

Verizon's Focus

An Interview with Doreen Toben,
Executive Vice President and Chief Financial Officer, Verizon Communications, Inc., New York



Doreen Toben

EDITORS' NOTE Doreen Toben holds a BA in political science from Rosemont College and an MBA in finance and marketing from Fairleigh Dickinson University. She began her career in 1983 in AT&T's treasury department and served in positions of increasing responsibility there, and subsequently at Bell Atlantic. In 1986, Toben moved to Bell Atlantic-Pennsylvania, where she again held a number of leadership positions. In 1992, Toben was named Assistant Vice President/Comptroller at Bell Atlantic-New Jersey and was then appointed Chief Financial Officer for the unit in 1993. Following two major telecom mergers, Toben was elected Executive Vice President and Chief Financial Officer for Verizon, a position she has held since April 2002. Toben serves on several major corporate and philanthropic boards and in 2006, Fortune Magazine named her one of the "50 Most Powerful Women in Business" for the fourth consecutive year.

COMPANY BRIEF Headquartered in New York, Verizon Communications Inc. (www.verizon.com) delivers broadband and other wireline and wireless communication innovations to mass market, business, government, and wholesale customers. Verizon Wireless serves more than 59 million customers nationwide. Verizon's Wireline operations include Verizon Business, which operates one of the most expansive wholly owned global IP networks in the world, and Verizon Telecom, which is deploying an advanced

fiber-optic network to deliver converged communications, information, and entertainment services. A Dow 30 company, Verizon (NYSE:VZ) has a workforce of approximately 242,000 and last year generated consolidated operating revenues of more than \$88 billion.

Considering recent changes in the financial regulatory environment for public companies, how do you define the role of the CFO today?

We haven't really felt massive shifts from new regulations because we've always had very tight processes and our financial reporting has always been impeccable. The role of the CFO at Verizon is mostly strategic; I am aligned with the CEO, helping decide where the company needs to go next.

Was 2006 a successful year? And what is your outlook for growth in 2007?

We considered 2006 to be a very good year for us; we had over 30 percent shareowner return. And our CEO, Ivan Seidenberg, did a lot of good things to help us with how to refocus the company. We acquired MCI, we divested our directory business, and we announced divestitures of our international properties. So we're much more focused now. And I think what you're going to see is that there will be a real focus on wireless, broadband, and the large enterprise customer. All the businesses will carry a strong message based on strong organic growth, as opposed to growth based on acquisitions. We've invested a lot in our networks, which have been our primary competitive advantage. It worked in wireless, and so now we're doing the same thing with Verizon Business and on the wireline side. We think making these investments will enable us to grow even more in 2007 and into the future.

How much of Verizon's growth will be international?

There are opportunities overseas, and Verizon Business is one of the top players already. This will be done primarily by serving our domestic clients who expand internationally. I don't envision much international growth through our consumer or small business groups, but I see increasing emphasis on international growth from a large business perspective.

As the CFO of a company that acquired MCI, which went through a terrible time, have you had to defend against negative public perception in your industry?

Things have gotten a lot better since the Enron days. It used to be that just being out in the public arena was difficult because of corporate America's negative reputation, but I don't get that sense anymore. Verizon, in particular, really has a stellar record. I can see it from a street perspective when I meet with bankers, the people who hold our stocks, and the people who write about our stocks. We are given 100 percent credibility on the quality of our numbers.

Have you been satisfied with Verizon's ability to recruit top finance talent?

Eighty percent of the answer to that is yes. Certainly we are successful at retaining talent. The caveat is the under-30 age bracket. Talented 20-somethings do get lured away by hedge funds and private equity. And the banks are having the exact same trouble. We don't lose them all, by any means. But we are considering the best way to combat it.

As a woman who has been successful in the telecom sector, do you consider this industry one that has done a good job of promoting women?

From a women's perspective, both at Verizon and within finance, I can say that there are all kinds of opportunities available. You would be hard pressed to find any woman who feels that it's a problem getting ahead. We've recently promoted a woman to the presidency of our telecom unit. I have a woman Treasurer, and I also have a woman who's the Chief Internal Auditor. So I can go through the business and identify women all over the place in key spots, and I doubt any one of them would say that the opportunities are not there.

As a business executive, you have also been heavily focused on your community. How important have those outside interests been to you personally?

I'm on two philanthropic boards: Lincoln Center, which is a wonderful board that does good things, and Citymeals-on-Wheels, which is one that really tugs at the heartstrings. It is the most wonderful experience to know you're really doing something for people who often only see the face of the person delivering that meal. A lot of the recipients just can't get around and are home-bound due to their age. When you see the letters from these people, or you go on a visit and you see them, you think about all that you have. And we as business leaders owe that to society. ●