Yahoo's stock has been down 40% over the last five years, and has stagnated since 2010, but rose 2% in after-hours trading on news of Mayer's hiring.

Wall Street analysts offered cautious praise. "We believe Mayer's background as one of Google's earliest engineers and her experience overseeing key products suggests the company will refocus on the user experience and pace of innovation," JPMorgan analyst Doug Anmuth wrote in a note to clients: "Importantly, we believe Mayer may also be able to attract more high-quality engineering talent to Yahoo!, which we think is needed after several years of strategic and leadership flux." Citigroup's Mark Mahaney called the hire "bold" and said he has "high regards for Ms. Mayer's organizational skills, consumer Internet industry knowledge and her ability to focus efforts of a large team of engineers on product innovation."

Mayer's first job will be inspiring her troops to believe in Yahoo once again. She'll have to develop a vision of where she wants to take the company, and then map out a plan to execute on that vision. This turnaround won't happen overnight; it will be a long road. But for now, Yahoo employees, shareholders, and Silicon Valley at-large should savor Mayer's appointment. It's the most inspired decision the purple-hued Internet portal has taken in many years.

Questions for Discussion

1. Why is it so important for Yahoo to improve its IT systems and website products/services?
2. In what ways can Mayer use her IT expertise to help improve Yahoo's (a) responsiveness to online users, and (b) the quality and innovativeness of its website products/services?
3. What are the most effective ways in which an online portal such as Yahoo or any Internet portal can improve its users' online experience?

Source: S. Gustin, *Time* (Business Online), July 17, 2012.