

The logo for SpencerStuart, featuring the company name in a dark blue serif font. The background of the entire page is a vibrant, abstract composition of overlapping semi-circular and circular shapes in a variety of colors including orange, yellow, red, green, and dark blue, creating a dynamic and modern aesthetic.

SpencerStuart

2019 U.S.

CEO Transitions

ABOUT SPENCER STUART

At Spencer Stuart, we know how much leadership matters. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 60 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness. For more information on Spencer Stuart, please visit www.spencerstuart.com.

Social Media @ Spencer Stuart

Stay up to date on the trends and topics that are relevant to your business and career.



© 2020 Spencer Stuart. All rights reserved.

For information about copying, distributing and displaying this work, contact: permissions@spencerstuart.com.

Introduction

Each year, Spencer Stuart tracks CEO transitions among S&P 500 companies. These transitions can be part of a planned succession or can arise unexpectedly, the result of company performance or personal issues. In addition to cataloging the reasons for CEO departures, based on company reporting, we also examine information about the successors, including whether or not they are internal candidates and whether they have been appointed chair of the board in addition to CEO.

In 2019, the number of CEO transitions increased slightly, to 56 from 55 in 2018. Compared to 2018, there were fewer new CEOs (21%) hired from the outside rather than promoted from within their companies. We also saw a decline in the number of CEOs who resigned under pressure, from 22% in 2018 to 13% in 2019.



56

Number of CEO transitions in 2019, a **slight increase from 55 in 2018**

21%

CEOs hired from outside the company, **down from 27% in 2018**

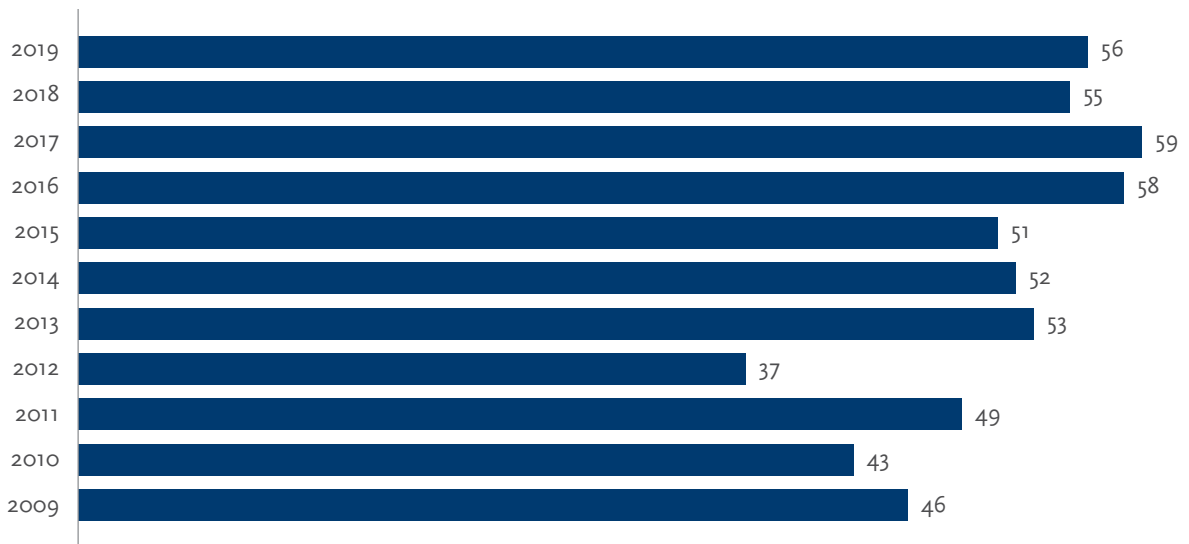
13%

CEOs who resigned under pressure, **down from 22% in 2018**

CEO Transition Overview

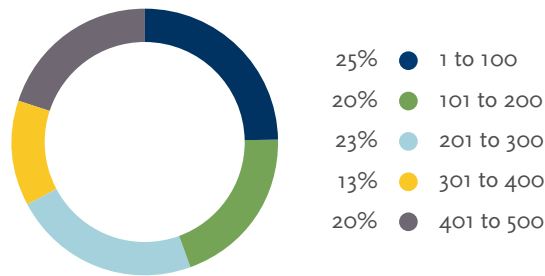
Fifty-six S&P 500 companies installed a new chief executive in 2019, one more than in 2018.

