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More trouble for Yahoo!

Carol goes out the portal

Sep 7th 2011, 9:20 by M.G. | SAN FRANCISCO

WHEN Carol Bartz took the wheel at Yahoo! in January 2009 one of her first acts was to tell employees that she would “drop-kick to fucking Mars” anyone who was caught leaking company secrets. Now it is Ms Bartz who has been drop-kicked out of the company. On September 6th news leaked via AllThingsD, a technology-



news website, that she had been ousted in a surprise coup by Yahoo!'s board. Official confirmation swiftly followed, with the news that Tim Morse, the firm's chief financial officer, would take over as interim chief executive, supported by a leadership committee of senior managers. In ditching one of Silicon Valley's most colourful characters, whose potty-mouthed epithets have become something of a personal trademark, Yahoo! has signaled the depth of its problems. Fixing them will not be easy.

When the history of the internet industry comes to be written, Yahoo! will deserve a special place in it for all the wrong reasons. Rarely has a company managed to destroy so much shareholder value in such a short space of time. Before Ms Bartz was brought in to run the business, Yahoo! rejected a bid from Microsoft that valued it at around \$45 billion on the ground that the offer was too stingy. Today, its market capitalisation is a mere \$16 billion or so.

Yahoo!'s fundamental problem is that it is still a generalist in a tech world that is increasingly dominated by specialists. Google reigns over the search business, where Yahoo! used to have a big presence until Ms Bartz outsourced its search operations to Microsoft. And Facebook has come to dominate the world of social networking, an area where Yahoo! might have been expected to do well given its large number of customers. Some 590m people visited the company's sites in June, including its popular news and finance services, generating 78 billion page views.

That kind of traffic is not to be sniffed at. The problem is that Yahoo! has not monetised it effectively. This has opened the door to the likes of Google and Facebook, which have been pitching for, and winning, the online display advertising that is Yahoo!'s bread-and-butter. According to eMarketer, a research firm, the American online display-advertising market is expected to grow by almost 25% this year, reaching some \$12 billion. But Yahoo!'s portion is likely to slide to 13%, down from 14.4% last year. Its share of search-related online advertising is also waning.

One bright spot in the company's operations has been its Asian businesses, such as Yahoo! Japan and Alibaba, a Chinese internet firm in which it has a 43% stake. Even here, though, there has been trouble. Earlier this year Yahoo! found itself embroiled in a very public spat with Alibaba. The firm had transferred Alipay, an online-payments business, to a company owned by Jack Ma, Alibaba's boss—and had done so, according to Yahoo!, without clearing the move with the board. In July the two firms made peace, but not before Mr Ma suggested publicly that Yahoo! ought to be broken up.

That thought has occurred to others too. Private-equity firms are said to be interested in swallowing all or part of Yahoo! and there has also been speculation that the company

1 day 1 week 2 weeks

could spin off its lucrative Asian operations into a separate entity. Under Ms Bartz's lead, Yahoo! had been in the running to buy Hulu, a video-streaming company. Snapping up the firm might make Yahoo! more attractive to buyers, but it would also expose it to a nasty, ongoing tug-of-war between media companies and distributors.

Buying Hulu might just make sense with a stable executive team to manage it. But Ms Bartz's abrasive management style has meant there has been considerable turnover in the senior ranks at Yahoo!. This and disagreements over strategy are said to have created tension between her and Jerry Yang, a co-founder of the company. At the firm's annual general meeting in June, Roy Bostock, its chairman, publicly gave the board's backing to Ms Bartz after she was criticised by shareholders. But this week it was Mr Bostock who fired Ms Bartz by telephone—a fact she revealed in an e-mail sent to all of Yahoo!'s staff from her iPad while travelling on business. No doubt a few choice expletives lit up the air when she got the news.

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NvbKkcn8sG wrote:

Sep 7th 2011 10:45 GMT

I remember visiting Yahoo! headquarters in 2005, as part of a summer school outing. We did ask the question of "what are you going to do about Google" and the answer we got was "we don't need to do anything, they will never achieve what we, Yahoo!, have".

Two years later, my sister went to the same summer school and guess what they visited... yes, the Googleplex.

Yahoo! never saw it coming, they thought that because they were the first ones, they would remain there no matter what.

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Ahd1 wrote:

Sep 7th 2011 10:46 GMT

When I heard of her being fired on TV, I first thought that it was harsh, to fire someone over the phone. Now that I know she is a fire breathing dragon, can't judge Mr Bostock.

Bostock : Carol, You're fired

Bartz : Why you son of a...
Bostock : (click)

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JOn4th4n wrote: Sep 7th 2011 11:20 GMT
Who else pictured a 1908's Maggie Thatcher when reading this article?

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JOn4th4n wrote: Sep 7th 2011 11:20 GMT
^ 1980's even, sheesh

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Salpe - The Guru wrote: Sep 7th 2011 11:29 GMT
This shows that how yahoo is in disarray.Senior people can not act as team instead making scheme to firm him and her .Their higher management moral seems to low and with such thing future decisions seems to be taken in haste and probably would go wrong .This will land Yahoos ship in reef.

Firing people is not always good option.What yahoo need is better policy to tackle other technology firms not just firing people .
Even though Yahoo is destined to fate of companies like NetScape because of lack of their CEOs ability to see the future world.

