

AVON MAKING JOB CUTS



The Avon Product Corporation has recently made the announcement on expected job cuts. The company is now planning to cut a total of 1500 jobs while also making plans to leave two separate markets. Avon, known for the sale of its beauty products, has been struggling for quite some time. The job cuts come during a time when restructuring is taking place in the hopes that better results can finally be achieved, according to US News. With a total of 1500 jobs being cut, around 4 percent of the workforce for Avon will be eliminated. The CEO of Avon, Sheri McCoy, believes that this is just one of many steps that need to be taken. McCoy recently became the CEO of Avon, taking the place of Andrea Jung, who has been the CEO for Avon for quite a while. According to Avon, these job cuts will take place in different areas. Around 100 employees will be eliminated in both South Korea and Vietnam. Just a few months ago, back in November, Avon made an announcement about plans to save a total of \$400 million over the span of just three years. However, the details of Avon's plan to save this amount of money are still not clear. It seems as though the new job cuts are the first step that Avon has chosen to take for the process of saving this large amount of money. The restructuring process for Avon comes at a time when economic uncertainty lingers. McCoy recently released a statement in which she said, "The decisions outlined today are necessary to stabilize the company and begin the process of returning Avon to sustainable growth." It is believed that by the end of 2013, Avon will have successfully taken the right steps to saving the ideal amount of money that it is looking to save. In the meantime, an analyst for Citi Investment Research, Wendy Nicholson, says that these job cuts from Avon are not surprising at all. Nicholson believes that even more job cuts will take place over the next few years. She has said, "New Avon management has said several times that they consider their overhead costs to be excessive, and that they are keenly focused on boosting the productivity of their selling, general and administrative spending." Nicholson also feels that Avon has made the right decision by exiting out of the South Korean and Vietnamese markets. She has said, "While each of these markets are unprofitable and small, we like that Avon is making some hard choices about where to play." It is a necessity for the struggling business.