

# Yahoo CEO Fired Over the Phone

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Yahoo Inc Chairman Roy Bostock fired CEO Carol Bartz over the phone on Tuesday, ending a tumultuous tenure marked by stagnation and a rift with Chinese partner Alibaba.

Chief Financial Officer Tim Morse will step in as interim CEO, and the company will search for a permanent leader to spearhead a battle in online advertising and content with rivals Google Inc and Facebook.

Shares in the company jumped 6 percent. They are scarcely higher than where they were when Bartz first took the reins in January 2009 with hopes of reviving stalled growth and competing with up-and-coming rivals.

On Tuesday, her efforts were abruptly halted after Bostock called with the bad news.

"I am very sad to tell you that I've just been fired over the phone by Yahoo's Chairman of the Board. It has been my pleasure to work with all of you and I wish you only the best going forward," the outspoken CEO said in a two-sentence email to employees obtained by Reuters.

The turn of events surprised few Wall Street observers who had tracked a rising torrent of criticism and watched revenue growth falter and sputter out.

Some analysts said Bartz's departure signaled the company had run out of options after failing to dominate the advertising and content markets and handing over its search operations to Microsoft Corp.

That partnership, under which Microsoft handles search for Yahoo's websites and keeps a portion of ad revenue, appears to favor the software giant at Yahoo's expense.

Yahoo said that a newly-formed executive leadership council would help Morse in managing day-to-day operations as well as supporting "a comprehensive strategic review" to position the company for future growth.

"It's hard to say what direction they are going to head. What is the next step for Yahoo? They went down the road of search, they went down the road of media, becoming a content company, they went down the road of advertising," said YCMNet Advisors CEO Michael Yoshikami.

"I'm not sure where they go right now. One wonders if this means that they might be ripe for a takeover."