

Key Leaders In Ford's Renaissance Will Retire

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DETROIT (AP) — Two key leaders in Ford's remarkable turnaround are retiring.

Lewis Booth, chief financial officer, and Derrick Kuzak, product development chief, will leave the company April 1.

The moves, in the works for months, raised questions about how long CEO Alan Mulally, 66, will stay in his job and whether Ford can continue its renaissance under new executives.

President and Controller Bob Shanks, 59, will succeed Booth. Vice President of Engineering and Product Development Raj Nair, 47, will replace Kuzak. Mulally said the promotions were part of the company's succession plan for every top management position.

Kuzak, 60, and Booth, 63, each served more than three decades with the Dearborn, Mich., company. Their most important years were the last five when Ford turned itself around after borrowing \$23.5 billion in 2006 to stay in business. Both were once in a pool of candidates to succeed Mulally, but bowed out when it became clear that the youthful, energetic CEO would stay beyond the normal retirement age of 65.

Although Kuzak and Booth helped to spearhead Ford's renaissance, the company should continue its progress after they leave, said Bruce Clark, senior vice president of Moody's Investors Service.

Under Mulally, the company has focused on the "One Ford" plan, rolling out new products, matching production to demand, paying down debt in an effort to return to investment-grade status, and cutting engineering and design costs.

"We don't think that these changes in any way alter the financial or operational strategy that's been in place," Clark said.

Company insiders say the leading candidates to replace Mulally are now Americas President Mark Fields, Asia Pacific and Africa President Joe Hinrichs and Ford of Europe CEO Stephen Odell.

Mulally wouldn't talk about when he will leave the company or who might succeed him. "I have no plans to retire, and I'm absolutely thrilled and honored to continue to serve Ford," he said Thursday. He was hired away from aviation giant Boeing Co. in 2006 to rescue Ford.

Booth led Ford Motor Co.'s financial operations through the banking crisis in 2008. As the company returned to profitability, he pushed to repay nearly all of the money

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it borrowed to survive.

Kuzak is credited with shifting Ford's focus from trucks to cars at a time when gas prices were rising and buyers placed greater value on fuel economy.

He has also led an effort to lower engineering costs by hundreds of millions of dollars by designing cars to be sold in all markets across the globe. Before Mulally appointed Kuzak to head product development, Ford's global regions operated as independent companies, designing their own models.

Shanks began his career with Ford in 1977. He has been a corporate officer since 2004. He was vice president of finance and strategy for the company's European operations and CFO of the Ford's Premier Automotive Group, which included Jaguar, Land Rover and Aston Martin before they were sold. Shanks also served as CFO of Japan's Mazda when Ford controlled it, and he held financial posts in Taiwan, South America and with the company's Asia Pacific operations. He is a graduate of Georgetown University and has a master's degree from the American Graduate School of International Management.

Nair joined Ford as an engineer in 1987 and has held leadership posts in the U.S., Europe, and Asia. He was vice president of operations in the Asia Pacific Africa region and led North American product development and new model programs. He currently heads Ford's global engineering. Nair has a degree in mechanical engineering from Kettering University in Flint, Michigan.

Also Thursday, Ford's board appointed former Republican presidential candidate Jon Huntsman Jr. as a company director.

Ford's stock price fell 11 cents, or just under 1 percent, to \$12.73 in midday trading, about the same decline as the broader market.

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