JOHN LEWIS PARTNERSHIP
AND BREXIT

Universidad Panamericana
1. Analysis
2. Problem
3. Alternatives
4. Solution
5. Recommendations
6. Implementation
7. Financials
Relationships with integrity, courtesy and honor.

Customer service is their great asset.

Successful business

Sufficient profits:
- Trading operations
- Commercial Vitality
- Share with its members

Retain people.

Happiness of all its members.

Analysis

Problem

Alternatives

Solution

Recommend

Implementation
JLP LARGEST MULTINATIONAL RETAILER

- Department Stores
- Home Shops
- Supermarkets
- Online / Catalogue Business
- Production Unit
- Leckford farm
**Strengths**
- UK’s largest multichannel retailer
- Trust relationship with Partners
- Exclusive relationship with certain suppliers
- Customer service

**Weaknesses**
- Most of the products come from outside of UK
- Basic use of technology

**Opportunities**
- Expansion to new markets
- Enlarge their portfolio of products
- Cut expenses on Partners

**Threats**
- Brexit
- Online retailers (Amazon)
- Technology could substitute the Partners
# JOHN LEWIS PARTNERSHIP

<table>
<thead>
<tr>
<th>JLP</th>
<th>John Lewis</th>
<th>Waitrose</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business type</strong></td>
<td>Department Stores</td>
<td>Food and Home Stores</td>
</tr>
<tr>
<td><strong>Number of stores</strong></td>
<td>46</td>
<td>353</td>
</tr>
<tr>
<td><strong>% of the revenue</strong></td>
<td>37.71%</td>
<td>62.29%</td>
</tr>
<tr>
<td><strong>% of the operating profit</strong></td>
<td>50.87%</td>
<td>53.01%</td>
</tr>
<tr>
<td><strong>Differentiation</strong></td>
<td>Quality products and customer service</td>
<td>Quality food that’s going to be honestly priced</td>
</tr>
</tbody>
</table>
1. Brexit will force some changes in matter of supply chain and partner diversity.

2. The technology is getting to substitute jobs.

3. Lack of local labor force.

4. Products consumed year-round.
1. Automatization of processes.
2. Cut expenses on partners benefits.
3. Replace some imported products.
4. Scanned purchases.
# Alternatives

<table>
<thead>
<tr>
<th>Valuable characteristics</th>
<th>Fits company's culture</th>
<th>Existing Know-how</th>
<th>Feasibility</th>
<th>Cost</th>
<th>∑</th>
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<tbody>
<tr>
<td>1. Automatization of processes.</td>
<td><img src="green.png" alt="Green" /></td>
<td><img src="yellow.png" alt="Yellow" /></td>
<td><img src="green.png" alt="Green" /></td>
<td><img src="green.png" alt="Green" /></td>
<td><img src="green.png" alt="Green" /></td>
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<tr>
<td>2. Cut expenses on partners benefits.</td>
<td><img src="red.png" alt="Red" /></td>
<td><img src="red.png" alt="Red" /></td>
<td><img src="green.png" alt="Green" /></td>
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<td><img src="yellow.png" alt="Yellow" /></td>
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<td>4. Scanned purchases.</td>
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<td><img src="yellow.png" alt="Yellow" /></td>
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AUTOMATIZATION OF PROCESSES

• **What?**
  • Change manual labor into an automatized process in the supply chain process.

• **Why?**
  • It will get difficult to recruit new Partners from outside UK after Brexit.

• **Benefit:**
  • Cost reduction
  • Higher efficiency
  • Less additional Partners required

• **Risk:**
  • Some actual Partners might not be required in supply chain anymore.

• **Risk mitigation:**
  • Allocate them to the local supply project.
REPLACE SOME IMPORTED PRODUCTS

• **What?**
  - Identify and look for local suppliers that can provided products previously imported.

• **Why?**
  - Brexit will force some chances in matter of supply chain and imports.

• **Benefit:**
  - Avoid price impact due to Brexit.
  - Reduce cost and time on logistics.
  - Support of local enterprises.

• **Risk:**
  - Supply capability of local suppliers.

