

Business Day to shed jobs in bid to slash costs

Business media group BDFM Publishers, a subsidiary of listed Times Media Group (TMG), will go on a second round of retrenchments to stem losses due to a drop in circulation and a drought in revenue.

By Mbyagabo Maake and Adele Shevel ^{25 Sep 2013}

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The group, which publishes the Business Day newspaper and the Financial Mail magazine, last week offered staff voluntary severance packages, a reprise of the first round last year where it culled the headcount by about 32 people.

This week, Editor-in-chief Peter Bruce said shareholders had directed BDFM to cut editorial costs by at least R12m by the end of the 2013-14 financial year. This could not be done without reducing heads, he wrote in an e-mail to staff.

Staff members have until 29 September to take the packages, after which BDFM will embark on forced retrenchment in accordance with labour legislation.

Andrew Bonamour, chief executive of TMG - owner of the Sunday Times and Sowetan newspapers, as well as a range of television and music assets - said the latest job cuts came about because the subsidiary's editorial costs were too high.

It's simple... BDFM loses money

"It's very simple, BDFM loses money," he said. "It has done so for 10 years. Its editorial costs are too high given its circulation and revenue generated. It currently has a bigger editorial budget than Sunday Times, but I put it into perspective."

The Sunday Times had 111 editorial staff, while BDFM had 131, according to its publisher Nathi Maramba.

Bonamour said BDFM's spending on editorial, measured as a cost per page or as a percentage of revenue, was "way out of line" with other TMG titles. "Management have been told to reduce this difference."

TMG media division boss Mike Robertson said BDFM's spending as a percentage of revenue was 35%, while the Sunday Times was at 10% and the rest of the TMG newspaper titles were between 22% and 26%.

TMG, which owned BDFM in a joint venture with Pearson, recently bought out the UK-based publisher's head of the company in a move calculated to turn it around.

TMG this week sold its stake in Exclusive Books and Van Schaik Bookstores to a consortium led by Medu Capital, a black-owned private equity company, for R435m.

It will no longer publish Elle and Elle Decoration, which will be taken over by Gisèle Wertheim-Aymés next year, the publisher of Longevity and Stuff. This week, TMG bought 32% of Ghanaian broadcaster Multimed

for R144m. Last month, TMG said it would sell financial data provider I-Net Bridge to Naspers' McGregor BFA for R115m

Source: Business Times, via I-Net Bridge

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