

SAS GROUP TO MAKE SIZABLE JOB CUT



The SAS group is a name that many of you may not be that familiar with, unless you do a lot of flying. That is why today, before we talk about the job cuts that the company is making, we are going to begin by taking a brief look at how the company has chosen to [describe itself](#), "The SAS transported 27.2 million passengers to 128 destinations in 2011. The Group's home market is the Nordic Region." The company is getting ready to make some pretty major changes to its structure, which are designed to help the company to come back from the brink and get back to place of profitability. The company put out a release about the changes that [highlights](#) some of the fairly radical changes that the organization will be making in order to set things to right, "A new comprehensive plan will pave the way for a new, strong and competitive SAS. The plan needs to be fully implemented and new collective agreements must be signed in a very short space of time in order for SAS to have access to necessary funding... This plan will ensure that the conditions in all of the collective agreements are fully in line with the market, it will eliminate complexity by centralising and reducing administration, and it will make SAS more flexible by outsourcing more work to external suppliers. SAS's banks and main shareholders have given this plan their full support and will make credit available to SAS on equal terms. However, this support is conditional upon SAS delivering fully to this plan and upon the new collective agreements being signed in a very short space of time. The plan will result in total annual savings of around SEK 3 billion and will also see some of SAS's assets being sold at a value of around SEK 3 billion. This will make SAS less dependent on external lenders in the future." These cuts will come with a fairly hefty tag in terms of layoffs, as the company gets ready to shed about 6,000 workers during the reorganization process. While the company needs to make these changes to get back from the brink but the management is [not exactly thrilled](#) to have to let go of so many jobs, "This truly is our 'final call' if there is to be a SAS in the future. We have been given this final chance to make a fresh start and to carry on these fundamental changes. I know that we are asking a lot of our employees, but there is no other way. I hope that our loyal and dedicated employees are willing to fight for the survival of SAS and for our jobs. If we do this, we will be able to invest in new aircraft in the long term and to further develop our operations. This will ensure that SAS will continue to play an important role for millions of people in Scandinavia in the future," says Rickard Gustafson, President and CEO of SAS."