

Yahoo CEO outlines new corporate structure

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In this Nov.15, 2010 file photo, then-PayPal president, now Yahoo CEO, Scott Thompson, fields a question at the Web 2.0 Summit in San Francisco. A week after announcing a painful round of job cuts, Yahoo CEO Scott Thompson unveiled a plan Tuesday, April 10, 2012, that will reorganize the company into three main divisions focused on users, advertisers and technology. (AP Photo/Paul Sakuma, File)

(AP) -- A week after announcing a painful round of job cuts, Yahoo CEO Scott Thompson unveiled a plan Tuesday that will reorganize the company into three main divisions focused on users, advertisers and technology.

Thompson unveiled the plan at an "all hands" meeting for employees at the company's headquarters in Sunnyvale, Calif. It will take effect on May 1.

According to a memo obtained by The Associated Press, the new structure aims to improve users' experience with [Yahoo](#), work closely with advertisers in different regions of the globe, and strengthen the company's technology group.

"It's time for Yahoo to move forward, and fast," Thompson said in the memo distributed to staff.

The changes separate what had been a mixed reporting structure that made regional groups sometimes responsible for both creating content and selling ads against it.

"Yahoo was just a complex mess in terms of reporting structures," said Sameet Sinha, an equity analyst with B. Riley & Co. "Scott's just saying, 'Let's take it apart.' "

The consumer group will contain media properties such as the Yahoo home page, news, finance, sports and entertainment products, under Ross Levinsohn, executive vice president of the Americas.

The consumer group also takes over the company's search business and products that consumers use on a daily basis such as email and instant messaging tools.

Thompson, a former executive at online transaction processor PayPal, also told employees that Yahoo will renew its focus on commerce, an area he said will "play a critical role in Yahoo's future growth." The commerce team will focus its efforts on Yahoo pages devoted to autos, shopping, travel, jobs, personals and real estate.

Last week, Thompson announced that Yahoo would begin laying off 2,000 employees, a 14 percent cut to its workforce and the biggest in its 17-year history. Thompson, who joined Yahoo just three months ago, is under increasing pressure to turn the Internet giant around. His chief critic is hedge fund manager Daniel Loeb, who controls a 5.8 percent stake in the company and has been angling for representation on the board.

Yahoo's stock closed down 11 cents at \$14.99 on Tuesday as the Dow Jones industrial average had its third triple-digit decline in four trading days.

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