted to CEO, leaving his previous position vacant. Haydn takes over from Paul Sheffield, who has stepped down from his role as CEO.

SOCO International Plc has appointed **Anya Weaving** as CFO. She previously was Managing Director, Mergers & Acquisitions, with responsibility for the oil and gas sector at Bank of America Merrill Lynch. She succeeds Roger Cagle, who will continue as Deputy CEO.

Victrex Plc has appointed **Louisa Burdett** to the role of Group Finance Director. Previously, she worked at Optos Plc, where she

Trends and Moves

Succession Planning

The rate of external CFO hires in Europe is far higher than in North America, reflecting a less rigorous approach to succession planning.

With CFO turnover at the highest level since 2007, succession planning must be a critical component of the CFO's agenda.

In response to increased board attention on succession planning, we are increasingly delivering bespoke succession solutions to our clients in the form of a suite of services that include:

- Competency-based interviewing with a CFO specialist
- Leadership and behavioural assessment through our qualified psychologists
- Benchmarking against the external market
- Psychometric testing
- Referencing
- Cultural analysis
- Development plans

Through this work, our clients gain valuable insights into the capabilities of their senior finance team. This includes assessing individual strengths, weaknesses, promotion potential and development areas and evaluating how each leader benchmarks against the external market and how each executive works as a team player.

We would welcome the opportunity to describe these services and explain how impactful they can be to your organisation.

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