

POPCAP CUTS 50 JOBS



PopCap is a name that you have probably heard if you are into the world of games. Just in case you are not into games here is a look at how the company has chosen to **describe itself**. "Twelve years ago we founded PopCap. We never imagined the games we'd make, the vast number of people who would play those games, or the success that followed. We also never imagined the challenges that we would face with markets, platforms and customers. Most importantly, we never imagined the hard decisions we'd have to make...But this morning we informed our employees about a reorganization in our studios that will include a "Reduction In Force" in our North American operation – mostly in our headquarters here in Seattle – and an "exploratory consultation" to evaluate the future of our PopCap office in Dublin, Ireland." The company is getting ready to cut back on about 50 jobs in order to save on money. 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." Sadly these kinds of cuts mean a loss of about ten percent of the overall workers that are employed by the company. The job cuts are coming mostly from the workers employed by the company in the Seattle area. The company is attributing the need for cutting back to the changing nature of the mobile gaming business. In a statement put out by the company they said the following about the reasoning **behind the cuts**, "A little context on why we're making cuts in some areas while we're investing and expanding in others: In the past year, we've seen a dramatic change in the way people play and pay for games. Free-to-play, social and mobile games have exploded in popularity. That happened fast. Surprisingly so. The change in consumer tastes requires us to reorganize our business and invest in new types of games on new platforms. It's a completely different world from when we started. There's also an economic component to the reorganization. To stay in business, we need to manage costs, improve efficiency and maintain a profit. We've been able to invest in creative new games like Peggle and Plants vs. Zombies because we had a high profit business. That business is challenged, and if we don't adapt, we won't be able to invest in new IP. That sounds harsh – but if we don't stay in business, no more plants, zombies, jewels, frogs or worms."