

TROUBLE FOR ACME SUPERMARKETS



There are currently plans to close up three more of the Acme Supermarkets across the region as a way of cutting costs. This is troubling news for the supermarket chain as this is not the first time that several of the stores have been shut down. There are a number of different Acme stores that are simply not performing to their abilities. These stores are located in several areas of Pennsylvania, including Sharon Hill, Morrisville and Glassboro. These three Acme stores are just a few of around 60 stores that are going to be closing down. This move follows directly behind the firing of the chief executive for Supervalu, which recently occurred a few weeks before. With the Acme stores closing, there will be around 150 workers from the three different Acme Markets who will be put out of work. However, these individuals will be able to transfer to other Acme stores in the area. While transfers are possible, it is possible that the employees could end up dealing with a reduction in available hours if they were to transfer to a different Acme store. The Union Leader, Wendell Young, who happens to be the leader of the United Food and Commercial Workers Local 1776 has said, "This is a pattern that companies get into when they're in their final stages." He expressed serious concerns. Young even said, "This really worries us." During a phone interview, Young said that Supervalu was already looking for different buyers even though they were tight on cash. And, in the meantime, Acme continues to struggle because it is dealing with a number of different competitors. Some of Acme's major competitors include Wegmans, Giant and even ShopRite. Young said that he was concerned that certain division of Acme could be bought out and then used in a spin off which is a scenario that is not particularly in favor of. Young also stated that contracts with Supervalu had taken a halt once the company announced that it would be looking for a new buyer for the corporation, which is worth around \$36 billion but also carries around \$6 billion of debt. At this point in time, it is believed that Supervalu will have a difficult time finding a buyer, especially because it is in a compromised position. There will be a total of 60 stores that are closing and around 22 of those stores will be Save-A-Lot stores. With these stores closing, it is believed that the corporation will be able to save nearly \$90 million over the span of around three years.