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Having Elon Musk as a boss is a tough gig — just ask X's Linda Yaccarino

- X has been struggling to attract advertising following Elon Musk's takeover.
- The financial health of the company once called Twitter has faced ongoing scrutiny.
- Tensions are simmering between Musk and Yaccarino amid the struggles, *The Financial Times* reported.

The financial health of X has been under scrutiny since Elon Musk's takeover in 2022. The company once known as Twitter has particularly struggled to attract advertising revenue following Musk's many changes and cost cuts. Advertisers who abandoned the platform in droves when Musk officially bought the platform in late 2022 have been sluggish to return.

During the February Super Bowl, major advertisers like McDonald's and YouTube cut spending 55% on X compared to last year, an analysis found.

The difficulties are reportedly creating tensions between Musk and X CEO Linda Yaccarino.

Randall Peterson, a professor of organizational behavior at London Business School, told Business Insider that any company struggling like X would suffer leadership tensions.

"For Yaccarino, her reputation has been ruined in her own space," he said. "Her background is in marketing and advertising, and that's the revenue problem right now. If she can't turn it around, then the thing she's made her name on is now a big question mark."

His comments echo recent reports that there's trouble brewing between the pair. The Financial Times recently reported that Musk has been pressuring Yaccarino to raise revenues and cut expenses. One senior X employee told the outlet that the renewed pressure had made her increasingly nervous.

The issues seemed to center on X's financial health, which Yaccarino has been struggling to stabilize a year into her role. She took over as CEO last June, following a stint as NBCUniversal's head of global advertising and partnerships.

Revenue problem

Musk hasn't made it easy for Yaccarino by becoming hostile to some advertisers in an interview late last year. His fiery comment came after he was scrutinized over users' X posts that were criticized for being antisemitic and led to advertisers fleeing the platform.

Internal documents showed that prior to the comments, X was at risk of losing up to \$75 million in revenue as companies like Airbnb, Coca-Cola, and Microsoft halted or planned to halt ads on the platform. Recently, Musk has been trying to convince some advertisers to return to the platform. At the Cannes Lions festival in June, the billionaire met with ad buyers in private and was interviewed by Mark Read, CEO of advertising giant WPP.

Cannes Lions is the ad industry's biggest event of the year, but Musk skipped it in 2023.

Leadership shake-up

Amid the increasing financial pressure, Musk and Yaccarino have also been shaking up the company's leadership.

In April, Musk brought long-standing ally Steve Davis to review the company's finances and employee performance, The Verge reported. Since then, Davis has been reviewing cutting low performers, with plans targeting dozens of jobs, according to an FT report.

Earlier this month, it was announced that Yaccarino's right-hand man, Joe Benarroch, was departing.

Nick Pickles, a Brit who was working at X before Musk's takeover, is thought to be taking over Benarroch's duties.

Social media consultant Matt Navarra said the chaos would "undoubtedly have an impact on the morale of the business and sense of stability for staff."

He added that many employees had already gone through the "traumatic transition" from Twitter to X.

"It will also send a signal out to the business world and advertisers that this is a company that continues to be acting in a state of crisis and is ready to boil over at any moment because of the way it's managed," Navarra said.

Failing partnership

Yaccarino's appointment as CEO was met with cautious optimism, with some hoping the Yaccarino-Musk partnership would replicate the success of the Gwynne Shotwell-Musk double act at SpaceX.

Shotwell oversees most of the operations and sales at the rocket company as COO, while Musk generally focuses on developing the technology. Investors have credited the partnership with much of SpaceX's success.

However, Yaccarino and Musk don't appear to have the same magic at X.

"Everybody thought that this might well work out really well, and the fact that it hasn't is interesting," Peterson said. "The question for me is if X is just structurally so messed up that no one can save it, or Yaccarino could have done it if she was allowed to do what she knows how to do."

X did not respond to a request for comment from Business Insider.