

John lewis partnership



**ASSIGN
BUSTER**

What is John Lewis partnership?

John Lewis partnership is a visionary and successful way of doing business, boldly putting the happiness of partners at the centre of everything they do. The outcome of nearly a century of endeavour to create a different sort of company, owned by partners dedicated to serving customers with elegance and fairness. All 71, 196 staff are partners who own 28 John Lewis department stores, 213 Waitrose supermarkets, an online and with catalogue business, (John Lewis direct-john Lewis. com), a direct services company (Greenbee), three production units, and a farm with a turnover of nearly £6 billion last year. Partners share in the benefits and profits of a business that puts them first and the partnership follows its seven business principles – purpose, power, profit, members, customers, business and relationships.

Mission statement

Mission statement addresses the question where does it belong to in the business. The John Lewis Partnership's reputation is founded on the uniqueness of its ownership structure and commercial success. Its purpose is 'the happiness of all our members, through their worthwhile, satisfying employment in a successful business', with success measured on its ability to sustain and enhance the position both as an outstanding retailer and as a thriving example of employee ownership.

Partnership Strategy

Partnership strategy is based on three interdependent objectives – partners, customers, profit – which together will make its successful business.

Partners should gain personal satisfaction by being members of a co-owned enterprise in which they have worthwhile, secure and fulfilling employment and confidence in the way the partnership conducts its business.

The partnership should recruit and retain loyal customers through their continued trust and confidence in our reputation for value, choice, service and honesty.

The partnership should make sufficient profit to sustain our commercial vitality and distinctive character, allow continued development and distribute a share of profits each year consistent with partners' reasonable expectations.

Environmental Factors

As ROBSON(1997) conveys environment analysis takes an important part towards increasing the quality of strategic decisions considering relevant features well before making an irrevocable decision.

Social –

Fairtrade, certifies producers against internationally recognised trading standards. Fairtrade items generate a guaranteed price to cover production plus a 'social premium' to be reinvested in suppliers' businesses or local communities.

Recruitment, retention and training- Partnership aims to attract and retain the best people who share the values.

Traceability- Having full traceability of products, and their ingredients or components, is critical to success and to consumer confidence.

Product safety- Ensure the integrity of products and the application of the best standards in safety, quality environment and animal welfare.

Animal welfare- Waitrose is committed to providing the best conditions for animals at all stages of the supply chain and to combating cruel practices.

Environmental –

Energy and emissions- committed to tackling the issue of Climate Change and have set a public target of reducing CO2 emissions by 10% by 2010

Packaging and waste- The Partnership’s longstanding objective is to reduce waste wherever possible, and to reuse or recycle more of what they produce.

Economic –

As a business based solely in the UK, the Partnership is particularly exposed to any economic downturn which could affect consumer spending, most notably in the Department Store business.

Political –

The Partnership remains sensitive to the regulatory environment in which it trades in order to ensure ongoing compliance with key regulatory requirements around planning, trading, tax and competition.

SWOT Analysis

The importance of performing a SWOT analysis is that, no business should take a high risk strategy if there are any significant weaknesses foreseen.

Performing a SWOT analysis may consider in,

What are the weak/strong products, divisions, attitudes etc.?

Are there any gaps/opportunities?

Are there any dangers/threats needs to be protected?

Are we strong in the right way to exploit the opportunity?

Considering the above facts a SWOT analysis has taken place to mark the right opportunity.

Strengths & Weaknesses

The Partnership has many strengths such as committed and experienced Partners; the ability to trade well even when conditions were difficult. It had also come through a very difficult period with its integrity and the trust of customers intact. However, it had not been plain sailing as profits has been hit hard particularly in John Lewis. Sales in Waitrose have been more resilient but the division has fought hard by turning up the volume on price and the cost of that investment.

As Partnership Chairman Charlie Mayfield reports, Profits could be down this year but their financial position remained strong. Their financial strategy is conservative as borrowings and mortgages are low comparing to competitors. This is due to the fact that they have planned and were able to

cope with difficult economic periods. They also have good relationships with banks, but it has to be maintained to ensure their continued support in the future. However, plans for growth cost money and the business needs to consider how much more it could afford to invest when operating profits are under pressure.

Opportunities & Threats

Clearly sales have been under threat during recession periods and there were risks around the operational side of the business. A biggest threat seen was the collapse of banking sector. John Lewis partnership didn't seem to be affected by it but still since it has not ended yet there is a caution of lending money from banks. Apart from it, implementing new products and multi-channelling occupied the ongoing of business.

