

CEO Meyer Out at AMD

Written by Bob Snyder
14 January 2011

The Man with The Axe Falls to a Bigger Axe

Abruptly, Dirk Meyer, the "engineer's engineer" and CEO of AMD has resigned...amid believable speculation that an unhappy AMD Board handed Meyer his resignation-- and asked to sign it.

Meyer, the CEO who wielded an unpopular job-cutting axe on AMD executives in Europe, fell to the bigger axe of the AMD Board.



Bruce Claflin, Executive Chairman of the AMD Board (an ex-Digital alumnus) admits: "Dirk became CEO during difficult times. He successfully stabilized AMD while simultaneously concluding strategic initiatives including the launch of GLOBALFOUNDRIES, the successful settlement of our litigation with Intel and delivering Fusion APUs to the market..."

Ironically, the project called "Fusion" was Meyer's last AMD accomplishment before his own "unpacking" at the chip maker.

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Now, "the game has indeed changed" and Senior VP/CFO Thomas Seifert will become interim CEO. He has specifically asked (out of wisdom or modesty-- or the Board's insistence?) NOT to be considered for the permanent position.

Unlike HP, there is no casual fling, no suspect expense reports to point to in order to justify the Board's abrupt action. **So why did Meyer get the Board's boot?**

Claflin says, "The board believes we have the opportunity to create increased shareholder value over time ... This will require the company to have significant growth, establish market leadership, and generate superior financial returns. We believe a change in leadership at this time will accelerate the company's ability to accomplish these objectives."

What does that really mean? Analyst Rob Enderle sums it up nicely: "Meyer was responsible for turning AMD around but didn't have the vision to position the company for the growth markets of tablets, smart TVs, and smartphones which are moving valuations. He will be replaced with someone who can articulate that vision."

The best of Meyer's reputation at AMD did not extend to the commercial side where the market hits the street-level retailers and resellers. Besides taking an axe to an experienced sales force in Europe, Meyer suffered from "Microsoft-syndrome," that inability to see around the next tech corner.

Yes, Meyer despite success in servers tripped over the smaller form factors of smartphones and tablets. If processors were the Wild West, Meyer would be hung from a tree by his Board with a sign around his neck saying, "He didn't understand mobile."

After all these years of frustration fighting Intel, the AMD Board is kicking itself as it watches ARM grow rapidly despite Intel...and watches Meyer, even up to his departure, telling press that smartphones is just "a different business." After all AMD actually sold out its mobile business to Qualcomm in 2009. And got out of its digital television division when it sold to Broadcom in 2008.

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