S&P 500 CEO Transitions 2009-2019



The top 100 largest companies by revenue had the largest share of the transitions during 2019 (25%), while companies ranking 301-400 had the smallest share of the transitions at 13%.

Breakdown of 2019 Transitions* by S&P Company Range



*Percentages are rounded up.

Why Do CEOs Leave?

The vast majority — 82% — of CEO transitions were attributed in company reports to the former CEO's decision to retire or step down. This represents an increase from 2018, when 69% of transitions were driven by CEOs retiring or stepping down. In 2019, 13% of CEOs resigned under pressure according to company reports — versus 22% in 2018 — and 4% left for health reasons. One new CEO (representing the final 2%) was named as part of a company spinoff.

Reasons for CEO Transitions



Former CEO retired or stepped down



Former CEO resigned under pressure



Health reasons



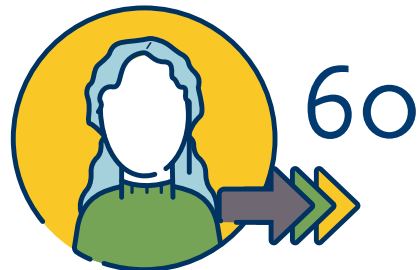
Company spinoff

CEO Profile

The average age of the incoming CEOs is 54, the same as in 2018. The average age of the outgoing CEOs is 60, versus 61 in 2018.



Average age of incoming CEOs, the same as in 2018



Average age of outgoing CEOs, one year younger than 2018

More than one-third, 34%, of the new CEOs have prior outside public company board experience. Seven (13%) of the new CEOs had prior public company CEO experience.



of new CEOs have prior outside public company board experience



of new CEOs had prior public company CEO experience

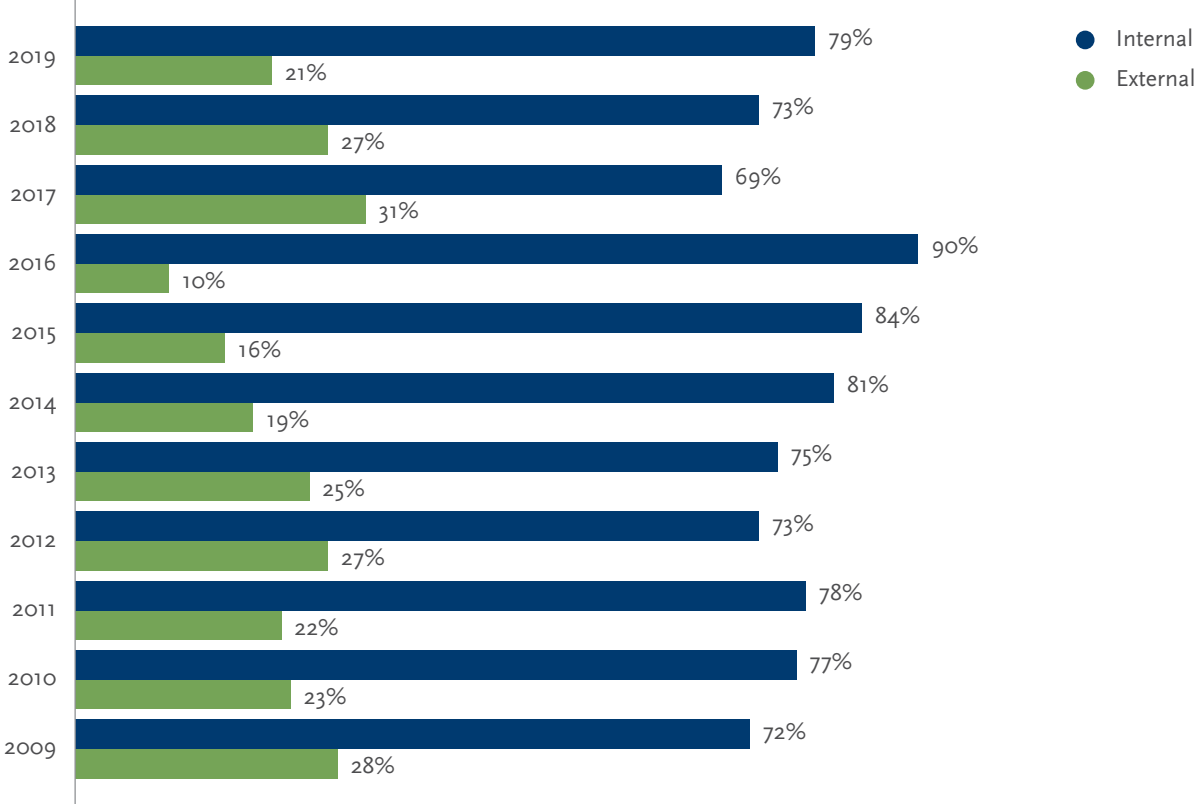
Thirty-eight percent were promoted from the COO and/or president roles, and 25% were promoted from a division CEO or president position. Six of the new CEOs were formerly the CFO, including one who served as interim CEO before becoming CEO.

