# Happiness and a deeper purpose comes first even when you have 85,000 employees

## Birmingham SDI Conference - 26 March 2019

## Presentation & discussion led by Robert Hallam

Partner & Head of Democratic Engagement, John Lewis Partnership

JOHN LEWIS

JOHN LEWIS PARTNERSHIP



WAITROSE & PARTNERS

### ABOUT US

- UK's largest employee-owned business
- 84,900 Partners who are our point of difference
- 349 Waitrose & Partners and 51 John Lewis & Partners shops across the UK

GAZET

BONUS REVEAL

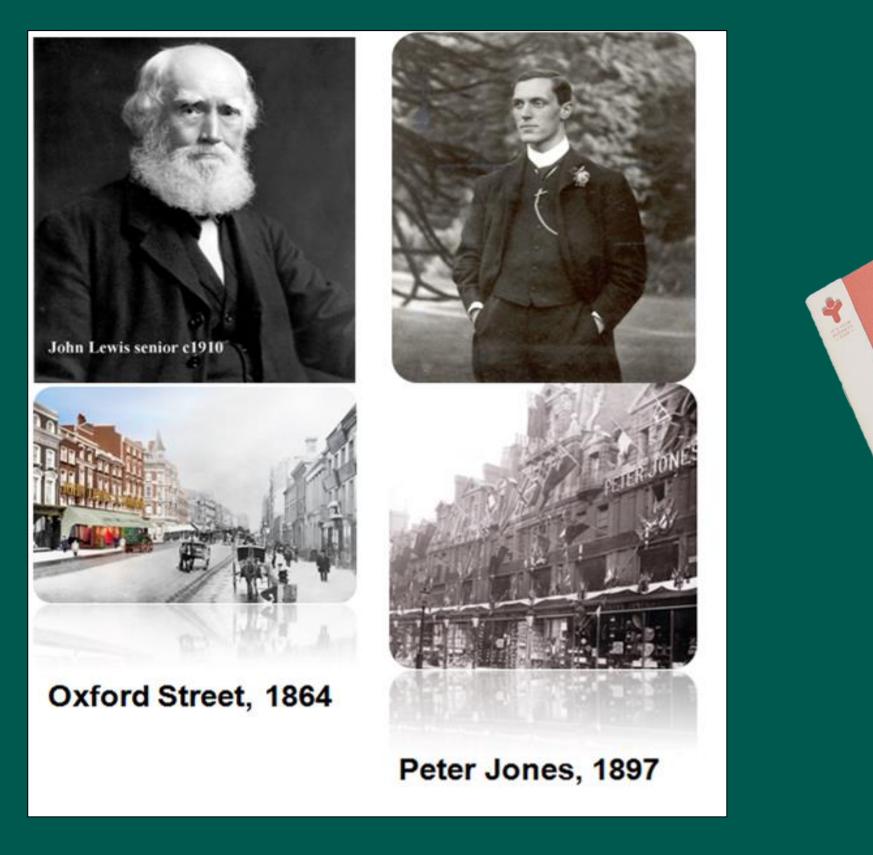
3%

- Annual gross sales of £11.7bn+
- 15,500 suppliers from around the world (700 for +30 years)
- Profit £160m





### Our Partnership heritage





### We are a business owned by nearly 85,000 employees



### PRINCIPLE I

"The Partnership's ultimate purpose is the happiness of all its members, through their worthwhile and satisfying employment in a successful business. Because the Partnership is owned in trust for its members, they share the responsibilities of ownership as well as its rewards – profit, knowledge and power."



