



Company Name: John Lewis Partnership

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Business Benefits Realised:

Reduced capital expenditure / sustainability efficiencies / better alignment to customer demand

Business Metrics demonstrating value:

- Project delivery accelerated by 12 months
- Capital expenditure reduced by 8.4%
- Utility usage reduced by 19%

The logo for Waitrose, featuring the word "Waitrose" in a green, sans-serif font.

John Lewis Partnership: Working better together

Background: *Partners are employees and co-owners of the John Lewis Partnership.*

The John Lewis Partnerships two trading divisions, John Lewis and Waitrose took an agile approach in adapting existing store opening and operating procedures, to collaborate when opening two new shops side by side for the first time in Ipswich one year ahead of schedule in November 2012.

This pioneering project involved close collaboration for Partners around the business. It demonstrates Partners' commitment as co-owners to ensuring the efficient growth and sustainable success of their business: Recognising the need to respond to changing consumer shopping patterns online and in store as part of the John Lewis Partnership's omni-channel customer proposition, by developing an omni-channel approach to working better together.

Innovating a new shared-format:

The original programme for delivering this project was Autumn 2013, based on following the normal timelines adopted by the project teams. Given the importance of trialling this new concept for the Partnership as soon as possible, the original timelines needed to be accelerated to bring the whole development forward by 12 months. Vital to whole process was securing significantly earlier Planning Consent, and navigating financial risks to bring forward construction. Cross-directorate teams from both divisions worked along side the site developer to deliver a competitive tendering process, and to build the shell and deliver a fast fitout by overlapping the construction programme for both Waitrose and John Lewis.

A core Partner working group was established to help drive efficiencies in the overall project coordination and design of the stores. The teams worked closely together to understand where design synergies could be shared in terms of the customer café and back of house facilities, and were able to achieve significant cost savings through efficient procurement and buying gains. From a sustainability perspective the project provided the opportunity to trial a number of new innovations. The project achieved a BREEAM rating of Excellent for the overall building.

Through early engagement and support to the Local Authority and surrounding community, the whole process was managed very efficiently. This joint working enabled teams to share, learn and innovate best practice, which is now being incorporated into future project designs.



The customer experience

From a customer point of view, having the two brands together under one roof is the ideal combination. As well as sharing a main entrance, the two shops share a customer café, run by Waitrose on the first floor alongside John Lewis' assortment. The two businesses complement one another, and creating a compelling shared shopping experience has been fundamental to the way both divisions have worked together during the entire planning process. As Waitrose and John Lewis have different trading patterns, deciding on opening hours involved discussions between both divisions. Waitrose opens earlier and both shops close at 9pm (5pm on Sundays), enabling customers to shop and pick up Click & collect orders after work.

The Partner experience

The two shops also share facilities and operations behind the scenes, including a Waitrose-run Partner dining room and cash office, John Lewis Business Protection and maintenance technician support for both shops, plus shared locker rooms, meeting rooms and training areas. Sharing these facilities has helped achieve greater efficiency for both stores, and means that both have larger selling spaces as a result.

Many of the Partners and apprentices who have joined the new shops say they're excited to be part of a new venture, which has created 375 new jobs in the area. Partners at the two branches continue to develop flexible ways of working better together to achieve more.

Overall the project has been a fantastic success for the Partnership and a real demonstration of Partners across the business coming together in a dynamic cross-functional way - with great agility and innovation, to combine both businesses and deliver the Ipswich stores.

Project implementation efficiencies

- Both stores opened a year earlier than previously scheduled
- Cross-directorate working supported efficiencies in shop-fitting and equipment procurement.
- On-site construction phases accelerated by 6 months
- The overall construction budgets for both projects was reduced by 8.4% giving a total saving of £1,022m
- Sustainability innovations: The engineering specifications incorporated a number elements which reduced the overall utility usage (water, gas and electricity) by 19% compared to similar developments. LED lighting and displacement ventilation deliver an average reduction on energy costs of 10% and 15% respectively. Water cooled refrigeration is a highly efficient engineering solution, and the use of water as oppose to the more traditional refrigerant gas provides significant environmental benefits
- Design solutions are now the approved standard for all future stores.



John Lewis Partnership

Operational efficiencies

- Greater selling space efficiencies compared to standalone stores
- The personnel growth teams combined across John Lewis and Waitrose to recruit and train new Partners
- Reduced staffing model, management and catering hours re-allocated to selling assistants.
- Collaborative assortment strategy between both divisions to optimise the selection of food and non-food products available across both stores
- Ongoing operational savings from shared services: Distribution / Catering / Business Protection / Utilities / Amenities / Stock Management / Cash Office / Maintenance.

Partners working better together

- Shared goods receiving area: Greater agility from both divisions is generating operating efficiencies for receiving goods and stock management
- Partner Dining Room: Shared Partner area, opportunity to realise our Partner potential through shared social events and Healthy Eating programmes
- Partner Volunteering: Partners working cross-divisionally to support local community initiatives
- Partner Development: Shared learning opportunities across both divisions - early delivery of new performance appraisal programme for Partners in both stores
- Shared resourcing decisions to match divisional trade patterns around key trading periods e.g John Lewis Clearance and seasonal Waitrose uplift
- Store Management Best Practice - Joint Leadership meetings and shared duty management
- Early and ongoing collaboration with new retail park tenants..

Commercial performance

- Sales halo of being co-located: Customers who shop in-store and online in both Waitrose and John Lewis spend up to seven times more than a customer who shops in a branch and with one brand – and they're the fastest-growing customer group for the business
- Customer service scores: Early indication is the customer experience is enhanced by having both divisions side by side
- It is too early to benchmark the trading performance of these new stores vs. similar established stores within each division's estate. Initial indications are very positive.

