

John Lewis plc makes the following announcement for John Lewis Partnership plc, the ultimate holding company of John Lewis plc.

FUTURE PARTNERSHIP

News release

1 October 2019

Accelerating our plans to deliver differentiation and innovation

Today, the John Lewis Partnership is announcing changes that will enable the organisation to be managed and operated as a single business. The integration of the talented teams behind our two brands of John Lewis & Partners and Waitrose & Partners, will enable a faster delivery of better products and services for our customers. The changes will also mean that the influence of our customer-facing Partners will become stronger in shaping and improving the customer offer. The plan is called 'Future Partnership'.

The main elements of the Future Partnership plan are:

1. To organise and manage the Partnership as a single business – not as two separate business units.

Our two brands will continue to serve customers online and in our shops but they will now be managed by a single Executive team responsible for the Partnership's business strategy and performance. Led by the Chairman, the Executive team will comprise seven new director roles with responsibilities across the whole of the Partnership. There will no longer be divisional boards or separate Managing Directors for John Lewis & Partners and Waitrose & Partners.

2. To create new senior roles with responsibilities that span both brands.

Among the new roles created, Paula Nickolds, currently Managing Director of John Lewis & Partners, will become Executive Director, Brand; responsible for the continued enhancement of the Partnership's brands and leading the development of customer experience and future innovations. She will lead Brand, Digital, Marketing and Services across the John Lewis Partnership.

3. To create a smaller Partnership Board.

This will include the Chairman, the Executive Director, Finance, three Elected Directors and a minimum of two Non-Executive Directors, including the Deputy Chairman.*

As a result of the creation of the new cross-Partnership roles and the greater integration of the two brands, it is anticipated that there will be a reduction of around 75 senior management head office roles from the current total of 225. Taken together all aspects of the plan will ultimately lead to an overall cost saving of c. £100m over time.

The changes will be with effect from 3 February 2020 and will enable the Partnership to:

- Sharpen its focus on the customer, speeding up the development and roll-out of better products and services.
- Harness the power of the Partnership's two brands working more closely together (8 out of 10 customers who account for the greatest sales are loyal customers of both John Lewis & Partners and Waitrose & Partners).

- Develop and set strategy in one place, identifying and agreeing investment priorities and assigning our best talent to them.
- Unlock the competitive advantage of front-line Partners, giving them a greater say in the development of our offer and how it is delivered to customers.
- Speed up decision-making, enabling the business to respond rapidly to customers' needs.
- Make internal and customer service systems more efficient and effective through developing common IT and supply chain platforms.

Chairman of the John Lewis Partnership, Sir Charlie Mayfield, said: "Our current structure has served us well in the past, enabling us to develop two of the UK's most loved and trusted brands. In the last three years we have delivered significant innovation and driven efficiency, maintaining market leading service standards and growing customer numbers. However, the lesson of the last two years is that we need more innovation, faster decision making and bolder steps to align our operating model with our strategy. This is what the 'Future Partnership' is all about.

Although there will be little or no disruption to our shops or websites in the near term, there will be considerable change in many other areas of the Partnership as we bring the two businesses much closer together. These are necessary and these changes will be difficult for some of our Partners and we will implement as carefully and sensitively as we can.

We are confident, as a Board, that when the programme is complete, the Partnership will be better positioned to break out from the cycle of declining returns that are affecting most established retailers. We will be a more modern and more unified business with a leadership team and cost structure that will enable the business to thrive in the long-term."

Sharon White, Chairman designate, said: "I am passionate about working together as one Partnership. There is huge potential to unlock from Partners working across our two great brands, providing brilliant service to the many customers who shop at both Waitrose & Partners and John Lewis & Partners. And I am very excited to be taking forward the Partnership in this next phase of its transformation when I join at the start of next year."

**: This change is subject to formal agreement of the John Lewis Partnership Council, the Partnership's elected democratic body.*

ENDS

Notes for editors

The new Executive team from 3 February 2020 will be as follows:

Chairman	Sharon White
Executive Director, Brand	Paula Nickolds
Executive Director, Finance	Patrick Lewis
Executive Director, People	Tracey Killen
Executive Director, Operations	Andrew Murphy
Executive Director, Customer Service	Bérangère Michel
Executive Director, Trading	To be appointed
Executive Director, Strategy	To be appointed

ABOUT THE JOHN LEWIS PARTNERSHIP

The [John Lewis Partnership](#) owns and operates two of Britain's best-loved retail brands - John Lewis & Partners and Waitrose & Partners. Started as a radical idea nearly a century ago, the Partnership is now the largest employee-owned business in the UK, with 81,500 employees who are all Partners in the business and share in its profits. The Partnership operates on strong democratic principles, which means that every Partner has a say in how the organisation is run. The business has annual gross sales of over £11.7bn, 394 shops and a leading online business. Its commercial strategy is focused on differentiation rather than scale, through investment in innovation and Partner-led service.

ENQUIRIES

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