



As Yahoo's Bartz eyes new CFO, Microsoft isn't worried

by Dawn Kawamoto



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When Yahoo's new CEO Carol Bartz met with company Chief Financial Officer Blake Jorgensen nearly two weeks ago, she delivered him a pink slip, sources said.

And while Bartz has not given any indications of a front-runner CFO replacement, the expectation is it will be a candidate from the outside and, hopefully, soon, said

sources familiar with Yahoo's thinking.

"The CFO position will be her decision to make, not the board's. She'll have an opportunity to build her own management team," said one source.

Microsoft, meanwhile, does not expect Yahoo's CFO search, nor the time it will take for a new CFO to become familiar with the company, to slow down any potential of landing a search deal with the Internet pioneer, said one high-level Microsoft source.

After all, in the last go-around when Microsoft announced its initial buyout offer of \$31 a share, it was Yahoo's treasurer who was actively engaged in day-to-day discussions, not Jorgensen or Yahoo's then-president, Sue Decker, said the source.

"I thought it was a little out of the ordinary, but not unheard of," said the source, adding, "Yahoo's treasurer was the one who had their hands all around Yahoo's business and their numbers."

Such an arrangement made sense, noted another source, given Jorgensen, who joined Yahoo in 2007, was there

for only seven months when Microsoft made an unsolicited offer to buy the company.

Yahoo's treasurer is part of the corporate finance team that Decker created when she was Yahoo's CFO. The corporate finance team, as with other large companies, is responsible for building financial models to assess valuations and methods of payment for deals and mergers and acquisitions, which Yahoo's corporate business development team may consider, the source said.

As a result, whether Yahoo has a new CFO in place, the company can still move forward in vetting any deal that Microsoft may want to put forward. The treasurer, Ron Will, is still in place, despite the restructuring announced Thursday, a company spokesman said.

It makes sense that Bartz would look at swapping out Jorgensen for someone who she will self-select, said Umesh Ramakrishnan, vice chairman of executive search firm CTPartners.

"Given the fact that Yahoo continues to be under pressure from Microsoft, it shows that the financial aspects of Yahoo are just as important as the products," Ramakrishnan said.

Although Microsoft is interested in a search deal with Yahoo, the two companies are not engaged in any active conversations, said the Microsoft source.

"If an effort is accelerated to engage in talks, it will be because of the CEO, not the CFO," the source added.

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