

## AVON TO LAYOFF UNKNOWN NUMBER

# AVON

the company for women

The odds are that you have probably seen a brochure for the Avon company's products before, but for those of you who are not familiar with the company they are a purveyor of beauty products; costume jewelry and skin care items. The largest part of the company's workforce is a network of independent sales representatives that work from home. Currently the **company can boast** the following about their employment and revenue: "Avon is the world's leader in anti-aging skincare, fragrances and color cosmetics, with annual sales exceeding \$8 billion - Consistently appears among Fortune Magazine's leading companies and is listed on the world's major stock exchanges. More than 5 million Representatives worldwide - A trailblazer of opportunity for Representatives in more than 100 countries, with a simple, proven path to financial success." With that network of sellers you would think that the company would be stable, but they are actually getting ready to layoff workers in order to save some money. The layoffs are not only in response to a significant fourth-quarter loss, but because of a long term restructuring of the company. The losses were caused by a write-down, though the company was not clear on which assets were revalued to be in line with the current market value by the write-down. Currently, we do not have a lot of information about the total number of layoffs and where the jobs will be cut from, but workers have already been receiving the word that this round of layoffs will not be as bad as the ones that have come during the previous phases of the company's restructuring. Given that the company lost about 3% of its active sales force in the fourth quarter, and showed a significantly lower profit than they were expected to the company may layoff more workers than they originally planned to. After news of their sales numbers and the layoffs the company was quick to reassure investors they would still see a sizable dividend. They also stressed that despite this news, and the now delayed filing of a critical senior management positions that the company was still stable. News of the layoffs actually increased the price per share of the company. This news is not in line with the overall economic forecasts for 2012, which showed some hope for workers. For those of you who missed out on our earlier coverage here is **an excerpt**: "According to the data, which has been released by the government, business in the US are getting more confident about the state of the economy. This conclusion is coming from a two places: a greater number of companies that are choosing to invest in equipment for their business and a lower number of layoffs than there have been in the last couple of years. One analyst, Diane Swonk, the chief economist at Mesirow Financial, told a reporter for the **LA Times** the following about the new numbers, "Business optimism seems to be picking up, which is critical to the growth and competitiveness of the U.S. economy over the long haul." That is good news for workers who want to hold onto their jobs, though it is for the time being, a sign of leveling off and not one of immediate growth, so the labor market may not improve noticeably for the average job seeker for quite sometime. In the long run however, it looks like things are going to get better in the labor market and every person who is not laid off is a person who is not competing for the slim number of openings currently out there."

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