



Qi Lu, a former Yahoo executive who will take over as president of Microsoft's Online Services Group in January, was introduced to employees in Redmond on Monday. Behind him is a mural with a giant photo of Microsoft employees.

Qi Lu

FOUR things to know about the incoming head of Microsoft's Online Services Group and one thing to ask him:

- As a group president reporting directly to CEO Steve Ballmer, Lu will be the highest-ranking Chinese American in Microsoft history.
- While Lu's former colleagues knew little of his interests outside of work and family, a Microsoft spokesman noted he is a fan of the NFL. But – forgive him, Seattle - Lu is a Steelers fan by virtue of his time spent in Pittsburgh at Carnegie Mellon. He also enjoys Chinese and classical music.
- While at Yahoo, Lu flew coach with his junior engineers, even after he had enough seniority to fly business class on international flights.
- Lu is named as an inventor on at least 39 U.S. patents. Early reports put the figure at 20.

A former colleague of Lu's said he graduated near or at the top of his high-school class in China. No one at Microsoft was able to confirm that in time for this story, so now you've got an icebreaker question if you get to meet him.

Source: Microsoft, Seattle Times reporting

Microsoft Bets on Yahoo's Former Wizard of the Search World

If Microsoft has to climb over or through Yahoo to get to Google in the Internet search business, there are few people better positioned...

By Benjamin J. Romano
Seattle Times technology reporter

If Microsoft has to climb over or through Yahoo to get to Google in the Internet search business, there are few people better positioned than Qi Lu to lead the way.

Named last week as president of Microsoft's Online Services Group, Lu brings with him practically the entire history of Yahoo's search efforts.

"Qi was there from the very beginning," said a former Yahoo colleague who worked closely with him for several years and agreed to speak about Lu and his role at Yahoo only on condition of anonymity.

In interviews, this person and several others who have worked with or observed Lu since his arrival at Carnegie Mellon University in the late 1980s described an intense man with a powerful intellect and "voracious" appetite for work, who earned the loyalty and respect of other very smart people.

Lu, 47, is private, polite and modest, his former colleagues said, but they could recall few nonwork interests apart from family and classical music.

And even that took a back seat to the technical podcasts he would listen to while commuting in a white, early 1990s Chevrolet Geo his former Yahoo colleague called a "tin-can bucket car."

"I think the guy worked so hard, the only interest I can recall is wife and [family]," said Mahadev Satyanarayanan, who advised Lu on his Ph.D. dissertation at Carnegie Mellon, one of the country's top computer-science schools.

"... Obviously, direct report to Steve Ballmer at Microsoft — you don't get there the easy way."

Qi Lu (pronounced "chee lou") was introduced to about 700 Microsoft employees Monday afternoon in a cafeteria on the RedWest campus. The company would not make him available for an interview.

On Jan. 5, he takes the helm of Microsoft's multifaceted online business, one of the most important to the company's future in a world increasingly centered on the Internet.

His decision to join Microsoft may end up being a critical point in the company's ongoing efforts to gain ground on Google, the Internet search leader.

The pursuit this year has centered on Microsoft's protracted campaign to acquire Yahoo, in whole and later in part, for the talent and market share it would add to the Redmond company's own Internet-search effort.

Lu, said several people interviewed for this story, helped attract top search engineers and scientists to Yahoo at a time when its search efforts were in their infancy, and continued to do so.

"He knows how to get smart people and he knows how to treat smart people with respect," said Hongche Liu, a former software architect at Yahoo. "His criticism, his guidance are very well respected. People were loyal to him."

Pied Piper

Many would be willing to follow him, added Liu, who said he keeps in regular touch with engineers at Yahoo.

"I would not be surprised if significant résumé flow is going to Redmond right now," Qi Lu's former Yahoo colleague said.

Talent alone may not be enough.

"There has been a lot of what I can only describe as musical chairs" among Google, Yahoo and Microsoft, said Ellen Siminoff, a former Yahoo executive who runs Efficient Frontier, a search-advertising agency in Mountain View, Calif.

But, she wondered, "How much is it the individual, how much is it the assets of the company?"

