Agenda

- Background to John Lewis & Partners
- The Scope of Pioneer
- What we learned
- What's next

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A Co-Owned Business

Our founder's vision was that of a successful business powered by its people and its principles in which the profits and benefits created by our success are shared by all our employees (we call them Partners).

We now have our names above the door, following the ethos 'It's Personal'

What is John Lewis

John Lewis has 50 stores across the UK; 35 department stores, 12 John Lewis at Home,
St Pancras International, Heathrow terminal 2, an outlet store as well as johnlewis.com.
Last year we opened 2 new stores including, White City a 230,000 sq. ft store in West London.

**John Lewis
at home**

40-46,000 sq. ft

**Small Full Line
Department Store**

85-110,000 sq. ft

**Medium Full Line
Department Store**

110-141,000 sq. ft

**Large Full Line
Department Store**

141-170,000 sq. ft

**Extra Large Full Line
Department Store**

170,000+ sq. ft

What is John Lewis

We operate across 3 distinct product categories which have each seen consistent sales growth and constant innovation.

Fashion & Beauty

Home

Technology

Why did we need to change

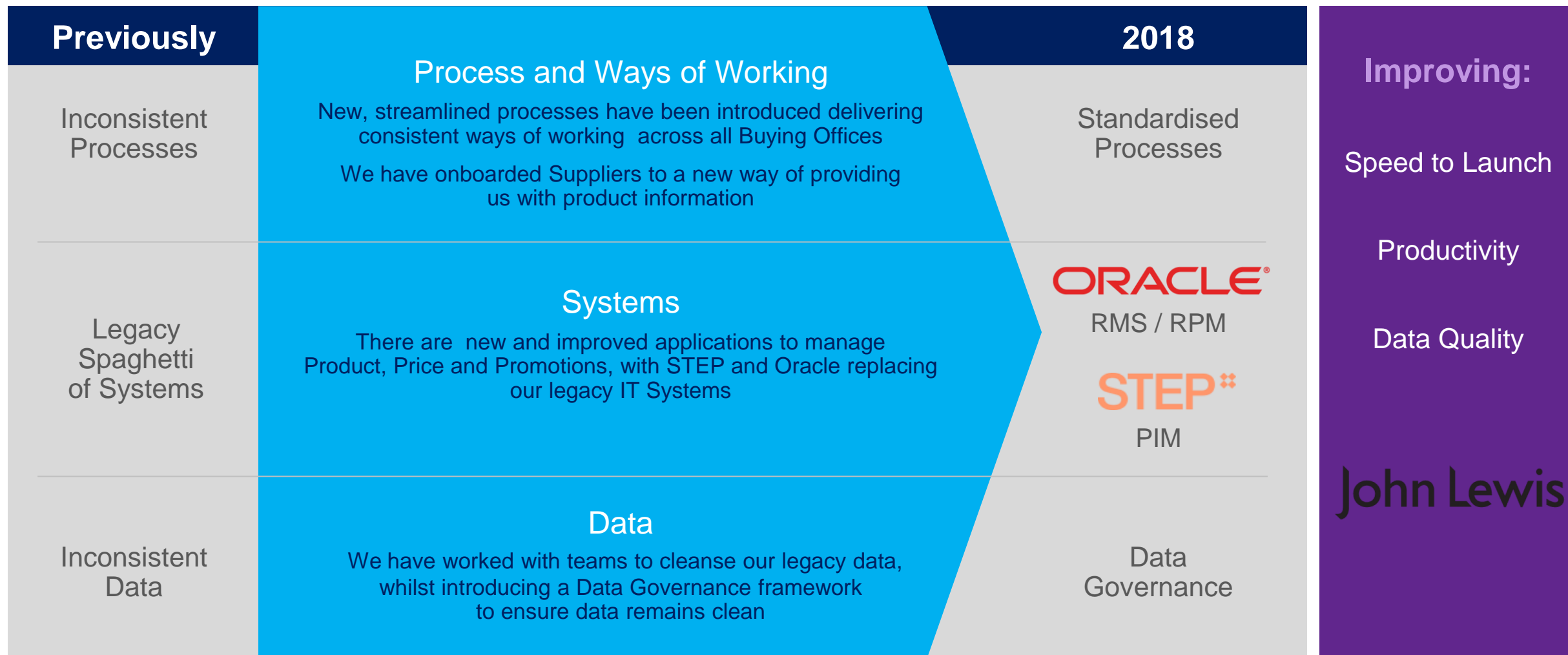| Stock is harder to manage	The supply chain is becoming increasingly expensive	Customers were changing how they shop

