

Porto  
Business  
School



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*Consulting Team*

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How John Lewis can adapt to technology revolution in retail  
and adapt to Brexit?

1

## Technology Revolution Age

- Adapt to new consumer habits

2

## Political Changes due to Brexit

- Restructuring of John Lewis Partnership
- Jobs Securities
- Suppliers

# Analysis

Ana Ferreira



Problem Statement

Analysis

Recommendation

Financial Statement

Implementation & Risks

# What is your company current situation

## Brexit

- Increasing prices
- 2 million EU citizens will need to acquire residence permits
- Difficulties for non-specialized workers
- Protectionist measures
- Promotion of UK products consumption

## Shift in consumer habits

- Online sales

# What is happening around your business

## Brexit

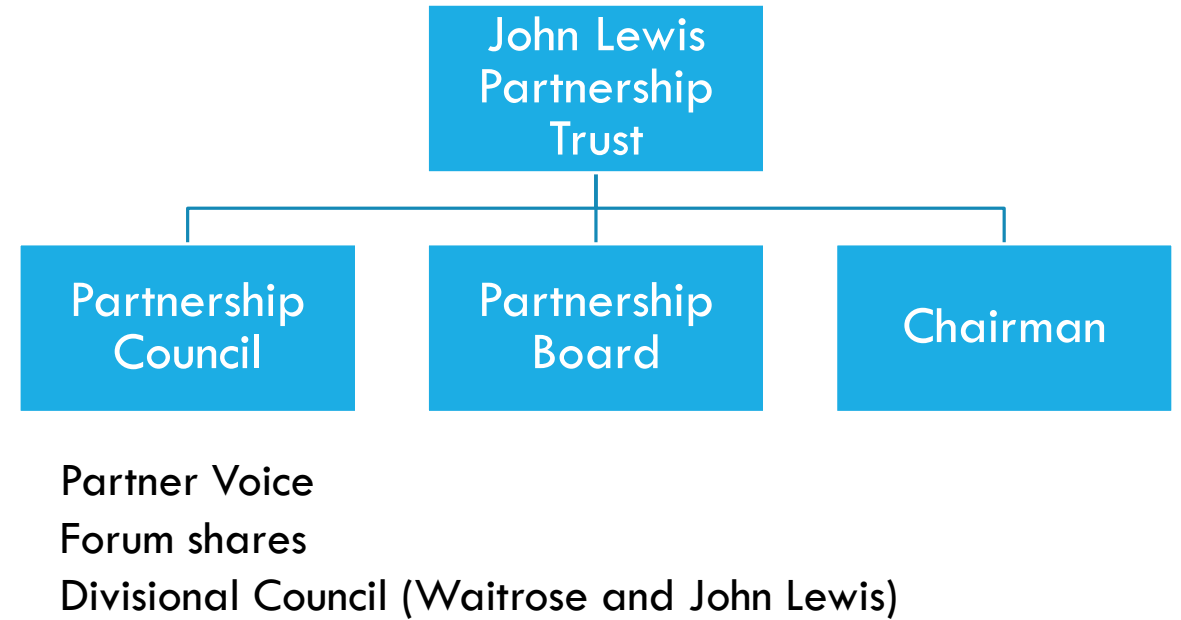
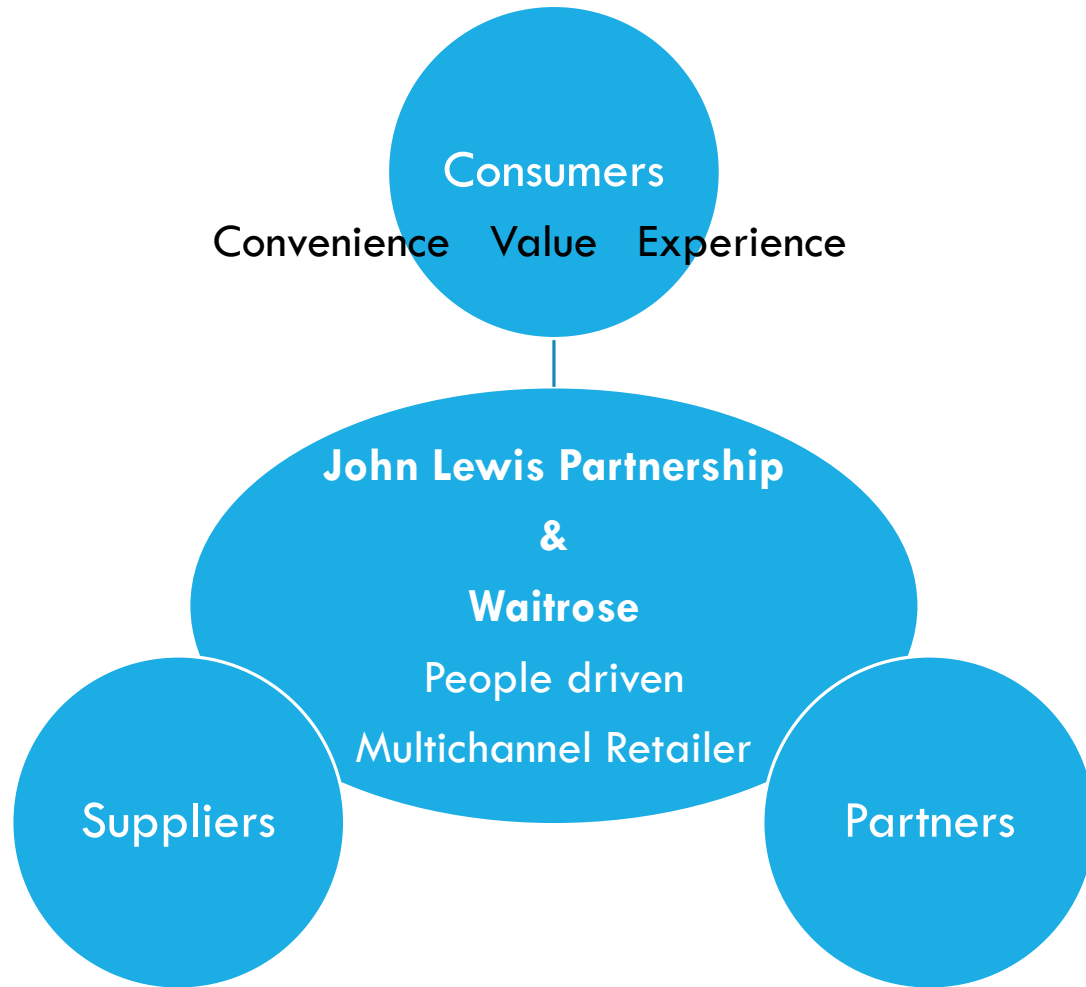
- Increasing prices
- 2 million EU citizens will need to acquire residence permits
- Difficulties for non-specialized workers
- Protectionist measures
- Promotion of UK products consumption

