

Student name

Date

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The case study name

Yahoo's Case Study Analysis

Executive Summary

The report herein has looked at the Yahoo case study. The case analysis of Yahoo shows that the firm has leadership problem, staff turnover and dissatisfaction, and poor decision making. The report has also discussed the SWOT analysis of the firm. The report has covered the four managerial functions Yahoo can use to improve its situation. Lastly, action plans on how to solve the current issues at Yahoo has been discussed.

Statement of Immediate (obvious) Problem (s)

Yahoo is facing a lot of problems that need urgent attention, or the firm will go bankrupt. The immediate problem the firm is facing which requires urgent attention is leadership problem. Yahoo started facing this problem when it hired Marissa Mayer as its CEO. The company also faces two secondary problems. The first issue is employee dissatisfaction and high turnover rate. High workers turnover rate and dissatisfaction was first seen in 2014 when Mayer started laying off staff. Second, the organization is undergoing decision making issues. The problem was created by the current CEO, Mayer who makes decisions without involving other stakeholders.

Situation (SWOT) Analysis

Strengths

The strengths of the organization which it has control over are as follows. First, the firm is considered one of the dominant social marketing platforms due to its many mail subscribers. Second, the company generates its revenue through advertisements because it has a maximum

number of users. Lastly, though the firm is crumbling, it has many assets such as search engine, mail, yahoo answers, yahoo finance, directory, and web portal.

Weaknesses

The weaknesses of the firm are as follows. First, the firm has a lot of competitors with substantial market shares. For instance, Google, its largest competitor, has about 86% of the total market share¹. Second, the firm has a leadership problem, and investors want Mayer fired. Lastly, the firm's assets, both tangible and intangible, are declining drastically.

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Opportunities

Yahoo has some opportunities in the internet business. First, the firm has the opportunity to receive a lot of revenue from advertisements because many companies are currently adapting to online marketing. Second, many people own smartphones, and the number can increase in the coming years². Lastly, technology is improving and thus, the firm has opportunity to improve itself technologically.

Threats

The company faces some external threats which are beyond its control. First, the biggest threat in the internet business is the increasing competition in the market from countries such as China³. Another threat is tackling cultural issues when investing in the foreign market. Lastly, the firm is threatened with the increased popularity of other competitors such as Google.

Four management functions of Yahoo

Planning

The firm can use strategic planning to address the issues. A strategic plan can help an organization focus on problems in the order of urgency⁴. In this case the urgent issue is leadership problem. Thus, through strategic planning, Yahoo can solve its problems by prioritizing the leadership problem and solve it first before looking at other issues.

Organizing

Yahoo can solve its current issues through proper organization. The firm should follow the hierarchical structure in its organization. Hierarchical organization can enhance workers growth and guidance in Yahoo and thus, reduce the employee turnover rate and dissatisfaction.

Leading

In terms of leadership, Yahoo needs to initiate a transformational leadership style. This leadership style allows company members to bring forth changes that they feel can improve the firm⁵. Yahoo management should allow its senior employees to develop reforms that can enhance the firm and solve its current issues. Transformational leadership enhances personal development and thus, can improve workers' satisfaction and reduce turnover in the firm.

Controlling

The administration can solve the problems through its controlling function. The firm can use return on investment (RIO) technique to exercise control over the firm operations. This technique provides information which explains whether a capital has been used to generate profit or loss⁶. Controlling can increase worker motivation by ensuring that an employee knows what is required of him at a given period.

Action Plans

Yahoo needs urgent solutions to the current problems it is facing. First, the board should fire Mayer and employ another CEO who can make significant changes. Mayer should be fired because she does not consult other stakeholders when making some vital decisions. The board can fire Mayer by voting amongst themselves. Second, the company should introduce motivation programs to improve the worker's satisfaction. The human resource management is the department responsible for workers. It can develop motivation programs by promoting loyal and productive workers, offering training programs to improve the employees' skills, and compensating the staff for conducting extra work. Lastly, the firm should sell some of its assets abroad and concentrate on the ones that bring more profits. The board is the body responsible for deciding on which assets to sell. However, it must do it in consultation with other senior managers at the firm.

In conclusion, Yahoo is facing three main issues. They include high employee turnover and dissatisfaction, imperfect decision-making process, and leadership issue. The firm can solve the problem by firing Mayer, introducing motivation programs, and selling assets bringing fewer profits.

Endnotes Page

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⁵ Morschett, Dirk, et al. *Strategic International Management*. Springer, 2015.

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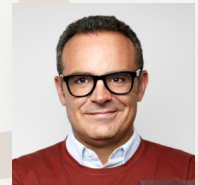
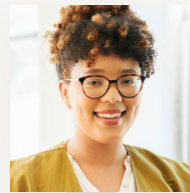
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