

New Yahoo CEO can't afford to dawdle on to-do list

January 5 2012, By MICHAEL LIEDTKE , AP Technology Writer

(AP) -- When he takes over as Yahoo's CEO next week, Scott Thompson will be under more intense scrutiny than he faced the past three years while crafting PayPal's online payments service into one of the crown jewels in eBay Inc.'s operations.

Thompson, 54, will probably have little time to prove he is up to the challenge. Yahoo Inc. shareholders have grown weary of waiting for a turnaround that the beleaguered [Internet company](#) has promised to deliver under three previous CEOs. They were all replaced because they couldn't get the job done.

To avoid the same fate, Thompson will need to address these pressing issues on his to-do list:

- Revive Yahoo's revenue growth after years of erosion that has occurred while advertisers have been spending more on the Internet. In an interview after his appointment as Yahoo CEO was announced Wednesday, Thompson listed this goal as his top priority. The reason: it would help restore Yahoo's credibility on Wall Street and ease concerns about Thompson's lack of experience in online advertising, the main source of Yahoo's revenue.
- Work with the rest of Yahoo's board of directors toward a deal to sell most of the company's holdings in Asia. The board has been considering the possible sale of its 35 percent stake in Yahoo Japan and 42 percent stake in China's [Alibaba](#) Group since Yahoo fired [Carol Bartz](#) as its

CEO in September.

The talks appear to have reached a critical juncture. Softbank Corp., Yahoo Japan's majority owner, and Alibaba have proposed buying back most of Yahoo's holdings in the companies as part of a complex deal valued at \$17 billion, according to published reports.

Without getting into specifics, Yahoo Chairman Roy Bostock said Wednesday that Thompson already has been briefed on those negotiations and will be involved in the final decision. "I can guarantee there will be no delay as we move forward," Bostock told analysts during a conference call.

It would probably thrill Wall Street if Thompson found a way to get the deal done by the time Yahoo releases its fourth-quarter earnings, which is scheduled to occur Jan. 24. Besides providing more clarity about Yahoo's direction, selling the Asian investments would generate billions of dollars that [Yahoo](#) could use to pay a special dividend to shareholders or perhaps buy other promising Internet services.

- Bolster employee morale. Yahoo's struggles have caused many of its top leaders and most talented engineers to defect as they have watched the value of their stock options sink with the company's market value during the past five years. A series of mass layoffs and other cutbacks since 2008 haven't helped cheer up the remaining employees either.

Thompson tried to score some points with Yahoo's 14,100 workers during his conference call with analysts Wednesday. "I'm thrilled to become part of an amazing group of people who I suspect are as eager as I am to deliver Yahoo's next era of growth and return the company to a path of industry-leading innovation," Thompson said. "I cannot wait to get started on this."

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