



# CEO TRANSITION TURBULENCE:

## SURGING CEO TURNOVER IN THE SILICON VALLEY 150

AUGUST 2023





## THE LONERGAN SILICON VALLEY 150

The Lonergan SV150 is the definitive ranking of the top public companies in technology located in the Silicon Valley.

As specialists in Silicon Valley leadership and talent, Lonergan Partners publishes this list as a public service. We hope you will use our work as a reference guide for better understanding the top companies and business leaders in our area.

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# CEO Transitions Fast Facts

# 24

Companies in the  
LSV150 with a new CEO  
(January 2022 to August 2023)

# 67%

New CEOs leading  
companies in the  
bottom half of  
LSV150 recent stock  
performance



# 54%

CEOs hired from  
the outside



# 92%

First time  
service in public  
co. CEO role



# 50%

CEOs  
replace a  
Founder



# 29%

Prior CEOs  
become  
Executive Chair





# Executive Summary

A seismic shift is transforming the landscape of Silicon Valley leadership. Many long-serving public company tech CEOs are exiting or taking on new roles, making way for a roster of fresh new faces.

## Key Transition Trends:

- **Ready for a new dance partner:** the worst performing companies based on market cap declines were the most likely to change out their CEO
- **Founder fatigue:** even Silicon Valley Founder CEOs are stepping away from the CEO role in record numbers, often taking on an Executive Chair role instead
- **Succession plan snags:** 54% of successor CEOs were externally sourced, and this was much more likely to happen when a Founder CEO was being replaced (8 out of 13 companies with a Founder CEO)
- **Waiting in the wings:** 46% of successor CEOs were promoted from within, and this was slightly more likely to happen when the prior CEO was not a Founder (7 out of 11 companies without a Founder CEO)
- **Bicycle built for two:** experiments with the co-CEO model persist, especially at top 50 ranked LSV150 companies\*

\*The Lonergan Silicon Valley 150 is our firm's list of the top 150 public companies in technology headquartered within 50 miles of the iconic HP garage.

## CEO TRANSITION TURBULENCE: SURGING CEO TURNOVER IN THE SILICON VALLEY 150

Coming off steep declines in the value of public tech stocks in 2022, and with few new M&A exit options, the pace of public tech company CEO turnover in the Silicon Valley has surged dramatically.

Since the start of 2022, there have been 24 companies in the ranks of the Lonergan Silicon Valley 150 (LSV150) - Lonergan Partners' list of the top 150 public companies in technology headquartered within 50 miles of the iconic HP garage - to announce CEO transitions, sometimes more than once.

Furthermore, the pace of CEO turnover has been increasing during this time period. The number of companies hiring a new CEO since the start of 2022 breaks down as follows:



Challenging times have made boards and C-suites more receptive to changes at the top. Some combination of slumping stock prices, inflation pressure, and changes in consumer spending, combined with what may be some delayed retirements post-COVID, have contributed to this surge in CEO turnover.

By far the biggest surprise in our analysis is that many of the new CEOs are replacing Founders. Since the start of 2022, we have seen 12 out of a starting roster of 66 Founder CEOs who have moved out - or over - making room for a crop of seven externally hired new CEOs, and five promoted successors.

For a chart of all CEO transitions included in this report, please see the Appendix on page 16.

## TRANSITION TREND 1: READY FOR A NEW DANCE PARTNER - RESPONSE TO POOR MARKET PERFORMANCE

Stock market pressure does motivate boards – sometimes to hire a new CEO.

67% of the 24 companies with newly hired CEOs are in the bottom half of the LSV150 when ranked on their percentage change in market cap. The time period used in our company performance ranking was the last nine months of 2022. A table of the companies in the bottom 2 quartiles is provided below:

