

## DuPont layoffs were expected, come on heels of change

**A year of turmoil at DuPont ends with an announcement that 1,700 jobs will be cut in Delaware by March.**



Jessica Masulli Reyes, The News Journal, December 30, 2015



(Photo: JENNIFER CORBETT/THE NEWS JOURNA)

Details – and announcements – about layoffs have trickled out over the last few months as the DuPont Co. began the process of shedding \$1.6 billion in expenses.

In November, the chemical giant consolidated four of its business units into two groups to reduce costs and halted work on its "One DuPont" IT project, severing agreements with 300 contract workers.

Likewise, newly named Chief Executive Ed Breen reportedly laid off 80 to 100 workers in DuPont's Sustainable Solutions business in December, closed a Tennessee polymers plant, cut in-house attorneys – some of whom were in Wilmington – and merged the Science & Technology unit with DuPont Engineering.

Specifics about the number of workers let go were kept under wraps until Tuesday. In a memo, the company announced to its employees that about 1,700 would be laid off in Delaware by March 2016. This represents more than 1 out of every 4 of its employees in Delaware.

The cuts will represent a 37 percent decline in DuPont's workforce in Delaware since 2014.

Economists say the move should be expected after months of smaller cuts and the pending merger with Dow Chemical Co. to form the world's second-largest chemical business.

"The shoe has finally dropped," said John Boyd, president of the corporate relocation consulting firm Boyd Group Inc. in Princeton, New Jersey. "This didn't come out of the blue."

The announcement of layoffs comes at the end of a tumultuous year for the 213-year-old Delaware company. It began in January with Trian, an investment management firm launching a proxy war to gain four seats on DuPont's board of directors. The effort, led by billionaire activist investor Nelson Peltz, was the first proxy war in the company's history.

Then-CEO Ellen Kullman fended off Trian's candidates in a shareholder vote.

At the same time, DuPont was slashing about 5 to 7 percent of its performance chemicals unit's work force in anticipation of the July spinoff of its performance chemicals division, Chemours. About 9,100 workers joined the new company, which took over DuPont's former building in downtown Wilmington.

Then, Kullman abruptly retired in October and was replaced by Breen, the former head of Tyco International Ltd.

Breen, who had a reputation for mergers, acquisitions and cuts, quickly took to chopping from a number of departments.

Soon after becoming permanent CEO, he reportedly laid off 80 to 100 workers in the Sustainable Solutions business.

He halted the Wilmington-based chemical company's "One DuPont" IT project and merged DuPont's Packaging & Industrial Polymers unit with its Performance Polymers business and its Safety Protection Technologies business with Building Innovations.

The Science & Technology unit with DuPont Engineering was also consolidated.

The Chattanooga, Tennessee, plant closure displaced 40 workers, including 26 DuPont employees and 14 contractors.

Separately, DuPont's hybrid seed unit, Pioneer, will exit the state by March, a move that could eliminate several hundred research positions.

Headquartered in Johnston, Iowa, Pioneer has operations in DuPont's two Delaware research hubs: Stine Haskell and the Experimental Station. Some Delaware positions will be transferred to Iowa, but the majority of jobs will be cut.

Last year, DuPont spent \$35 million to build a new 134,000-square-foot soybean research center at Stine Haskell for Pioneer. Work on the facility, expected to be completed in 2016, will stop as a result of Pioneer's departure from Delaware.

It has been unclear exactly how many positions would be cut overall until Tuesday's announcement.

"It's the beginning of a new era in Delaware, and it's up to the politicians, Legislature, governor and economic development foot soldiers," Boyd said. "It's up to them to retool the economy. It won't be easy, but it can be done."