



RENESAS ELECTRONICS CORP TO CUT 10,000



If you have never heard of the Renesas Electronics Corp. then you are not alone. Unless, that is you work in automobile manufacturing that is, then you may be the odd one out. For those of us who work in other fields here is a look at how the company's American branch describes itself, "Renesas Electronics America Inc. is a premier supplier of advanced semi-conductor solutions including microcontrollers, SoC solutions, and a broad range of analog and power devices, as well as LCD modules, for the Americas market. A wholly owned subsidiary of Renesas Electronics Corporation, the world's number one supplier of microcontrollers... A primary aim of Renesas Electronics America is to ensure that customers have easy, rapid access to the complete system solutions they need – chips, hardware/ software tools, application assistance, manufacturing – so they can quickly address market opportunities." For those of you who were left a little bit confused by the description Renesas Electronics Corp. makes microprocessors, primarily for the automotive industry, but the company also has some other big fish names on its client list. After all Renesas Electronics Corp. works with the notoriously picky Apple. In order to save itself from its flagging financial position the company is getting ready to make some fairly radical changes to its company and its workforce. The new mandate seems to be save as much money as is humanly possible by any means possible. In this case those means are a massive restructuring of the company. The end goal is to save the company about 100 billion Yen, or \$1.3 billion for those of you who do not have a currency converter on hand right now, a significant cost savings to be sure. Sadly, it is slated to come at the cost of the jobs of about 10,000 workers. It is important to stress that, for the time being, the plan is just that a plan. No layoff notices have actually been issued and things will have to be approved before any of this moves forward. Before any of this will go into action the company is going to talk with Mizuho Financial Group Inc. and Mitsubishi UFJ Financial Group Inc., two Japanese lenders, as well as the union for the workers. The company will also have to get this idea past their three biggest shareholders, who between them own the majority of the company, in order to put this plan into action. So at the very least, there is a chance that at least some of the cuts can be mitigated or some concessions can be made that will save at least a portion of the jobs. As it stands right now if the current plan is put into action the company will get getting rid of just under twenty five percent of its staff in this attempt to get back on the way to being a profitable company. For the time being only time will tell if the plan, which was leaked by a source close to the company to a reporter for Bloomberg who wished to remain anonymous, will come to be or if another path to profitability can be found.

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