

MITEL TO CUT JOBS



If I said the name Mitel what image would pop into your head? Some of you might try to guess from the name, but the odds are good that the guess would be inaccurate and some Googling would be required in order to get a firm answer. In order to save the opening of a new tab and a search lets begin by taking a look at how the company has chosen to describe itself, "Mitel® (Nasdaq: MITL) simplifies complex communications and keeps businesses in step with the pace of change. Our innovations make it easier to connect and collaborate, while reducing costs and implementation headaches. We partner with market leaders like VMware® and Research in Motion® (RIM®) to make our solutions integrate seamlessly with theirs - increasing value to customers." The company seems to hope that they can increase its value to its customers without the help of about 200 of its workers. The company put out a statement, along with its most recent quarterly numbers that told shareholders of the impending cut of the staff. Here is an excerpt from that release, "Mitel (Nasdaq:MITL) (TSX:MNW), a leading provider of Unified Communications and Collaboration (UCC) software solutions, today announced that it expects revenue for the quarter ended July 31, 2012 to be in the range of \$138 million - \$139 million, compared to the previously provided range of \$150 million to \$155 million... During the current quarter ending October 31, 2012, the company will implement a restructuring plan to include a reduction of approximately 200 full-time employees, and the closure of excess facilities." These kinds of job cuts, and closures, are very likely to result in at least one mass layoff action in the near future. 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, "The Mass Layoff Statistics (MLS) program collects reports on 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." For the time being the company has not outlined which locations are going to take cuts and which ones will retain their staff, so there is no way of knowing for sure where or when the cuts will come. The only good news is that under the terms of a mass layoff action the company must give workers 90 days of notice before they can be taken off of the payroll, so there will be some time to adjust when the bad news comes. For the time being there is no news on what kinds of positions may be cut from the payrolls, though the company must have some idea or they would not be able to come up with a number.

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