

Amazon CEO Jeff Bezos may step down without stepping away

February 3 2021, by Joseph Pisani and Michael Liedtke



In this Sept. 19, 2019, file photo, Amazon CEO Jeff Bezos speaks during his news conference at the National Press Club in Washington. Amazon said Tuesday, Feb. 2, 2021, that Bezos is stepping down as CEO later in the year, a role he's had since he founded the company nearly 30 years ago. (AP Photo/Pablo Martinez Monsivais, File)

Even after stepping aside as CEO, Amazon founder Jeff Bezos will likely keep identifying new frontiers for the world's dominant e-commerce company. His successor, meanwhile, gets to deal with escalating efforts to curtail Amazon's power.

Tuesday's announcement that Bezos will hand off the CEO job this summer came as a surprise. But it doesn't mean Amazon is losing the visionary who turned an online bookstore founded in 1995 into a behemoth worth \$1.7 trillion that sometimes seems to do a little bit of everything.

Bezos, 57, has never let Amazon rest on its laurels. In the last year alone, it bought a company developing self-driving taxis; launched an online pharmacy selling inhalers and insulin; and won government approval to put more than 3,200 satellites into space to beam internet service to Earth.

Long-time Amazon executive Andy Jassy will be the new CEO, but Bezos will be the company's executive chairman—corporate speak for board leaders who, unlike most, stay involved in key operational decisions. Think Robert Iger at Disney, Howard Schultz at Starbucks, or Eric Schmidt at Google after handing off the reins a decade ago.

"Jeff Bezos has held a firm grip on the company for a long time," said Ken Perkins, president of RetailMetrics LLC, a retail research firm. "I have to believe he will have a say in what is going on and have a big hand in big picture decisions."

Amazon's chief financial officer, Brian Olsavsky, made the move sound like a mere shuffling of chairs.



In this Dec. 5, 2019, file photo, AWS CEO Andy Jassy, discusses a new initiative with the NFL during AWS re:Invent 2019 in Las Vegas. Amazon announced Tuesday, Feb. 2, 2021, that Jeff Bezos would step down as CEO later in the year, leaving a role he's had since founding the company nearly 30 years ago. Amazon says Bezos will be replaced in the summer by Jassy, who runs Amazon's cloud business. (Isaac Brekken/AP Images for NFL, File)

"It's more of a restructuring of who's doing what," he said during a Tuesday call with reporters.

Investors didn't flinch upon after hearing about Amazon's forthcoming change in command, and instead appear to be more focused the company's blockbuster earnings, which it also announced Tuesday. After see-sawing back and forth Wednesday, Amazon's stock price wound up declining 2% to close at \$3,312.53—not the type of drop that occurs

when Wall Street is worried about a management shake-up.

"I don't think he's going to be completely hands off," CFRA analyst Tuna Amobi said of Bezos.

[In a blog post](#), Bezos said the CEO job had pulled him away from exploring new ideas and initiatives that could yield growth opportunities. He now intends to focus more on such innovation, along with other ventures, such as his rocket ship company Blue Origin and his newspaper, The Washington Post.

"Being the CEO of Amazon is a deep responsibility, and it's consuming," Bezos wrote. "When you have a responsibility like that, it's hard to put attention on anything else."

The shift will saddle Jassy with some of the responsibilities that Bezos clearly didn't enjoy. Perhaps the most daunting is the increasing scrutiny of Amazon's clout in an online shopping market that has become even more essential to consumers during the past year's pandemic.



In this Thursday, June 6, 2019, file photo, Amazon CEO Jeff Bezos speaks at the Amazon re:MARS convention, in Las Vegas. Amazon said Tuesday, Feb. 2, 2021, that Bezos is stepping down as CEO later in the year, a role he's had since he founded the company nearly 30 years ago. (AP Photo/John Locher, File)

The U.S. government already has slapped two other technology powerhouses, Google and Facebook, with antitrust lawsuits. Both regulators and lawmakers have left little doubt that they are taking a hard look at whether similar action is warranted against Amazon and Apple.

European regulators, meanwhile, are taking on Amazon in an antitrust case filed late last year. They accuse the company of mining the data of merchants selling products on its site to gain an unfair advantage over

them.

Jassy will likely have to ward off the antitrust threat while also trying to forge his own legacy. A revered company founder can cast a long shadow.

"Amazon's size makes some industries uncomfortable, some governments uncomfortable and Andy Jassy will have to deal with the consequences," Gartner analyst Ed Anderson said. "That will be some of the new era of his leadership."

Jassy, 53, also may face pressure from critics who believe Amazon's success has been built in part by mistreating many of its 1.3 million employees, especially those in the distribution warehouses and delivery trucks who are paid far less than the tech engineers while also facing more hazardous conditions.

"Jeff Bezos' departure as CEO is a chance for Amazon to turn over a new leaf," said Robert Weissman, president of Public Citizen, an activist group in Washington. "It should start by paying all its workers a living wage and ensuring they have safe and healthy working conditions."



In this Oct. 1, 2020, file photo, an Amazon Prime logo appears on the side of a delivery van as it departs an Amazon Warehouse location in Dedham, Mass. Amazon announced Tuesday, Feb. 2, 2021, that Jeff Bezos would step down as CEO later in the year, leaving a role he's had since founding the company nearly 30 years ago. (AP Photo/Steven Senne, File)

If Jassy needs a shoulder to lean on, Bezos will likely be there for him, predicted Jeffrey Sonnenfeld, a Yale University professor who has closely studied management succession issues. He expects Bezos to orchestrate a "gradual transfer of power with continuity of command and partnership."

Analysts said Bezos appears to have picked a successor who's up for the challenge. Sonnenfeld said he believes the choice may have been made

last summer, resulting in the departure of another trusted lieutenant, Jeff Wilke, who had also been widely viewed as a candidate to become Amazon's next CEO.

Jassy is highly respected for building up Amazon's web services division, which runs many of the world's biggest websites. Earnings from that cloud-computing service also helped subsidize the company's online shopping operations as it cut prices so low that it lost money for many years.

"He's proven himself in building the most profitable part of the company," Amobi said. "His challenge is translating that to the broader e-commerce platform."

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