Five of the new CEOs are women, representing 9% of the new CEOs. Only one woman was named CEO in 2018.

External versus Internal Successors

S&P 500 boards continue to look inside their organizations for CEO successors. Forty-four of the new CEOs — 79% — were promoted from within the company, and 84% of them were identified as part of a planned succession. In 2018, 73% of new CEOs were internal successors, with 80% the result of a planned succession.

CEO Successors: External vs. Internal Candidates

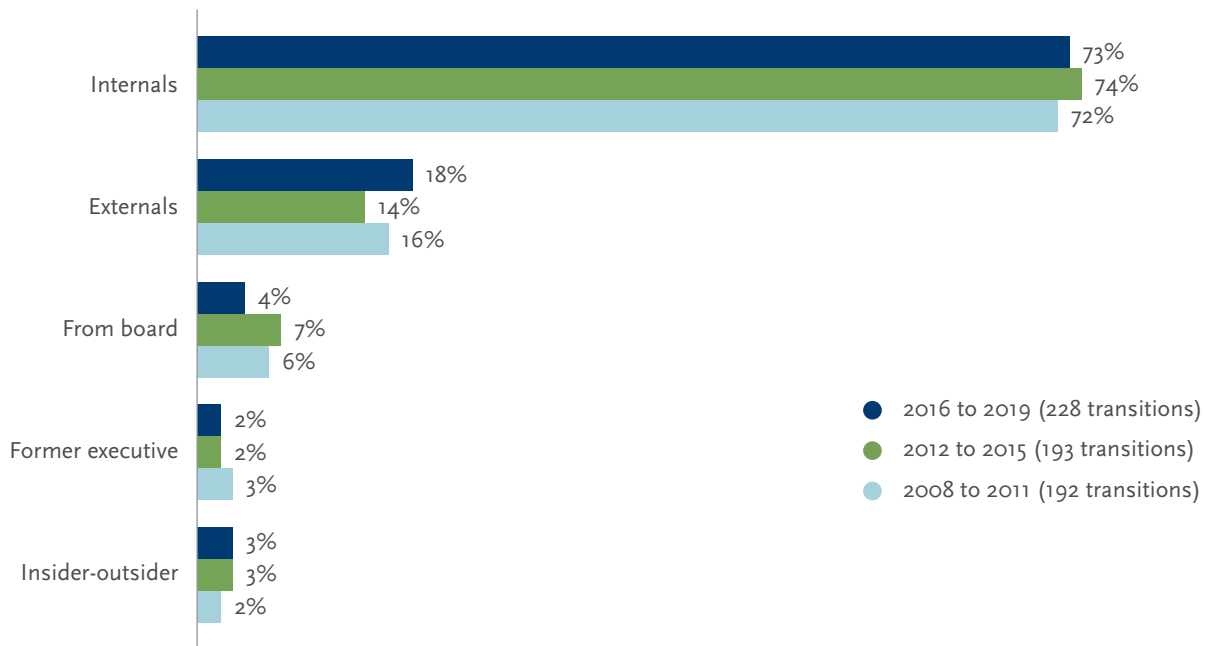


We also examined whether the reason for the former CEO's departure influenced the choice of successor. Our analysis shows that when a CEO resigns under pressure, the board is more likely to select a replacement from outside the company:

- » 46 CEOs retired or stepped down; 39, or 85%, of their successors were internally promoted.
- » 7 CEOs resigned under pressure; 2 (29%) of their successors were promoted from within and 5 (71%) were hired from the outside.

To examine longer-term trends, we further break down the internal and external CEO backgrounds into five categories. For internal, we include internally promoted CEOs, former company C-suite executives and "insider-outsiders," who were recruited from outside the company and promoted into the CEO role within 18 months. Externally recruited CEOs and board directors fall under the external CEO category.

