

CANADIAN TIRE CORPORATION LIMITED CLOSES 115 STORES, LAYS OFF UNKNOWN NUMBER



If you were to look at what the Canadian Tire Corporation Limited does you might be surprised to find out that it is more than just tires. For those of you who are not familiar with the company here is a look at how the company [describes itself](#), "Since 1922, we have been one of Canada's most recognized and trusted brands. Every day – and more than 250 million times each year – Canadians turn to Canadian Tire to provide solutions for the jobs and joys of everyday life. Our stores touch communities coast to coast, offering automotive and hardware products, sporting goods, clothes for work or play, convenient gas bars, and everything needed for a beautiful home—inside and out—and customers can pay for it all using their Canadian Tire Options® MasterCard™. Canadian Tire is always evolving and is the brand generations of Canadians trust." Well it looks like the company is hoping to continue to be a brand their customers trust while they are pulling the rug out from under a fair number of their locations. The company has decided to close a significant number of its stores as part of a major rebranding effort. The company is getting ready to move into a period of growth for one of those brands, FGL Sports' under the Sport Chek name, as well as focusing on the Atmosphere brand as well. This expansion means that the company will be closing other stores that are being run under different brands the corporation owns. All in all the company will be closing about 115 stores which run under a variety of names. As you can imagine the closure of 115 retail locations is nothing to scoff at in terms of job losses. For the time being the company has not said how many workers are slated to be impacted by the store closures at the current moment. The company is hoping to, at some point during the 2013 fiscal year, to open new stores under the new flagship brand. They are expected to be adding about 100 stores of indeterminate size into numerous Canadian locations as part of the new expansion. So the company may be able to balance out the job losses with some hiring in the next 12 months. The problem is that the company cannot reasonably expect workers to wait and hope that a new store opens in their location to hire them. Even if they could an income gap of even a couple of months can be devastating to the average worker. So while in the long run the economic impact of the changes may be positive it will not feel that way to the displaced workers. The company released its [first quarter report](#) on May 10th, and they did not seem to be in any financial distress. Here is an excerpt from that report, "Consolidated revenue increased 23.4% to \$2.4 billion in the quarter, reflecting the inclusion of FGL Sports acquired in August 2011, and solid growth across the retail businesses including all major categories within Canadian Tire Retail. Consolidated net income increased 21.5% to \$71.0 million compared to the same period in 2011 and diluted earnings per share increased 21.6% to \$0.87 for the quarter. Consolidated results reflected strong growth in Financial Services, the inclusion of FGL Sports and a lower tax rate."

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