

Amazon faces a period of greater uncertainty

Article

The news: Amid the most significant leadership transition since its founding, Amazon is facing questions about its continued growth trajectory.

- Amazon's pandemic-fueled strong 2020 is a hard act to follow; shares are up only about 8.0% year to date, with many tech players faring better in 2021.
- New CEO **Andy Jassy** took over for founder Jeff Bezos on July 5, raising the inevitable questions as to whether Jassy can lead the company as successfully as his predecessor.

Amazon Web Services (AWS) departures could be key:

- **Adam Selipsky** left his position as CEO at Tableau Software to take the reins from Jassy as CEO of AWS, the company's highly profitable cloud-computing division. Jassy had run AWS since it was first launched in 2006.
- There's been some concern about "brain drain" (i.e., valuable talent moving to other firms), with prominent veterans like 23-year Amazon veteran **Charlie Bell**, who was a potential candidate to replace Jassy, departing for Microsoft's cloud division.
- **Teresa Carlson**, who had been vice president of the AWS public sector and industries, departed for business intelligence software provider Splunk.
- The general manager for AWS Marketplace, **Kamlesh Talreja**, is leaving the company after 16 years to work for Goldman Sachs Asset Management, which is in the process of expanding its cloud-based fintech offering.
- AWS can ill afford a brain drain; while it is the largest player in the cloud-computing world, it is being chased aggressively by the likes of Microsoft and Google.

Other notable departures:

- **Jeff Wilke** retired this year, departing as CEO of Amazon's global consumer business, with **Dave Clark** (formerly the company's senior vice president of worldwide operations) taking over.
- Longtime executive **Wei Gao**, responsible for much of the company's grocery initiatives and a former technical advisor to Bezos, left to become virtual event provider Hopin's COO. She had been only the second woman to hold a role as Bezos' "shadow" advisor.
- Amazon faced a turnover rate of 12.9% at the vice president level and above, per a 15-month analysis by Insider that concluded in April.

Other workplace hurdles: Given the company's overall size and influence, its operations are some of the most scrutinized of any US business.

- While unionization efforts have been unsuccessful, there's been disapproval of how aggressively Amazon has fought against these efforts. Its fulfillment centers have been criticized for work conditions that can be difficult, leading to high attrition rates.
- Amazon's internal performance system has also been scrutinized, and it has been accused of workplace bias.

What this means:

- If the company is no longer seen as rapidly growing by job candidates, it could become more difficult to attract top talent.
- While the departures could mean nothing, they could also signal that many executives feel that now is a good time to leave.
- Half of Amazon's total operating profit comes from AWS; should the division falter, the company could have less cash on hand to invest in innovations such as its planned move into department stores, investments in electric vehicle maker Rivian, expansive renewable energy projects, and other initiatives.