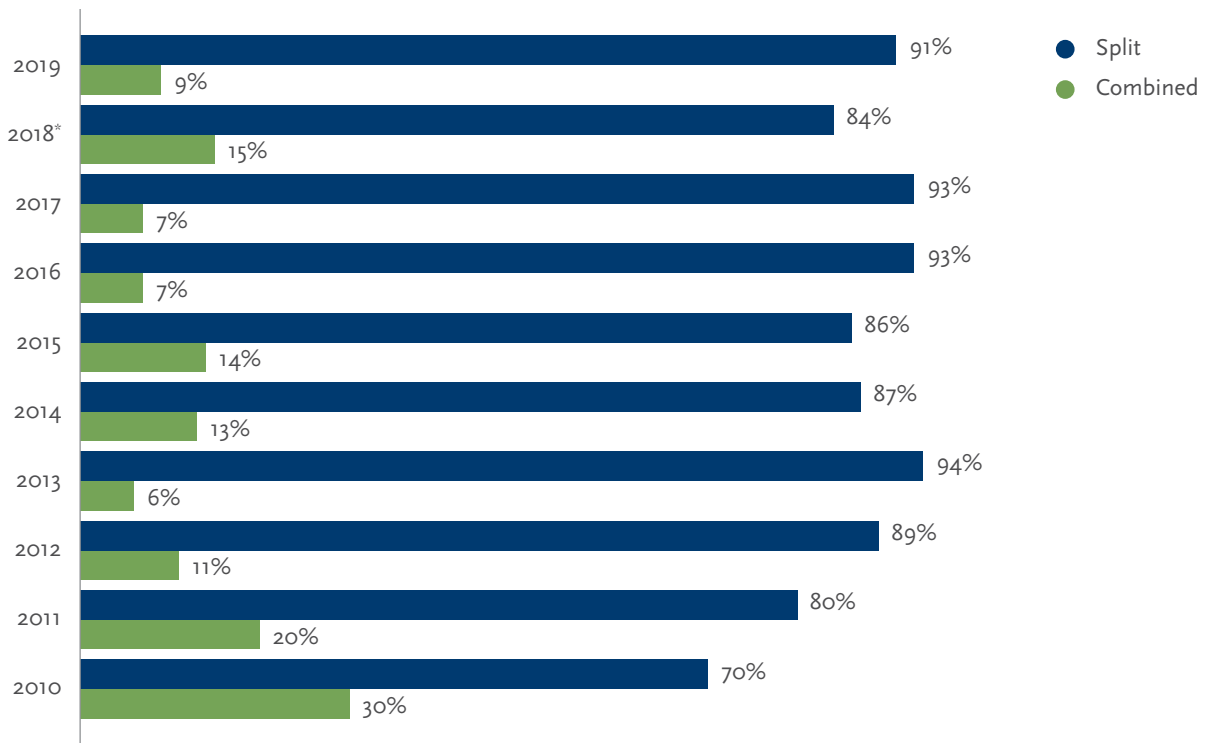
New CEO Backgrounds



Split versus Shared Board Chair and CEO Roles

Five of the new CEOs, 9%, were also named chair of the board upon appointment. In 2018, 15% of the new CEOs also were named board chair. Forty-one percent of the outgoing CEOs stayed on to serve as board chair, 87% of whom already held the role of board chair.

Is the New CEO Also the Board Chair?



*Percentages do not total 100% because we did not include one company for which the former chair/CEO became chair and co-CEO with another co-CEO.

2019 Transition Data

2019 Transition Data

INDUSTRY	NEW CEO NAME	NEW CEO AGE (EST)	NEW CEO START DATE IN 2018	INTERIM CEO NAME (IF APPLICABLE)	REASON FOR CHANGE	PLANNED SUCCESSION Y/N	PRIOR PUBLIC CEO Y/N	FORMER CEO NAME	FORMER CEO AGE (EST)	FORMER CEO NOW CHAIR Y/N
----------	--------------	-------------------	----------------------------	----------------------------------	-------------------	------------------------	----------------------	-----------------	----------------------	--------------------------

