

SAN FRANCISCO: Yahoo! s board of directors fired chief executive Carol Bartz on Tuesday, less than three years after she was brought in to help turn around the struggling Internet company.

Yahoo! said Bartz was being removed effective immediately and that chief financial officer Timothy Morse would serve as interim chief executive while the board of directors searches for a new CEO.

Yahoo! also said it had named an Executive Leadership Council to carry out a comprehensive strategic review of the Sunnyvale, California-based company.

On behalf of the entire board, I want to thank Carol for her service to Yahoo! during a critical time of transition in the company s history, and against a very challenging macro-economic backdrop, Yahoo! chairman Roy Bostock said in a statement.

While thanking Bartz, who replaced Yahoo! co-founder Jerry Yang as chief executive in January 2009, Bostock made it clear that the board believes the company has failed to live up to its potential.

The board sees enormous growth opportunities on which Yahoo! can capitalize, and our primary objective is to leverage the company s leadership and current business assets and platforms to execute against these opportunities, he said.

We have talented teams and tremendous resources behind them and intend to return the company to a path of robust growth and industry-leading innovation, the Yahoo! chairman said.

We are committed to exploring and evaluating possibilities and opportunities that will put Yahoo! on a trajectory for growth and innovation and deliver value to shareholders, Bostock said.

The 62-year-old Bartz, a former chief executive of business software company Autodesk, sent a brief email to Yahoo! employees announcing her departure.

I am very sad to tell you that I ve just been fired over the phone by Yahoo s Chairman of the Board, said the email first obtained by the technology blog AllThingsD.

It has been my pleasure to work with all of you and I wish you only the best going forward.

Bartz overhauled the management team at Yahoo! after taking over from Yang on a four-year contract and drastically cut costs with several rounds of layoffs.

She negotiated an Internet search deal with Microsoft in a strategic shift away from the company s online search roots and began transforming Yahoo! into a venue for personalized content.

At a recent shareholders meeting, Bartz sought to assure investors that she was leading a focused effort to transform Yahoo! into a premier digital media company serving up online offerings tailored to the tastes of its 680 million users worldwide.

But the Silicon Valley veteran has had a rocky tenure and Yahoo! s share price has languished despite her efforts to return the company to its former glory.

Earlier this year, Yahoo! engaged in a public fight with the Alibaba Group, in which Yahoo! owns a 43 per cent stake, over Alipay, a leading online payments platform in China.

Yahoo! notified the US Securities and Exchange Commission (SEC) in May that ownership of Alipay had been shifted to a Chinese firm owned mostly by Alibaba chief executive Jack Ma.

Yahoo! said the transfer was done without the knowledge or approval of Alibaba s board of directors or shareholders.

Yahoo! and Alibaba reached an agreement in July over ownership of Alipay but the dispute took a toll on the confidence of investors in Bartz leadership.

Bartz most notable move during her tenure was the search and advertising partnership forged with Microsoft in a bid to jointly take on search leader Google.

Under the agreement, Yahoo! uses Microsoft's search engine on its own sites while providing the exclusive global sales force for premium advertisers.

Morse, 42, the interim CEO, has served as chief financial officer at Yahoo! since July 2009. He previously held the same position at semiconductor firm Altera.

Yahoo! shares were up 6.27 per cent at \$13.72 in after-hours electronic trading.

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Courtesy: Dawn