



Kodak muddies chief executive succession picture

By Matthew Daneman

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ROCHESTER, N.Y. — Eastman Kodak has a new president and is simultaneously shedding one of its oldest operations.

The Rochester-based printing and photo company has announced that it has appointed corporate General Counsel Laura Quatela as its president, to serve alongside President and Chief Operating Officer Philip Faraci. The two will report directly to chief executive Antonio Perez.

In a statement, Perez said the move "reflects her increasing role in the company, including the strategic importance of the intellectual property business."

Kodak is in the midst of shopping a portfolio of roughly 1,100 digital imaging patents with hopes of a huge payout that could help cover its costs while it waits for its small-but-growing printing-related businesses to pick up steam.

Faraci was appointed president in 2007. And while the move at the time was seen as an indication of planning the successor to Perez, Quatela's appointment throws that into question.

When asked about whether succession planning was part of the thought process for promoting Quatela, spokesperson Christopher Veronda said Kodak "is always looking, like any company, at succession plans."

Kodak's board in 2009 renewed Perez's contract through 2013.

If Kodak is looking for new leadership to inspire new confidence in the company, Quatela's appointment probably falls short of that, said Gregg Abella, co-principal of Investment Partners Asset Management.

"My impression is that someone from the outside who has credibility on Wall Street needs to lead a turnaround and shake up Kodak's culture," he said. "Anything else, I think, would be viewed as more of the same."

The company said Thursday that Quatela was not available for comment. Kodak Deputy General Counsel and Chief Compliance Officer Patrick Sheller will succeed Quatela as general counsel, reporting directly to Perez.

Kodak on Thursday also announced it was selling its Massachusetts-based gelatin manufacturing operation to Dutch food giant Vion Food Group's gelatin business, Rousselot. Financial terms of the deal were not released.

According to Kodak, as part of the deal Rousselot is picking up 575,000 square feet of production space in Peabody, Mass., as well as 90 Eastman Gelatine Corp. employees.

Gelatin is one of the key components in film manufacture. Kodak formed Eastman Gelatine in 1930 with the purchase of a gel manufacturing plant in Peabody.

The sale is the latest in what's been a string of Kodak deals as it sheds what it calls non-core assets. Kodak earlier this year sold its imaging sensor and microfilm business and reportedly has been shopping its Kodak

Gallery online photo gallery. The company has declined to comment on Kodak Gallery sale questions.

Kodak's gelatin business is one of a variety of film-related assets that the company has been trying to find new life for in areas outside film, such as specialty chemicals, printed circuit board manufacture and silver nitrate recovery.

Veronda said as part of the sale, Kodak has signed a supplier agreement and will purchase gelatin exclusively from Rousselot.

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