

Automotive News

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Fast-rising CFO leads fast-moving restructuring

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(Excerpt)

Five years ago, Dhivya Suryadevara was working to stabilize General Motors' unwieldy pension accounts. Now she's being called on to help lead the company through an unsteady future.

The 39-year-old CFO, who will add corporate strategy and development to her duties on Jan. 1, has quickly risen through the ranks of the company since starting as a senior financial analyst in 2005.

But her new tasks — a multibillion-dollar restructuring, overseeing business development and driving shareholder value — will pose some of the toughest challenges yet.

Along with CEO Mary Barra and product chief Mark Reuss, Suryadevara is looking to turn the automaker into a leaner, more agile company, dialing up the speed on much of the work that had been spearheaded by GM President Dan Ammann. Ammann, the former Wall Street banker who is leaving his post to head the company's Cruise autonomous-vehicle unit, was a linchpin in many of the major strategic moves made under Barra's tenure, including GM's exit from Europe.

The next phase of restructuring plans includes reshaping the automaker's vehicle lineup, slashing North American salaried head count by 15 percent and closing as many as seven factories globally, including four in the U.S. The moves are meant to, among other things, drive up GM's share price consistently, a goal that has eluded GM since its post-bankruptcy initial public stock offering eight years ago.

"That has to be a perennial frustration for the domestic automakers," said David Kudla, CEO of Mainstay Capital Management. "They are underloved and underowned."

The announced actions are expected to cut \$6 billion in expenses by 2020. For a sense of the urgency driving this round, consider that in the previous round of cost cuts, GM took four years, 2015 to 2018, to cut \$6.5 billion.

And for a sense of the difficulty of the task, consider that GM's shares initially rose 5 percent on news of the restructuring, only to give up those gains to political winds that drove the broader market sharply lower last week. The stock closed Friday, Dec. 7, at just less than \$35, marginally up from the 2010 IPO price of \$33.

With Ammann gone, Suryadevara will be Barra's new right hand in wooing the financial community. Barra, 56, will take direct responsibility for global regions and GM Financial — Ammann's two other responsibilities. ...