# WeWork CEO Adam Neumann is resigning

Adam Neumann, the co-founder and chief executive of increasingly beleaguered coworking startup WeWork, has announced plans to step down amid his company's flailing efforts to debut on the stock market.

Neumann announced that he would leave his role as CEO of the coworking startup in a statement Tuesday, saying that in "recent weeks, the scrutiny directed toward me has become a significant distraction, and I have decided that it is in the best interest of the company to step down as chief executive." Neumann will continue serving as non-executive chairman of the board at the We Company, WeWork's parent.

Adam Neumann in New York City in 2017. | Credit: Noam Galai and Getty Images for TechCrunch

Meanwhile, WeWork Chief Financial Officer Artie Minson and former Vice Chairman Sebastian Gunningham will serve as the company's co-CEOs. In a joint statement, the two men thanked Neumann Tuesday for "his vision and his passion in building WeWork over the past nine years."

The *Wall Street Journal* first reported news of Neumann's departure Tuesday.

The management shakeup comes amid a tumultuous time for a company that has redefined commercial real estate and that has ambitions to be even more disruptive in the future.

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Although WeWork has always faced skepticism from some critics, the chaos really began in earnest after the firm filed plans for an initial public offering in August. The filing offered a glimpse at WeWork's books and the massive losses the company has sustained, including burning through $1.9 billion last year.

WeWork has raised billions of dollars from investors, most notably from Japanese investment firm SoftBank, but the company's valuation has been plummeting since hitting a high of $47 billion earlier this year. By this month, WeWork was reportedly considering a valuation in the neighborhood of $20 billion for its IPO — a reduction of more than half the company's value.

As WeWork's struggles for profitability came into greater public focus, SoftBank turned on Neumann and members of the company's board of directors began pushing for his ouster, the *Wall Street Journal* reported over the weekend. The company has also reportedly been discussing cost-cutting measures, including potentially laying off a third of its workforce.

Neumann's identity has been intertwined with the company that he founded since its inception, but his resignation is just the latest example of a much-touted (supposedly) tech-oriented disruptor that has come crashing back down to reality. The most notably recent example in that genre is ride-hailing startup Uber, which went public this year but has struggled in the stock market as it also

burns through massive amounts of cash.

The market stumbles of high-flying companies like Uber and WeWork are likely to weigh heavily on the minds of investors looking for the next big thing, including in real estate where techie startups such as Compass have publicly raised the prospect of their own IPO.

WeWork did not immediately respond to Inman's request for comment Tuesday.

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