Q1 2019 TRANSITIONS

Arconic	Industrial	John C. Plant	64	2/6	-	Res/UP	FB	N/A	Y	Charles (Chip) P. Blankenship	53	N	-
Broadridge Financial Solutions	Financial Services	Timothy (Tim) C. Gokey	56	1/2	-	Ret/SD	INT	Y	N	Richard (Rich) J. Daly	65	Y	Y
Brown-Forman Corporation	Consumer	Lawson E. Whiting	50	1/1	-	Ret/SD	INT	Y	N	Paul C. Varga	54	Y	N
Campbell Soup Company	Consumer	Mark A. Clouse	50	1/22	Keith R. McLoughlin	Res/UP	EXT	-	Y	Denise M. Morrison	64	Y	N
Constellation Brands	Consumer	William (Bill) A. Newlands Jr.	59	3/1	-	Ret/SD	INT	Y	N	Robert (Rob) S. Sands	59	Y	Y
Gilead Sciences	Healthcare	Daniel (Dan) O'Day	54	3/1	Gregg H. Alton	Ret/SD	EXT	-	N	John F. Milligan	57	N	-
HCA Healthcare	Healthcare	Samuel (Sam) N. Hazen	58	1/1	-	Ret/SD	INT	Y	N	R. Milton Johnson	62	Y	Y**
Intel Corporation	TMT*	Robert (Bob) H. Swan	58	1/30	Robert (Bob) H. Swan	Res/UP	INT	N	N	Brian M. Krzanich	58	Y	N
Intuit	TMT*	Sasan K. Goodarzi	50	1/1	-	Ret/SD	INT	Y	N	Brad D. Smith	54	Y	Y**
Kimberly-Clark Corporation	Consumer	Michael D. Hsu	54	1/1	-	Ret/SD	INT	Y	N	Thomas (Tom) J. Falk	60	Y	Y
Macerich Company	Financial Services	Thomas E. O'Hern	62	1/1	-	Ret/SD	INT	Y	N	Arthur M. Coppola	66	Y	N
Northrop Grumman Corporation	Industrial	Kathy J. Warden	46	1/1	-	Ret/SD	INT	Y	N	Wesley G. Bush	57	Y	Y**
Pfizer	Healthcare	Albert Bourla	56	1/1	-	Ret/SD	INT	Y	N	Ian C. Read	64	Y	Y**
Pioneer Natural Resources Company	Industrial	Scott D. Sheffield	65	2/21	-	Ret/SD	FE	-	Y	Timothy L. Dove	61	Y	N
Public Storage	Financial Services	Joseph (Joe) D. Russell Jr.	58	1/1	-	Ret/SD	INT	Y	Y	Ronald (Ron) L. Havner Jr.	60	Y	Y**
State Street Corporation	Financial Services	Ronald (Ron) P. O'Hanley	61	1/1	-	Ret/SD	INT	Y	N	Joseph (Jay) L. Hooley	60	Y	Y**
WEC Energy Group	Industrial	Kevin J. Fletcher	60	2/1	-	Ret/SD	INT	Y	N	Gale E. Klappa	68	Y	Y**
Weyerhaeuser Company	Industrial	Devin W. Stockfish	44	1/1	-	Ret/SD	INT	Y	N	Doyle R. Simons	54	Y	N

Noted "interim" cases for Q1 2019 (not factored into quarterly count above)

Accenture plc	TMT*	David P. Rowland	57	1/10	David P. Rowland	Health	INT	N	N	Pierre Nanterme	59	Y	N
Wells Fargo & Company	Financial Services	C. Allen Parker Jr.	63	3/26	C. Allen Parker	Res/UP	INT	N	N	Timothy J. Sloan	57	Y	N

* TMT: Technology, Media and Telecommunications.

** Former CEO was already chair.

Changes to S&P 500 Index in Q1 2019

Additions	Deletions
First Republic	SCANA
Teleflex	PG&E
Atmos Energy	Newfield Exploration
Wabtec	Goodyear Tire & Rubber
Fox	Twenty-First Century Fox

Transition Table Keys

Reason for change						Placement					
Ret	Retired	Res	Resigned	H	Health	FB	From Board	INT	Internal	EXT	External
SD	Stepped Down	UP	Under Pressure	C-i-C	Change in Control	FE	Former Executive	I/O	Insider-Outsider		

2019 Transition Data

INDUSTRY	NEW CEO NAME	NEW CEO AGE (EST)	NEW CEO START DATE IN 2018	INTERIM CEO NAME (IF APPLICABLE)	REASON FOR CHANGE	PLANNED SUCCESSION Y/N	PRIOR PUBLIC CEO Y/N	FORMER CEO NAME	FORMER CEO AGE (EST)	FORMER CEO NOW CHAIR Y/N
----------	--------------	-------------------	----------------------------	----------------------------------	-------------------	------------------------	----------------------	-----------------	----------------------	--------------------------