## Shift in consumer habits

- Online sales

Align with these new trends and protect your Partners

# Who you are and what you stand for



# The Partners are at your core – The 7 Principles



Rely on foreigners for the jobs  
Conditions above average  
Make sure their situation with family is ok



# The Partners are at your core – The 7 Principles



Rely on foreigners for the jobs  
Conditions above average  
Make sure their situation with family is ok

Increasing new technologies VS Partners  
care

Replicate your signature customer service

# How you do business

## JLB

Department stores – Fashion, home goods and technology



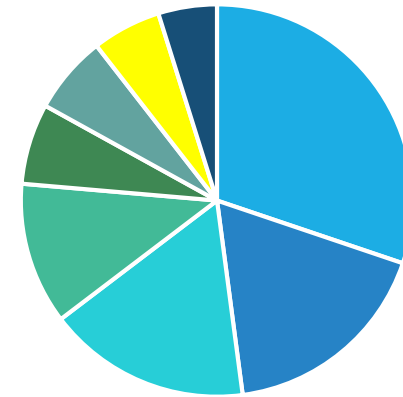
Technology fashion homegoods



Bricks and Clicks  
Online Sales  
6%- 14%



Market Share



Tesco Sainsbury Asda  
Morrisons Aldi(Germany) The Co-operative  
Waitrose Lidl(Germany)

## Waitrose

Food

Honest price

Locally produced products

Non-GMO



Partnership with local farms  
through exclusive relationships

# How you do business

## JLB

Department stores – Fashion, home goods and technology



Technology fashion homegoods



Bricks and Clicks



Online Sales  
20%

In-store Sales

## Waitrose

Food

Honest price

Locally produced products

Non-GMO



Partnership with local farms  
through exclusive relationships

Focused in Online sales  
of local, high end  
products

# Summing up

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- Focus in local partners
- Experience in on-line sales
- Well implemented Structure

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- All structure dependable of the Partners