Organisational Structure & Its Decision Levels

Partnership council

Partnership has a clear and streamlined management structure which means decisions could be taken very quickly. The Partnership Council symbolizes its democratic structure and represents the strategic level governing authority. Signifying Partners as a whole, most of its members are elected by Partners. Its main role is to hold its management to account, to influence policy and to make key governance decisions. Partnership Board has ultimate responsibility for issues of major policy and for allocating the financial and other resources of the business. To a large extent its role is keeping the Partnership true to its principles – both in terms of the vitality of its commercial progress and its distinctive co-ownership objectives.

The Council should retain its three vital decision-making powers:

to elect the Trustees of the Constitution and five directors to the Board

to change the Constitution, with the Chairman's agreement

to dismiss the Chairman.

Managing the business

This starts with the two divisional Management Boards, who have clear responsibility for developing a strategy for the ongoing development of our John Lewis and Waitrose businesses and then for seeing through its implementation in accordance with an approved business plan. Said two divisions share the Partnership's principles in the managerial level and a common approach to doing business, but they are substantial businesses in their own right.

The establishment of the Management Boards clarified the responsibility they carry for the trading operations of the business. They are accountable to the Chairman for their performance, and they derive their authority from the Partnership Board's approval of their business plans.

Waitrose Management Board

The Waitrose Management Board is accountable to the Chairman for its performance and it derives its authority from the Partnership Board's approval of its business plan.

John Lewis Management Board

The John Lewis Management Board is accountable to the Chairman for its performance and it derives its authority from the Partnership Board's approval of its business plan.

Partnership Services

Partnership Services represents the knowledge level and designed to meet the Business plan and Partner needs with simple, efficient services, enabling a growing and successful Partnership.

Partner

Being a partner with a shared responsibility for the partnership and a drive to put its success first is a different aspect compared to operational levels in other organisations. Further partnervoice is the local avenue for Partner opinion and is the means by which Partners can provide feedback, question management on branch, raise their own issues and be consulted.

Types of Decisions Made at Various Levels

Multi-Channel Retailer -

Level

Type of decision

Type of IS

Benefits to organisation

Link to the mission

Strategic level

Build multi channel retail

ESS- sales forecast for 3 years.

Improvement of profit margins and expanding the organisation.

Partners could be stretched and develop their career.

Management level

Budgeting

Cost analysis

MIS- Annual budgeting on channels

DSS- analysing cost in implementing and maintaining channels

Knowing the spending

In finding the best possible way to suit the business

To build a successful business

Knowledge level

Designing modern trends

KWS- designing channel workstations

Best possible way to suit the business

Sustain as an outstanding retailer

Operational level

Schedule employees

TPS- Training and development

Processes daily activities smoothly

To sustain as a business

IS Recommendations –

Strategic level – management of performance as a whole where how it could meet the expectations of organisation

Management level – performance report against the spending.

Knowledge level – design performance indicators

Operational level – pay reviews.

International Expansion –

Level

Type of decision

Type of IS

Benefits to organisation

Link to the mission

<https://assignbuster.com/john-lewis-partnership/>

Strategic level

International expansion

ESS-prepare 5 year forecast in sales

Growth in the partnership internationally

Partner satisfaction

Management level

Budgeting

Pricing analysis

MIS- annual budgeting on expenditures

DSS- determine prices

Keep track on expenditures of the company.

Towards the company profit margin.

Success of the business

Knowledge level

Market analysis

KWS-analysing retail market

Acquire the best opportunities.

Sustain in the business

Operational level

Process orders

TPS-processing and tracking of orders.

Process routines

Success of the business

IS Recommendations –

Strategic level – franchise internationally

Management level – franchise budgeting forecast reports

Knowledge level – analysing markets for franchise

Operational level – keep up the standards as a franchiser.

Increase Marketing –

Level

Type of decision

Type of IS

Benefits to organisation

Link to the mission

Strategic level

Increase Marketing

ESS- 3 year sales forecast

Increase of sales

Sustain of the business

Management level

Marketing budget

Cost analysis

MIS-issuing marketing budget

DSS-analysing costs towards marketing

Manage marketing budget

Find best possible for the company

Enhance the position in the market

Knowledge level

Design marketing trends

KWS-market analysis

Attract customers to drive sales

Success of the company

Operational level

Display marketing adverts

TPS-point of sale

To drive more sales

More sales more bonus

IS Recommendations -

Strategic level - economic trends of a country's condition in a given time period

Management level - sales analysis and sales reports.

