

Staples to speed up closure of 15 stores in US

September 25 2012



This Tuesday, Nov. 15, 2011, file photo, shows a Staples office supply store in Miami. Staples is speeding up the closure of about 15 of its U.S. stores and plans to close 45 stores and some delivery businesses in Europe. The office products company also said Tuesday, Sept. 25, 2012, it will invest more in its online and mobile efforts and will expand the product assortment that it offers to its business customers. (AP Photo/ Lynne Sladky)

(AP)—Staples is speeding up the closure of about 15 of its U.S. stores and plans to close 45 stores and some delivery businesses in Europe.

The office products company also says it will invest more in its online and mobile efforts and will expand the product assortment that it offers to its [business customers](#).

Staples Inc. said Tuesday that these moves and other actions are part of a [strategic plan](#) to better serve customers' needs and accelerate growth.

Staples is trying to adapt to the evolving needs of its customers. Last month the company reported that its second-quarter net income fell as sales of computers, software, and basic office supplies softened.

[Computer sales](#) have been pressured by the introduction to many offices of the [computer tablet](#) and other [mobile devices](#). Traffic is also down at Staples' stores and Europe continues to be a weak spot.

The chain expects the U.S. store closings will result in a charge of about \$35 million in the [fourth quarter](#). For fiscal 2012, it anticipates about 30 U.S. store closings. Staples also expects 30 stores will be scaled down and stores being relocated.

In Europe, the store closures are expected to occur before the end of fiscal 2012, the company said without naming any countries. Staples has also tapped John Wilson to serve as president of Staples Europe. Wilson succeeds Rob Vale, who is retiring.

The retailer says its U.S. retail and online businesses will now be run by Demos Parneros. Joe Doody will continue to lead the North American contract and Quill.com businesses, and will assume leadership of supply chain and customer service operations in North America.

Staples expects its actions to result in charges of \$145 million to \$195 million by the end of fiscal 2012. It also foresees a third-quarter goodwill impairment charge of \$790 million to \$850 million within its European retail and catalog businesses.

The company says it is still looking into additional operational and strategic opportunities for its European operations, which includes the potential sale of its European printing systems business. It anticipates taking a third-quarter charge of \$15 million to \$20 million as it classifies the European printing systems business as discontinued operations.

The chain will also take a charge of \$20 million by fiscal 2012's end as it rebrands its Australian business.

The Framingham, Massachusetts, company anticipates annual savings of about \$250 million by the end of fiscal 2015.

Staples's stock slipped 5 cents to \$12.30 in premarket trading. Its shares hit a 52-week low of \$10.57 in late August and peaked for the year at \$16.93 in March.

The company has stores in 26 countries in North and South America, Europe, Asia and Australia.

Copyright 2012 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Staples to speed up closure of 15 stores in US (2012, September 25) retrieved 26 April 2024 from <https://phys.org/news/2012-09-staples-closure.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.