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- Growth in online sales

T

- Political changes due to Brexit

# Recommendation

PBS

Alexandre Santos

Problem Statement

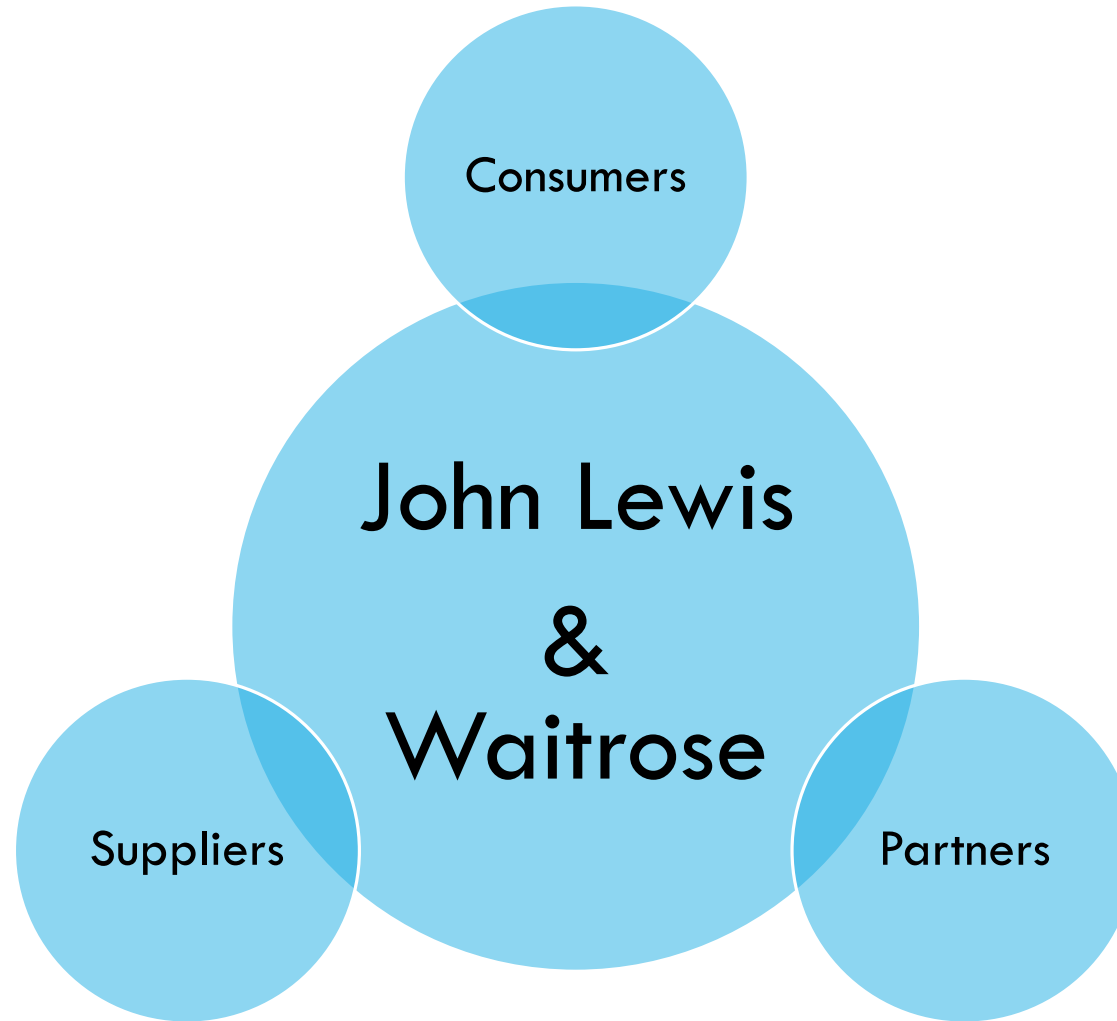
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# What are the pillars of the strategy for John Lewis & Waitrose?