Knowledge level - design products to suit the economic trend. e. g. to suit economic crisis

Operational level - production order of the new designed product.

Expansion In UK -

Level

Type of decision

Type of IS

Benefits to organisation

Link to the mission

Strategic level

Expansion in UK

ESS-prepare 3 year operating plan

Bring more sales, profits

Enhance the partnership

Management level

New budgets for new stores

Costs in expansion

MIS-spending budgets for annum

DSS-contract cost analysis

Make most of it towards the future

Keep within budgets

Sustain of business

Knowledge level

Design

KWS-engineering workstations

Keep up standards

Towards success of the company

Operational level

Enter, process orders

TPS-order process

Make sales

More sales more profit, bonus

IS Recommendations -

Strategic level - profit forecasts, sales trend forecast

Management level - sales management, sales analysis

Knowledge level - market analysis

Operational level - training & development

Ethical Issues

Climate change -

Reduced overall CO2 emissions by 16%

Waitrose are investing £55 million over five years to replace refrigeration equipment and improve efficiency

Improved shop energy efficiency by 15% in John Lewis, 19% in Waitrose

<https://assignbuster.com/john-lewis-partnership/>

Investigated alternative, lower carbon fuels for vehicles

Founder member of the Environmental IT Leadership Team, a cross industry user group aiming to develop more sustainable IT strategies

Packaging, waste & recycling –

In 2007-08, John Lewis recycled 4, 490 tonnes of waste (39%) and Waitrose 21, 500 tonnes (49%)

Waitrose reduced carrier bag usage by 30% this year

John Lewis have introduced a number of carrier bag initiatives

Waitrose are committed to reducing packaging and are introducing recycled & recyclable materials.

In John Lewis, all new paper and card packaging uses either recycled or FSC-certified material.

Waitrose's anaerobic digestion generates 'green energy' from food waste from 5 stores

Building and operating sustainable shops-

Signed up to the BCSC Sustainability Charter

Each building project now starts with a Sustainability Action Plan

Working to identify ways to improve the sustainability impacts of the design and construction of interior fixtures and fitting

Over 90% building waste was recycled during the fit-out of John Lewis Leicester

All new Waitrose in-store graphics are made from paper or card, making them fully recyclable, and signage equipment is fully deconstructable so it can be recycled at the end of its life.

Supplier relationships

The Partnership have provided suppliers with a Responsible Sourcing Supplier Workbook to give suppliers a better insight into our Responsible Sourcing Code of Practice.

Through day-to-day contact, John Lewis' highly trained buyers give suppliers a helping hand in meeting the terms of our Responsible Sourcing Code of Practice

Sustainable products-

78% of the garden furniture FSC certified

John Lewis' ' We Can Make a Difference' promotion covered more than 600 biodegradable, organic, energy-efficient, Fairtrade, recycled and sustainable products

Waitrose stock 180 Fairtrade lines and Fairtrade sales rose by 76% in 2007

Waitrose are the only UK retailer to insist all British fruit and vegetable growers adopt the LEAF certification standard

Waitrose local and regional sourcing sales increased by 58% to £21 million in 2007-08

Improving the customer experience -

Ranked first for service in the Verdict customer satisfaction index for 2007

Focusing on reporting and sharing details of any customer complaints, so that we can learn from such feedback

All new John Lewis Partners currently receive an induction and lots of on-the-job training. This year, we are investing more in training Partners

Chairman Charlie Mayfield appointed to the UK Commission on Employment and Skills (UKCES).

Health & nutrition -

Over 1, 000 products now carry the Food Standards Agency (FSA) ' multiple traffic light' labelling on their packaging, and all recipe cards and publications carry key nutritional information per serving.

' Waitrose Education' invests approximately £400, 000 a year educating young people about nutrition and food.

The online Nutrition Advice Service provides customers and health professionals with help and advice on a wide range of food issues

Supporting our communities-

Partnership's contribution to charities and communities in 2007-08 was £6. 2 million.

All Waitrose shops support local charities and community groups nominated by customers through its new Community Matters scheme.

Partners have raised £138, 000 for Wallace and Gromit's Children's Foundation, this year's John Lewis Charity of the Year.

Waitrose Partners donated 4, 221 hours and John Lewis Partners 22, 500 through the Golden Jubilee Trust scheme.