Companies in the bottom two performance quartiles displayed by quartile and then LSV rank				
LSV Rank	Company 2023 (% Decline in mkt cap March 31 - Dec 31)	Market Cap Performance Quartile	CEO Transition (month new CEO appointed)	Prior CEO(s) - (F) means is a founder
46	Lyft (-70%)	4	David Risher (4/23)	Logan Green (F)
62	RingCentral (-69%)	4	Tarek Robbiati (8/23)	Vlad Shmunis (F)
64	Stitch Fix (-68%)	4	Matt Baer (6/23)	Elizabeth Spaulding/Katrina Lake (F)
99	8x8 (-68%)	4	Samuel Wilson (11/22)	David Sipes
100	Shift (-86%)	4	Ayman Moussa (6/23)	Jeff Clementz/George Arison (F)
107	The RealReal (-82%)	4	John Koryl (2/23)	Julie Wainwright (F)
111	Wish (-76%)	4	Joe Yan (9/22)	Vijay Talwar/Piotr Szulczewski (F)
117	Invitae (-75%)	4	Ken Knight (7/22)	Sean George (F)
126	Fastly (-52%)	4	Todd Nightingale (9/22)	Joshua Bixby
48	Splunk (-41%)	3	Gary Steele (3/22)	Doug Merritt
55	DocuSign (-48%)	3	Allan Thygesen (10/22)	Dan Springer
94	Alpha & Omega (-46%)	3	Stephen Chang (3/23)	Mike Chang (F)
95	Five9 (-37%)	3	Mike Burkland (11/22)	Rowan Trollope
97	Marqeta (-44%)	3	Simon Khalaf (1/23)	Jason Gardner (F)
129	Accuray (-36%)	3	Suzanne Winter (7/22)	Joshua Levine
131	Nevro (-45%)	3	Kevin Thornal (4/23)	D Keith Grossman

The total number of CEO transitions by market cap performance quartile breaks down as follows:

5

CEO  
Transitions  
in Quartile 1

3

CEO  
Transitions  
in Quartile 2

7

CEO  
Transitions  
in Quartile 3

9

CEO  
Transitions  
in Quartile 4

## TRANSITION TREND 2: FOUNDER FATIGUE - THE CHALLENGES OF FOUNDER CEO SUCCESSION

Historically, we have observed that many Founder CEOs in the LSV150 have chosen to sell their companies off to an acquirer in the face of slumping shareholder support, rather than hire a successor CEO. But with M&A markets much weaker, 2023 may well be remembered as the year Founder CEOs were seen to step away in large numbers.

As of August 2023, 12 Founder CEOs in the ranks of the LSV150 have made the decision to move on. As you can see below, 58% of these transitions came from companies in the bottom quartile for LSV150 market cap declines:

2

Founder CEO  
Transitions  
in Quartile 1

1

Founder CEO  
Transitions in  
Quartile 2

2

Founder CEO  
Transitions  
in Quartile 3

7

Founder CEO  
Transitions  
in Quartile 4  
(58% of total)



(Founder fatigue cont'd)

These Founder CEO transitions are taking place despite the structural job protection often enjoyed by these executives in the form of significant stock ownership. The recent popularity of dual class stock ownership (DCSO) structures for IPOs has boosted the potential for founders to wield exceptional levels of stock voting power. In DCSO companies, founders and other pre-IPO investors may own an advantaged class of stock with voting rights many multiples that of other shareholders.

As you can see, the average voting power of the exiting Founder CEOs at DCSO companies is much higher than the voting power of the other Founder CEOs.

38.6%

Exiting Founder CEO Voting  
Power at Companies Utilizing  
DCSO

3.5%

Exiting Founder CEO Voting  
Power at Companies Without  
DCSO

In the table below, each of the companies with a Founder CEO is shown alongside the founder's voting power (as reported in the last available Proxy filing):

Founder CEO Transitions in the 2023 Lonergan SV150				
2023 LSV Rank	Company (DCSO status)	Prior CEO (F) means is a Founder	Voting Power Last Proxy	Founder New Board role
10	Netflix	Reed Hastings (F)	1.8%	Became Executive Chair
37	Workday (DCSO)	Joins Aneel Bhusri (F) as co-CEO	71.0%	Bhusri may become Exec Chair in 2024
41	Synopsys	Aart de Geus (F)	*	Will become Exec Chair (1/24)
46	Lyft (DCSO)	Logan Green (F)	20.1%	Became Board Chair
52	Pinterest (DCSO)	Ben Silbermann (F)	32.5%	Became Executive Chair
62	RingCentral (DCSO)	Vlad Shmunis (F)	29.8%	Became Executive Chair
64	Stitch Fix (DCSO)	Katrina Lake (F)	29.2%	Remains Executive Chair
94	Alpha & Omega	Mike Chang (F)	15.7%	Became Executive Chair
97	Marqeta (DCSO)	Jason Gardner (F)	48.7%	Became Executive Chair
100	Shift	George Arison (F)	3.1%	Not a board member
107	The RealReal	Julie Wainwright (F)	*	Not a board member
111	Wish (ContextLogic)	Piotr Szulczewski (F)	3.8%	Not a board member
117	Invitae	Sean George (F)	*	Not a board member