Agenda

What was the scope of Pioneer

FOUNDATIONS	EXECUTION TOOLS	STOCK VISIBILITY
Phase 1	**Phase 2**	**Phase 3**
Retail Merchandising System Foundation Data; Items; Cost Management Retail Price Management Pricing and Promotions	Retail Merchandising System Supplier deals; Purchasing; Contracts; Cost Management; Estimated Landed Cost Retail Trade Management Import process; file exchanges with trading partners Retail Analytics Reporting - includes customer and merchandising analytics	Retail Merchandising System Replenishment; Centralised inventory; Retail Stock Ledger - all transactions, including sales, purchases, stock counts, transfers etc. Allocation Pre-delivery, last minute and post-delivery allocations Retail Sales Audit Evaluate point-of-sale data from all selling channels to ensure the accuracy and completeness Store Inventory Management Physical inventory functions in branch, e.g. receive, replenish, order, price, stock counts; transfers, returns etc Retail Demand Forecast Statistical and promotional forecasting solution Advanced Inventory Planning Time-phased replenishment and allocation

PIONEER

John Lewis

Pioneer has delivered a lot of change into JL & P...

Previously		2018	Improving:
Inconsistent Processes	**Process and Ways of Working** New, streamlined processes have been introduced delivering consistent ways of working across all Buying Offices We have onboarded Suppliers to a new way of providing us with product information	Standardised Processes	Speed to Launch
Legacy Spaghetti of Systems	**Systems** There are new and improved applications to manage Product, Price and Promotions, with STEP and Oracle replacing our legacy IT Systems	ORACLE® RMS / RPM STEP PIM	Productivity Data Quality
Inconsistent Data	**Data** We have worked with teams to cleanse our legacy data, whilst introducing a Data Governance framework to ensure data remains clean	Data Governance	John Lewis

This is some of the change we delivered!

60
processes designed

We've streamlined 60 processes across Buying, Merchandising and Online in order to get products to launch quicker and manage their price more efficiently.

2,500+
Suppliers to engage

We have worked with our entire supplier base to ensure that they are supportive of the new ways of working and provide us with better product information, in a more timely way.

Operating Model

We have reviewed our Operating Model to ensure the right Partners are doing the right jobs. A Business Support Team has been created in order to help teams get the most out of the new systems.

Data Accuracy

We worked across all Buying Offices and Online, for nearly 2 years to cleanse existing product data. We reduced the total number of attributes from 7,000 to 2,000, ensuring that data was ready to move over to the new systems.

And who we delivered to!

Buying Teams
We completely changed the way these teams created new items with a focus on compliance from our Suppliers to provide accurate data.

Merchandising Teams
We have delivered a transition process to these teams, with new tools to manage pricing.

