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**SOK to meet challenges in consumer goods trade with a new organisation**

**SOK is renewing its consumer goods trade organisation. The related statutory labour negotiations are now completed and, following on from the decisions, the number of employees will be reduced by approximately 110 people. Originally, the estimate was a maximum of 130 people. The organisational reform was triggered by the prolonged economic recession and the concurrent structural change in the trade sector which has especially shaken consumer goods sales.**

SOK is eliminating redundancies within the consumer goods and grocery trade sectors and clarifying the areas of responsibility.

“We have dismantled the heavy matrix organisation within consumer goods and rearranged the operations with more focus on customers. SOK has created separate organisations for hardware trade (SOK Hardware Trade: Kodin Terra and S-Rauta chains, S-Yrityspalvelu Oy) and department store and speciality store trade (SOK Department Store and Speciality Store Chain Management: Sokos, Emotion and other speciality store chains). The consumer goods operations of Prisma, S-market and other small outlets have been integrated into the grocery trade operations in a new unit called SOK Food and Consumer Goods”, says **Arttu Laine**, Executive Vice President at SOK.

The prolonged poor economic situation, the weak development of consumers’ purchasing power, the digitization of trade and the drastic structural change within the sector towards multi-channel services pose major challenges for trade operators, with major effects for the consumer goods trade. For some time, S Group’s consumer goods trade has been unprofitable.The aim of reorganising operations is to boost SOK’s cost-efficiency and profitability and to create synergies between sectors.

“To turn the result trend around, we have to understand our customers better. For instance, within the market business, the rational solution is to operate the Prisma, S-market and other small outlets, under one umbrella. The new model enables us to anticipate changes in demand better and react to them faster”, **Laine** explains.

The statutory labour negotiations with regard to the reorganisation of SOK’s Consumer Goods trade started on 12 June and concluded on 23 July. The negotiations affected all employees and management of the previous SOK Consumer Goods trade and SOK Grocery trade, a total of approximately 530 people. The number of employees will be reduced by approximately 110 people. Originally, the estimate was a maximum of 130 people.

The statutory labour negotiations did not affect the employees of S-Verkkopalvelut Oy or SOK Marks & Spencer chain management. The negotiations did not affect the other units or companies within SOK or SOK Corporation, such as Inex Partners Oy. Nor did they concern regional cooperatives, their stores or other outlets. The services offered by regional cooperatives to co-op members remain unchanged.

**Kristiina Nieminen** has been appointed director of SOK Hardware trade (Kodin Terra and S-Rauta chains, S-Yrityspalvelu Oy), **Mika Laakso** has been named as director of SOK Department Store and Speciality Store Chain Management (Sokos, Emotion and other speciality store chains), and the director of SOK Food and Consumer Goods (Prisma, S-market and small store chains) is now **Jukka Ojapelto**.

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