(Founder fatigue cont'd)

Not surprisingly, nearly all of the companies with DCSO structures/Founder CEOs with high voting power have chosen to keep the Founder CEO nearby in a new Executive Chair role. For these companies, the new leadership team will aim to "divide and conquer."

As you can see in the table below, none of the Founder CEOs where the company employed a DCSO structure have left their board seats. All but Logan Green at LSV#46 Lyft stayed on to become Executive Chair:

	Exiting Founder became Executive Chair	Exiting Founder left the board of directors
Company employs DCSO	<p>LSV#52 Pinterest                      LSV#62 RingCentral                      LSV#64 Stitch Fix                      LSV#97 Marqeta</p> <p>(LSV#46 Lyft - founder is Board Chair, not Exec Chair)</p>	<p>No Companies</p>
Company does not employ DCSO	<p>LSV#10 Netflix                      LSV#41 Synopsys                      LSV#94 Alpha &amp; Omega</p>	<p>LSV#100 Shift                      LSV#107 The RealReal                      LSV#111 Wish                      LSV#117 Invitae</p>

\*LSV#37 Workday, which employs a DCSO structure, is not included above, although it is reported that Founder & co-CEO Aneel Bhusri will move to the Executive Chair role sometime in 2024, leaving newly hired co-CEO Carl Eschenbach in the solo CEO role.



## MORE ABOUT: CEO SUCCESSION

Planning for CEO succession is a critical board role. Internal successors, if they have been identified, groomed and retained, may be waiting in the wings for the moment when the prior CEO is moving on. But sometimes the right decision is for the board to look elsewhere for top talent.

How do boards decide? Sometimes they have no choice - no one who is ready is waiting in the wings - and sometimes if the company is not meeting expectations, the board must consider whether an outsider can turn the company around with a new competitive paradigm.

In our analysis of the 24 LSV150 companies with new CEOs, we found boards chose outside talent in 54% of new CEO hires. As you can see in the matrix below, this was most likely when a Founder CEO was being replaced:

	Companies where Successor CEO is External Hire	Companies where Successor CEO is Internal Promotion
Prior CEO is a Founder	8	5
Prior CEO is not a Founder	5	6

## TRANSITION TREND 3: SUCCESSION PLAN SNAGS - EXTERNALLY SOURCED CEO HIRES

13 new CEO transitions involved hiring a CEO from the outside. This was more likely to happen when the prior CEO was the company Founder, suggesting it may be more difficult to craft a viable internal succession plan in the shadow of a Founder - or perhaps just as likely, that Founder CEO transitions most frequently happen when the existing competitive paradigm no longer has much support.

In three instances, two external hires in a row followed Founders in quick succession: these companies are LSV#64 Stitch Fix, LSV#100 Shift, and LSV#111 Wish (see below).

Only one of the externally hired CEOs had prior public company CEO experience - Gary Steele at Splunk, who was formerly CEO at another LSV150 ranked company, Proofpoint, which was acquired in 2021. The other CEOs in this list are first time public company CEOs, often with prior senior executive experience at tech giants such as Amazon, Google or Cisco.

