

Yahoo Losing 3 Top Execs, Raising More Worries

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SAN FRANCISCO (AP) — Three top Yahoo Inc. executives are leaving the slumping Internet company in an exodus that could put CEO Carol Bartz on the hot seat as she approaches the end of her second year trying to engineer a turnaround.

The company disclosed the departures Thursday, confirming an earlier report published on the technology site All Things Digital.

The defecting executives are: Hilary Schneider, an executive vice president who oversaw Yahoo's advertising in the U.S.; David Ko, a senior vice president in charge of mobile and audience; and Jimmy Pitaro, a vice president who ran the division that produced the heavily trafficked news, sports and finance sections of Yahoo's website.

"These are some of the most important people at the company," said Standard and Poor's equity analyst Scott Kessler. "It's definitely going to put more pressure on Carol Bartz."

Bartz, known for her brash, sometimes profane language, has been cutting costs while trying to find ways to get people to spend more time on Yahoo's website instead of rapidly growing online hangouts such as Facebook and Twitter.

In doing so, Bartz also abandoned any hope of catching Google Inc. in the lucrative Internet search market. She has farmed out the bulk of the company's search technology to Microsoft Corp.'s Bing.

Although analysts have applauded Bartz for bringing more discipline to Yahoo, her strategy has yielded few dividends. Advertisers are still spending more at Google and Facebook, leaving Yahoo in a financial funk that began under her two predecessors, former movie mogul Terry Semel and company co-founder Jerry Yang.

Yahoo's stock price also has fallen by about 15 percent so far this year, leaving it even further below the \$33 per share that Microsoft was prepared to pay to buy the entire company in May 2008. Yang balked at the offer, prompting Microsoft to withdraw the bid.

Yahoo shares fell 17 cents Thursday to close at \$14.17.

Bartz, 62, has cautioned it could take several years to revive Yahoo and pointed out that Apple Inc. didn't become a Wall Street darling as soon as Steve Jobs returned to the company in 1997.

Yahoo's board gave Bartz a four-year contract when it hired her in January 2009.

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But that the latest personnel losses could prompt some second-guessing about whether the board made the right choice, Kessler said, given that Bartz has been unable to stop an exodus of talent that began under Semel and Yang. "This will increase the wattage of the spotlight on that issue," he predicted.

Yahoo has persuaded Schneider to remain with the company while it searches for her replacement. The company hopes to fill that key job by the end of the year.

Ko is being succeeded by Raymond Stern, who joined the company last year as senior vice president of North America partnerships. Yahoo didn't announce who will replace Pitaro.

"We wish them all the best in their future endeavors," Yahoo said in a statement about the departing executives.

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