Problem Statement

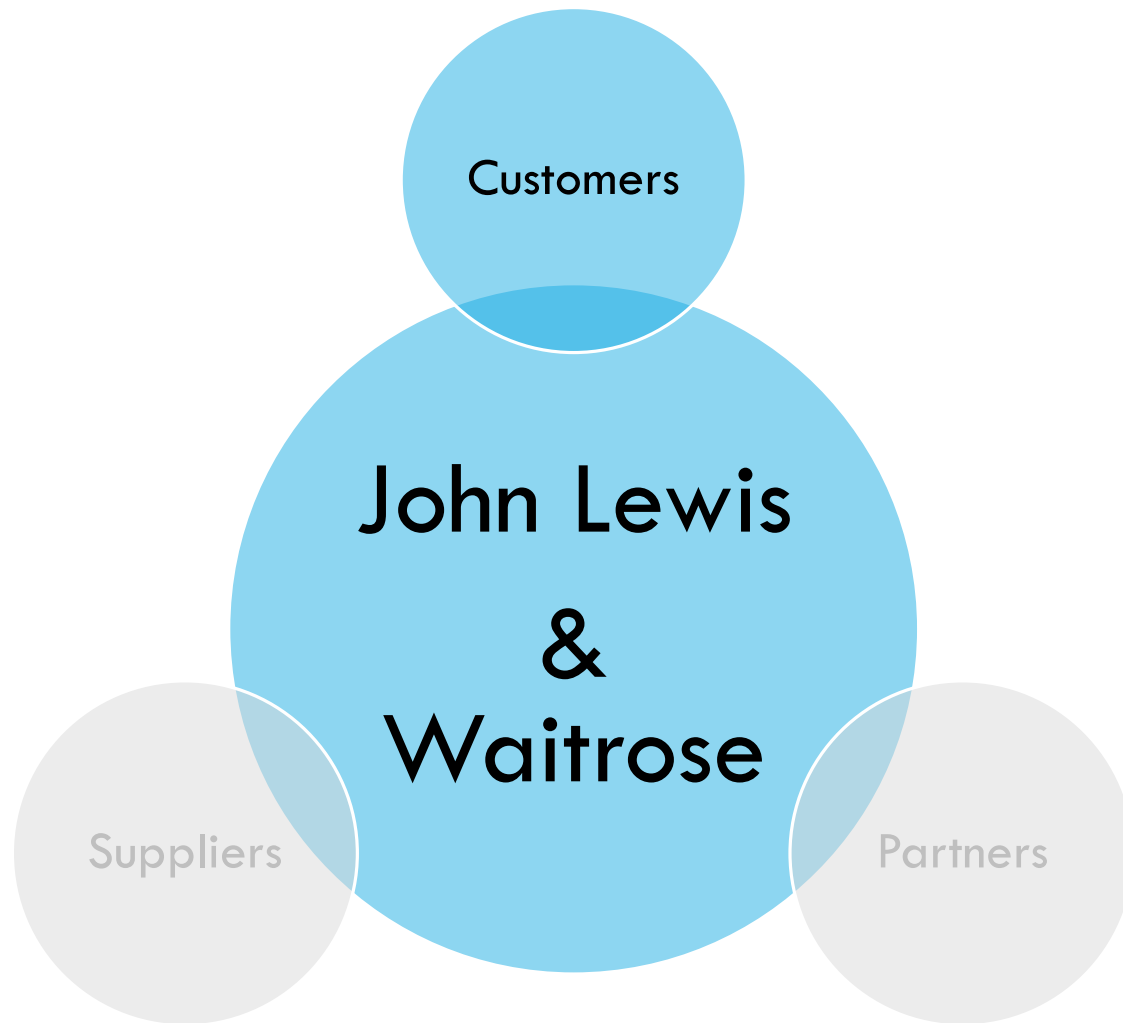
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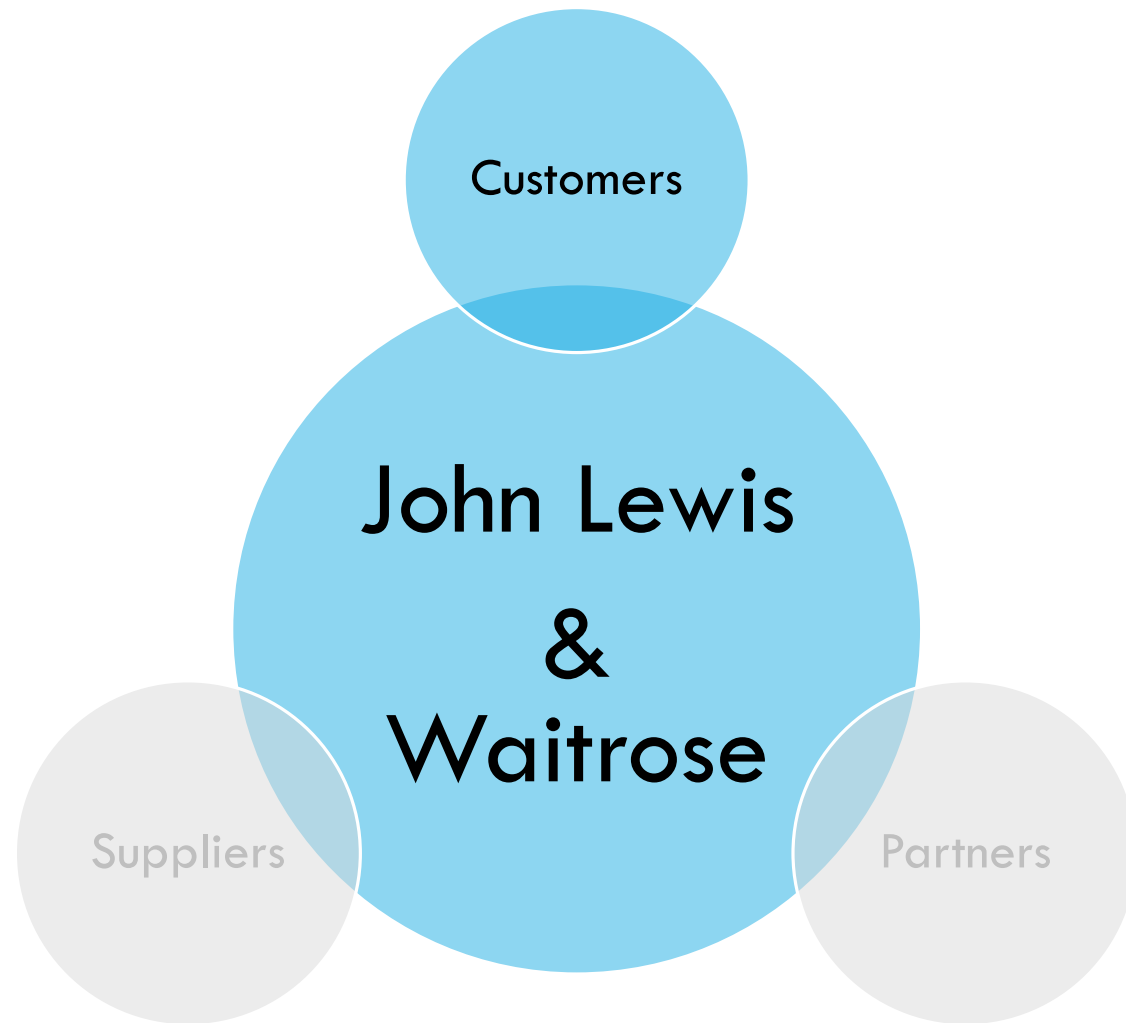
# What is the Customer Service strategy for online?



## Online

- Check-out with chatbot
  - Home deliveries done by partners
  - Develop of subscription program
- @Waitrose:
- Regular consumables deliveries;
  - Delivery of fresh food with free deliveries
  - Partnership with public transportation (e.g London Underground) for promoting scannable catalogue.

