

# What future for Renault after Ghosn scandal?

January 16 2019, by Daniel Aronsohn

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Renault is starting to consider replacing Carlos Ghosn, who remains in custody in Japan over allegations of financial misconduct

Behind bars in Japan, Carlos Ghosn has already been stripped of his leadership roles at Nissan and Mitsubishi—leaving questions for

Renault, the third carmaker in their alliance, over who should steer the French company now.

Tensions are also running high between Renault and its Japanese partners following the sensational allegations of financial misconduct against Ghosn.

What lies ahead for Renault, a company which Ghosn grew into an industrial behemoth as part of the powerful [alliance](#) with Nissan and Mitsubishi?

## **Who could replace Ghosn?**

Ghosn is still Renault's CEO—but he needs to be replaced, with even his own lawyers acknowledging he could remain in jail awaiting trial for months.

"It's a foregone conclusion," a source close to the matter told AFP.

A former senior executive said Renault was "in the process of recruiting Ghosn's replacement", while a third source said: "There will be a replacement, we just need to be a little patient."

Thierry Bollere, Renault's chief operating officer, has temporarily taken the reins and would be Ghosn's natural heir.

Choosing Bollere, a Frenchman with plenty of experience in Asia, would allow for some continuity in a company that has been badly rocked by the Ghosn affair.

But several other names are also circulating, including Didier Leroy, executive vice president at Toyota, and Michelin CEO Jean-Dominique Senard.



Chief Operating Officer Thierry Bollore has temporarily taken over the top job at Renault, and would be a natural choice to replace Carlos Ghosn permanently

Senard's posting at the top of the tyre-making giant is coming to an end in May and he is well-liked by the French government, which with a 15 percent stake is Renault's biggest shareholder. One plausible scenario would see him become chairman of the board, while Bollore would remain on as chief operating officer.

PSA chief Carlos Tavares, whom Ghosn ousted from Renault in 2013 for daring to hint that he wanted to run the firm, is also being discussed as a possible successor.

Several senior French officials have been dispatched to Tokyo for talks with Nissan chief Hiroto Saikawa, which could speed up the naming of Ghosn's replacement.

## **A change in leadership structure?**

Until his arrest Ghosn was simultaneously CEO of Renault and the alliance, as well as board chairman at Nissan and Mitsubishi.

Several sources say his replacement at Renault will not necessary also lead the Renault-Nissan-Mitsubishi Alliance, which is based in the Netherlands.

Renault's CEO job could even be split up between an executive general manager and board chairman, a structure used by other French companies partly owned by the state.

One industry insider said it was "normal" for the recruitment process to take time, adding "the streets are not overflowing" with potential leaders of firms this large.

French Finance Minister Bruno Le Maire stressed that "there is a pilot in the plane" in Ghosn's absence in the form of Renault's temporary leadership.



Carlos Ghosn is widely viewed as having been the glue that kept the alliance together

### **Can the alliance survive?**

Ghosn, accused of with breach of trust and under-declaring his income, had been seen as the glue binding together the complex three-way structure that makes up the world's top-selling auto company.

Nissan says the alleged financial misconduct came to light through a company whistleblower—a source of angst at Renault, which has denounced what it called a "deliberately orchestrated destabilisation campaign".

The documents passed to investigators have targeted figures close to Ghosn including Mouna Sepehri, Renault's head of legal affairs and communications.

Resentment has long been brewing in Japan over the structure of the alliance, which some say gives Renault an undue share of Nissan's profits.

Some within French company suspect Nissan of seeking to tip the balance of power within the alliance to the detriment of Renault, which currently holds 43 percent of its Japanese partner after saving it from collapse in the early 2000s.

Nissan CEO Hiroto Saikawa dismissed this as "absurd", saying: "Look at the evidence. It's serious."

He insisted he was committed to the alliance and had no immediate plans to seek to change its structure.

One Paris source suggested changes would be necessary in the top ranks of Nissan for the Franco-Japanese partnership, forged in 1999, to continue.

Another source said it was inevitable that there would be "battles for influence" and "score-settling", but insisted the alliance would live on to see another day.

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