

## SYSCO TO CUT 170 JOBS IN HUSTON AREA



Sysco is a name that many of you may have seen before, perhaps on trucks on the highway. For those of you who are not familiar with the company they are a company that distributes products for the food services sector, supplying businesses, restaurants and food chains with what they need to do business. Sadly that business is not as robust as it was just a few short years ago, as people make an effort to spend less and do more for themselves. The company recently put out some fiscal numbers that, while not devastating, are not exactly encouraging. Here is an excerpt [from that report](#), "Sales for the fourth quarter were \$11.0 billion, an increase of 5.9% compared to sales in the same period last year. Food cost inflation, as measured by the estimated change in Sysco's product costs, was 3.3%. Inflation in the fourth quarter was mainly driven by increases in the poultry, meat and canned/dry goods categories...Gross profit for the fourth quarter was \$2.0 billion, an increase of 2.9%, compared to the prior year. Operating expenses in the fourth quarter increased \$103 million, or 7.4%, compared to operating expenses in the prior year period. This was due in part to a \$38 million increase in gross business transformation expenses, a \$20 million increase in payroll expense, and a \$6 million increase in fuel expense. The increase also included certain items in the fourth quarter totaling \$23 million which were primarily related to an MEPP withdrawal thus creating an unfavorable year-over-year variance." Sadly the company is going to be cutting back on 170 workers in the Huston metro area in a bid to cut back on its costs. For now the company is not saying much about the job cuts, including what kinds of jobs are going to be cut or when exactly they will go into effect, but we do know that this will be a mass layoff action. 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 only good news is that under the terms of a mass layoff action the workers will be given several weeks of notice before they are cut from the payroll and put onto the unemployment line. Of course this is not the only large company that is getting rid of workers. For those of you who missed out on our earlier coverage of cuts to IBM here is an excerpt that will get you [up to speed](#) in no time at all, "Grim news is coming out IBM. The company has recently laid off between 1,000 and 1,200 depending on whose estimates you believe. According to data released by the IBM Employee s Union CWA Local 1701, since Feb. 27, the company has laid off least 1,202 IBM workers. When you consider how short of a span that is the number are truly startling."