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## **GM's CEO abruptly sent packing**

By Sharon Silke Carty, USA TODAY

DETROIT — Just eight months after taking the reins at General Motors, CEO Fritz Henderson was ousted by the board Tuesday.

Henderson, formerly old GM's chief operating officer, fought from the beginning to be considered a viable chief but often appeared to be at odds with Ed Whitacre, the company's government-named chairman of the board and now interim CEO.

"Fritz has done a remarkable job in leading the company through an unprecedented period of challenge and change," Whitacre, former CEO of AT&T, said at a news conference. "While momentum has been building over the past several months, all involved agree that changes needed to be made."

GM's board said it will search inside and outside the auto industry for a new leader. It could be looking to copy the success of rival Ford Motor, which tapped Boeing leader Alan Mulally as CEO in 2006.

Henderson and Whitacre clearly differed on at least one major decision: Whether to sell GM's European Opel unit. Henderson, working with the German government, engineered a deal with a group led by auto supplier Magna and a Russian bank. After months of negotiations, the board overruled the idea. It decided GM needed Opel, the source of some of its key global vehicle platforms.

"Any time you have very strong-willed people, you always have the risk that something is going to come apart for whatever reason," says David Cole, chairman of the Center for Automotive Research.

Meanwhile, Henderson's deals to sell Saturn and money-losing Swedish brand Saab fell apart. Saturn is closing. GM said Tuesday it will give Saab until year's end to seek other bidders or be closed.

Henderson was not seen by many as a permanent CEO. When the government's automotive task force asked Henderson to take over after ousting then-CEO Rick Wagoner, Henderson asked that his title not include the word "interim."

"This does not come entirely as a shock," says Michelle Krebs, senior analyst at consumer website Edmunds.com. "Ed Whitacre was the government's choice to lead the company, and the Automotive Task Force always appeared lukewarm about the idea of Fritz staying in the top job."

The task force, which has overseen a more than \$50 billion government-financed restructuring of GM, installed an independent board to correct what they saw as a lax board at old GM.

"This board is going to be way more active than they have been in the past," says Brad Coulter, a turnaround expert at O'Keefe and Associates. Pushing out Henderson "sends a signal to the rest of the organization that things are going to change."

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