

Kodak should hand Antonio Perez a pink slip

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The Eastman Kodak Company was once Rochester's largest employer and quite possibly its largest source of pride. Growing up here, Kodak was always, to me, what put us on the map. This week Kodak announced layoffs of 1,000 employees, bringing to nearly 4,000 lost jobs since the company filed for Chapter 11 bankruptcy in January of this year. Reviewing the recent announcement, it strikes me that the layoffs at Kodak this week are one short.

That one more layoff should be Kodak CEO Antonio Perez. Since Perez joined Kodak in 2003 as president (taking the CEO job in 2005), I have read and listened to his repeated projections of superior management achievement and company progress. Yet despite those positive pronouncements, sales have slid 70 percent, and profits have vanished along with shareholder dividends. Other measures have followed the same downward path: Kodak has fewer employees, facilities, business units — you name it — than they had when Perez took control. During his tenure, Antonio Perez has presided — blithely, it seems — over the decline and collapse of this once-great company, earning him the title of The Butcher of State Street.

Recent events at Kodak seem nearly frantic, as once again predictions are cast aside and events render them meaningless. The secret weapon to cure the curse of bankruptcy was the patent portfolio. An auction of 1,100 digital imaging patents was touted as likely to bring \$2 billion or more, money desperately needed to help Kodak emerge from bankruptcy. As the date of the auction came and went with no sale, the order from The Butcher of State Street was yet another round of mass firings. Businesses that a few weeks ago were key to Kodak's business emergence plan are now being jettisoned due to the failure of the patent sale.

True, Kodak had problems even before Perez arrived. Healthy businesses were spun off or sold. The decline of film was already on the horizon. Evaluating the performance of most employees is not something for the outside observer. But the performance of a company's CEO is measured by a tangible yardstick: the market price of the common stock. The price of Kodak stock on the day Mr. Perez was named president of Eastman Kodak was roughly \$30 per share. Today the stock trades at 22 cents. Performance like that gets the pitcher pulled or the quarterback benched. Yet at Kodak, Perez remains in charge.

With nine years at the highest levels of management, Antonio Perez's legacy is one of decline and collapse. Kodak's Board of Directors should act — add Perez to the list of the most recent Kodak employees to lose their jobs.

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