

BUSINESS

# Best Buy, After Turnaround, to Switch Leaders

CEO Hubert Joly hands top job to finance chief Corie Barry



Corie Barry will become Best Buy's chief executive following the company's annual shareholder meeting in June. PHOTO: SARAH STACKE FOR THE WALL STREET JOURNAL

*By Khadeeja Safdar*

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Best Buy Co. [BBY -0.46% ▼](#) chief Hubert Joly will step aside as chief executive, after leading the turnaround of an electronics retailer that many thought would suffer the same fate as other big-box chains facing Amazon.com Inc.

Mr. Joly, an outsider who joined the retail chain in 2012, will hand over the CEO job to finance chief Corie Barry in June. Ms. Barry will be one of the youngest CEOs of an S&P 500 company and one of the few women. Mr. Joly will serve as executive chairman and remain an employee.

Mr. Joly, 59 years old, said he would sit across the hall from Ms. Barry to provide advice when needed on matters such as acquisitions and strategy. He said he chose to step aside because he felt satisfied with the company's progress and wanted to spend more time with his family. "I was very much at peace with what we had accomplished," he said on a media call.

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Hubert Joly will step aside as CEO of Best Buy. PHOTO:STEPHANIE KEITH/REUTERS

Barry said she would bring continuity to the business since she has knowledge of the company and its strategy. “What we have put in place is genuinely a well thought through succession plan,” she said.

Mr. Joly signed a new employment agreement that will pay him a \$650,000 salary plus bonuses and benefits, according to securities filings. He will stay executive chairman at least through March 2020 when the company will discuss extending the arrangement. Upon her promotion, Ms. Barry will be paid an annual salary of \$1.1 million, an annual target bonus of nearly \$2 million and will receive an equity award with a \$5.5 million targeted value.

Mr. Joly orchestrated a multiyear turnaround at Best Buy, defying the fate that has befallen Circuit City, Sports Authority, Toys “R” Us and other so-called category killers. When he first joined in 2012, the electronics retailer was struggling with plunging sales and dwindling profit as consumers browsed at bricks-and-mortar stores but made purchases on Amazon.com and other websites.

He matched prices, added services and used the company’s more than 1,000 U.S. stores to fulfill online orders. The strategy helped Best Buy achieve its fifth consecutive year of comparable sales growth in fiscal 2019. More recently, he struck a partnership with Amazon to sell smart TVs and acquired GreatCall Inc., the maker of senior-focused Jitterbug mobile phones.

Ms. Barry, who turns 44 this week, joined Best Buy in 1999 and has held various roles, including interim leader of Best Buy’s services business before becoming finance chief in 2016. She is a Minnesota native and holds a degree in accounting and

management. She also serves on the board of Domino’s Pizza Inc.

There are currently 23 female CEOs in the S&P 500, and the median age of all CEOs in the index is 58, according to Equilar Inc., a compensation-research firm.

Best Buy’s board chose Ms. Barry after considering a range of candidates, including outsiders, Mr. Joly said. Ms.

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After news of the CEO transition was announced, shares slipped less than 1% in Monday afternoon trading. The stock, which closed Monday at \$73.24, is trading near record levels, compared with roughly \$20 when Mr. Joly was hired.

Best Buy's leadership change comes after the company introduced a new growth strategy. Mr. Joly said he was shifting Best Buy's focus from immediate problems to long-term investments that would help

the electronics chain compete more effectively with Amazon and other rivals.

Best Buy said it would conduct a search for a new finance chief, and Mike Mohan, who is the company's U.S. chief operating officer, will be promoted to president and chief operating officer.

In a research note Monday, Bernstein analysts said the executive changes were "remarkable for being so ordinary." They also raised questions about Best Buy's strategy and whether the company's current service offering is enough to "step above the fray of product cycle worries."

**Write to Khadeeja Safdar at [khadeeja.safdar@wsj.com](mailto:khadeeja.safdar@wsj.com)**

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