

What's next for Meta after Sheryl Sandberg's departure?

Article

The news: Sheryl Sandberg is leaving her chief operating officer post at Meta, after [a storied career](#) at the social media giant.

- Sandberg, CEO Mark Zuckerberg's long-standing second-in-command who had been one of the company's most visible executives, has **appeared to be demoted to fewer public-facing roles** in the previous year.

- Sandberg will step down in the autumn after spending the next two months transitioning her direct reports with founder Zuckerberg.

Consolidation of power: Zuckerberg has repeatedly been summoned to appear before Congress since 2018 to discuss misinformation and other issues, thrusting the formerly introverted, antisocial CEO into the spotlight instead of Sandberg.

- Those experiences in recent years may have given Zuckerberg, who was 23 when he began working with Sandberg, the confidence to take full ownership of more decision-making.
- **Javier Olivan**, the current chief growth officer and one of Meta's most influential but lesser-known executives, **will take over as COO** in a "more typical" COO job, according to Zuckerberg.
- Meta's legal chief **Jennifer Newstead** and head of people **Lori Goler** will now report directly to Zuckerberg, **further strengthening his grip** on the company.

Unease: Sandberg's departure, announced on Wednesday, is likely to add to the anxiety many employees feel after a turbulent year.

- According to more than a dozen interviews Fortune has conducted with employees who left since the company rebranded itself as Meta last October, the social media giant's **struggles have left many Meta employees feeling uneasy and disoriented**.
- The company has been **challenged to maintain revenue growth** in the face of **Apple's** privacy changes, which it has **called anti-competitive**. **TikTok** has been **eating into Meta's advertising business** as well.
- Facebook will **lose users in the US for the first time**.
- The company's rapid pivot to the metaverse—not to mention **its recent job freezes in that area**—have reportedly unsettled some of the rank and file.

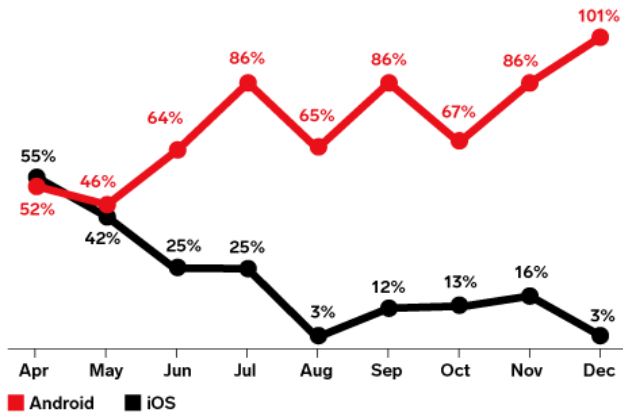
Ad problems: Olivan has some major challenges to address as he inherits the COO mantle.

- **Snapchat, TikTok, and Pinterest** ads are all considerably cheaper on a CPM basis, **per** Tinuiti.
- Internet users spend considerably less time on Facebook and Instagram than they do on TikTok and YouTube, per **our forecast**—which makes it harder for Meta to lower CPMs to attract more ad dollars.

- iOS changes have demonstrably led to a decline in ad spending on Meta’s mobile properties, also according to Tinuiti.

**US Meta Mobile Ad Spending, by OS,
April-Dec 2021**

% change vs. same period of prior year



Note: across all properties, including Facebook, Instagram, Audience Network, and Messenger; represents activity on the Tinuiti platform, broader industry metrics may vary
Source: Tinuiti, "Facebook Ads Benchmark Report: Q4 2021," Jan 2022

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What’s next: When you think about the metaverse, our leader there is Boz [Andrew Bosworth],” Sandberg told The Verge. “He is very business-minded and I think will do a great job building the next business for the company.”

- One has to wonder why Sandberg wasn’t deemed the right person to build Meta’s metaverse ad strategy.
- The parent of Facebook, Instagram, and WhatsApp is betting heavily on its Reality Labs division, which now includes over 17,000 people, [per](#) The Verge. That’s 21% of the company’s headcount accounting for less than 3% of revenue.
- Meta's success in the metaverse will lie “not in being a trend-setter, but in how it responds when that trend starts to spin out of control,” says principal analyst **Debra Aho Williamson**. “Which, inevitably, it will.”

The big takeaway: Mark Zuckerberg is more powerful than ever.

- His chief lieutenants, including Bosworth, Olivan, and recently elevated president for global affairs, **Nick Clegg**, have their work cut out for them.