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LaContra wrote: Sep 7th 2011 12:05 GMT
Love the headline
Sounds like she was drop-kicked through the portal more like

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edmcw wrote: Sep 7th 2011 12:21 GMT
Great photo.

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Top Hat 001 wrote: Sep 7th 2011 12:27 GMT
Apparently the board fired her over the phone. That is a rather mean way of doing it.
And besides, if I were firing her in the cruellest possible way, I would have fired her via YAHOO EMAIL.

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Vishal Tulsian wrote: Sep 7th 2011 1:10 GMT
Carol Bartz is 60+ years old. Her potty-mouthed epithets and her abrasive management style was formed already before she joined Yahoo! and was presumably known to the interviewers. Why did the Board of Yahoo! hire her at the first place? And then why it takes so long for the Board to decide that her performance is lousy when the analysts covering the sector had already stated the same long back. Would it not be correct for the Board to fire itself also for the lousy job?

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guest-iemslea wrote: Sep 7th 2011 1:18 GMT
I bet she uses gmail

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hf howard wrote: Sep 7th 2011 1:36 GMT
Well done, Schumpeter.

Is it my imagination, or has the Yahoo news page developed a pronounced rightwing / alarmist / Tea Party slant over the past few years?

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Sep 7th 2011 3:50 GMT

Myggen wrote:

hf howard: Well, at least the commentators seem to be extremely right wing or extremely left wing, with a large majority of the first group of people. There's a lot of "OBAMA=HITLER" talk going on over there.

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thirtyfive wrote:

Sep 7th 2011 3:50 GMT

"Well done, Schumpeter.

Is it my imagination, or has the Yahoo news page developed a pronounced rightwing / alarmist / Tea Party slant over the past few years?"

Catering to the audience I'd imagine. How many thoughtful people do you know that read Yahoo News?

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jbunniiii wrote:

Sep 7th 2011 4:11 GMT

Right after I read on another site about Bartz's firing, I checked Yahoo's top news story. It was "Lady Gaga goes au naturel." What exactly is their target demographic? It would seem to be gossiping housewives.

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khmTzic3YT wrote:

Sep 7th 2011 4:32 GMT

"I am but mad north-north-west: when the wind is southerly I know a hawk from a handsaw." --Hamlet

Silicon Valley has several CEO characters with charisma, vision and foul potty mouths, notably Stephen Jobs, Larry Ellison and Mark Zuckerberg. They are mad, but yet have method. They are genius maniacal inventors. Each have dozens of patents. Have laser sharp vision. Are critically abrasive. Have poor social skills. And are borderline antisocial. And they curse like sailors.

There are hundreds of way to be crazy. Most are dysfunctional and alienating. But some confer hyperactive energy, superior conscious awareness, integrative expansive thinking, outside-the-box creative problem solving and the 'vision thing'. "I got vision and the rest of the world wears bifocals."

Apple Computer's success is more due to luck than competency. Apple is Stephen Jobs. And Stephen Jobs is crazy. Any other personality would not have achieved their string of success of great products. And become the most valued company in America. Unfortunately, all men are mortal, and Apple best days are behind it.

Mark Zuckerberg is antisocial. And has unusual diet habits, right now on a bet, eating only meat he kills by hand. And challenges himself like attempting to learn Mandarin Chinese in one year by himself while running a billion dollar company.

Larry Ellison in addition to owning, at one time, the most expensive house in America, plays tennis with the world's best ranked players, and is Captain of an America's Cup Yacht, also the most expensive in history.

Yahoo! attempted find its muse in Bartz. She is crazy, but the wrong kind of crazy. Mental illness in woman are a different bird than in men. And unfortunately, the Yahoo! Board was trying to emulate their own version of Stephen Jobs. But instead just got the crazy, cigar-smoking, foul-mouthed aunt. There is crazy, and there is insanely great.

Some knowledge of personalities, psychology and psychiatry can be valuable when vetting a new CEO or even a President. The Republican field is ripe.

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Ebdebebbede wrote:

Sep 7th 2011 4:53 GMT

Google has Larry Page, Sergei Brin, and Eric Schmidt. Three smart computer scientists.

Apple has Steve Jobs. Design visionary.

Microsoft had Bill Gates. Ruthless geek.

What does Yahoo have? Seriously, I want to know. All I see is a bunch of suits who think personality is a substitute for talent.

They aren't going to sales-and-market their way out of this one. Why not promote a passionate young guy or girl up from the bottom to run the place? What have they got to lose?

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reggierocksonrocks wrote: Sep 7th 2011 5:11 GMT

From the piece --
... one of her first acts was to tell employees that she would "drop-kick to fucking Mars" anyone who was caught leaking company secrets.

Another overrated executive level type that was in over their head. It is always interesting to see chief executives try and act like big bad tough characters.

And she will probably gets some type of overkill severance pay.

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jld314 wrote: Sep 7th 2011 5:19 GMT

What's up with that picture? Did she get ousted at gunpoint?

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UCpMsqk2U8 wrote: Sep 7th 2011 5:31 GMT

Trust Yahoo! to hire this overpriced and overrated old hag in the first place!

The entire Yahoo! Board needs to be fired as well. They seem to be going the Sun Microsystems way....

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UCpMsqk2U8 wrote: Sep 7th 2011 5:33 GMT

And what kind of a strange picture is this? It looks as if she takes an almost malicious pleasure in loud farting in a crowded room after a long bout of constipation...and expects people to be humored!

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