

LODGENET REMOVES 50 JOBS AT ITS OFFICE IN SIOUX FALLS, 80 COMPANY-WIDE



LodgeNet Interactive Corp., the fastest-growing and leading provider of media and connectivity services to the lodging industry, announced that the company slashed its workforce by 7%, representing 80 company-wide positions. Of those laid off workers, 50 staff came from LodgeNet's office in Sioux Falls, South Dakota. LodgeNet officials said that the job cuts are in line with the company's restructuring plan to boost its efficiency and revenue. The recent job cut is projected to save about 5% in annual operating expenses of the company. In a statement released by LodgeNet, the company blames the job cuts on the poor market conditions. "The reorganization is in response to the economic downturn over the past two years. The decline in the travel industry has had a direct effect on LodgeNet through lower hotel occupancies and more cautious consumer spending."

Ann Parker, spokeswoman for LodgeNet, explained that LodgeNet has suffered a series of revenue losses in the past months due to its client's losses in some of the company's divisions. The most notable revenue loss was recorded during the third quarter of 2010 wherein LodgeNet saw a 6% decrease in revenues. "This is difficult, but it's the right thing to do for the company now and in the long term. We've been really very much focused on keeping our costs down, but like many other corporations, even though we've been proactively managing our business, the travel industry sector has had a direct impact on us. So, we're hoping that that turns around quickly, and we're positioning ourselves just to move forward."

Mary Medema, director of work force development at the Sioux Falls Development Foundation, expressed her sentiment over the layoff news. She said that the layoff at LodgeNet is a ripple effect from the bad condition of the US economy. "In many cases, for many of our companies, we need for the national economy and other states and other industries to rebound for us to regain a lot of that momentum." However, Pam Roberts, secretary of the Department of Labor, assured that the state will assist those impacted workers. Roberts said: "We feel like we are in a much better position this year to be assisting because there are a few more openings out there that are available."