

John Lewis partnerships for distribution



JOHN LEWIS PARTNERSHIP:

SEMI AUTOMATED NATIONAL DISTRIBUTION CENTRE (SANDC).

INTRDUCTORY PARAGRAPH:

John Lewis is a well reputed and formalized partnership in a particular industry. It has a distinctive structure, being the country's largest cooperative where all 70000 permanent staff members are partners in top retail business which situated in the UNITED KINGDOM (UK). Partners are enjoying and getting benefits and profits which equally shared between them, where JOHN LEWIS partners feel comfort that they are partners in well reputed and top 10 retail partnership business in the UK rather than ordinary employee in an ordinary company or in someone else business.

JOHN LEWIS partnership business consist in various department stores which called with name of partnership business, couple of JOHN LEWIS at home stores, multiple Waitrose supermarkets and various other business with a huge turnover which consist in billion dollars.

A partnership business sell high-quality goods under a slogan of ' never knowingly' undersold which the company has used for over seventy five years. The stores typically stock more than 350000 product lines, ranging from fashion to furnishings and households goods. From above details we have formalized that JOHN LEWIS partnership business depends on supply chain management now for better understanding about supply chain we need to consider under the following details:

The concept of supply

<https://assignbuster.com/john-lewis-partnerships-for-distribution/>

Supply refers to the quantity of a good that existing suppliers or would be suppliers would want to produce for the market at a given price.

As with demand, supply relates to a period of time—for example, we might refer to an annual rate of a supply or to a monthly rate.

The quantity of a good supplied to a market varies up or down for two reasons.

(a) Existing suppliers may increase or reduce their output quantities.

(b) Companies may stop production altogether and leave the market, or new companies may enter the market and start to produce the good.

If the quantity that JOHN LEWIS competitors want to produce at a given price exceeds the quantity that households (consumers) would demand, there will be an excess of supply, with companies competing to win what sales demand there is. Over-supply and competition would then be expected to result in price-competitiveness and a fall in prices.

Factors influencing the supply quantity

The quantity supplied of a good depends, as you might expect, on prices and costs. More specifically, it depends on the following factors.

1. Costs of making the good
2. Prices of other goods
3. Expectations of price changes
4. Changes in technology

5. Other factors.

However, although JOHN LEWIS maintain its competitive advantage through SWOT analysis.

(a method of environmental analysis looks at an organization's internal strengths and weaknesses as well as external opportunities and threats, known as SWOT analysis).

SWOT analysis can be used in one of two ways.

(a) The organization can develop resource-based strategies which enables the companies

to extend the use of its strengths. This is common in retailing, for example, as supply chain business extend their own brands from food to other areas.

(b) The business can develop positioning-based strategies. In other words identifying what opportunities are available and what the company has to do exploit them.

In discussing competition, JOHN LEWIS can take competitive advantage by using Porter(competitive strategy) distinguishes between factors which characterize the nature of competition.

1. In one industry compared with another(eg in the chemicals industry compared with the clothing retail industry, some factors make one industry as a whole potentially more profitable than another(ie yielding a bigger return on investment).

2. Factors within a particular industry lead to the competitive strategies that individual firms might select.

Five competitive forces influence the state of competition in an industry, which collectively determine the profit (ie long-run return on capital) potential of the industry as a whole.

1. The threat of new entrants to the industry.
2. The threat of substitute product or services.
3. The bargaining power of customers.
4. The bargaining power of suppliers.
5. The rivalry amongst current competitors in the industry.

JOHN LEWIS can sustain in a particular industry due to they decided necessitated growth from launching further warehousing and it was decided that the best way to complementing the existing distribution infrastructure was to introduce a SEMI-AUTOMATED NATIONAL DISTRIBUTION CENTRE (SANDC) to handle small sized items , employing the latest technology so as to improve efficiency and accuracy.

The SANDC is designed to enable item-level picking and thus reduce the need for back store facilities. Furthermore, the SANDC assemble goods in the planogram (i. e. layout sequence) of each individual store so that items can easily be placed on the store shelves. The business case is thus based on substantial store economies as well as warehouse operational economies.