# What is the Customer Service strategy for in-store?

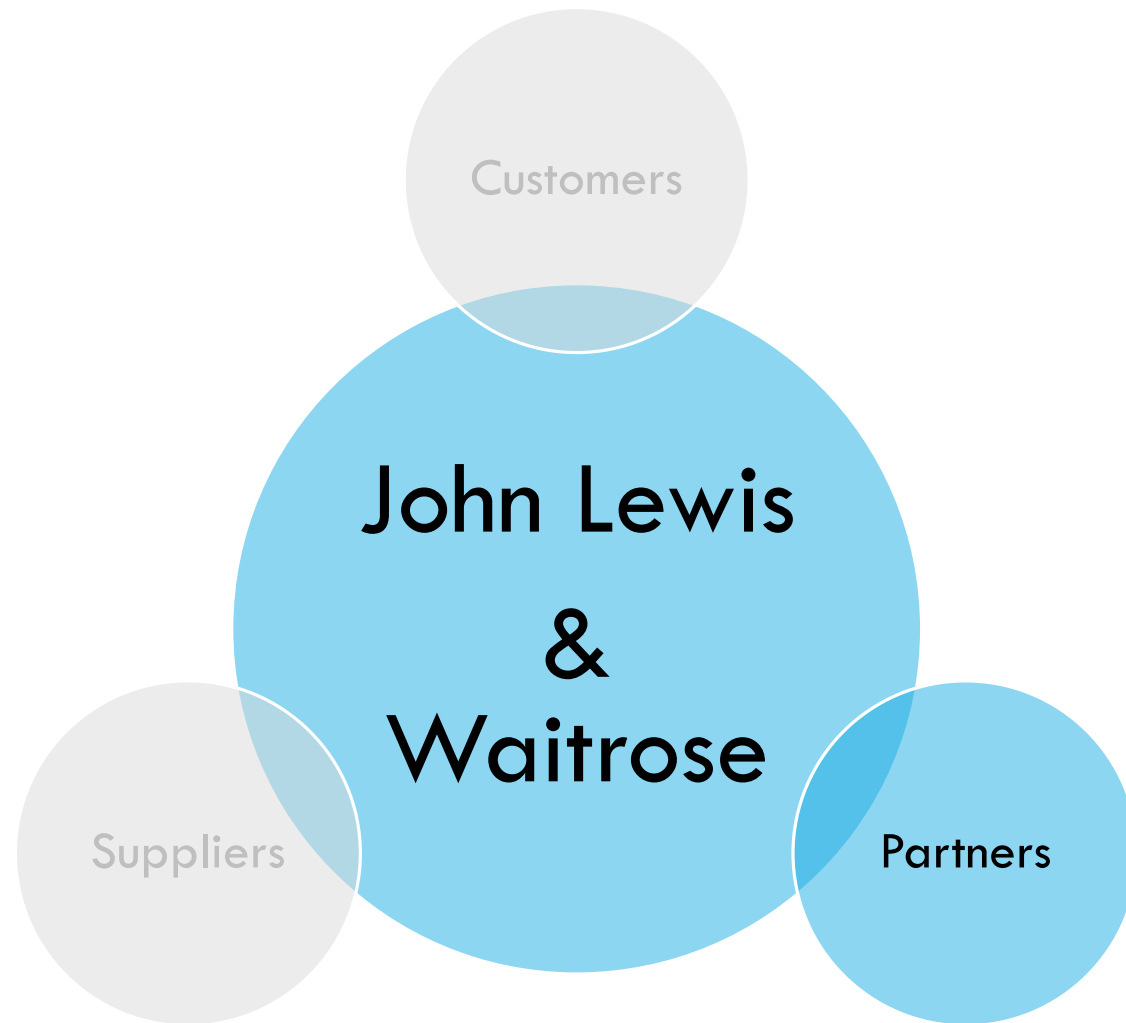


## In-store

- Convenience check-out with wireless tag (RFID) check-out
- Promote UK products
- Fast-lane check-out for “@Waitrose” members



