



For GMB Members in **ASDA STORES**

GMB – WORKING FOR YOU IN ASDA

July 2009 - 46

GMB 2009 PAY & CONDITIONS SUBMISSION

Dear Colleagues

Please see the attached submission. A similar document has also been sent to ASDA Management.

Please distribute this and post the submission on Stores notice boards. Members will also be getting sent an outline of our submission directly in the post.

GARY SMITH
NATIONAL SECRETARY

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GMB COMMERCIAL SERVICES SECTION**



ASDA STORES

GMB 2009 Pay & Conditions Submission

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“2008 was yet another vintage year for ASDA as we out-performed both our sales and profit plan, and grew our market share to its highest ever level. It is thanks to the continued hard work of all of our store and depot colleagues.”

Andy Bond, ASDA Chief Executive.

Introduction

In presenting our 2009 pay and conditions submission for our members working in ASDA Stores, GMB congratulates ASDA's Chief Executive Andy Bond for recognising that all ASDA employees are responsible for the company's continuing success. GMB members in ASDA Stores look forward to receiving a pay award that rewards them for their hard work, and which adequately reflects the contribution that they have made to the success of the business.

ASDA's successful performance in 2008

We note that Wal-Mart Stores announced on 17th February 2009 that ASDA employees delivered another particularly strong sales performance throughout 2008, achieving a better performance in each and every quarter of the year than in the previous quarter. Excluding petrol, the fourth quarter (Q4) of 2008 saw comparable (like-for-like) sales achieving 7.2% growth, up from 6.9% in Q3, 6% in Q2 and 5% in Q1. The company also reported that it was winning new customers across the UK, with the largest gains in the South of England.

This outstanding performance led to the company beating both its sales and profit plan for the full year, with comparable sales growth for the full year (excluding petrol) of 6.5%. Analysts reported that ASDA out-performed the market for eleven successive quarters up to Q4 of 2008.

2008 also saw the company further develop its online operations, and extend its home shopping service to cover more than 90% of the UK population, many of whom were not previously served by an ASDA store. Additionally it launched ASDA Direct, which contributed towards a massive 40% growth in online sales during 2008.

.....continuing into 2009

We also note, on the basis of figures supplied to GMB by the company in May 2009, that despite the economic turndown, ASDA built on the progress made in 2008 and also enjoyed a very successful first quarter of 2009. Sales increased by £177m and profits by £13.5m, which represented year-on-year increases of 8.4% and 12.7% respectively.

This information on the high standards of performance that ASDA's UK employees continue to deliver was re-iterated in public when Wal-Mart Stores reported that it had posted a 7.8 percent rise in 2009 first-quarter operating profit at its international businesses, helped by a "stand out" contribution from ASDA in Britain.

"ASDA had a standout quarter, leading on price and gaining market share. I can't tell you how proud I am of our ASDA colleagues."
Mike Duke, President and CEO, Wal-Mart

We welcome this public acknowledgement, from the highest possible level, that ASDA's UK employees are making such a vital contribution to the global fortunes of its parent company, particularly during what are clearly very challenging global conditions for retailers. With over 7,900 Wal-Mart stores in 16 countries, it is to the credit of ASDA's UK employees that they outshone everybody and made such a significant contribution to Wal-Mart's international operating profit of \$1.13 billion (£743million) in the three months ending April 30th 2009.

We also note that the fifth consecutive quarter of growth achieved by ASDA Stores employees topped a 3.4 percent rise in underlying sales from market leader Tesco for the first six weeks of its new financial year, and a 6.2 percent increase from Sainsburys, Britain's third-largest grocer, for the 11 weeks to March 21. ASDA beat both its sales and profit targets for the quarter and grew profit ahead of, and costs below, sales.

Clearly, the company will wish to reward its staff working in stores for their outstanding performance, which put not only other Wal-Mart global group employees in the shade, but surpassed that of other UK retailers operating in like-for-like retailing conditions in the UK market.

Our Claim

<p><i>"Our colleagues drive the success of this business"</i> ASDA People Director, Caroline Massingham</p>
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ASDA's strong retail performance continues to be driven by increased customer traffic. Any increase in the volume of sales in stores will, of course, both impact upon, and reflect, the efforts of staff working throughout the stores network. For example, increased sales will correspond with an increase in the movement of goods throughout each individual store, both to the point of sale and through the tills.

We therefore look forward to the very significant contribution of all those employed throughout the nationwide network of ASDA Stores being recognised and fairly rewarded by the company.

Our claim is therefore for all ASDA Stores employees to receive a wholly justified and substantial increase in their rate of basic pay, which fairly reflects the contribution that they have made to the company's outstandingly successful performance.

Other improvements in their terms and conditions that our members are seeking include:

- Premium pay for weekend working;
- Time off in lieu for all bank holidays worked;
- "Discount for Life" to be applied after 15 years service;
- Improvements to the Sick Pay scheme - specifically to include payment of sickness from the first day of sickness absence for all employees, in line with the scheme for Managers;

- The employer's contribution to the pension scheme to be substantially increased – to move towards the GMB policy of a minimum 10% employer's contribution rate;
- Recognition of the contribution of colleagues who have been red circled, and who as a result may not have had a pay increase for years. The red circling issue is grossly unfair and a matter that must be addressed.

Conclusion

Even during the most challenging economic conditions, ASDA employees have responded positively and delivered growth. The company, at the most senior levels in both the UK and USA, have acknowledged this. It is now time for those words of recognition and congratulation to be translated into action, and for the hard work and commitment of the employees in ASDA Stores to be handsomely rewarded.

The Union appreciates the competitive pressures that ASDA face and the resultant need to invest in price. However, this year it is time that ASDA invested in *people* through a substantial and consolidated percentage increase in pay.

GMB looks forward to ASDA recognising the role that colleagues in stores have played in delivering success for the business. Following on from our submission we hope that our members employed in the stores can look forward to receiving a substantial pay rise as well as other improvements to their conditions of employment.