The warehouse is designed to be environmentally friendly with such feature as;

1. solar panels

<https://assignbuster.com/john-lewis-partnerships-for-distribution/>

2. storm water collection
3. 15% roof lights
4. Automated lightening control system.

In addition, JOHN LEWIS could measure their partnership business performance through different specific ratios such as profitability ratios, liquidity ratios and working capital management ratios. In short JOHN LEWIS partnership business manufacture the house hold goods, basically those business who given services rather than manufacture something likely intangible products these businesses suitable for measure by SWOT analysis instead of measured through different specific ratios which are discussed above but here scenario is different JOHN LEWIS partnership business is a manufacturing business so that they could both the phases either SWOT analysis or different specific ratios for measuring a partnership business performance.

Now, we try to understand the ordering and receiving system of the JOHN LEWIS partnership business which discuss below:

JOHN LEWIS partnership has well reputed goods receiving system where mostly goods are received packed in cartons on pallets because a partnership business manufacture sensitive house hold goods, these are moved by reach truck onto a lift which raises every pallet to the appropriate handling height so that the goods can be extracted checked and placed into plastic tote bins. The tot bins are then normally transported by conveyor directly to the ‘miniload’ automated storage and retrieval system or order storage and retrieval storage areas although some of the goods are received

in tote bins in the correct quantities and pre advised electronically by the supplier using an ADVANCE SHIPPING NOTIFICATION (ASN).

Initial look of demand pattern that is full tote bins required directly from supplier to the partnership business, material received by authorized store keeper in specific store department, count the all inventory items then generate GRN(GOODS RECEIVED NOTE) then sign it by the store keeper and a single copy of generated GRN dispatch to ordering and purchase department instead of if they opt an alternative option that is goods picked from suppliers picking station that could be unsuitable and odd one because if they received material from picking store of the supplier so that number of issues could arise one is that supplier store clerk may have lack of time to draw the intentions of every customer and customer may face defective material problems.

JOHN LEWIS should continue their operations via the website and call centre to customers, by this could happen customers easily received their respective ordered goods from retail stores for collection and direct deliveries although they have to be considered relating to future demand because demand growth continuously increasing by the home shopping and store channels. In addition they have also to be consider technical and inventory availability issues relating to customer demand , it could happen that customers may face trafficking in JOHN LEWIS partnership website at time of placing the order addition customer may face difficulties in placing the order through telephone calls although, they have to be determinant for implementation of future planning matters that is detail and allowed

sufficient time for testing the equipment and information technology, resolving equipment and software issues and ramping up to full operation.

For continuous improvement, first JOHN LEWIS have to be determinant for implementing the future plan although they could have more efficient in terms of timely deliver the goods either placed the order by customers via online and telephone calls or purchased the goods from store channels of the partnership business by doing this they may also improve their service levels for existing customers and new ones. Furthermore they may sustain in a particular market industry as we obtained the understandings from the earlier paragraph.

CONCLUSION:

JOHN LEWIS partnership is going track for future success, it depends on SANDC (SEMI AUTOMATED NATIONAL DISTRIBUTION CENTRE) which fall in UK top 10 retail businesses and has a distinctive ownership structure where every employee serving their duties as an independent partner in a business. Furthermore it has business increasingly day by day and their intentions to implementation the planning regarding future relating matters by happened this JOHN LEWIS partnership business have own the professional experts and qualified management which they are going to right track along with the business although they have no issue regarding going concern , still business is profitable and have good anticipated results even though they still hold the enough capital and there is not seeing to withdraw the investment and finance by investors in future.

RECOMMENDATIONS:

<https://assignbuster.com/john-lewis-partnerships-for-distribution/>

JOHN LEWIS keep satisfy the customers in placing the orders and mainly dispatch the goods, it has to be efficient to retain in a particular industry and for upgrading the rank in UK retail businesses, again we intend to focus of determination the future plans of the business to repel any ambiguity which could be harmful for the business in the future.