The companies that hired a new CEO from the outside are listed below. They are shown in LSV150 rank order, and we have noted the background of the externally hired CEOs:

### [LSV#37 Workday \(employs a DCSO structure\)](#)

External hire Carl Eschenbach has been placed into a co-CEO role with Founder Aneel Bhusri, who reportedly plans to move to the Executive Chair role sometime in 2024. Carl was formerly a Venture Partner at Sequoia and prior to that a senior executive at VMware

### [LSV#46 Lyft \(employs DCSO structure\)](#)

Founder CEO Logan Green replaced by external hire David Risher, a former Amazon executive from some time prior - Logan has become Board Chair



(Succession plan snags cont'd)

#### LSV#48 Splunk

Prior CEO Doug Merritt replaced by Gary Steele, a former public company founder and CEO

#### LSV#52 Pinterest (employs DCSO structure)

Founder CEO Ben Silbermann replaced by William Ready, a former Google executive

#### LSV# 55 Docusign

Prior CEO Dan Springer replaced by Allan Thygesen, a former Google executive

#### LSV#62 RingCentral (employs DCSO structure)

Founder CEO Vlad Shmunis replaced by external hire Tarek Robbiati, former HPE CFO (who has been a RingCentral board director since December 2022) - Vlad will become Executive Chair

#### LSV#64 Stitch Fix (employs DCSO structure)

Founder CEO Katrina Lake replaced first by Elizabeth Spaulding in 2021, and secondarily with Matt Baer, a former Macy's executive, in June of 2023. Both were external hires

#### LSV#100 Shift

Founder CEO George Arison replaced first with external hire Jeff Clementz (who served six months) and secondarily with external hire Ayman Moussa, founder CEO of Carnamic

(Succession plan snags cont'd)

#### LSV# 107 The RealReal

Founder CEO Julie Wainwright replaced by external hire John Koryl, former President, CTC Digital, at the Canadian Tire Corporation

#### LSV#111 Wish

Founder CEO Piotr Szulczewski replaced first by external hire Vijay Talwar (who served 7 months) and secondarily with external hire Joe Yan, Operating Partner at GGV Capital and a former senior executive in China for Stripe Payments

#### LSV#126 Fastly

Prior CEO Joshua Bixby replaced with external hire Todd Nightingale, a former Cisco executive

#### LSV#131 Nevro

Prior CEO D. Keith Grossman replaced with external hire Kevin Thornal, former President of Hologic Diagnostic Solutions

#### LSV#149 Cutera

Prior CEO David Mowry replaced by external hire Taylor Harris, formerly CFO at MyoKardia, Zeltiq, and Thoratec

## TRANSITION TREND 4: WAITING IN THE WINGS - PROMOTION FROM WITHIN

Eleven new CEO transitions involved promoting a leader from within. The prior position most frequently held by the promoted executive was COO or President. Poor market cap performance was not a disqualification for the company to promote from within. Companies across the entire range of LSV150 market cap change, from best to worst, were among those choosing a CEO from within.

The companies that promoted a new CEO internally are listed below. They are shown in LSV150 rank order, and we have noted the last internal role of the successor CEO, as well as the approximate age and tenure of the prior CEO upon their departure:

### LSV#10 Netflix

New co-CEO Greg Peters was promoted from COO to join co-CEO Ted Sarandos; prior CEO and founder Reed Hastings had served as CEO for 25 years and was age 62; Reed has moved to Executive Chair

### LSV#12 VISA

Ryan McInerney was promoted from the role of President of Visa; prior CEO Alfred Kelly had served for 7 years and was age 64

### LSV#41 Synopsys

Sassine Ghazi will be promoted to CEO in January 2024, from the role of President & COO; prior CEO and founder Aart de Geus has served for 29 years and is age 69; he will become Executive Chair

### LSV#91 Calix

Mike Weening was promoted from position of COO; prior CEO Carl Russo had served for 20 years and was age 65

(Waiting in the wings cont'd)

#### LSV#94 Alpha & Omega

Stephen Chang was promoted from role of President; prior CEO and founder Mike Chang had served for 23 years and was age 78; Mike has moved to Executive Chair

#### LSV#95 Five9

New CEO Mike Burkland is an unusual case; he was the former CEO at Five9 from 2008 to 2018 and was serving on the board of directors when he returned to the CEO role in November 2022; prior CEO Rowan Trollope had served for 4 years and was age 50

#### LSV#97 Marqeta

Simon Khalaf promoted from Chief Product Officer; prior CEO and founder Jason Gardner had served for 12 years and was age 53

#### LSV#99 8x8

CFO Samuel Wilson promoted to replace David Sipes; prior CEO David Sipes had served for 2 years and was age 54

