

## Presto compelled to reduce its workforce

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Staff at Presto Presse-Vertriebs AG (Presto), a subsidiary of Swiss Post, deliver subscription daily and Sunday newspapers. They work on a minimum employment level of 5 to 25 percent. The current challenging economic situation, lower consumer confidence, the continuous decline in newspapers, and high energy and paper prices pose major challenges for media companies and the advertising market. This has implications for Presto. It is distributing fewer and fewer newspapers. The difficult environment is forcing Presto to adapt to the new circumstances in order to be able to continue operating its business profitably. The management deeply regrets that a total of 48 staff members may lose their jobs. This would equate to a loss of 8.5 full-time equivalents. Presto has begun a consultation process to give staff the opportunity to make suggestions on how the planned job cuts could be avoided. Swiss Post and Presto are holding discussions with their social partners. Possible mitigating provisions will also be discussed. The goal is to make the planned job cuts as socially acceptable as possible for the staff.

For years now, digitization has been changing the media landscape and the advertising market in Switzerland: people are increasingly obtaining information online, and fewer and fewer people are reading printed newspapers. As a result, advertising forms are shifting from physical products to digital solutions on online platforms. Along with lower consumer confidence and high energy and paper prices, this poses major challenges for the media industry. The difficult environment is also being felt by the Swiss Post subsidiary Presto Presse-Vertriebs AG (Presto). It is distributing fewer and fewer newspapers and is being forced to constantly adapt to new circumstances so as to remain profitable. Presto started distributing the Consumo advertising magazine in the Bienne region in September, having taken over the contract to distribute the magazine at short notice from the Swiss Post subsidiary Direct Mail Company (DMC). DMC lost this major contract in spring 2022, which means it is no longer active in Bienne.

**Day rounds not economically viable for Presto**

The weight and delivery quantities of the Consumo magazine, which contains brochures with promotions and offers from the region, vary greatly from week to week. Sometimes the volumes are so large that the delivery staff cannot distribute the newspapers on time. It is not possible for mail carriers to start deliveries earlier, as no night work permit has been issued. For this reason, Presto currently has to distribute large batches of the Consumo magazine in a specially organized day round. This is not an economically viable solution for Presto in the long term. Presto is therefore planning to stop delivering the advertising magazine via the specially created daily round as of 1 April 2023. In future, Consumo will be delivered in the Bienne region by Swiss Post, as is already the case in other regions. This will eliminate the working hours for the day round, and as a result, 8.5 full-time equivalents are likely to be lost at Presto. 48 staff members will be affected. These staff members deliver Consumo and work an average minimum employment level of 16 percent, i.e. about six hours per week on average.

### **Swiss Post and Presto holding talks with social partners**

Presto informed the affected staff of the situation by letter on 11 January 2023. From 11 January to 31 January 2023, staff will have the opportunity to submit proposals as part of a consultation process on how the planned redundancies could be avoided or limited, as well as how the consequences of

any redundancies could be alleviated.

Swiss Post and Presto very much regret that this step had to be taken. The companies are in talks with their social partners and are also discussing possible mitigating provisions to make the planned job cuts as socially acceptable as possible for the employees.

Source: [Swiss Post](#)