



Recession's axe claims 30 more jobs Butterfield Bank hoping to hire back some employees who will soon be out of work

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Out of Work: Customers and employees seen outside of Butterfield Bank's offices on Bermudiana Road yesterday. Butterfield Fulcrum Group, whose offices are in the Rosebank Centre, announced on Monday that 30 of its accountants have been made redundant. *Photo by Mark Kennedy

Thirty employees have been made redundant at fund administrator Butterfield Fulcrum Group (BFG), the Bermuda Sun has learned.

Management held a staff meeting Monday morning to announce the layoffs, then afterwards went to the desks of those who would be losing their jobs to tell them individually, sources told us.

Their reasoning has become all too familiar - tough economic times require cost cutting measures.

BFG is one of the largest fund administrators in the world, with \$100 billion of assets under management.

It has 400 employees in nine countries, including Bermuda, the Cayman Islands the U.S., the U.K., Canada, the Bahamas, India, Ireland and Guernsey.

The Bermuda-based recruitment agency Expertise Ltd has been hired by BFG to help those who have been laid off find other jobs, sources told us.

Also, Butterfield Bank hopes to re-employ some of the redundant BFG workers, the bank said in a statement.

A BFG spokesperson confirmed that the company has also laid off approximately 25 staff at its office in the Cayman Islands.

BFG is the latest in a series of companies to shed staff as the fallout from the global recession takes its toll.

On January 9, the Fairmont Southampton hotel and resort axed 35 of jobs in what was described as "indicator that things are going to change in 2009."

And two weeks ago, Digicel announced it would be offering voluntary severance packages to its workforce in Bermuda and the Caribbean in a bid to cut staff by up to 20 per cent.

Later that week, international accountancy firm Ernst & Young laid off roughly 15 of its workers.

"Even after this, [BFG] will have very substantial operations in Bermuda and Cayman and we remain firmly committed to these jurisdictions," a spokesperson told the Bermuda Sun in a statement yesterday.

In Bermuda, BFG is breaking the redundancies into three phases: the first round on April 10, then on June 10 and again on September 10.

"They have given plenty of notice and are being helpful," another source said.

BFG will also be giving those made redundant a minimum of two weeks' pay per year as part of a severance package.

Asked about the mood in the office after the redundancies were announced, one source, who spoke on condition of anonymity, said, "it's not good, but they [management] are being generous.

"They said it was because of tough economic times. They had to look at ways to cut costs."

The company confirmed that job cuts were made as a result of the worldwide economic downturn.

"Global financial markets have seen an extraordinary level of turmoil in the last several months," the company's statement said.

"We have seen redemptions from our client funds, lower trading performance and fund closures.

"As a response to this, we have had to review our global cost base and take steps to restructure our operations. This restructuring has resulted in certain positions being made redundant in Bermuda," it added.

It's understood that in that past few months, BFG's assets under management have dropped sharply, from \$125 billion to \$75 billion.

"They've done a good thing by giving [at least] three months notice, but once they say 'you've been made redundant', where's the incentive?" a source told us.

Between 80 and 100 people are currently employed in BFG's Bermuda office on Bermudiana Road.

Butterfield Bank got a multi-million dollar boost in September when its subsidiary, Butterfield Fund Services, merged with the fund administrator Fulcrum Group.

Staff of the newly created firm were required to sign new contracts a few weeks after the merger took place.

One of sources said the move made sense: "we were still in audit season - they'd be crazy to lose all the knowledge and then train new people.

"I don't think they've done bad by people, they just did what was right for them."

Butterfield Bank said yesterday that it plans to absorb some of the redundant BFG workers.

"Butterfield Bank pledged to endeavour to assist former bank employees in securing positions within the bank in the event of redundancies at BFG," a bank spokesperson said in a statement.

"[The bank] is honouring that commitment and, although we cannot make any employment guarantees, we are working to identify suitable opportunities for impacted BFG employees on a priority basis," the statement added.