Online Teams
We have removed the need for this team to add further data by ensuring the supplier provides more data at the beginning of the process.
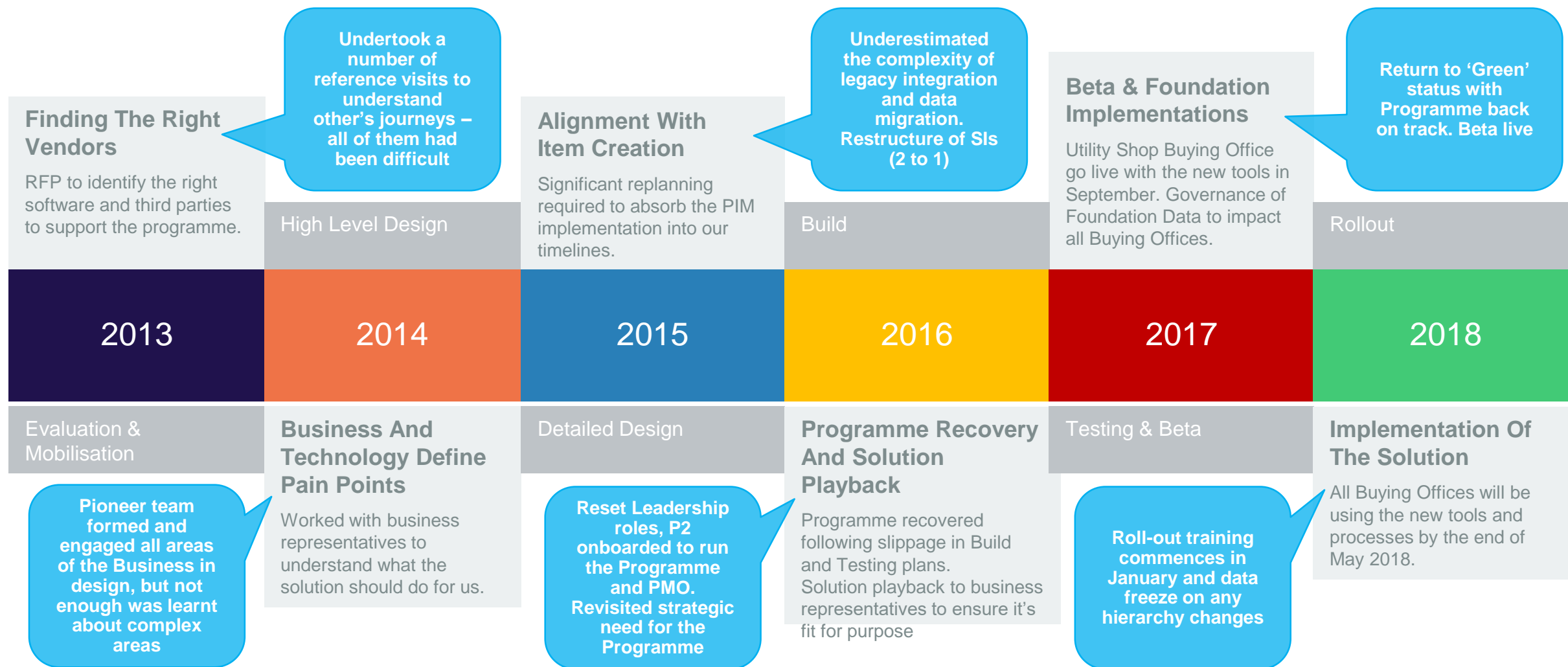
Business Support Teams
The support teams became an integral part of the delivery team during roll out to ensure an effective handover to BAU.

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What we learned along the way

Undertook a number of reference visits to understand other's journeys – all of them had been difficult

Underestimated the complexity of legacy integration and data migration. Restructure of SIs (2 to 1)

Return to 'Green' status with Programme back on track. Beta live

Finding The Right Vendors

RFP to identify the right software and third parties to support the programme.

Alignment With Item Creation

Significant replanning required to absorb the PIM implementation into our timelines.

Beta & Foundation Implementations

Utility Shop Buying Office go live with the new tools in September. Governance of Foundation Data to impact all Buying Offices.

Evaluation & Mobilisation	High Level Design	Detailed Design	Build	Testing & Beta	Rollout
2013	**2014**	**2015**	**2016**	**2017**	**2018**

Business And Technology Define Pain Points

Worked with business representatives to understand what the solution should do for us.

Programme Recovery And Solution Playback

Programme recovered following slippage in Build and Testing plans. Solution playback to business representatives to ensure it's fit for purpose

Implementation Of The Solution

All Buying Offices will be using the new tools and processes by the end of May 2018.

Pioneer team formed and engaged all areas of the Business in design, but not enough was learnt about complex areas

Reset Leadership roles, P2 onboarded to run the Programme and PMO. Revisited strategic need for the Programme

Roll-out training commences in January and data freeze on any hierarchy changes

The supertanker: Why were we such a big programme?

Foundational programmes have to deal with the legacy architecture

We also absorbed another Programme to create efficiencies in delivery

When changing the way we manage our item data – there is no other way to implement. **It's all or nothing!**

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What's next for the Programme?