Q2 2019 TRANSITIONS

Affiliated Managers Group	Financial Services	Jay C. Horgen	49	5/29	-	Ret/SD	INT	Y	N	Nathaniel Dalton	53	Y	N
Alliance Data Systems Corporation	TMT*	Melisa A. Miller	61	6/5	-	Ret/SD	INT	Y	N	Edward J. Heffernan	57	Y	N
Best Buy Co.	Consumer	Corie Sue Barry	45	6/11	-	Ret/SD	INT	Y	N	Hubert Joly	59	Y	Y**
C.H. Robinson Worldwide	Industrial	Robert C. Biesterfeld	44	5/9	-	Ret/SD	INT	Y	N	John P. Wiehoff	58	Y	Y**
Celanese Corporation	Industrial	Lori J. Ryerkerk	57	5/1	-	Ret/SD	EXT	-	N	Mark C. Rohr	68	Y	Y**
Cognizant Technology Solutions Corporation	TMT*	Brian Humphries	45	4/1	-	Ret/SD	EXT	-	N	Francisco D'Souza	50	Y	N
Colgate-Palmolive Company	Consumer	Noel R. Wallace	55	4/2	-	Ret/SD	INT	Y	N	Ian M. Cook	67	Y	Y**
Comerica	Financial Services	Curtis Chatman Farmer	57	4/23	-	Ret/SD	INT	Y	N	Ralph W. Babb	70	Y	Y**
DaVita	Healthcare	Javier J. Rodriguez	49	6/1	-	Ret/SD	INT	Y	N	Kent J. Thiry	64	Y	Y**
DuPont de Nemours	Industrial	Marc Doyle	50	6/1	-	C-i-C	INT	Y	N	Edward D. Breen	64	Y	Y**
McKesson Corporation	Healthcare	Brian S. Tyler	51	4/1	-	Ret/SD	INT	Y	N	John H. Hammergren	60	Y	N
MetLife	Financial Services	Michel A. Khalaf	56	5/1	-	Ret/SD	INT	Y	N	Steven Albert Kandarian	68	Y	N
United Rentals	Industrial	Matthew J. Flannery	55	5/8	-	Ret/SD	INT	Y	N	Michael J. Kneeland	66	Y	Y**

Noted "interim" cases for Q2 2019 (not factored into quarterly count above)

IDEXX Laboratories	Industrial	Jay Mazelsky	59	6/28	Jay Mazelsky	Health	INT	N	N	Jonathan W. Ayers	63	Y	N
Newell Brands	Consumer	Christopher H. Peterson	52	6/28	Christopher H. Peterson	Res/UP	INT	N	N	Michael B. Polk	59	Y	N
Symantec Corporation	TMT*	Richard S. Hill	68	5/9	Richard S. Hill	Ret/SD	FB	N	N	Gregory S. Clark	54	Y	N

* TMT: Technology, Media and Telecommunications.

** Former CEO was already chair.

Changes to S&P 500 Index in Q2 2019

Additions	Deletions
Bemis	Mattel
Corteva	Fluor
Dow	Brighthouse Financial

Transition Table Keys

Reason for change					Placement						
Ret	Retired	Res	Resigned	H	Health	FB	From Board	INT	Internal	EXT	External
SD	Stepped Down	UP	Under Pressure	C-i-C	Change in Control	FE	Former Executive	I/O	Insider-Outsider		

2019 Transition Data

INDUSTRY	NEW CEO NAME	NEW CEO AGE (EST)	NEW CEO START DATE IN 2018	INTERIM CEO NAME (IF APPLICABLE)	REASON FOR CHANGE	PLANNED SUCCESSION Y/N	PRIOR PUBLIC CEO Y/N	FORMER CEO NAME	FORMER CEO AGE (EST)	FORMER CEO NOW CHAIR Y/N
----------	--------------	-------------------	----------------------------	----------------------------------	-------------------	------------------------	----------------------	-----------------	----------------------	--------------------------

