

GM CFO Unexpectedly Quits, Likely For CEO Snub

Tom Krisher, AP Auto Writer

DETROIT (AP) — The chief financial officer who guided General Motors Co. to its first profitable year since 2004 and led its successful return to the stock market is leaving after being passed over for the top job.

Chris Liddell will step down on April 1 after just 15 months at GM. He'll be replaced by Treasurer Dan Ammann, a former Wall Street banker, the company said in a surprise announcement on Thursday.

Liddell, 52, a former CFO at Microsoft Corp., was once considered a candidate to succeed Chief Executive Ed Whitacre. But GM's board instead picked current Chairman and CEO Dan Akerson when Whitacre made a surprise exit in August.

During a hastily arranged conference call with reporters, Liddell said he had no job lined up, but doesn't want to be a chief financial officer any longer. He said he achieved his goals of pulling off GM's IPO, fixing its accounting problems and getting the company back on sound financial footing.

Akerson, 62, has said his stay at GM would not be short but hasn't given details. For Liddell, that could mean years before he gets a second shot at the top job.

The move is the latest executive shake-up at GM, which emerged from bankruptcy protection in July of 2009. The company has had four CEOs in less than two years and an equal number of CFOs. Within the past year it has changed top executives in marketing, product development and other areas.

Shares of GM hit \$30.95 Thursday — their lowest point since the November initial public offering — before recovering to close down 83 cents at \$31.42. The Dow Jones industrial average declined 228 points, or 1.9 percent. GM stock has been trading below the IPO price of \$33 since late February, after the company posted fourth-quarter earnings that were below the three previous quarters. Also, unrest in the Middle East has driven up gasoline prices, a risk to future sales of GM's trucks and SUVs.

Itay Michaeli, auto analyst with Citi Investment Research, blamed most of GM's drop on the broader market decline, but said Liddell's departure would have an impact.

"To see a major management change just when you thought there would be no more management changes is going to rattle things a little bit," he said.

Liddell's departure leaves GM with no clear succession plan for when Akerson leaves, although analysts see GM Vice Chairman Steve Girsky and North American President Mark Reuss as top candidates for the job.

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All the changes have left GM with few top leaders with a global view of the auto business, and that could hurt the company this year, said Jeffrey Sonnenfeld, a professor at the Yale School of Management and an expert on corporate governance.

"The place is in turmoil needlessly," he said.

Akerson on Thursday predicted a smooth transition in finance from Liddell to Ammann.

Liddell joined GM in January 2010, saying he was leaving Microsoft with an eye on taking a higher position after serving as CFO at Microsoft and International Paper. Whitacre told reporters that Liddell would be a candidate to replace him. When Akerson got the job that led to speculation that Liddell was unhappy about being passed over.

Liddell told reporters he has not looked for another job while at GM, but indicated Thursday that a CEO post might be in the offing.

"I have a number of interesting ideas which I have in the back of my mind, but none of them have CFO on it," he said during the conference call.

Under Liddell, GM posted four straight profitable quarters and began to repair accounting troubles that had plagued it for years.

Akerson said Liddell was a major contributor to GM during a pivotal time in company history.

"He guided the company's IPO process and established a good financial foundation for the future," he said.

If Liddell's aim is to return as CEO of a major technology company, there aren't many seats open. One that is: Advanced Micro Devices Inc., Intel Corp.'s largest competitor in making microprocessors for personal computers. AMD, based in Sunnyvale, Calif., ousted its CEO in January and is searching for a replacement. The interim chief doesn't want the permanent job.

Ammann, 38, Liddell's replacement, joined GM as treasurer in March of 2010. Before GM, he was managing director and head of industrial investment banking for Morgan Stanley. His replacement will be announced later. Vice Chairman Girsky, a close Akerson confidant, was an auto industry analyst at Morgan Stanley.

Ammann told reporters that he is committed to GM for the long term, and he agrees with Liddell's financial strategies after working closely with him on the IPO. Investors, he said, could expect "more of the same."

Some industry analysts wonder if Liddell's departure was prompted by GM's decision in the past two months to raise incentives — such as low-interest loans and lease deals — moves that could hurt the bottom line in the first quarter.

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But Liddell said his leaving has nothing to do with the inner workings of the company or its first-quarter performance, and Akerson said the company was off to a fast start for the quarter.

GM had been plagued with financial reporting problems heading into and emerging from bankruptcy protection. Going into its IPO last year, the company said weaknesses in its financial controls meant many of its numbers could not be considered reliable.

But just two weeks ago, when GM released its 2010 earnings, the company said those problems had been fixed.

GM reported net income of \$4.7 billion last year, fueled by strong sales in China and the U.S. as the global auto market began to recover. It was the company's best performance since earning \$6 billion in 1999 during the height of the pickup truck and SUV sales boom.

GM took nearly \$50 billion in U.S. government aid to help it survive in 2009. The government got \$13.5 billion from selling stock in the IPO and will have to sell its remaining shares for \$53 each to break even. The Canadian and Ontario governments and a union health care trust fund also sold stock in the IPO.

AP Auto Writer Sharon Silke Carty in Detroit contributed to this report.

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