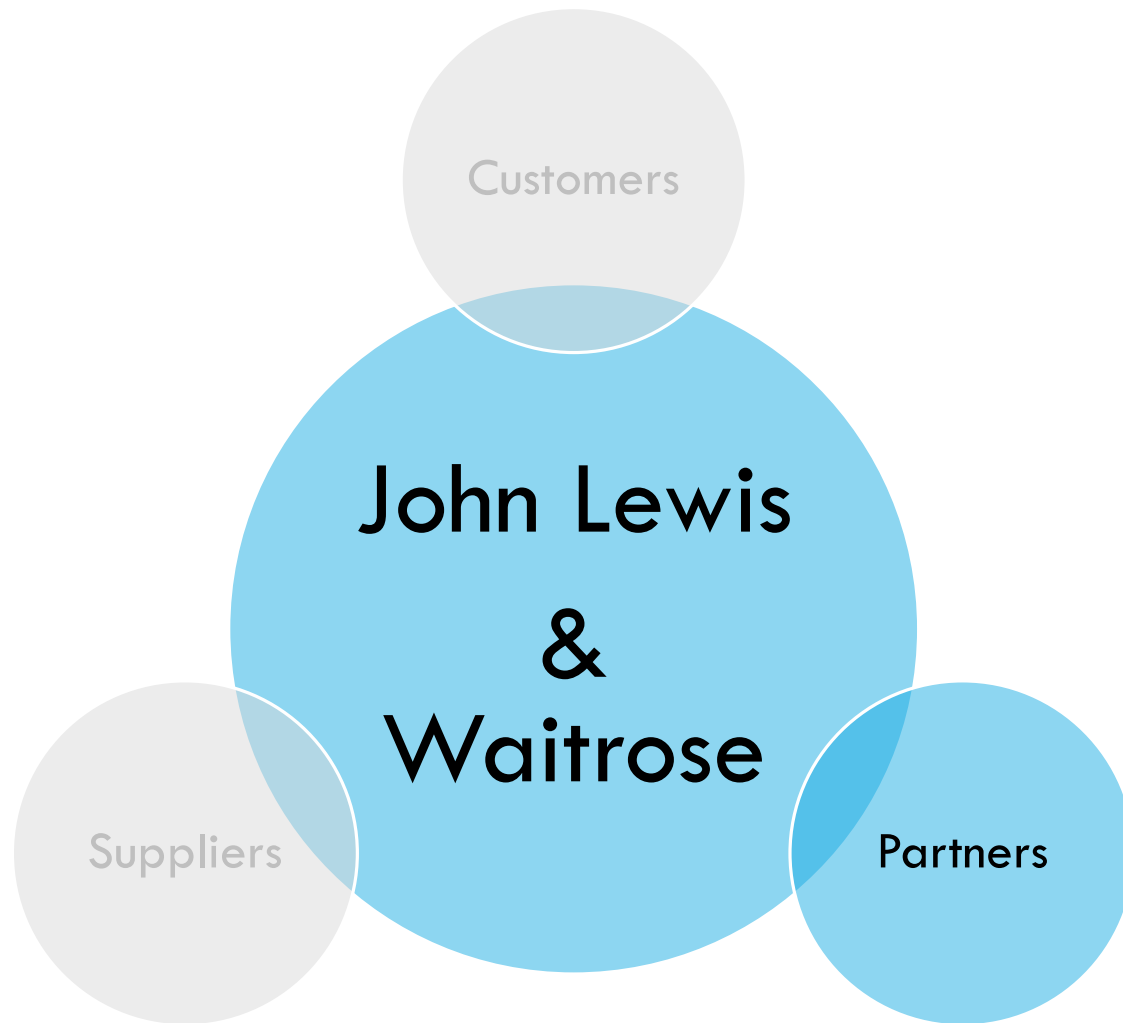
# What is the strategy for John Lewis Partnership?



## John Lewis Partnership

- Setup of assisting office for Brexit:
  - Support partners (non-UK citizens) and families to get residence permits
  - Support paperwork costs for partners (non-UK citizens)
  - Offer relocation opportunities

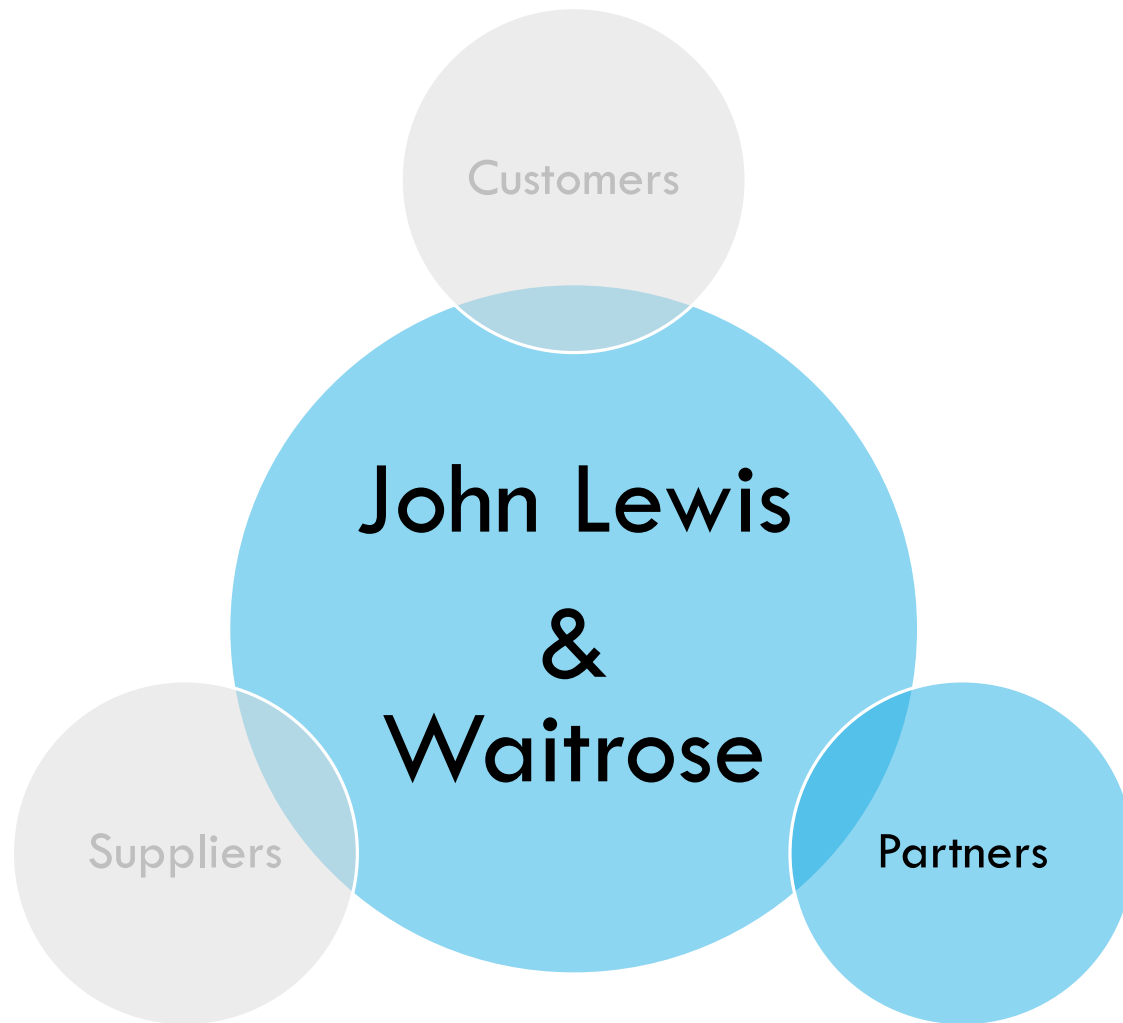
# What is the strategy for John Lewis Partnership?



