

Sappi's search for new CEO

After an extensive search for candidates, pulp and paper group Sappi is expected to name its new chief executive soon.

Sappi announced at the end of 2001 that it would separate the roles of CEO and executive chairman. Eugene van As had fulfilled both roles since 1991.

While Sappi has declined to comment this week, analysts say that the group is sounding out local and international candidates for the position. They say that the search has taken longer because Sappi struggled to find a candidate from outside the group and the board was not satisfied with the shortlisted internal candidates. Finding a manager willing to relocate to South Africa is also a difficulty.

Rob Smith, country manager for international executive search company Spencer Stuart, says that the appointment of CEOs and members to the board by SA firms with foreign listings is critical to their international investor credibility. "Any CEO appointment has fundamental risks attached to it and obviously the risks are significant for companies who get it wrong, be it a domestic or global search."

It is expected that Van As, who has headed Sappi for 25 years, will become non-executive chairman after the new appointment.

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