

WeWork founder Neumann: an unconventional leader steps aside

September 24 2019, by Juliette Michel



WeWork announced an executive shakeup as it tries to reposition an initial public offering campaign that has sputtered over the last month

WeWork co-founder Adam Neumann, whose unconventional approach to business and governance pushed boundaries on Wall Street and

Silicon Valley, stepped down as chief executive on Tuesday.

Under pressure from some [board members](#), Neumann will exit the corner office as the company tries to reposition an initial public offering campaign that has sputtered over the last month.

Neumann, who will stay on as chairman, has also faced questions over his perceived self-dealing, as well as the ability of his fast-growing company to become profitable.

Neumann's setback marks a shift in fortune for a charismatic figure who has been embraced by investors even as he has employed unusual imagery to describe the business's meteoric growth since its founding in 2010.

The company's IPO prospectus says "its mission is to elevate the world's consciousness."

Neumann's audacious approach to business won support from key investors, including the Japanese group SoftBank.

But his loose approach to corporate governance and conflicts of interest garnered scrutiny, as did a Wall Street Journal expose detailing drug and alcohol use and Neumann's aspirations to become the world's first trillionaire.

Known for long hair and a wardrobe that favors T-shirts, Neumann, 40, is also known as a [serial entrepreneur](#).

Big ambitions

Born in Israel, he has described a difficult childhood that included the divorce of his parents and frequent moves.

After serving in the Israeli army for five years, he moved in 2001 to New York. He has lived in the city ever since and it is now WeWork's headquarters.

Neumann initially studied business at Baruch College in the City University of New York but abandoned formal studies to launch his first fledgling business, producing a woman's shoe with a collapsible heel.



Wework co-founder Adam Neumann announced that he will step down as CEO as the startup faces questions over its governance and profit outlook

A second venture marketed baby clothes with knee and elbow pads, but he told Baruch students at a 2017 graduation ceremony that the venture notched just \$2 million in sales compared with \$3 million in expenses.

During that period, Neumann also met the woman who became his wife, Rebekah, a cousin of actress Gwyneth Paltrow. The couple now have five children.

"The first moment I met my husband, even though he was broke.... I could see that together we were going to create something that was going to be large scale for the planet," Rebekah Neumann said in a November 2018 podcast.

"I just knew he was going to be the man that was hopefully going to help save the world."

Neumann, along with his friend Miguel McKelvey, moved into the shared-office business in 2008.

The company, called Green Desk, was based on "coworking," an old concept but one that was refreshed with new technologies as the [financial crisis](#) led to more freelancing and startup ventures, some involving people from finance who lost their jobs.

Neumann describes renters as "members" and built WeWork to be "a community that helped people live life with purpose," according to a blog post earlier this year.

The company today manages more than 500 sites in 30 countries and employs 12,500 people.

But WeWork has struggled with its bottom line, losing almost \$2 billion in 2018.

On the jobs site Glassdoor, former WeWork employees praise Neumann's charisma and boundless energy, while others have criticized a cult-like atmosphere.

On Tuesday, Neumann said he was stepping down as CEO, declaring that he was "so proud" of the company's growth.

"While our business has never been stronger, in recent weeks, the scrutiny directed toward me has become a significant distraction and I have decided that it is in the best interest of the company to step down as chief executive," he said.

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