John Lewis: Reshaping the Supply Chain
“We’ve come a long way since 1864. Time change, fashions come and go, but with our heritage ever present, we move forward with inspiration. Always innovating, and never standing still,”

John Lewis
Highest levels in JLP’s 152-year history
+11.9 % compared to 2014
The customer: Founded in 1864, John Lewis Partnership (JLP) is one of the leading department stores in Great Britain and comprises diverse companies such as John Lewis Stores or the supermarket chain, Waitrose.

Location: Milton Keynes, Great Britain

Sector: Bricks&Motar, B2B, E-Commerce (D2C + click & collect)

Total floor space: 62,000 m² (670K ft²)

Orders per day: B2B:890,000, B2C:23,000

Items per day: B2B: 550,000, B2C: 55,000
Supply Chain Network

Magna Park Campus
“We needed the ability to track every item, to know our customers and to manage everything across all the different channels.” – Paul Coby, CIO John Lewis
How John Lewis creates value.....

CAREFUL SOURCING

✔ Developing and selecting the third-party branded quality products to meet the customers` needs
✔ Developing high quality, innovative own-label ranges

EFFICIENT DISTRIBUTION

✔ Moving carefully sourced products cost-effectively to shops and customers

CONVENIENT, EXCELLENT SHOPPING EXPERIENCE

✔ Serving the customers by providing a market leading end-to-end shopping experience
John Lewis
Reshaping the Supply Chain – Original Network

Supplier → Distribution Center → Service Building → Department Store → Customer
John Lewis

Journey to Omni-Channel Retail

Omni-Channel Requirements
Redefining the strategy…

**Original Strategy** …plan and implement

2009: Go-Live
2010: Go-Live
2011: Extension
2012: Extension
2013: Extension
2014: Extension
2015: Build MP2
2016: Extension
2017: Capacity

**Actual Experience** …strong Partnership for continuous improvement
Products Handling

2-man
- Large items e.g.: Washing machines, Furniture
- Moved individually
- Predominantly home

Binnable
- Small items stored and moved in plastic bins
- Semi-automated system in Magna Park (storage, picking and sortation)

1-man
- “middle sized“ items
  That can be lifted easily but are too big for a bin e.g.: Microwave ovens
- Manual operations across many of our sites

Hanging
- Hanging garments
  3rd party to check goods are on correct bags, hangers etc.
- Mechanised system in Park Royal (inbound & outbound goods)

Our 3rd party D2C fulfillment centers have manual operations for „binnable“, „1-man“, „2-man“ and hanging products
Centralized administration and control with Integrated WMS, WCS, Controls

✓ **Challenge:** Efficiency and ergonomics in all warehouse processes, shop-friendly delivery, multichannel within a warehouse, flexibility for seasonal fluctuations, expandable solution, payback of invested capital and reduction of workforce

✓ **Solution:** Shuttle for B2C and B2B – single and double deep; stacker crane Smart-Storage-System, WMS and WCS; Pick-to-Light, RF technology, system guided decanting and packing, forklifts, Shuttle for shipping sortation, 12 shipping ramps

✓ **Achievements:** improved delivery quality; scalable solution; flexible processes for covering order peak and off-peak periods; reduction in packaging materials; semi-automated packaging; semi-bagging; shop-friendly-delivery
Solution details

- Software: WMS, WCS and SRC
- Pick-to-Light 37 stations / RF technology 26 stations
- 52 system-guided decanting stations
- 60 system-guided packing stations
- 1 destacker for unloading pallets / 1 forklifts for loading
- Shuttle for B2C: single-deep 8 aisles in total, 8,704 storage locations and 2 work stations
- Shuttle for B2C: double-deep 4 aisles, 46,080 storage locations and 4 work stations
- Shuttle for dispatch sortation 8 aisles, 10,816 storage locations

Shuttle
The Solution – Direct to Customer

- Fully integrated system with single pool of stock
- Full service proposition, Next Day, Named day, Click and Collect, etc.
- Continuous download of orders from Host
- Orders released based on the finishing target and workload of pick stations
- Picking either into totes or directly into shipping cartons
Translating John Lewis` vision into a complete system..
WMS
Warehouse Management System

WCS
Warehouse Control System

Subsystem/SPS
Translating John Lewis` vision into a complete system..
Increase in Resident Lines

D2C Growth

New Stores Openings

Omni-Channel Growth

Delivery Proposition

Increase in Resident Lines
Shops +6%

Online +41%
Awards

✓ 2011th “Award of Excellence 2011”
  ✓ by the Chartered Institute of Logistics & Transport (CILT)

✓ 2014th Retail Weeks Supply Chain Awards: iForce Distribution & Warehouse Initiative of the Year for Omni-Channel Fulfilment

✓ 2014th European Supply Chain Excellence (ESCE) Awards in two categories
  ✓ Retail & E-Tail
  ✓ Warehouse Initiative

ESCE Awards @ London Hilton at Parklane – Nov. 2014
John Lewis
Since 1864

partnership since 2006
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