

CFO JOURNAL

Interim CEO Role Gives EBay's Finance Chief Chance to Audition for Top Role

As interim CEO, eBay's CFO can make a pitch for the role of permanent chief executive



Devin Wenig, who had been at the helm of eBay for more than four years, has stepped down. PHOTO: BECK DIEFENBACH/REUTERS

By Nina Trentmann

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EBay Inc. Chief Financial Officer Scott Schenkel on Wednesday was handed the e-commerce company's top job—on an interim basis. Now, the company veteran has the opportunity to audition for the role of permanent chief executive.

Mr. Schenkel, eBay's finance chief since 2015, was appointed following the exit of Devin Wenig, who had been at the helm of the San Jose, Calif., company for more than four years. eBay said it is looking both internally and externally for a permanent successor to Mr. Wenig.

That could be Mr. Schenkel's chance to ascend to the top leadership spot, according to recruiters and analysts. "What this [the role as interim CEO] does is giving you the opportunity to be on stage," said Peter Crist, chairman of executive recruitment firm Crist|Kolder Associates.

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As a combination of new technologies begins to converge on financial reporting, it's incumbent on CFOs to prepare by reimagining the process in its future form, fully automated end-to-end and designed to supply real-time insights. For finance executives, jumpstarting the transformation may mean adopting specific practices now as well as rethinking and redeploying the function's talent mix.

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“A company's search for a permanent CEO gives the interim candidate a long time to audition,” Mr. Crist said. U.S. companies usually spend four to six months hunting for a new leader, he said.

Another CFO who in recent months was promoted from interim CEO to permanent chief executive is Intel Corp. 's Robert Swan. He was appointed to the top role at the chip company in January after seven months as interim leader.

Mr. Swan had been Intel's CFO since 2016 and, like Mr. Schenkel, previously served as eBay's CFO from 2006 to 2015. eBay's deep bench of finance talent has over the years provided various Silicon Valley firms with new CFOs.

Best Buy Co. and United Technologies Corp. also have promoted their former finance chiefs to the CEO post.

Mr. Schenkel has been with eBay for over 12 years, including more than six as finance chief of its marketplace business. Before his time at eBay, Mr. Schenkel served in various finance positions at General Electric Co.

During his tenure as eBay CFO, he gained deep insights into the company's finances.

That could help with a potential pitch for the top role as activist investors including Elliott Management Corp. have demanded a reduction in costs and improved financial performance at eBay, said Mickey Matthews, international chairman of recruitment company Stanton Chase.

“If investors are looking at controlling costs and boosting efficiency, then the CFO and interim CEO has a shot [at the permanent CEO role],” he said. This also applies in cases in which shareholders seek a spinoff, asset sales or a financial restructuring, Mr. Matthews said.

Ebay said it is currently reviewing its portfolio of assets, including the StubHub online ticket business and its eBay Classifieds Group.

A shift in strategy could make the company look for an outside candidate, according to Ygal Arounian, an analyst at Wedbush Securities Inc. “They might want a strategic operator rather a financial head,” Mr. Arounian said.

Ebay didn’t provide additional insights into Mr. Schenkel’s new role. It didn’t comment on whether Mr. Schenkel has ambitions for the position of permanent CEO.

Transitions from the CFO to CEO seat at Fortune 500 and S&P 500 companies are expected to remain stable at 6.9% this year, according to Crist|Kolder. That is the same percentage as last year and underlines the challenge for CFOs to make it to the role of permanent CEO, said Mr. Crist.

In some industries, the figures are higher. In the services sector, 14.9% of CEOs come from a CFO role, while in the technology space, it is 10.6%, according to Crist|Kolder.

The outcome of eBay’s CEO search will also impact the career path of Andy Cring, the company’s vice president of global financial planning and analysis. He was appointed interim CFO on Wednesday, stepping in for Mr. Schenkel.

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