

PROCTER & GAMBLE TO LAYOFF 1,600



The odds are good that if you look through your kitchen or your bathroom cabinets you will find that you have at least one product made by Procter & Gamble sitting there. Given that the company owns a stunning number of brands, and is so large, it is a fair bet to say that you may have more than one of their products. So you know their products, but you may not know that Procter & Gamble has the dubious honor of being the biggest single advertiser in the world. According to recent numbers the company has an annual advertising budget of about \$10 billion. Since advertising is a lost cost you can see how that would hurt the bottom line of the company. This week Procter & Gamble made an announcement that they were going to layoff about 1,600 staffers as part of a measure to cut costs. The plan to cut includes a significant cut to the marketing department. The company is taking this budget cut as a chance to remove the traditional marketing efforts in favor of venues such as Google and Facebook. This may be a prudent move when you consider that in the last two years the company increased its marketing budget by 24 percent, while its sales only went up by six percent over the same span of time. These layoffs, while not as bad as they could have been are currently not the only company to layoff large numbers of people in recent months. One company, **Abbot Labs**, “has decided that they can service their customers without 700 of their employees. They announced, on Wednesday, that they would be letting go a number of the workers as part of a restructuring effort. The company is letting go of the workers in the USA and Puerto Rico, and the cuts will primarily have an impact on the manufacturing operations of the company. Half of the layoffs will come to the employees in the north of Chicago, near the company’s headquarters, where about 200 jobs will be cut. The majority of the jobs will be cut from the hospital and laboratory diagnostic business. The rest of the cuts will come from the operations in other parts of the nation.” **Kraft Foods**, another major manufacturer of household goods, “recently made an announcement that they are going to layoff about 1,600 workers from their North American operations. The layoffs are part of a plan by the corporate management to split the company into two different companies. In order to make the split effective the company has to get rid of some serious staff. About 40% of the cuts to the staffing will come from the sales staff in the US and the corporate office. While we do not know the exact date of the layoffs we know that some of the cuts will come to fruition in the next 12 months, as the reorganization comes in to full swing.” So while many analysts are predicting an upswing in the economy, things are still rough for workers in the manufacturing sector, even if they do not have a factory job.

<https://blog.granted.com/>