



Case study summary sheet : CELESTICA

PN, Sept. 18th, 2006

- ✓ The Guérande site belongs to an SME, but it is not autonomous (due to strategic choices, in particular) since it is part of the Canadian group CELESTICA. It has had to face enormous competitive pressure – even within the same group – in a business field (commonplace electronic components) where the centre of gravity for world production is now in Southeast Asia and the CEEC. This intolerable situation would have been fatal for the site, since the attachment to the CELESTICA Group prevented developing and implementing an adaptation strategy that undoubtedly involved the group's early exit to diversify production while relying on the workforce's real know-how. The impossibility to make this choice, even though the site no longer met the management standards of a world group that outsources production, led to the site's closure.

- ✓ CELESTICA Guérande's situation shows that strategic anticipation does not just involve analysing the risks (relocation) and opportunities (diversification) "in time", but also involves having the room to manoeuvre to develop a real adaptation strategy and to make the necessary changes with the commitment of all players involved: management, employees, their representatives and public authorities. Whereas the Guérande site seemed quite "embedded" in its territory, it seems that, among other things, the support provided by the public authorities was not up to the stakes in this critical phase. Perhaps the local authorities did not want to keep this type of industrial activity in a region with an affirmed tourism mission?

- ✓ The restructuring (i.e.; the closing of the site) occurred over a short period of time (April to December 2005). A business recovery plan existed (does it still exist?), but it seems clear that the transition period, which is quite substantial in such scenarios, was not thought through. This situation, while the workforce is in the process of dispersing, makes all the more perilous the possibilities to effectively restart an industrial activity that is based on local know-how.

- ✓ The pre-existing quality of the labour relations at the site and the major support provided by the Work Council's expert (who played a major facilitator role in the industrial relations dialogue in a crisis situation) in spite of a difficult context, helped create a coordinated system to manage the effects of the restructuring. Rather substantial means were mobilised for labour support as part of the "job protection plan." Even if the case is not closed, the fact remains that an industrial activity has not been restarted with the same workforce yet.