

RIM TO CUT 5,000 JOBS



Research in Motion, the company that makes the BlackBerry smartphones popular with business and political types around the world, is getting ready to make some truly massive layoffs in order to set the company to right. Of course this is not the first time that we have talked about cuts to the flagging company. For those of you who missed out on our [earlier coverage](#) here is an excerpt that will get you up to speed in no time at all, “Well, it looks like the time is coming for the workers of Research in Motion to begin the long process of looking for new jobs, as the company has begun its round of layoffs. The company has not, at the time of the writing of this piece, released a statement about the layoffs, so there are a lot of things left up in the air. The company has not said what kind of benefits, if any, they intend to give to the workers of the company who are being given the boot en mass. They have also not stated which areas are going to be the most deeply effected by the cuts that are coming down now.” At that time the details were sketchy and experts were throwing around numbers that ranged from 6,000 to 10,000 depending on who you asked. That was a lot of wiggle room. Today, as the layoffs were made official, it looks more like the company is going to be cutting back on 5,000 workers in order to make things right. These kind of cuts are unlikely to come from any single location and are much more likely to come from a series of locations run by the company, which means they are likely to trigger mass layoff actions in several states. For those of you who are not familiar with the idea here is a look at how the federal government [defines](#) a mass layoff, “actions that result in workers being separated from their jobs. 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.” On the bright side, under the terms of a mass layoff action workers are given advance notice, and may either be kept in the office or simply on the payrolls for up to 60 days as a way of helping the soon to be displaced workers, and the community at large, to prepare for the loss of income. The company recently released its [first quarter results](#) and things look pretty bleak, “Revenue for the first quarter of fiscal 2013 was \$2.8 billion, down 33% from \$4.2 billion in the previous quarter and down 43% from \$4.9 billion in the same quarter of fiscal 2012. The revenue breakdown for the quarter was approximately 59% for hardware, 36% for service and 5% for software and other revenue. During the quarter, RIM shipped 7.8 million BlackBerry smartphones and approximately 260,000 BlackBerry PlayBook tablets. GAAP net loss for the quarter was \$518 million, or \$0.99 per share diluted, compared with a GAAP net loss of \$125 million, or \$0.24 per share diluted, in the prior quarter and GAAP net income of \$695 million, or \$1.33 per share diluted, in the same quarter last year.”

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