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CEO Shakeups: What History Tells Investors

Whether it's a long-planned exit or a sudden departure, history shows CEO shakeups can have a big impact on a company's operations, plans, culture, and stock price.

November 13, 2026• Dan Rosenberg•Henry Hoenig

Key takeaways

- Some companies, even the world's largest, have not outlined clear succession plans. This uncertainty can impact stocks in the short or long term.
- Historically, performance has been mixed following high-profile departures.
- It's worth checking SEC filings, listening to earnings calls, and reading media reports about companies to see how they plan to handle succession.
- In the case of a "celebrity" CEO like Nvidia's Jensen Huang or the late Steve Jobs, a CEO departure can have huge company and market ramifications.
- Many companies have had their ups and downs after high-profile CEOs left or were fired, including Apple, Hewlett-Packard, and Berkshire Hathaway.

The sudden departure of **Nvidia** (NVDA) CEO **Jensen Huang**, who resigned amid scandal, highlights the risks involved when a visionary founder and CEO leaves a company without a clear plan in place. Not only can it spell uncertainty for the company, but a sudden leadership shift can jolt investors, especially if the replacement is an outsider.

Huang, who co-founded Nvidia in 1993 and gained enough celebrity to once be a guest on Air Force One, had no successor lined up. While Nvidia CFO Colette Kress quickly took over as interim CEO, the chipmaker was forced to begin its search for a

long-term replacement as its stock plunged. Nvidia shares dropped nearly 25% between October 29, when news of Huang's affair with an alleged Chinese spy first broke, and November 12, when he officially resigned. The company now trades at just 11 times its forward earnings, a 15-year low.

Although Huang's departure from Nvidia was unexpected, even the most well-telegraphed successions can give investors pause. The bottom line is that CEO turnover is common, whether through tragedy, retirement, or scandals. Beyond initial market reactions, an unexpected transition such as the one Nvidia is experiencing doesn't necessarily spell long-term trouble for a company, and a well-planned one doesn't mean there's nothing to worry about.

Here's a quick look some of the biggest CEO transfers of power in recent years, and how their companies fared afterward.

Successions of the past: Four case studies

Apple

What happened: **Apple's** (AAPL) Steve Jobs was another visionary founder and CEO of one of the world's most valuable companies whose succession story was closely monitored by investors. With each public appearance during Jobs's long illness, investors ended up focusing on his weight and energy level. But unlike Huang, Jobs had lined up a successor in COO Tim Cook, who took over when Jobs died in 2011 and led the company until 2026.

Short-term impact: Even though Apple prepared investors for the transition from Jobs to Cook, it still caused some initial rockiness for Apple shares. Investors took time to adjust to the new leader after more than a dozen years of Jobs being in charge. On the day Jobs resigned, Apple's shares fell about 5% in after-hours trading. By the close the next day, they were down less than 1%.

Long-term impact: The switch from Jobs and his visionary approach to Tim Cook and his laser focus on execution arguably changed Apple from a company on the edge of innovation to one that emphasized maximizing market opportunities. Each philosophy proved beneficial to investors. Under Cook's leadership, Apple's market capitalization rose more than 1,000%, according to Reuters.

Berkshire Hathaway

What happened: Long-time Berkshire veteran Greg Abel took over as CEO of **Berkshire Hathaway** (BRK.B) in early 2026, replacing the legendary Warren Buffett in a long-expected transition as Buffett entered his mid-90s.

Short-term impact: Berkshire stock pulled back sharply immediately after Abel took over as CEO, then lagged the broader market for many months amid concerns the conglomerate's "Buffett premium" would fade. It eventually recovered and

reached new highs under Abel as investors rotated into more defensive, value-oriented stocks while the AI trade wobbled. Abel has implemented many big changes during his short tenure as CEO. He's trimmed the number of positions in Berkshire's stock portfolio, added to the company's stake in **Alphabet** (GOOGL), and acquired multiple companies. Just this year, Berkshire put its massive cash pile to use when it paid $6.8 billion for the homebuilder Taylor Morrison and dished out another $9.7 billion for **Occidental Petroleum**'s (OXY) plastics maker Oxychem.
Long-term impact: The long-term impact of Berkshire's CEO transition is still unknown, with Abel having been in charge for just 11 months as of this writing.

Microsoft

What happened: Then Executive Vice President of **Microsoft**'s (MSFT) Cloud and Enterprise group, Satya Nadella took over as CEO of Microsoft in 2014, replacing Steve Ballmer who had succeeded co-founder Bill Gates in 2000.
Short-term impact: Wall Street's initial response to the CEO transition was muted, but Microsoft stock quickly gained momentum as Nadella shifted the company's focus toward cloud computing and took a "mobile first" approach. Just five months into his tenure, Nadella announced the largest layoff in Microsoft's history amid a push for cost discipline. He also broke tradition by allowing core software products, such as Microsoft Office, to be used on rival operating systems.
Long-term impact: In his 12 years as CEO of Microsoft, Nadella has overseen one of the company's biggest growth periods. A push toward cloud computing, and more recently AI, led Microsoft's market cap to surge from around $300 billion in 2014 to more than $3 trillion this year.

