



CEO Succession Planning

CEO succession planning has always been a central focus of Russell Reynolds Associates' CEO/Board Services Practice. Our ongoing work with CEOs and boards spans sectors and global regions. We often share these insights with our clients and with the larger corporate governance community through our published research, panel discussions and other venues.

One of the most important corporate governance lessons is CEO succession planning. There have been numerous high-profile examples of companies such as AIG, General Motors, Sears and Yahoo! who suffered an unplanned CEO departure and were caught off-guard when having to name a replacement. Unfortunately, weak succession planning is more common than these highly visible examples suggest. Global statistics showed that an estimated 43% of large cap company CEO successions are unplanned; it is easy to see that boards continue to carry a high level of "succession risk".

There are a number of forces and reasons why succession planning is neglected, most important of which is the lack of urgency. Most of the time, the CEO's departure is viewed as a far-off, theoretical event, and it is easy for succession to get neglected in favour of more immediate and tangible issues the board must address. Succession planning also underscores the current CEO's mortality; on an emotional level, active succession planning can be seen to relegate the current CEO to lame-duck status. Succession planning almost always stirs up uncomfortable issues, and the board must maintain the commitment to work past them.

Good succession planning requires various prerequisites:

- 1) **There must be an established level of trust between the board and the CEO.** The board must be fully apprised of the CEO's plans and expectations, and, at the same time, active succession planning must not be seen to undermine the CEO's position. As a corollary to that trust and communication, there needs to be a clear demarcation of authority between the CEO and the board. While the CEO should expect input into the succession process, that process needs to be driven by the board.
- 2) **The board must approach succession planning as an ongoing process rather than as an item to check off on an annual agenda. The process must be proactive rather than reactive.** Good succession planning interacts with multiple elements of the business, particularly corporate culture, strategic planning and leadership development. It therefore needs to be seen as a critical component in its own right.
- 3) **The board should examine its own track record on succession.** Has the board handled its own succession well or has the board become entrenched with long serving members? How smooth was the company's last CEO succession?
- 4) **A current and detailed corporate strategic plan is at the centre of the process.** That plan should be fairly specific through the next three to five years in addition to setting forth objectives in broader strokes for the period beyond that.
- 5) **The human resources function must be fully aligned and capable of partnering in the succession planning process.** HR must consistently be identifying and strategically developing a pipeline of internal candidates through careful assessment tools.

For more insight into the implementation of CEO succession planning and the successful transition process, please click [here](#).

In our next quarterly newsletter, we will share more research and analysis on special situations, such as CEO succession planning within family-controlled companies in the East and the West.

Q2 People Moves

Aviva

- Anuradha Purbey has been appointed HR Director at Aviva in Singapore, responsible for leading the People and CR agenda for Singapore and managing the HR Shared Services function. Some of Ms. Purbey's previous roles include Director of HR Change in Aviva's Regional Office in Singapore, HR Director for Aviva India and Talent Manager for Cargill, USA. She has over 17 years of experience in strategic planning, HR business partnering, change management and talent engagement in countries including India, the US, Singapore, Indonesia and Vietnam. (Singapore)

AZ Electronic Materials

- Daniel Wan has been appointed Group HR Director at AZ Electronic Materials. Mr. Wan will play a key role as a member of the global executive team and ensure the alignment of the people strategy for AZ's global business growth. He was previously at Avery Dennison as Senior Director of Corporate Learning and Organisational Development, and before that Asia Pacific HR Director of label and packaging materials. Mr. Wan has also worked for other international companies including BP and Intel Semiconductor. (Hong Kong)

CEVA Logistics

- Josie Holdstock has been appointed Vice President of HR at CEVA Logistics in Australia. Ms. Holdstock will be responsible for managing the ANZ region and driving the strategic HR alignment. She was previously HR Director of Asia Pacific at PZ Cussons, and worked in other multinational companies such as Kraft Foods and Eaton. (Australia)

Dolce & Gabbana

- Mayumi Terada has been appointed HR Director of Japan at Dolce & Gabbana. Ms. Terada had previously served as HR Manager of Timberland Japan. She began her career at Shiki-Gakuin, then joined Keio Plaza Hotel and subsequently Lotus Development Japan. Ms. Terada received her BA from Hosei University. (Japan)

Fabricant

- Takahiro Miyata has been appointed HR Director of Japan at Fabricant. Mr. Miyata previously served as Senior Manager of HR, responsible for the APAC region at Newell Rubbermaid Office Products. He began his career at Bayer Yakuin in 1995 and received his BA from Coe College and MBA from Kwansei Gakuin University. (Japan)