Lu won't bring Yahoo's 20.5 percent market share in Internet search to Microsoft, which had 8.5 percent of the US. market in October, according to comScore. Google had 63.1 percent.

But Lu is as familiar as anyone with the inner workings of Yahoo's search business, should Ballmer decide to pursue a search deal with Yahoo. The Microsoft chief executive said as much in an interview with The Wall Street Journal last week.

"I think a search deal makes great sense for Microsoft, and Yahoo, ... " Ballmer said. "Obviously the logistics of any such integration... can only be simpler by having somebody who will know both sides. But that was not a factor in hiring Qi."

Prolific in patents

Lu completed his dissertation in 1996 and spent two years on staff at IBM's Almaden Research Center in Silicon Valley before joining Yahoo in 1998. (Lu is named as an inventor on at least 39 U.S. patents. At least 21 of those are assigned to IBM. The company would not make Lu's former colleagues available for this story.)

At Yahoo, Lu's career advanced on a steep, upward trajectory. He was among the first recipients of Yahoo's internal Superstar award, recognizing top contributors each year.

In addition to his intellect, Lu burnished his reputation as a "voracious worker" at Yahoo.

His former colleague recalled stopping by the office after midnight on a weekend to pick up papers he needed for an international trip, only to find Lu at work.

"Qi never has a credibility problem with his own folks because Qi outworks his own folks," this person said.

Further adding to his salt-of-the-tech-company image, Qi would regularly fly coach with his junior engineers on the 20-hour flight to Bangalore, India, where Yahoo has a significant development site, even after he attained enough seniority to fly business class, he said.

"Bundle of energy"

Randal Bryant, dean of the School of Computer Science at Carnegie Mellon, called Lu "a bundle of energy."

After visiting with Lu at Yahoo several times in the last few years, Bryant came to realize, "This guy is moving about twice or three times faster than any normal person."

Lu does not lose his temper or yell, but when he is passionate or upset about something, veins in his forehead start to "bulge dramatically," said his former Yahoo colleague.

Lu started focusing on search at Yahoo around 2002 as the company — founded as an Internet director) — recognized the importance of that function.

Yahoo had used Inktomi and Google to power its Internet search but soon realized that by doing so it had allowed Google to take the lead in what would become the Internet's most important application.

Lu was part of a team that acquired Inktomi and set Yahoo on a path to launching its own search engine in 2004.

He was involved in several other important Yahoo efforts, including My Web 2.0;

Yahoo! Answers, Maps and Local services; Yahoo's advertising system, Project Panama; and the acquisitions of Flickr and Del.icio.us. "I think you could say the whole search team at Yahoo has had trial by fire," said Siminoff of Efficient Frontier. Their results have been "mixed," she said, but added "Yahoo's overall business challenges were pretty real.... Everything anyone did took a back seat to the corporate story."

In Lu's last Yahoo position, executive vice president of engineering for the Search and Advertising Technology Group, he grew frustrated with what his former colleague called Yahoo's "lack of desire."

"Time and time again, Qi — though the ultimate soldier for Jerry [Yang, Yahoo co-founder and outgoing CEO] — was frustrated about how we were missing opportunity after opportunity," this person said.

Leaving Yahoo

Lu's plans to leave Yahoo emerged in June. At the time, it wasn't clear to people interviewed for this story what he was going to do next.

The Online Services Group position at Microsoft came open in July with the departure of longtime executive Kevin Johnson.

Lu was likely attracted by Microsoft's "will" to succeed in search and the company's commitment to invest billions to do so, said Lu's former colleague.

The company was outbidding Yahoo to hire talent, said the person, who was involved in recruiting at Yahoo. "Ballmer's backing up his words," he said.

An unconfirmed report last week said Microsoft had won a distribution deal with Dell for its live Search, which would replace a 2006 deal Dell had with Google.

But Lu's success at Microsoft is no sure thing. A string of outside executives — typically with a business-focused background — have

failed to make meaningful gains in search market share.

Much may hinge on the speed with which Lu can marshal the troops. And while his technical resume is sterling, as a division president his business responsibilities will be broader.

"Qi at Microsoft is a dangerous thing for Google," said his former colleague.

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