Can Meg Whitman Turn H-P around?

Meg Whitman, the former head of eBay, inherited a host of problems when she took over Hewlett-Packard last week after the ouster of Leo Apotheker. Over the last year, the company reportedly lost $60bn in market value and Whitman will have to figure out how to resize the firm, which businesses to spin off and whether to kill its fledgling tablet and smartphone businesses. Given the weight of the challenges before her, some are calling her new job “Whitman’s Sisyphean challenge.”

Sonnenfeld: CEO Hubris and the “Urge to Merge”

September has been a month of corporate resizing with BoA, Tyco, I.T.T., Sarah Lee, Fortune Brands and Kraft all announcing dissolutions and/or splits. In a WP “On Leadership” Roundtable article, SOM professor Jerry Sonnenfeld criticizes the psychology of monopolist CEOs who ascribe to a philosophy of “bigger is better,” which he believes leads to poor management strategies.

Amazon Wins Internet Sales Tax Fight in California

This week the State of California and Amazon.com reached a deal that would defer the sales tax collection obligations of online retailers until September 2012. In a 1992 decision, Quill v. North Dakota, SCOTUS ruled that retailers are exempt from collecting taxes in states where they have no physical presence or “nexus.” In the absence of federal law requiring retailers to collect sales taxes nationally, seven states, including California, passed laws mandating online retailers with sales affiliates within their borders to collect sales taxes. In the run-up to this week’s deal, Amazon sought to overturn California’s June 2011 internet sales tax collection law, which required payments from out-of-state retailers this year, by placing a state-wide referendum on the ballot next summer. Amazon promised to create thousands of jobs in return for the one-year reprieve, but tensions around the law are unresolved, with local businesses criticizing what they believe is an unfair advantage secured by out-of-state retailers.

MARK YOUR CALENDARS

Events this week:

- Ken Miller, Associate General Counsel, Yale Investments Office, “Structuring private equity and real estate investment funds,” YLBS Reading Group, 9/27, 6pm, 111
- Xiqing Gao, President of China Investment Corporation, “Sovereign Wealth Management: Challenges and Prospects,” SOM Greater China Club, 9/28, 11:40am-1:00pm, 202 Luce Hall

Events next week:

- Ron Suskind and Gregory Fleming, “Washington, Wall Street and the Struggle to Restore Confidence in America’s Future,” 10/3, 4.30pm, 127, YLBS & CCL
- Tim Collins, “Markets, Governments, and Normative Frameworks,” YLBS Reading Group, 10/6, 6.10pm, 129

SOM’s Lisa Kahn on Graduating into a Bad Economy

Yale Economics professor Lisa Kahn, on leave this year at the Council of Economics Advisors where she is a senior economist on labor and markets, has produced attention-grabbing research on the long-term impacts of workers entering the labor markets in a recession. The bad news for workers: long-lasting, negative wage effects. The good news for employers: workers hired are typically a better fit. Read more here.