



Shopify (TSX:SHOP): Will the C-Suite Exodus Cause a Dip?

Description

Change is an inevitable part of growth. This is as true for corporations as it is for individuals. But the problem with many of the changes in an organization, especially when it comes to major management changes that are made public, is that it goes beyond the scope of the organization itself. Its impact is often reflected in the investor sentiment as well.

It's not always the case, but a major change in leadership of a company is likely to make the stakeholders a bit restless. And since investors are one of the stakeholder entities, they might see it as a dangerous sign. Some might even start to consider exiting their position, and even though it rarely happens, a rapid shift in investor sentiment can snowball into a lot of significant exits, causing the stock to dip.

But it's unlikely that we will see the phenomenon with **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)).

Shopify leadership changes

Shopify management team is about to become three-member short. The leading tech giant of the country is about to lose its chief technology officer, chief talent officer, and chief legal officer. The news broke via an online memo. Shopify hasn't made any announcement as to who would be taking those positions.

The company might decide to merge some vacant positions with the existing ones, and other C-Suite Executives might assume additional responsibilities. The company hasn't mentioned why three top-level executives suddenly decided that they needed a career change and said that all three had their reasons.

Shopify stock

[The stock](#) has taken a minor dip since the news broke; nothing more than usual. The stock was already in a slump, along with the rest of the tech sector. It's currently trading at an 18% "discount"

from its recent peak, though it didn't have much impact on the company's valuation, and it's still aggressively overpriced.

Shopify, even as it stands today, might be too stable to be affected by a significant management change. The founder and the CEO, Tobias Lütke, is still steering the ship, and the company is well on its way to becoming the **Amazon** of social-media-driven e-commerce. Its financial growth is beyond impressive, and the company has minimal debt and a lot of cash to work with.

The company is already ideally placed to help businesses of every scale create or improve their e-commerce front. But its real strength and growth potential lies in the fact that more and more people now prefer to make purchasing decisions directly on social media platforms (Instagram, **Facebook**, etc.). That's something Shopify is well equipped to help businesses with.

Foolish takeaway

In Feb. 2020, Shopify came quite close to reaching the \$2,000-per-share threshold. If the company keeps up its growth pace, it might as well reach that level and go beyond. And if you wish to cage this growth beast in your portfolio, [buying now](#) might be worth considering. The stock has languished long enough, and the chances of it dipping are comparatively lower than it rising again.

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