

Pulte won't replace Petruska as COO

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The Detroit News

July 20, 2010

Bloomfield Hills-based PulteGroup Inc. Monday joined the trend of eliminating second-in-command positions.

PulteGroup CEO Richard Dugas Jr. will take the duties of chief operating officer when current Chief Operating Officer Steven Petruska retires Aug. 14 from the nation's No. 1 homebuilder. Dugas will oversee Pulte's homebuilding operations under the new organizational structure.

The move is intended to flatten the company's structure following its merger with Centex Corp, which Pulte bought last year for \$3.3 billion.

"I look forward to working more directly with the talented and experienced field management team we have in place throughout the country," Dugas said in a written statement.

The trend of getting rid of the COO continues to gain momentum, said Tom Kolder, president of Crist Kolder Associates, an executive search firm in Hinsdale, Ill.

"Cost cutting is often a major reason," Kolder said. "It gets hard to justify the salaries of a CEO, a COO and a (chief financial officer) during a recession."

Between January 2008 and June 2009, 40 major companies eliminated the COO or president position, while only 20 added it, according to a Crist Kolder study of 672 large public companies. Among those companies, about 42 percent employ a COO or president who isn't the CEO, down from 44 percent in 2008 and 48 percent in 2000, according to Crist Kolder.

The firm is scheduled to release an updated study next month that shows the trend is continuing, Kolder said.

U.S. new home sales dropped 33 percent to the lowest level on record in May, according to the U.S. Commerce Department.

PulteGroup has closed 3,795 home sales in the first quarter of this year, down 30 percent from the 5,440 sales Pulte and Centex reported separately during the same period of 2009.