## John Lewis Partnership

- Sponsoring program for going back to study
- Reconversion of jobs
- Recruitment from High Schools
- Training program for John Lewis & Waitrose
- Early retirement programme

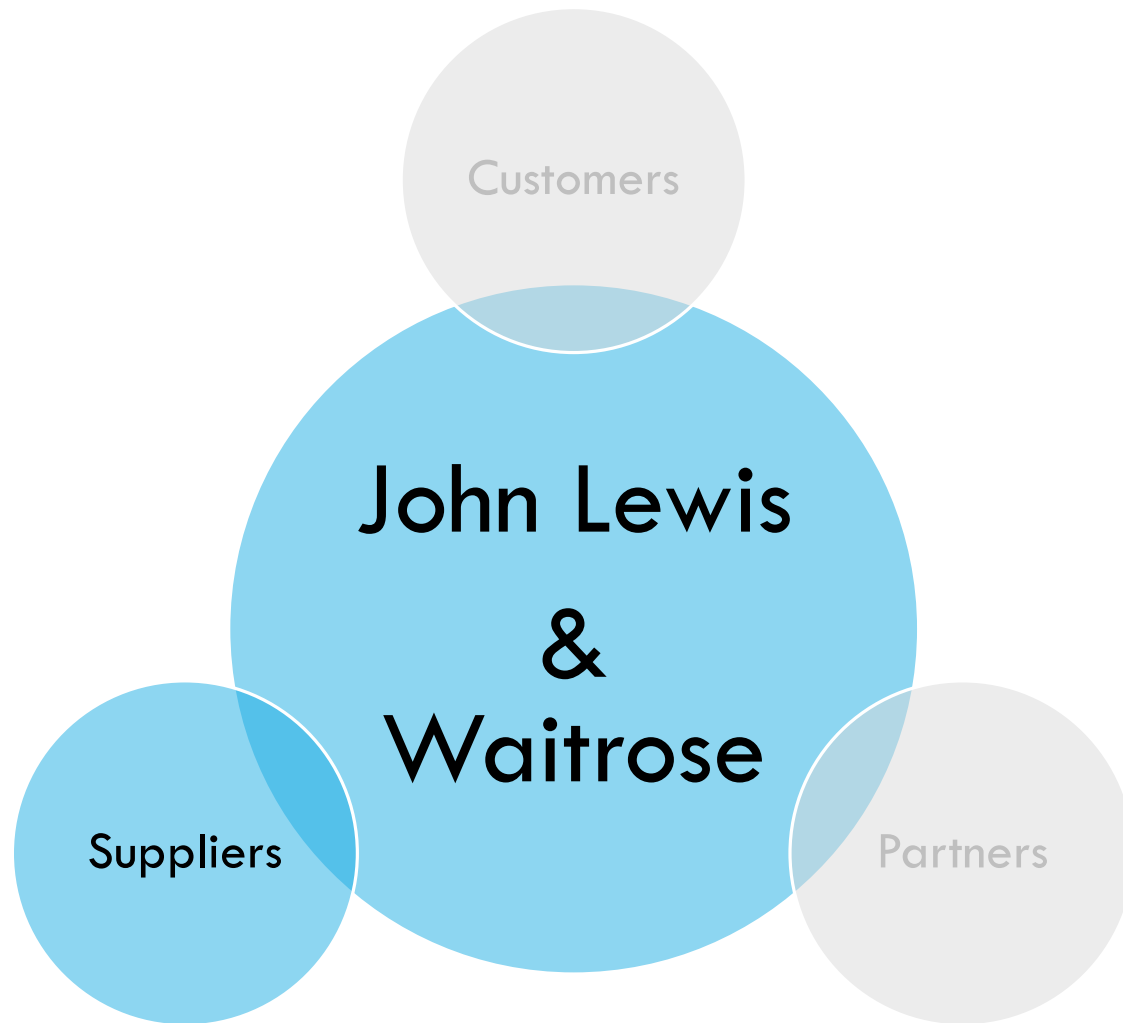
# What is the strategy for HR recruitment?



