

## CODEXIS TO CUT JOBS



Codexis is a name that many of you may not know. After all there are a lot of companies out there that do not deal with consumers directly and instead services the needs of other industries. For those of you who have never heard the name Codexis before lets begin by getting up to speed on how the company has chosen to [describe itself](#), "The world is growing – by 2050 the global population is expected to increase from seven billion today to more than nine billion, and the number of cars on the road is expected to double from one billion to two billion. The rising demand for food and fuel will create challenges around the globe. At Codexis, we are creating sustainable chemicals, clean fuels, pharmaceutical processes, and renewable ingredients that make industry more efficient, productive and profitable. Industrial biotechnology from Codexis reengineers enzymes and microorganisms—nature’s catalysts—and puts them to work to solve real global challenges for the world’s largest companies. We provide our customers with optimized, faster, flexible, cost-advantaged biosolutions and products tailored for their needs." The company is getting ready to be rid of 133 people in a bid to reduce its costs after they lost a contract with another firm. These kinds of job cuts are more than enough to qualify as a mass layoff action under the current federal guidelines. 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." The company recently released its second quarter fiscal reports, which does shed some light on why the [layoffs are needed](#), "Revenue and Gross Profit: For the second quarter of 2012, the company reported revenues of \$22.9 million, a 12% decrease from \$26.1 million in the second quarter of 2011. Product revenue in the second quarter of 2012 was \$6.8 million, a 19% decrease from \$8.4 million in the prior year quarter, due to the timing of pharmaceutical product orders. Product gross profit in the second quarter was \$1.0 million, down from \$1.3 million in the prior year quarter primarily due to lower product sales. Product gross margin in the second quarter was 14%, compared to 15% in the prior year quarter due to a higher percentage of generic products sales in the second quarter of 2012. Collaborative research and development revenue of \$15.9 million decreased 9% from \$17.4 million in the second quarter of 2011, a result of R&D funding reductions in our fuels and carbon capture programs that were taken in the second half of 2011." For the time being the company has not said anything about what kind of severance benefits, if any, they plan to give to the workers to supplement their unemployment.

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