

GMB @ WILKINSON
MEMBERS BULLETIN
GMB, your voice in Wilko



No 2 January 2013

Wilkinson Pay Update

Dear Colleagues

Your GMB negotiating team met again with the company on 16th January to discuss your pay claim and the company position. As you may have seen, we had asked the company, prior to the meeting, to seriously reconsider their position.

Because the meeting took place in January, your GMB negotiators had an opportunity to consider the company's Christmas trading performance, which (although it has not yet been published) we believe was better than some had feared.

We discussed the company's trading position for 2012 at length. The trade union side recognised that 2012 was a very tough year, with most retailers struggling. For many months we accepted that the trading position for Wilkinson was actually pretty gloomy. However, we believed that the year-end profit figures would actually look favourable.

We had a long discussion about the state of the company and the finances in particular. The company side shared information that is commercially sensitive. They confirmed that the trading position for a large part of 2012 was very poor but that the year-end financial results would look ok.

The company position is that profits are well down on where they were a few years ago. Moreover, a sizeable part of any profit in 2012 will be down to the aggressive cutting of costs and even jobs across the business. Every one of our members has seen the impact of the cost-cutting initiatives in their place of work. The company side also made it clear that whatever the results, footfall and spend by customers is down across most retailers, Wilkinson included. Whilst there are aggressive plans in place to improve the trading position in 2013, the economic outlook for the country remains bleak.

You should be assured that whilst listening to the company position, a robust case was put forward in support of a pay rise for GMB members. As we have continually said, you are the vital public face of Wilkinson. The level of service all GMB members provide is second-to-none and it is you who have felt a great deal of the pain from company initiatives to cut costs. We argued hard that you need and deserve recognition for your sterling efforts on behalf of the company in 2012.

Summary

Everyone accepts that Wilkinson is under the same pressure as other retailers. The economic downturn is dragging on and people are poorer as a result.

The real point of contention is that when it is announced the headline profitability for Wilkinson is likely to look decent, although substantially lower than in previous years. The company contend that tough cost-cutting is helping to maintain profitability and that awarding an across the board pay rise could jeopardise the business, going into what could be another difficult year.

Your GMB negotiating team have argued hard that the company cannot give any guarantees on job security and that awarding an increase is unlikely to have a dramatic effect on the business. In fact, as staff in the DCs and Stores have been at the sharp end of many of the cost-cutting measures, not awarding a pay rise could be more damaging, as morale will be impacted massively if decent profits are announced and bonuses were then to be paid as a result.

Where we did agree is that both GMB and the company are committed to working together to ensure the business has a good future. Everyone's job depends on it. The meeting was conducted in a reasonable manner but nobody should be under any illusions about how difficult the negotiations were. As you would expect, your GMB Shop Stewards are fighting hard to get you the best deal possible.

We have adjourned the meeting. The board will consider GMB's arguments and respond in due course. Naturally, members will be consulted on the company's final position.

Yours sincerely,



GARY SMITH
GMB National Secretary

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