

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

May. 02, 2013

Struggling Diebold Inc. started 2013 with one major job cut — that of now former Chief Executive Officer Thomas Swidarski.

The maker of ATMs and security systems says it is eliminating 700 more positions, primarily in North America. The cuts work out to about 10 percent of Diebold's roughly 7,000 employees in the U.S.

About 100 of those jobs were in the Akron-Canton area, where Diebold now has 1,900 employees at its headquarters and nearby facilities. Job cuts includes some senior executives and managers, with some cuts coming through early retirements. Job levels in the region are expected to remain at about 1,900, a spokesman said.

The job eliminations are part of a broad cost-cutting plan to return Diebold to profitability and growth, executives said as the company reported it lost money in the first quarter this year. The goal is to save between \$100 million to \$150 million by the end of 2014.

The hundreds of people whose jobs are being eliminated were notified in January; most of the cuts have taken place with the rest to be completed by the end of 2014, Diebold said in a regulatory filing.

Diebold continues to hire for what are called "mission critical" areas such as electronic security and software development where the company intends to grow, a spokesman said.

Diebold took a charge of \$10 million in the first quarter for the work-force reductions and estimates it will have total charges of \$25 million to \$40 million for severance benefits and related expenses once the process is finished.

Diebold said it lost \$13.4 million, or 21 cents a share, on revenue of \$633.5 million. A

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Diebold's first quarter earnings and revenue fell below analyst expectations of an adjusted profit of 17 cents per share and revenue of \$658.8 million.

Shares of Diebold were down \$1.28 to \$28.87 at 11:52 a.m. Shares are down 4.7 percent, including dividends, and are down 24.1 percent from a year ago.

"The first quarter loss we reported this morning was extremely disappointing to all of us at Diebold but it was not unexpected. In fact, it was in line with our internal forecast," Henry D.G. Wallace, executive chairman, said in opening statements to industry analysts.

"In late 2012, as we developed our forecasts for 2013, we could see a significant shift taking place in our North America business. This put significant downward pressure on our profitability," Wallace said. The trends pointed to weak first and second quarters this year, he said.

"Faced with this situation, we moved quickly in January to develop a plan to change the trajectory of the company," Wallace said.

The changes include promoting George Mayes Jr. to chief operating officer following the resignation of Swidarski, Wallace noted.

Diebold continues to look for a new chief executive officer, he said.

"There is no set timeframe on filling the position as we remain focused on finding the right person for the job," Wallace said.

Copyright 2013 – The Akron Beacon Journal

Accounting • Payroll • Staffing • Taxes

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us