## HR Recruitment

- Recruitment from High Schools
- Training program for John Lewis & Waitrose
- Partnership with Universities to offer (CommUniversities)

# What is the strategy for suppliers?



## Suppliers

- Setup of suppliers office in Belfast (Ireland)
- Promote UK producers and help them finance
- Implementation of IoT solution for supply-chain for exchange of information with suppliers

**Financial**   
Pranjay Yadav

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Baseline	2018	2019	2020	2021
Net Profits	360	482	532	625

Strategic Impact	2018	2019	2020	2021
Net Profits				

Revenues(In million \$)	220	264	316.8	380.16
Net Profit	66	79.2	95.04	114.05
Free Cash Flow	18.2	35.8	51.3	75.5
<b>NPV</b>	<b>137.75</b>			

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# Financial Assumptions

<b><i>Investment Assumptions</i></b>	<b>In million \$</b>
Investment on RFID and Fast Lanes	25
Investment on Software(Chatbots and Mobile Applicaton)	2
Investment in marketing and Promotion/UkMade Campaign	18
HR Investment(New Office and other expense)	10

<b>Capital Expenditure(In Million \$)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Investment on RFID and Fast Lanes	10	10	5	0
Investment on Software(Chatbots and Mobile Applicaton)	1.8	0.05	0.05	0.5
Investment in marketing and Promotion/UkMade Campaign	6	6	6	0
HR Investment(New Office and other expense)	8	1	1	0



# Implementation & Risks

Andreas Salom

A blue circular logo containing the white text "PBS".

PBS

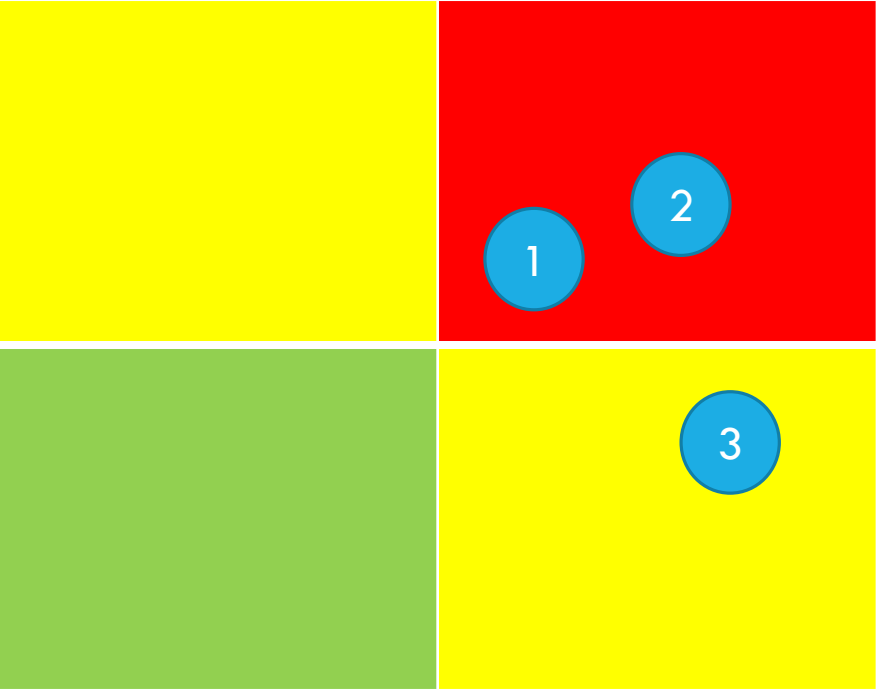
# Implementation Plan

Activities			2018				2019				2020				2021			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Customers</b>	<b>Online</b>	Development of Chatbot																
		Home deliveries																
		Subscription program @Waitrose																
	Negotiate with Public Transportation Companies																	
	Advertisement																	
	<b>Stores</b>	Setup of team																
	Development of RFID strategy																	
	Implementation & stores refurbishment																	
<b>Partners</b>	<b>HR Recruitment</b>	High school recruitment																
		Training programme																
	<b>JLP</b>	Going back study																
		Reconversion of jobs																
		Early retirement programme																
<b>Brexit</b>	Setup of assisting office																	
<b>Suppliers</b>	Open of suppliers support office in Belfast																	
	Finance of suppliers																	
	Implementation IoT supply-chain solution																	

# Risks

#	Risk	Mitigation Action
1	Risk of finance of suppliers	Setup partnership with banks to support suppliers Insurance
2	Customers	Promotions
3	Change in regulation	Partnering with government

Profitability



Impact

1

## Technology Revolution Age

- Adapt to new consumer habits

2

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