Q3 2019 TRANSITIONS

Accenture plc	TMT*	Julie T. Spellman Sweet	51	9/1	David P. Rowland	Health	INT	N	N	Pierre Nanterme	59	Y	N
Alliant Energy Corporation	Industrial	John O. Larsen	56	7/1	-	Ret/SD	INT	Y	N	Patricia L. Kampling	60	N	-
DTE Energy Company	Industrial	Gerardo (Jerry) Norcia	56	7/1	-	Ret/SD	INT	Y	N	Gerard (Gerry) M. Anderson	61	Y	Y**
DXC Technology Company	TMT*	Michael (Mike) J. Salvino	53	9/12	-	Ret/SD	EXT	-	N	John (Mike) Michael Lawrie	66	Y	Y**
E*TRADE Financial Corporation	Financial Services	Michael (Mike) A. Pizzi	44	8/14	-	Ret/SD	INT	N	N	Karl A. Roessner	52	Y	N
The Kraft Heinz Company	Consumer	Miguel Patricio	53	7/1	-	Ret/SD	EXT	-	N	Bernardo V. Hees	50	Y	N
Molson Coors Brewing Company	Consumer	Gavin D. Hattersley	56	9/28	-	Ret/SD	INT	Y	N	Mark R. Hunter	56	Y	N
PACCAR Inc	Industrial	R. Preston Feight	52	7/1	-	Ret/SD	INT	Y	N	Ronald (Ron) E. Armstrong	65	Y	N
Schlumberger Limited	Industrial	Olivier Le Peuch	56	8/1	-	Ret/SD	INT	Y	N	Paal Kibsgaard	52	Y	N
Tapestry	Consumer	Olajide (Jide) J. Zeitlin	55	9/4	-	Res/UP	FB	-	N	Victor Luis	53	N	-
Wabtec Corporation	Industrial	Rafael O. Santana	47	7/1	-	Ret/SD	I/O	Y	N	Raymond (Ray) T. Betler	64	Y	N

Noted "interim" cases for Q3 2019 (not factored into quarterly count above)

The Bank of New York Mellon Corporation	Financial Services	Thomas (Todd) P. Gibbons	62	9/27	Thomas P. (Todd) Gibbons	Ret/SD	INT	N	N	Charles (Charlie) W. Scharf	54	Y	N
eBay	Consumer	Scott F. Schenkel	51	9/24	Scott F. Schenkel	Res/UP	INT	N	N	Devin N. Wenig	52	Y	N

* TMT: Technology, Media and Telecommunications.

** Former CEO was already chair.

Changes to S&P 500 Index in Q3 2019

Additions	Deletions
NVR	Jeffries Financial Group
CDW Corp	Total System Services
Leidos Holdings	Anadarko Petroleum
IDEX	Foot Locker
T-Mobile US	Red Hat
Market Axess Holdings	L3 Technologies

Transition Table Keys

Reason for change					Placement						
Ret	Retired	Res	Resigned	H	Health	FB	From Board	INT	Internal	EXT	External
SD	Stepped Down	UP	Under Pressure	C-i-C	Change in Control	FE	Former Executive	I/O	Insider-Outsider		

2019 Transition Data

INDUSTRY	NEW CEO NAME	NEW CEO AGE (EST)	NEW CEO START DATE IN 2018	INTERIM CEO NAME (IF APPLICABLE)	REASON FOR CHANGE	PLANNED SUCCESSION Y/N	PRIOR PUBLIC CEO Y/N	FORMER CEO NAME	FORMER CEO AGE (EST)	FORMER CEO NOW CHAIR Y/N
----------	--------------	-------------------	----------------------------	----------------------------------	-------------------	------------------------	----------------------	-----------------	----------------------	--------------------------

