

The 10 Biggest CEO Departures Of 2018

A number of high-profile CEOs from some very large and consequential companies called it quits this year. Some were forced out, some exited having guided their companies to relatively safe harbor, and one unexpectedly passed away. We do not claim to have listed everyone who traded in their seat at the head of the table in 2018, but these are some of the more notable ones.

Kevin Systrom, Instagram

In 2006, while a senior at Stanford University, Kevin Systrom was offered a position at Facebook by the then up-and-coming social media company's founder and CEO Mark Zuckerberg. He famously turned Zuck down, electing to stay in school.

Regardless of the declined opportunity, Systrom, 34, wound up at Facebook anyway, but on his own terms. In 2012 he sold his fast-growing photo sharing network, Instagram, to the social media behemoth for about \$1 billion, earning himself a \$400 million payday based on his then 40% stake.

This September Systrom, Instagram's CEO, and his cofounder Mike Krieger, announced they would step away from the company amid alleged tensions with Zuckerberg. In staying on with the firm for six years following Instagram's acquisition, Systrom has been instrumental in cultivating the company's revenue-generating advertising offerings, as well as its reach with a younger demographic at a time when young people are turning away from Facebook.

Indra Nooyi, Pepsi

In October big business lost one of its few female CEOs, as Indra Nooyi resigned from Pepsico after a dozen years in the top spot.

Nooyi, 63, who will remain as chairman of Pepsico through the start of 2019, spent 24 years with the company and led the organization as it sought to evolve with a changing food industry that is placing greater emphasis on healthier products. Last year, thanks to her leadership, Pepsico declared that 'better-for-you' items accounted for 50% of its offerings.

She leaves the company as its annual revenue stands at \$63.5 billion—up from \$35 billion per year when she began her stint as its CEO in 2006—and Pepsico's share price has almost doubled in that time.

Matthias Müller, Volkswagen

When Matthias Müller took over as CEO of Volkswagen in 2015, he was installed as a replacement for Martin Winterkorn, on whose watch the company was discovered to have

installed software in its vehicles meant to fool emissions testing—a scandal that embarrassed the well-known German automaker and cost the company more than \$15 billion in fines and compensation.

This spring, the world's largest automaker announced that Müller would step down. He was replaced by VW brand manager Herbert Diess.

Under Müller, who had previously been chief executive of VW subsidiary Porsche, Volkswagen invested heavily in the development of electric vehicles and attempted to overhaul the company's management structure. Under him, the firm retained its title as the world's largest automaker and saw its profit margins grow.

Müller, who is 64, earned \$12 million in compensation last year and last March the Volkswagen board voted to give him a 40% pay raise. Despite his resignation, he will continue to be paid through 2020, when his current contract expires.

Lloyd Blankfein, Goldman Sachs

After 12 years atop the mighty Goldman Sachs, CEO Lloyd Blankfein announced his resignation earlier this year. He was replaced by the firm's president and COO, David Solomon.

Blankfein, 64, has held several positions within the firm, including vice chairman, president and COO. This year Blankfein placed #47 on Forbes' list of the world's Most Powerful People.

In a farewell message to his colleagues, he said "When times are tougher, you can't leave. And, when times are better, you don't want to leave."

Sullyng Blankfein's final days at the firm are woeful share prices for Goldman, which are down about 33% from last year, the steepest drop coming this fall in the aftermath of an escalating controversy over allegations that the firm was connected to a conspiracy to launder \$2.7 billion from a Malaysian fund several years ago.

Ian Read, Pfizer

After eight years as the head of one of the world's largest pharmaceutical companies, Ian Read announced this year that he will be stepping down as CEO of Pfizer. Read was a company man, joining the pharma giant in 1978 as an operational auditor and in the years that followed held various positions, including chief financial Officer with Pfizer Mexico, Country Manager in Brazil, president of its International Pharmaceuticals Group, and group president of the Worldwide Bio-pharmaceutical Businesses.

During his tenure as CEO, Read, who is 65, pursued foreign acquisitions to allow Pfizer to avoid U.S. tax penalties. In this Read was an unsuccessful, allowing target like AstraZeneca and Allergan to slip away, while being maligned by U.S. politicians for the effort.

Les Moonves, CBS

CBS's Les Moonves made headlines this year when a dozen women stepped forward accusing the CEO of instances of inappropriate behavior and sexual assault that date back as far as the 1980s, outlined in a series of news media articles. Moonves, 68, denied the allegations. In September CBS' board forced him out, the latest high-profile entertainment figure to come to ruin through allegations of sexual misconduct.

In December, CBS announced that Moonves would not receive a dime of the \$120 million severance package to which he was contractually entitled as an internal investigation into his activities concluded that he had violated company policy. Still, Moonves is far from destitute. The former CEO is worth an estimated \$800 million, \$500 million of which was earned through the sale of CBS stock.

Sergio Marchionne, Fiat-Chrysler

This summer the auto industry lost a true giant, as Fiat-Chrysler CEO, Sergio Marchionne, passed away at age 66 due to complications following shoulder surgery.

Martin Sorrell, WPP

WPP, one of the world's largest advertising and marketing companies, lost its CEO and founder this year: Martin Sorrell, who ran the company for 33 years.

Sorrell's departure comes in the wake of mysterious allegations of misconduct that moved WPP's board to hire an outside law firm to investigate its CEO. The results of the investigation have not been disclosed, but Sorrell later resigned and was replaced by company COO Mark Read.

Sorrell, who is 73 and an icon of entrepreneurship in Britain, acquired WPP in the mid-1980s to act as a holding company for his planned marketing empire. He had previously been the financial director of advertising company Saatchi & Saatchi. His aggressively acquisitive strategy assured fast growth—and debt—for WPP over the years, and last year the conglomerate generated nearly \$19.3 billion in revenue. Sorrell himself earned \$68 million.

But the business life is not over for Sorrell. Shortly after his resignation from WPP, he set the wheels in motion for his latest venture: a communications services firm named S4.

Brian Krzanich, Intel

This year Intel celebrated its 50th year in business. It also bid farewell to its CEO of five years, Brian Krzanich, who was dislodged following the revelation that he'd had a consensual relationship with a subordinate colleague, which violated company policy. He was replaced with company CFO Robert H. Swan.

Krzanich, 58, was a member of Donald Trump's administration's American Manufacturing Council, a body that included Tesla's Elon Musk, Under Armour's Kevin Plank and Michael

Dell. He quit the Council in the wake of Trump's response to the 2017 Unite The Right Rally that left one counter-protestor dead and many others injured.

In November Krzanich announced he had found a new job, assuming the chief executive position of Illinois-based software company CDK Global.

Bob Sauerberg, Condé Nast

Condé Nast announced in November that its CEO, Bob Sauerberg, would step down as soon as a suitable replacement is found. The timing of his departure comes just a few months after Sauerberg set down a turnaround strategy for the publishing conglomerate to return to solvency within two years. Condé Nast says it will adhere to Sauerberg's plans.

Sauerberg joined the company in 2005 and was named president five years later. He was made CEO in January of 2016 and during his tenure as head of the company launched Condé Nast Entertainment.

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