If we think of Pioneer as a house building exercise, as of today we've bought the land and dug the foundations.

Phase 1 Statement

Planning (Mobilization)	££
Dig Foundations (Integrations)	££
Cement (Software - Item & Pricing tool)	£££
Builders Fees (SI Team)	£££
. . .	

THINGS TO DO:

- ☐ Fixtures & Fittings
- ☐ - Stock Management
- ☐ - Sales Transactions
- ☐ - Forecasting
- ☐ - Critical Path
- ☐ Painting
- ☐ - CI
- ☐ Interior Decor
- ☐ - Optimisation
- ☐ - IT Simplification

Warning: Construction Site
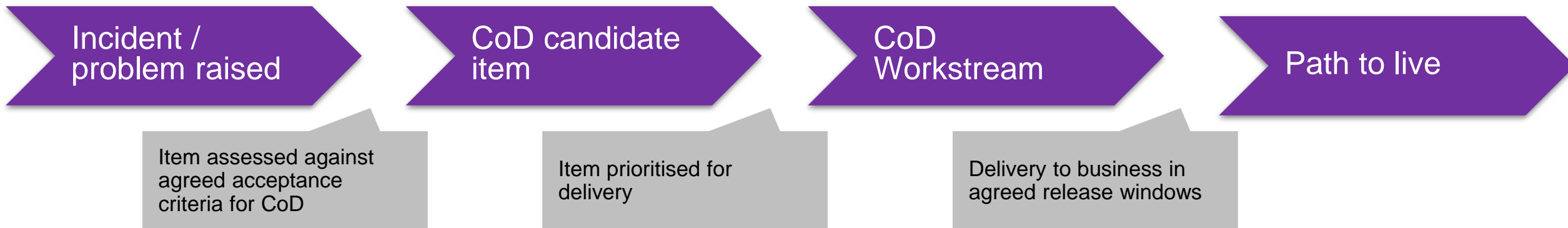⚠️
Expect High Costs and Low ROI

Dear Homeowner,

Please go ahead and choose your fixture, fittings and interior decor now…...

We've done the hard (and expensive) part… the future stages will allow us to drive real value from the investment

The 'snagging list'

As with all large scale building projects there was a snagging list of things to fix post delivery:

- A Continuous Delivery (CoD) stream was created during roll-out to deliver these changes
- This team drives incremental change into the Pioneer platform
- We follow an Agile mindset to deliver change more frequently into the Business
- The priority was driven by the Business to ensure adoption was embedded

Incident / problem raised	CoD candidate item	CoD Workstream	Path to live
Item assessed against agreed acceptance criteria for CoD	Item prioritised for delivery	Delivery to business in agreed release windows	

What's left to do

Reporting of new data – enables visibility of all new attributes

| Sales transaction Data – enables sales audit teams to move to exception management | Supplier Upload – enables full strategic solution for suppliers to initiate products | Product Groupings – enables the effective grouping of products for selling online | |

| Sales based Rebates – enables integrated sales deals revenue collection | Product & Delivery services – enables more granular visibility across our service propositions | Enrichment for launch – enables speed to launch & data quality for online | Complex promotions – enables an omnichannel view of all promotions |

| **Deals & Rebates** | **Product** | **Product - Enrichment** | **Pricing** |

Sweating the assets we have delivered and driving our launch processes

What's left to do

Stock Visibility	Right Stock	Right Time & Place	End State
	Retail Trade Management – enables management & visibility of overseas orders	Purchase Order maintenance – enables more proactive management of PO's	
Visibility of stock at Suppliers	Line level delivery date visibility – enables more granular & confident order dates for quantities	Improved inventory planning with time based future stock phasing	
Visibility of stock at a granular level in branch	Improved allocation process	Automatic ordering based on more confident forecasting	Decommissioning of Legacy product and pricing solutions
Visibility of returns to be sold	Improved process & visibility of stock movements	Stock data we can trust	Omnichannel seamless processes enabled by technology (Enterprise Architecture realisation)

Delivering on the stock visibility ambitions to drive supply chain efficiency

Register Today!

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Questions?