#### LSV#103 Udemy

Greg Brown promoted from role as President of Udemy Business, a role he had filled since 2020; prior CEO Gregg Coccari had served for 4 years and was age 70

#### LSV#117 Invitae

COO Ken Knight promoted to replace Founder Sean George; prior CEO Sean George had served for 6 years and was age 48

#### LSV#129 Accuray

Suzanne Winter promoted from role of COO; prior CEO Joshua Levine had served for 10 years and was age 63

## TRANSITION TREND 5: BICYCLE BUILT FOR TWO - TRYING OUT TANDEM CEOS

Some companies have chosen a “co-CEO” structure as a way to manage both the complexity of the top job and potential issues of training and succession. Examples of this structure have been found almost exclusively at the largest LSV150 companies, typically ranked in the top 50.

While not a common model, co-CEOs can work as a long term structure in the LSV150, as it did for many years at both LSV#41 Synopsys and the formerly LSV-ranked Oracle under duos Aart de Geus/Chi-Foon Chan and Safra Catz/Mark Hurd. For most companies however, this is uncharted territory.

One LSV150 ranked company with a co-CEO model that fizzled last year is LSV#11 Salesforce, whose December 2021 appointment of co-CEO Bret Taylor lasted only 11 months. Marc Benioff is presently the sole CEO at Salesforce.

The two companies in the LSV150 with new co-CEO appointments are:

### [LSV#10 Netflix](#)

Greg Peters (formerly Netflix COO and Chief Product Officer) has been promoted to a co-CEO role, joining Ted Sarandos; Founder Reed Hastings has ended his time as co-CEO and moved over to the Executive Chair role

### [LSV#37 Workday](#)

Carl Eschenbach, a former venture partner at Sequoia and VMware executive, has been hired into a co-CEO role with Founder Aneel Bhusri, who reportedly plans to move to the Executive Chair role sometime in 2024





## IN CONCLUSION

Worsening economic conditions starting in 2022 have generated a wave of LSV150 CEO turnover.

While each of the 23 companies in our "CEO Transition Turbulence" report has a unique set of circumstances, the themes we have found most commonly represented in these transitions include slumping investor support and Founder CEOs without a viable exit strategy in search of a turnaround.

2023 may be the first year to record significant Founder CEO turnover since venture investors changed the way they backed Founders for the long haul - and the popularity of DCSO structures upon IPO - erected high protective barriers deterring the replacement of Founder CEOs.

This climate of leadership turmoil makes it clear that Silicon Valley boards of directors are stepping up to their most important - and challenging - function: getting CEO selection right.

## ABOUT THE AUTHORS

**Lonergan Partners** is the largest independently-owned retained executive search firm in Silicon Valley. Since 2001, we've recruited successful board directors, CEOs, and C-level executives for hundreds of tech companies, helping them to accomplish transformative change.

**Mark Lonergan** is Founder and Managing Partner of Lonergan Partners. He specializes in CEO and Board placements in technology companies. Mark is based in Silicon Valley.

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**APPENDIX**  
**Lonegan SV150 CEO Transitions**  
**(2022 through August 2023)**

