

April 2017, Issue 24



SafeSourcing e-Newsletter

Have comments, questions, or suggestions about the new SafeSourcing e-Newsletter? Let us know what you think by emailing us at the following address. We look forward to hearing from you! events@safesourcing.com

Trivia!

What does Value Analysis mean?

www.safesourcing.com

Industry News

Why is it always job cuts in order to Increase Profitability?

Target 10% of your spend and increase earnings by up to 100%

Ron Southard , CEO SafeSourcing Inc.

Hershey Co. Tightens its Belt

Hershey Co. will be eliminating 15% of its global workforce to increase profitability over the next two years. This Pennsylvania chocolatier has struggled with changing eating habits in the U.S., as well as slower growth in emerging markets, including China.

“Hershey said the roughly 2,700 job cuts, mostly hourly employees outside the U.S, will help it reach an adjusted operating profit margin as high as 23% by the end of 2019, compared with 20% in 2016. Hershey had about 16,300 full-time and 1,680 part-time employees world-wide at the end of last year.” Analysts expect many of the job cuts to come from China.

In an effort to grow beyond the candy industry, Hershey branched out by buying a beef jerky brand and creating protein drinks. Hershey continues to look to ways to increase its profit margin. Incoming Chief Executive Michele Buck is going to outline her vision for the company to investors this week. ■

Annie Gasparro, WSJ, 3/1/2017

INSIDE THIS ISSUE

1	Chocolatier tightens belt
2	Fidelity Buyouts
2	Trivia! answer

COMING NEXT ISSUE

May	Answer to our Trivia!
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Recent Savings

Deli Containers

Savings were over 37% of total spend. ■

Office Furniture

Savings were over 45% of total spend . ■

*Please [contact SafeSourcing](#) to schedule your RISK FREE event today.

Starbucks to Slash Employee Hours to Save Cost

Starbucks, the world's biggest coffee chain, introduced technology that allows customers to order online and pay from their mobile devices. That service was introduced in an attempt to boost sales and reduce the bottlenecks in the cafes.

Starbucks has a software system that determines labor needs based on business trends. Last summer, an online petition with over 9,000 signatures accused Starbucks of cutbacks in work hours hurting both employee morale and customer service. 7,000 of the signatures come from Starbucks employees. One California store reported its labor allotment shrunk by about 10 percent, despite increased sales. "No matter what we do to save on labor at my store, the system tells us EVERY SINGLE DAY that we are at least 8 hours over in labor for the day and have to cut even more," wrote signer Aaron I.

Like retail companies and restaurants, Starbucks has had to increase minimum wages. Many existing employees have complained that a new hire is now starting at the same pay they command after being employed by Starbucks for some time. Also, employees have reported tipping has gone down due to the customer "Starbucks Rewards" program, which allows a customer to pay with a loyalty card on their mobile phone. ■

Lisa Baertlein, U.S., 6/30/2016

Fidelity Investments Offer Buyout to Older Workers

Thousands of older workers were offered buyouts by Fidelity Investments as competition and changing investor preferences pressure cost reduction across its businesses. This buyout is aimed at approximately 3,000 of its longest-tenured employees, those approximately 55 years old and having been with the firm a minimum of 10 years, or roughly 6.7% of Fidelity's 45,000 employees. These package offerings will provide additional career opportunities for the remaining employees. The buyouts will be effective the end of June and employees will have several weeks to determine if they wish to participate.

Fidelity had been known as a stock and bond picking shop. Fidelity efforts have now been geared toward millennials as they begin accumulating wealth, but flock to lower-cost options. Conversely, baby boomers are starting to draw down money they have saved. "In recent years, Americans have begun working longer, driven by increases in life expectancy, fear of losing company-sponsored health insurance and a decline in pension and retiree benefits that makes continued employment crucial for many." According to the Labor Department, since 2000, the number of Americans in the workforce 65 or older has more than doubled, from 4.2 million to 8.9 million. ■

Sarah Krouse, WSJ, 3/1/2017

QUESTIONS AND ANSWERS

Q: How can I subscribe or unsubscribe to these newsletters?

A: You can subscribe or unsubscribe to these free newsletters by simply going to our [website](#), and clicking the option "e-Newsletter" or by contacting us directly at events@safesourcing.com

Q: I have run events in the past, is there any chance I could be saving more?

A: Yes. No matter when your past event ran, the team at SafeSourcing can find ways for your company to save.

Q: I want to know more about what SafeSourcing does. Who can I talk to about this?

A: You can contact a customer services representative by calling us at 1-888-261-9070 or by going to our [website](#) and trying our "Risk Free Trial" offer.

Trivia! From February 2017 Issue

What does 3PL mean?

3PL is a provider of outsourced logistic services. Logistic services encompass anything that involves management of the way resources are moved to the areas where they are required.

events@safesourcing.com
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