FMC Corporation

- Joyce Zhu has been appointed HR Director of Asia Pacific at FMC Corporation. Ms. Zhu will be responsible for guiding the strategic direction of the business across the region. She was previously HR Director of APAC for UPM China and HR Director of China at Goodyear Tire. She has also worked in other international companies such as Delphi, Siemens and Emerson Electric. (China)

Kraft Foods

- Lisa Eccleston has joined Kraft Foods as HR Director ANZ. Ms. Eccleston previously led the HR function across Amcor's Australasian and Packaging Distribution business from 2008 to mid 2012. She joined Amcor from PricewaterhouseCoopers where she was Director, People and Change. She has a Bachelor of Business from Monash University. (Australia)

Lafarge

- Seet Hooi Ping has been promoted to Vice President of HR (Country HR Director) for Lafarge group of companies in Malaysia and also a member of the Country Executive Committee, while continuing to head the legal function in Malaysia. Ms. Seet joined as Vice President of Legal & Business Affairs in 2009, then as Company Secretary, and later promoted to Vice President of HR & Legal for Lafarge Malayan Cement in 2011. (Malaysia)

MediaCorp

- Kenneth Soh has been appointed Chief HR Officer at MediaCorp. He will be responsible for leading the HR team to support the organisation's strategies, and strengthen its partnering and talent development functions. Mr. Soh has 22 years of executive work experience spanning HR, retail sales and business operations. He spent 20 years with Shell Eastern Petroleum and his last role there was HR General Manager for Singapore. (Singapore)

MetLife Alico Life Insurance KK

- Mayuko Seto has been appointed Vice President of HR Business Partner at MetLife Alico Life Insurance. Ms. Seto was previously Director, Head of HR Japan, at Société Générale. Prior to that she was HR Director of Japan at GE Money. She received her BA from Tokyo University of Foreign Studies and her MA from Lesley College. (Japan)

News Limited

- Janine Stewart has been appointed Director of People and Culture for News Limited, responsible for a new people strategy and leading News' cultural change programme. Ms. Stewart was previously Group Executive of People and Culture at Perpetual, the Australian investment and trustee group. She also worked for four years with Qantas, most recently as General Manager - People and Customer Service and before that in various roles with the former Australian airline Ansett Australia. Ms. Stewart was nominated by the Financial Services Institute of Australia as a finalist in the Most Outstanding Woman in Financial Services Award in 2011. (Australia)

Ranbaxy Laboratories Limited

- Sandeep Girotra has been appointed Senior Vice President and Global Head of HR at Ranbaxy Laboratories Limited. Mr. Girotra was previously Head of HR, India and EMEA, at Convergys Corporation. Prior to this, he worked with GE Capital as Director of HR and Learning & Development, Asia Pacific. He was also Vice President of HR at Hyundai Capital Services (a joint venture between GE Money and Hyundai Capital). Mr. Girotra has also worked with organisations such as SIEL and DuPont earlier in his career. He received his Bachelor in Commerce from Hindu College, and his Masters in Personnel Management and Industrial Relations from Tata Institute of Social Sciences. (India)

For further information on our HR functional capability in Asia, please contact:

Caroline Raggett

Russell Reynolds Associates Hong Kong
Room 1801, 18/F
Alexandra House
18 Chater Road
Central
Hong Kong

Direct line: +852-2844-0802
Mobile: +852-9187-3094
Email: caroline.raggett@russellreynolds.com
www.russellreynolds.com/caroline-raggett

Kalpana Denzel

Russell Reynolds Associates Singapore
2 Shenton Way
#08-01 SGX Center 1
Singapore 068804
Singapore

Direct line: +65-6225-1811
Mobile: +65-9027-9349
Email: kalpana.denzel@russellreynolds.com
www.russellreynolds.com/kalpana-denzel

Adela Yang

Russell Reynolds Associates Shanghai
Room 4504
Jin Mao Tower
88 Century Avenue
Shanghai 2001211
China

Direct line: +86-21-6163-0888
Mobile: +13-5018-25277
Email: adela.yang@russellreynolds.com
www.russellreynolds.com/adela-yang

Elisa Hukins

Russell Reynolds Associates Melbourne
Level 51
Rialto Towers
Melbourne, VIC 3000
Australia

Direct line: +61-3-9603-1300
Mobile: +61-0408-864-182
Email: elisa.hukins@russellreynolds.com
www.russellreynolds.com/elisa-hukins

About Russell Reynolds Associates

Leadership for a Changing World. In today's global business environment, success is driven by the talent, vision and leadership capabilities of senior executives.

Russell Reynolds Associates is a leading global executive search and assessment firm with more than 300 consultants based in 40 offices worldwide. Our consultants work closely with public and private organizations to identify, assess and recruit senior executives and board members to drive long-term growth and success. We value teamwork, serving our clients with a collaborative approach that spans our international network of sector and functional experts.

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, ensure 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.