



## John Lewis

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Dino Rocos,  
*Managing Director, Distribution*

UK top ten retailer John Lewis operates a network of major department stores, as well as a thriving website and catalogue business. Renowned for its high customer satisfaction ratings, John Lewis typically stocks around 350,000 separate lines. The John Lewis Direct website focuses on the best of home and giftware and is consistently ranked one of the UK's top online shopping destinations.

### Outperforming a tough market

Successfully managing a network of 26 major department stores across the UK, and stocking around 350,000 separate lines is a complex business. John Lewis has sought to overcome this complexity, using RedPrairie's Warehouse Management and Workforce Management. These solutions have helped them to maximise efficiency and ensure the product availability and rapid delivery times that build customer loyalty and fuel sales growth.

Warehouse and workforce management were areas that John Lewis recognised as key to reducing costs and achieving its sales and profitability goals. The company enlisted RedPrairie as its strategic partner, initially implementing its solutions suite at a single distribution centre prior to rolling it out across all its centres during 2008.

The combined power of RedPrairie's solutions, together with a close working relationship between John Lewis and RedPrairie's consultants, have delivered wide ranging benefits.

The retailer has bucked the trend in tough trading conditions, cutting costs, growing sales and out-performing competitors.

2007 store sales grew significantly over the critical pre-Christmas period, with year on year sales growth continuing in early 2008. "In a challenging retail environment we had a very successful 12 months, during which our share of the market store sector increased by 0.4% to 19.1%," said Dino Rocos, managing director, distribution, at John Lewis. "We are confident that RedPrairie will support our future growth as we continue to out-perform the market."

### JOHN LEWIS NEEDED...

John Lewis needed help to streamline its warehouse

operations, simultaneously lowering distribution costs while raising stock availability, customer satisfaction and sales revenue. The retailer has six major distribution centres that manage some 350,000 lines and serve a network of 26 stores.

### REDPRAIRIE PROVIDED

RedPrairie delivered an integrated Warehouse and Workforce Management system, building a strategic partnership with John Lewis that also encompassed significant knowledge transfer. Warehouse Management optimises people, inventory and equipment to create more agile, efficient and least distribution. Workforce Management transforms businesses with a performance focused culture. RedPrairie delivered these benefits with a proven methodology and change management process, supported by the industry's best technology.

### THE RESULTS

- Productivity increased by 16%
- Labour costs reduced by 8%
- Enhanced stock availability
- Warehouse picking improved by 40%
- Consignment verification and put-away time slashed
- Average ship times cut by 25%

### Distribution centre improvements

John Lewis is seeing a range of impressive performance improvements using the Warehouse Management application suite, which focuses on streamlining distribution centre processes and ensuring real-time operations visibility. Such improvements have enabled the retailer's system output to reach an all-time high, enabling the business to capitalise on peak trading times such as the critical pre-Christmas period - when it earns 40% of its income.

Using the system, John Lewis has been able to slash consignment verification and put-away time from 28 hours to just 3.5, while the voice-directed capabilities of Warehouse Management has improved picking by 40%. Further improvements include cutting average ship lead times from 51 hours to 38, a reduction of

25%, which has helped increase sales by maximising stock availability.

#### Holistic workforce optimisation

Workforce Management's holistic workforce optimisation capabilities have enabled John Lewis to automate time and attendance management, analyse workforce metrics and improve the efficiency of key processes. As a result, operator productivity at its Northampton distribution centre increased by 16% over the pre-Christmas period, while labour costs shrank by 8%.

"Workforce Management provides accurate, real-time workforce intelligence that helps us measure productivity and transform performance through agile, accountable operating practices," says Dino Rocos. "Productivity is up 33%. We plan to leverage Workforce Management to continuously improve process efficiencies and generate accurate forecasts for future manpower requirements."

#### Knowledge transfer

John Lewis initially implemented RedPrairie's solution suite at its Northampton distribution centre, and is now executing it across all six of its UK distribution centres. Knowledge transfer has been a key element of this rollout process. Following the initial implementation by RedPrairie's consultants, this sharing of expertise has enabled John Lewis to manage subsequent implementations without external assistance.

The system's ease of management has cut overheads while allowing John Lewis's IT experts to focus on strategic, value-added developments that support future growth. "We work closely with RedPrairie to incorporate our specific needs into their next-generation solutions as we continue to transform the efficiency of our warehouse operations," states Simon Earle, supply chain operational systems manager at John Lewis.

John Lewis's success is proof that Warehouse Management, in conjunction with a Workforce Management programme, can achieve significant performance improvements and cost savings for the largest, most successful retailers. "We are committed to helping John Lewis achieve rapid and sustainable efficiency savings as they extend their market leadership," concludes RedPrairie International Managing Director and President, Martin Hiscox.

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