Q4 2019 TRANSITIONS

Alphabet	TMT*	Sundararajan (Sundar) Pichai	47	12/3	-	Ret/SD	INT	Y	N	Lawrence (Larry) E. Page	46	Y	N
Atmos Energy Corporation	Industrial	John K. Akers	56	10/1	-	Health	INT	N	N	Michael (Mike) E. Haefner	59	Y	N
Deere & Company	Industrial	John C. May	50	11/4	-	Ret/SD	INT	Y	N	Samuel (Sam) R. Allen	67	Y	Y**
HP	TMT*	Enrique Lores	55	11/1	-	Ret/SD	INT	Y	N	Dion J. Weisler	52	Y	N
Laboratory Corporation of America Holdings	Healthcare	Adam H. Schechter	56	11/1	-	Ret/SD	FB	-	N	David (Dave) P. King	63	Y	Y**
McDonald's Corporation	Consumer	Christopher (Chris) J. Kempczinski	52	11/1	-	Res/UP	INT	N	N	Stephen (Steve) J. Easterbrook	52	Y	N
Newell Brands	Consumer	Ravichandra (Ravi) K. Saligram	62	10/2	Christopher H. Peterson	Res/UP	EXT	-	Y	Michael B. Polk	59	Y	N
Newmont Goldcorp Corporation	Industrial	Thomas (Tom) R. Palmer	52	10/1	-	Ret/SD	INT	Y	N	Gary Goldberg	62	Y	N
NortonLifeLock	TMT*	Vincent Pilette	48	11/8	Richard S. Hill	Ret/SD	I/O	N	N	Gregory S. Clark	54	Y	N
PerkinElmer	Healthcare	Prahlad R. Singh	55	12/30	-	Ret/SD	INT	Y	N	Robert (Rob) F. Friel	64	Y	N
Pinnacle West Capital Corporation	Industrial	Jeffrey (Jeff) B. Guldner	54	11/15	-	Ret/SD	INT	Y	N	Donald (Don) E. Brandt	65	N	-
Robert Half International	TMT*	M. Keith Waddell	62	12/15	-	Ret/SD	INT	Y	N	Harold M. Messmer Jr	73	Y	Y**
ServiceNow	TMT*	William (Bill) R. McDermott	58	11/15	-	Ret/SD	EXT	-	Y	John J. Donahoe III	58	Y	N
Wells Fargo & Company	Financial Services	Charles (Charlie) W. Scharf	53	10/21	C. Allen Parker	Res/UP	EXT	-	Y	Timothy (Tim) J. Sloan	59	Y	N

Noted "interim" cases for Q4 2019 (not factored into quarterly count above)

Alliance Data Systems Corporation	TMT*	Charles L. Horn	59	11/18	Charles L. Horn	Res/UP	INT	N	N	Melisa A. Miller	61	Y	N
The Boeing Company	Industrial	Gregory (Greg) D. Smith	55	12/22	Gregory (Greg) D. Smith	Res/UP	INT	N	N	Dennis A. Muilenburg	55	Y	N
Expedia Group	TMT*	Barry C. Diller & Peter M. Kern	76; 52	12/4	Barry C. Diller & Peter M. Kern	Res/UP	FB	-	Y	Mark D. Okerstrom	46	Y	N
The Gap	Consumer	Robert (Bob) J. Fisher	65	11/7	Robert (Bob) J. Fisher	Res/UP	FB	-	N	Arthur (Art) L. Peck	64	Y	N

* TMT: Technology, Media and Telecommunications.

** Former CEO was already chair.

Changes to S&P 500 Index in Q4 2019

Additions		Deletions	
Live Nation Entertainment	W.R. Berkley	Affiliated Managers Group	Viacom
Zebra Technologies	ServiceNow	TripAdvisor	Celgene
STERIS	Las Vegas Sands Corp	Macerich	Nektar Therapeutics
Old Dominion Freight Line		SunTrust Banks	

Transition Table Keys

Reason for change					Placement						
Ret	Retired	Res	Resigned	H	Health	FB	From Board	INT	Internal	EXT	External
SD	Stepped Down	UP	Under Pressure	C-i-C	Change in Control	FE	Former Executive	I/O	Insider-Outsider		

Research and Insights

Spencer Stuart regularly explores the key concerns of boards and senior management, as well as innovative solutions to the challenges they face.



Finding the Right Fit:
Assessing First-Time Candidates
for Non-Executive Directors



The Digital Dilemma:
Optimising Board
Composition in the Digital Era



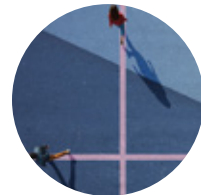
Making a Successful
Transition from Technology
Leader to Board Director



Prioritizing Experience:
With the Stakes so High for
Selecting the Right CEO, Are
Boards Looking for a Safer Bet?



Nominating/Governance
Committee: Oversight of
Board Composition,
Functions and Evaluations



A Tale of Two Mergers:
Seven Key Takeaways
from Successful (and
Unsuccessful) Mergers



Why Your Team's Not Working:
How CEOs Can Foster
World-Class Leadership Teams



Women Leaders:
How We Got Here



How Should Corporate
Boards Evaluate
Their Effectiveness?

Visit spencerstuart.com for more information.



SpencerStuart