

LOGITECH TO LAYOFF 450



If you have ever had a PC then the odds are good that you have had an accessory made by Logitech, but just in case you have not, Logitech International [describes itself](#) in the following terms, "Focused on innovation and quality, Logitech designs personal peripherals to help people enjoy a better experience with the digital world. We started in 1981 with mice, which (new at the time) provided a more intuitive way of interacting with a personal computer. We became the worldwide leader in computer mice, and have reinvented the mouse in dozens of ways to match the evolving needs of PC and laptop users." Well apparently the company believes that it can continue to fulfill that mission without the help of a significant portion of its workers. The company is getting ready to cut back on a significant amount of its staff in the near future. The company is getting ready to cut back on about 13 percent of its work force. That means the loss of about 450 jobs from the company's payrolls. These moves, which are being posited as the company's way to deal with three different poor profit warnings, will be more than enough to qualify as mass layoff actions if they impact workers employed by the company in the US. For those of you who are not familiar with the idea of a mass layoff action here is a look at how the federal government [defines](#) the term, "Monthly mass layoff numbers are from establishments which have at least 50 initial claims for unemployment insurance (UI) filed against them during a 5-week period. Extended mass layoff numbers (issued quarterly) are from a subset of such establishments—where private sector nonfarm employers indicate that 50 or more workers were separated from their jobs for at least 31 days." Though these efforts are part of a larger plan, which was announced in April to help the company change its direction. The company is, as a result of these layoffs, incurring a \$35 million charge. While the company did not see fit to put out a press release about the job cuts, they did see fit to put one out about the charges. In that release the company [said](#) the following, "Logitech International (SIX:LOGN) (Nasdaq:LOGI) today announced that it expects to record pre-tax charges in the current fiscal year of approximately \$35 million associated with the company's previously announced restructuring. The company is undertaking this restructuring to simplify the organization, to better align costs with its current business and to free up resources to pursue its growth opportunities. The restructuring is expected to yield approximately a net \$80 million reduction in annual operating costs.... The largest component of the restructuring charge will be cash charges related to a workforce reduction. The company is eliminating approximately 450 positions, or 13 percent of its worldwide non-direct-labor workforce. Logitech expects that reduced personnel-related costs will represent an estimated 60 percent of the approximately \$80 million savings in annual operating costs." So we can see that the company is looking for force reductions to be most of its cost savings.

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