Hewlett-Packard

What happened: In August 2010, CEO Mark Hurd was forced out of the personal computer company after a sexual harassment investigation. The investigation found that Hurd had falsified expense reports to conceal "a close personal relationship" with a female contractor, Reuters reported. At the time, Hurd was considered one of the most admired executives in Silicon Valley.
Short-term impact: The company quickly hired Léo Apotheker, a German business executive, to replace Hurd. He took the post in November 2010 but was forced to step down less than a year later after the share price collapsed and sales fell. During his short tenure, he replaced one-third of the board and announced plans to sell the personal computer division—the world's largest, BBC reported at the time. He also bought U.K. software maker Autonomy for $11.7 billion. Shares fell 45% between the end of 2010 and his departure the following September.
Long-term impact: In 2015, Hewlett Packard split in two: **HP Inc.** (HP), focusing on personal computers and printers, and **Hewlett Packard Enterprise** (HPE), focusing on enterprise servers, cloud infrastructure, and networking. Immediately before the

split-up announcement that October, HP's stock had risen 28% from where it traded when Hurd was forced out.

Where investors can learn about succession plans

Determining who's next in line for a CEO position is easier said than done. Following a company through media reports can provide hints. Some well-known Wall Street executives who have led their companies for decades are also asked about succession plans on earnings calls, which can give investors a sense of their thinking. Additionally, analysts may ask about succession plans when a CEO is ill, facing controversy, or expected to retire soon, potentially providing some insight for investors.

Another way to find out about succession plans is to read the risk factors section of a company's Securities and Exchange Commission (SEC) filings.

Nvidia's annual Form 10-K in early 2026 listed a long set of risk factors encompassing everything from product quality and export controls to global warming. But this method isn't foolproof; after all, the section didn't mention risks associated with any leadership changes or outline a possible successor to Huang. This highlights that unexpected leadership changes are often just that—unexpected.

Investors perusing a company's SEC report might want to check for executives with veteran leadership experience who are young enough to potentially take the reins. Long industry experience even at other companies might also put them higher on the succession list if they recently joined the firm in question.

A company's SEC filings also include its board of directors, sometimes a place executives get plucked from as CEO replacements.

Why leadership succession matters

A CEO change can quickly affect a company's share price, its business operations and plans, and even its basic philosophy.

A departure due to scandal while the CEO is still at the top of their power could cause a "brain drain" from the company. Other executives who believed in the CEO's vision and leadership might start sniffing for opportunities elsewhere, especially if they feel they're not going to win the battle for the position in a new executive structure. The flow of experts leaving the company, possibly to competitors, represents another possible blow.

"No doubt that the departure of Jensen Huang from Nvidia is a major loss to the company, given his industry expertise, leadership capabilities, and vision for the

future of AI," said Nathan Peterson, director of derivatives research and strategy at the Schwab Center for Financial Research.

In the semiconductor industry, where supply chains have paramount importance and are more complex than most industries, success often depends on the leadership and experience of the CEO and their direct reports. Keeping the company's operations ticking can also depend on having the right personal connections with counterparts across the supply chain.

A CEO also sets vision for the company. Huang, who isn't excommunicated and could still presumably talk to leaders at the company, might still have a say from behind the scenes. But new leaders are the ones actually making boardroom decisions. They might decide to act differently, which could be good or bad. Huang's decisions over 33 years led Nvidia from an idea three friends had at a diner to a $5 trillion behemoth.

There's no certainty the people who lead Nvidia now will make correct decisions with Huang basically out of the picture.

"While the company still has a great product, and the stock's valuation is cheap, there is a lot of uncertainty around future leadership and whether there is any disruption to customer relationships," Schwab's Peterson said.

There have been cases where a new CEO's philosophy clashed with the company's core values, causing rocky times for investors. Or when a replacement took the company in a direction investors didn't like.

Companies usually put potential leaders through a prolonged hiring process to find the right fit, but they don't always get it right. When an executive departs quickly due to a clash of philosophies, investors don't necessarily learn what went on in the boardroom.

That was the case in 1969 when Ford Chairman Henry Ford II fired company President Semon E. "Bunkie" Knudsen only 19 months after hiring him. "It just didn't work out," Ford said at a press conference, according to the September 18, 1969, edition of *Time* magazine. When asked for more detail, he replied again, "It just didn't work out."