• **Risk mitigation:**
  - Research for 2 or more suppliers for similar products.
SCANNED PURCHASES

• **What?**
  - Develop an app and install screens inside the main metro stations in London where customers can purchase their order and have it delivered home of no more than 5 km radio.

• **Why?**
  - In-stores sales have been declining and online have experienced 20% increased.

• **Benefit:**
  - Be part of the disruption tools in the industry.
  - Increase online sales.
  - Retain people for deliveries.

• **Risk:**
  - Problems with the app.

• **Risk mitigation:**
  - Tech training in current customer service department.
**IMPLEMENTATION**

<table>
<thead>
<tr>
<th>Implementation Type</th>
<th>Initial Cost £</th>
<th>Description</th>
</tr>
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</table>
| Automatization of Processes          | **£ 820,000**  | 1) Create a chart of inventory's phases.  
2) Identify processes which can be automatized.  
3) Propose operational adjustment.  
4) Implement & standarice new process.  
5) Stablish work process for every Distribution center. |
| Replace some imported products        | **£ 60,000**   | 1) Create and identify actual importing suppliers list by categories.  
2) Throw 5 local event by Distribution Center to gather local suppliers.  
3) Connect and start working with them. |
| Scan Purchases                       | **£ 65,000**   | 1) Outsourced App development.  
2) Train Delivery Staff (Partners) & Customer Service.  
3) Stablish delivery area. ( >5 km radios).  
4) Design and install screens on metro stations & Marketing campaign.  
5) Run purchase and delivery test.  
6) Start sales. |
**KPI's**

- **Automatization of processes**
  - Time reduction
  - Cost reduction
  - Wasted time

- **Replace some imported products.**
  - # local products
  - Sales of local products.

- **Scanned purchases**
  - Sales
    - # Users
    - # purchases
    - # purchases / customer

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**Analysis**

**Problem**

**Alternatives**

**Solution**

**Recommend**

**Implementation**
## Actual Revenue

<table>
<thead>
<tr>
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<tr>
<td>Waitrose</td>
<td>£5,416.10</td>
<td>£5,737.70</td>
<td>£6,135.30</td>
<td>£6,086.00</td>
<td>£6,245.50</td>
<td>3.60%</td>
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<tr>
<td>John Lewis</td>
<td>£3,049.40</td>
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<td>£3,565.70</td>
<td>£3,662.80</td>
<td>£3,780.70</td>
<td>5.5%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>£8,465.50</strong></td>
<td><strong>£9,011.80</strong></td>
<td><strong>£9,701.00</strong></td>
<td><strong>£9,748.80</strong></td>
<td><strong>£10,026.20</strong></td>
<td><strong>4.30%</strong></td>
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## Forecast Revenue

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<td>£ 3,780.70</td>
<td>£ 3,988.64</td>
<td>£ 4,208.01</td>
<td>£ 4,439.45</td>
</tr>
<tr>
<td>Total</td>
<td>£ 8,465.50</td>
<td>£ 9,011.80</td>
<td>£ 9,701.00</td>
<td>£ 9,748.80</td>
<td>£ 10,026.20</td>
<td>£ 10,458.98</td>
<td>£ 11,034.22</td>
<td>£ 11,641.10</td>
</tr>
</tbody>
</table>
THANK YOU
## EXHIBIT 1 - COSTS

### Automatization of processes

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Study</td>
<td>£ 10,000.00</td>
</tr>
<tr>
<td>Each distribution site (20)</td>
<td>£ 800,000.00</td>
</tr>
<tr>
<td>Trainning</td>
<td>£ 10,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£ 820,000.00</strong></td>
</tr>
</tbody>
</table>

### Replace imported goods

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Local event</td>
<td>£ 50,000.00</td>
</tr>
<tr>
<td>Connection with supplier</td>
<td>£ 10,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£ 60,000.00</strong></td>
</tr>
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</table>

### Scan Purchases

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>App</td>
<td>£ 10,000.00</td>
</tr>
<tr>
<td>Screen and both</td>
<td>£ 50,000.00</td>
</tr>
<tr>
<td>Trainning</td>
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<td><strong>Total</strong></td>
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**Logistic cost per delivery** £ 6.00