CEO Transitions in the 2023 Lonegan SV150											
2023 LSV Rank	Company (DCSO status)	CEO Transition (month new CEO appointed)	External Hire (E)	First-Time Public		Notes	\$ Millions 2022 Rev.	Market Cap Performance		Prior CEO current Board role	
				Co. CEO	Public			Quartile	Quartile		
10	Netflix	Greg Peters (1/23)		Y	Y	Joined CEO Ted Sarandos as co-CEO	\$31,616	2	1	Reed Hastings (F)	Hastings is now Exec Chair
12	Visa	Ryan McInerney (2/23)		Y	Y	Formerly President of Visa	\$30,187	1	2	Alfred Kelly	Became Executive Chair
37	Workday (DCSO)	Carl Eschenbach (12/22)	E	Y	Y	Replaced co-CEO Chano Fernandez in December 2022	\$6,216	2	2	Joins Aneel Bhusri (F) as co-CEO	Bhusri may be Exec Chair in 2024
41	Synopsys	Sassine Ghazi (1/24)		Y	Y	Currently President & COO - will become CEO in Jan. 2024	\$5,173	1	1	Aart de Geus (F)	Will become Exec Chair (1/24)
46	Lyft (DCSO)	David Risher (4/23)	E	Y	Y	Former Amazon executive	\$4,095	4	4	Logan Green (F)	Became Board Chair
48	Splunk	Gary Steele (3/22)	E	Y	Y	Former CEO of Proofpoint	\$3,654	3	3	Doug Merritt	Not a board member
52	Pinterest (DCSO)	William Ready (6/22)	E	Y	Y	Former Google executive	\$2,803	1	1	Ben Silbermann (F)	Became Executive Chair
55	DocuSign	Allan Thygesen (10/22)	E	Y	Y	Former Google executive	\$2,516	3	3	Dan Springer	Serves on board
62	RingCentral (DCSO)	Tarek Robbiati (8/23)	E	Y	Y	Former CFO HPE and RingCentral board director	\$1,988	4	4	Vlad Shmunis (F)	Became Executive Chair
64	Stitch Fix (DCSO)	Matt Baer (6/23)	E	Y	Y	Former Macy's executive; prior CEO Spaulding exited quickly	\$1,843	4	4	Elizabeth Spaulding/Katrina Lake (F)	Lake remains Executive Chair
91	Calix	Michael Weening (9/22)		Y	Y	Formerly company COO, prior CEO had 20 years tenure	\$868	1	1	Carl Russo	Became Board Chair
94	Alpha & Omega	Stephen Chang (3/23)		Y	Y	Formerly President of the company, he is son of the prior CEO	\$794	3	3	Mike Chang (F)	Became Executive Chair
95	Five9	Mike Burkland (11/22)		Y	Y	Mike Burkland served previously as Five9 CEO (2008-2018)	\$779	3	3	Rowan Trollope	Not a board member
97	Marqeta (DCSO)	Simon Khalaf (1/23)		Y	Y	Formerly Chief Product Officer	\$748	3	3	Jason Gardner (F)	Became Executive Chair
99	8x8	Samuel Wilson (11/22)		Y	Y	Formerly CFO, appointed as interim, now permanent	\$741	4	4	David Sipes	Not a board member
100	Shift	Ayman Moussa (6/23)	E	Y	Y	Prior, Founder of Carmatic; Clementz replaced founder for 6 mos	\$671	4	4	Jeff Clementz/George Arison (F)	Neither is a board member
103	Udemy	Greg Brown (3/23)		Y	Y	Joined company as President of Udemy Business in 2020	\$629	1	1	Gregg Coccari	Not a board member
107	The RealReal	John Koryl (2/23)	E	Y	Y	Former President, Canadian Tire Corporation	\$603	4	4	Julie Wainwright (F)	Not a board member
111	Wish (ContextLogic)	Joe Yan (9/22)	E	Y	Y	Prior VC Partner; Talwar replaced founder for 7 mos	\$571	4	4	Vijay Talwar/Piotr Szulcowski (F)	Neither is a board member
117	Invitae	Ken Knight (7/22)		Y	Y	Formerly company COO	\$516	4	4	Sean George (F)	Not a board member
126	Fastly	Todd Nightingale (9/22)	E	Y	Y	Former Cisco executive	\$433	4	4	Joshua Bixby	Not a board member
129	Accrux	Suzanne Winter (7/22)		Y	Y	Formerly company COO	\$417	3	3	Joshua Levine	Not a board member
131	Nevro	Kevin Thormal (4/23)	E	Y	Y	Former President, Hologic Diagnostic Solutions	\$406	3	3	D Keith Grossman	Not a board member
149	Cutera	Taylor Harris (8/23)	E	Y	Y	Former CFO at Myokardia, Zeltiq, and Thoratec	\$252	2	2	David Mowry	Not a board member
<b>Totals \$</b>							<b>98,519</b>				

**Notes:**

All CEO transitions occurred from 2022 through 2023 YTD

DCSO refers to dual-class stock ownership, in which a privileged class of shares with enhanced voting rights generally boosts the control of founders

The change in market cap was assessed over the time period March 31, 2022 to December 31, 2022. Best performing companies are in Quartile 1, worst performing companies are in Quartile 4

The median change in market cap for the time period was -3.1%

