

Yahoo picks a new CFO likely to shake things up

June 12 2009, By MICHAEL LIEDTKE , AP Technology Writer

(AP) -- Yahoo Inc. has hired a cost-cutting specialist as its new chief financial officer, signaling the Internet company's determination to weed out the bureaucracy that has been dragging down its profits for the past three years.

The Sunnyvale-based company said Thursday that it had lured Tim Morse away from Altera Corp., a computer chip maker based in nearby San Jose. He became Altera's CFO in 2007 after a 15-year career at General Electric Co., where he held various jobs.

Morse's hiring ends Yahoo's 3 1/2-month search to replace its current CFO Blake Jorgensen, who announced his plans to leave a few weeks after the company hired Carol Bartz as its new chief executive.

Since she took the job in January, Bartz has been focused on streamlining Yahoo's management as she tries to remove stumbling blocks that have contributed to the company's inability to keep pace with more nimble rivals such as Internet search leader [Google](#) Inc. and the online social hangout Facebook Inc.

Morse seems likely to shake things up even more at Yahoo, said Global Crown Capital analyst David Wu.

"If Carol Bartz wants a leaner and meaner Yahoo, then she got the right guy," said Wu, who followed Morse while he was at Altera. "His mantra is 'Cost control is a journey, not a destination.' And the journey never

seems to end for him."

With Morse overseeing the finances, Altera's selling, general and administrative expenses dropped 16 percent from more than \$304 million in 2006 to \$255 million last year.

Even before she picked her new CFO, Bartz began to pare Yahoo's expenses by laying off 700 employees, or about 5 percent of the work force.

Bartz has said she doesn't anticipate another mass layoff this year, and Morse's experience at Altera suggests he can extract significant savings without pruning the payroll. Altera ended 2008 with more than 2,700 employees, slightly more than the company employed before Morse became CFO.

In a prepared statement, Bartz described Morse as "natural fit" for Yahoo and hailed his ability "to translate strategy into structure, process, and execution."

Morse will join Yahoo next week, with Jorgensen still there to help with the transition.

Jorgensen, who spent just two years at Yahoo, will depart with a \$1.8 million severance package when he leaves the company at the end of the month. He is set to become CFO of jeans maker Levi Strauss & Co. beginning July 1.

Yahoo is paying Morse a \$500,000 salary - a 33 percent raise from his paycheck at Altera. Morse also is getting a \$500,000 signing bonus, 400,000 shares of stock options and 150,000 shares of restricted stock.

Morse appears to be the last major piece of the management team that

Bartz has put together in the latest attempt to boost Yahoo's fortunes.

Although its Web site remains one of the busiest on the Internet, Yahoo has had trouble capitalizing on its popularity as its revenue growth slowed and its profits sagged - much to the dismay of its shareholders.

Bartz, a tough-talking executive from the computer software industry, is the third CEO in two years to try to end Yahoo's funk. During the malaise, Microsoft Corp. last year made an unsuccessful \$47.5 billion bid to buy Yahoo.

Microsoft has said it remains open to joining forces with Yahoo in an online search partnership, but Bartz has indicated a deal is unlikely to come together any time soon.

[Yahoo](#) shares fell 13 cents Thursday to close at \$16.19, leaving the company with a market value of about \$23 billion.

©2009 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Yahoo picks a new CFO likely to shake things up (2009, June 12) retrieved 6 May 2024 from <https://phys.org/news/2009-06-yahoo-cfo.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--