



What You Need to Know About PotashCorp's New CEO

Description

After a nearly 15-year career at **Potash Corporation of Saskatchewan** (TSX: POT)(NYSE: POT), Bill Doyle is stepping down as CEO of the company. Mr. Doyle has been the face of the company for a long time, and is a legend in the industry. His absence will certainly create a void.

Replacing him will be Jochen Tilk, who last worked as CEO of Inmet Mining before it was taken over by **First Quantum Minerals** ([TSX: FM](#)) early last year.

The end of an era

When Mr. Doyle joined PotashCorp back in 1987, it was still owned by the Saskatchewan government. And the government seemed more concerned about keeping lots of people employed at the mines rather than running the operation at a profit. Production was always maximized regardless of price, and PotashCorp typically lost money.

Mr. Doyle changed that. After PotashCorp became a publicly traded company in 1989, Mr. Doyle spearheaded a new price-over-volume strategy that is still in place. It turned PotashCorp into a profitable business.

Since becoming CEO in 2009, Mr. Doyle has rode a very strong wave for the potash industry. China's rise led to record prices, and a long run of good fortune for PotashCorp and its shareholders. More recently, Mr. Doyle helped defend the company from a hostile takeover offer from **BHP Billiton**.

Mr. Doyle is known to be very brash. For example, during the economic crisis, Bill Doyle said that his competitors "really need a sugar daddy like me to come along and bail them out." More recently, when rival **Uralkali** exited its marketing arrangement with the Belarusians, he called it "probably the single dumbest thing I've ever seen."

Jochen Tilk: An operator first

Aside from a great record as CEO, Jochen Tilk has very little in common with Mr. Doyle. While Mr. Doyle's background is in sales, Mr. Tilk is a mining engineer. And while Mr. Doyle can be very brash,

Mr. Tilk is soft-spoken.

Mr. Tilk accomplished a lot at Inmet. First of all, he helped fix some operational issues at the company's largest producing mine, Las Cruces (in Spain). He also advanced the Cobre Panama project, a massive undertaking that required winning over a once-hostile local population. His operational and political skills were on full display throughout his tenure as Inmet CEO, which began in late 2009.

There is one other big difference between the two leaders: Mr. Tilk was unable to defend his company from a hostile takeover. First Quantum is now the one developing Cobre Panama, and is benefiting immensely from Inmet's efforts in that country.

So why the change in direction?

The last year has been a rough one for PotashCorp. Depressed potash prices led to reduced profits for the company, and in response the company cut over 1,000 workers. This angered Saskatchewan premier Brad Wall, who was instrumental in blocking BHP's takeover attempt.

So Mr. Tilk is an ideal figure to rebuild relations between PotashCorp and the government, something that the company desperately needs. Also Mr. Tilk's engineering background may bring some new ideas for improving PotashCorp's operations.

Foolish bottom line

Bill Doyle is nothing short of a legend in his industry, so PotashCorp shareholders may be sceptical that Jochen Tilk can fill such big shoes. But by selecting Mr. Tilk, the company has made an excellent choice, one that should pay dividends over time. Congratulations are in order for everyone involved.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:FM (First Quantum Minerals Ltd.)

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