### OUR PARTNERSHIP MODEL

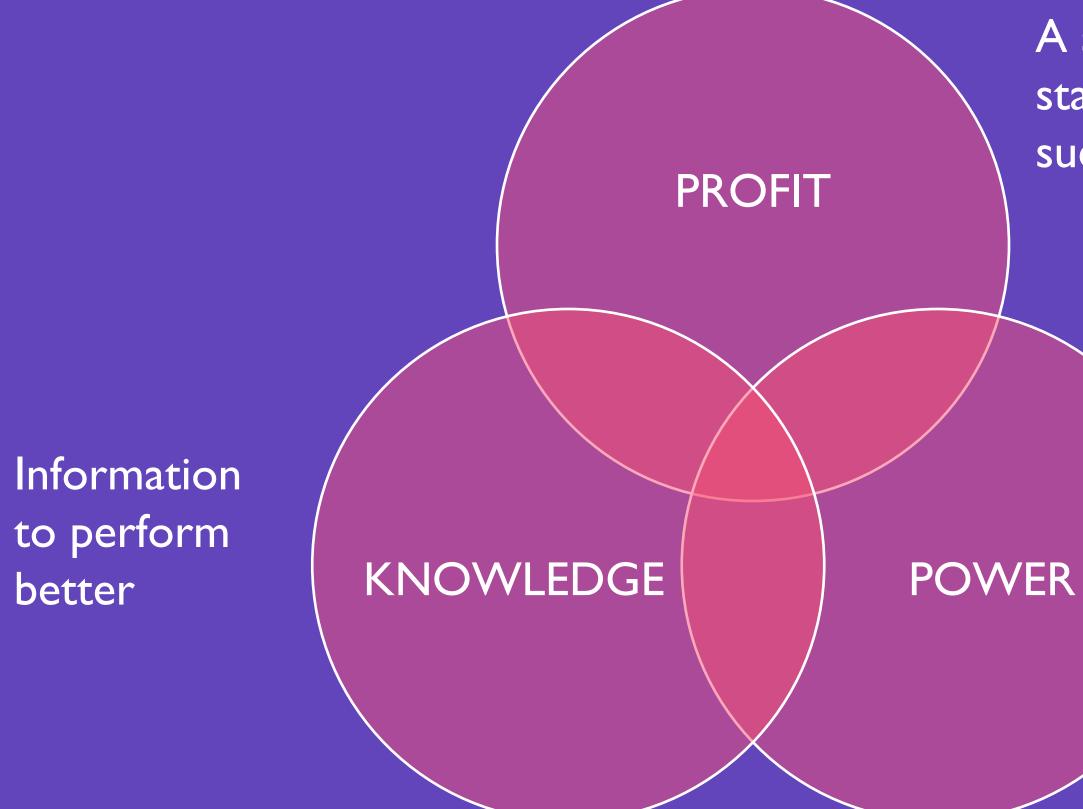


- Written Constitution underpinned by 7 principles
- Owned in trust for the benefit of all Partners
- Every Partner has a say in how the business is run through a democratic system nearly a century old
- Partners share the benefits and responsibilities of ownership: profit, knowledge and power

### SHARING PROFIT



### THE FOUNDATIONS OF OUR PARTNERSHIP



### A shared stake in success

Decision - making

### THE FOUNDATIONS OF OUR DEMOCRACY

It is, therefore, very much a function of Management not only to provide ample means of freedom of speech but to get those means used. **Don't wait for the Managed to utter. Question them and do it sufficiently often and searchingly**.







### OUR DEMOCRACY



### SHARING POWER



### SHARING KNOWLEDGE

"Information is the basis of democratic participation. So the Partnership aims for openness, tolerance and freedom to express criticism, questions and suggestions (even at the risk of controversy)."

## **Rule 51 of the Constitution**



### SHARING KNOWLEDGE – THE GAZETTE

OF PETER JONES, LIMITED. SLOANE SQUARE, LONDON, S.W.3.

FOR THE PUBLICATION OF FACTS, OPINIONS AND IDEAS OF INTEREST TO ANY ONE WHOSE FORTUNES ARE FOR THE TIME CONNECTED IN SOME DEGREE WITH THOSE OF THE COMPANY.

SATURDAY, MARCH 16TH, 1918.

Our Policy, Rules of Correspondence, etc., are on the last page of this issue.

NOTICE FROM THE MANAGEMENT TO THE COMPANY'S STAFF. nications to this Paper are equivalent to House Notices, and must be known by every one whom they concern.

### TO MY FELLOW-EMPLOYEES OF PETER JONES, LTD.

### LADIES AND GENTLEMEN,

The main purpose of this paper you will see in a general way from the paragraphs on the last page, which are intended to appear always, or at least frequently. But I think it may be useful if in this first issue I try to put my ideas with regard to it more fully before you than can be done

There can be no doubt that large-scale industry has come to stay. Whatever may be the ultimate economic cause or causes, it is certain that in our own, as in many other occupations, men and women achieve their purpose better, that is to say they get a greater result for any given amount of effort, by working in large teams than by working in small ones. We cannot help seeing that the big factory can produce exactly the same thing cheaper than can the little factory, and that the big shop can likewise beat its little rivals by offering the public greater variety or better value or a combination of both. Some people argue that cheapness is not everything, and that the world might contain more happiness if goods were dearer but more men and women worked "on their own account." I think these people are wrong. I think they fail to see that cheapness is really human liberty : that, if everything were to be had absolutely free of charge, every one would be absolutely free, so long, of course, as the law restrained mere bodily strength as it does now; and that, this being so, cheapness is in itself wholly good and desirable.

Look at it like this;

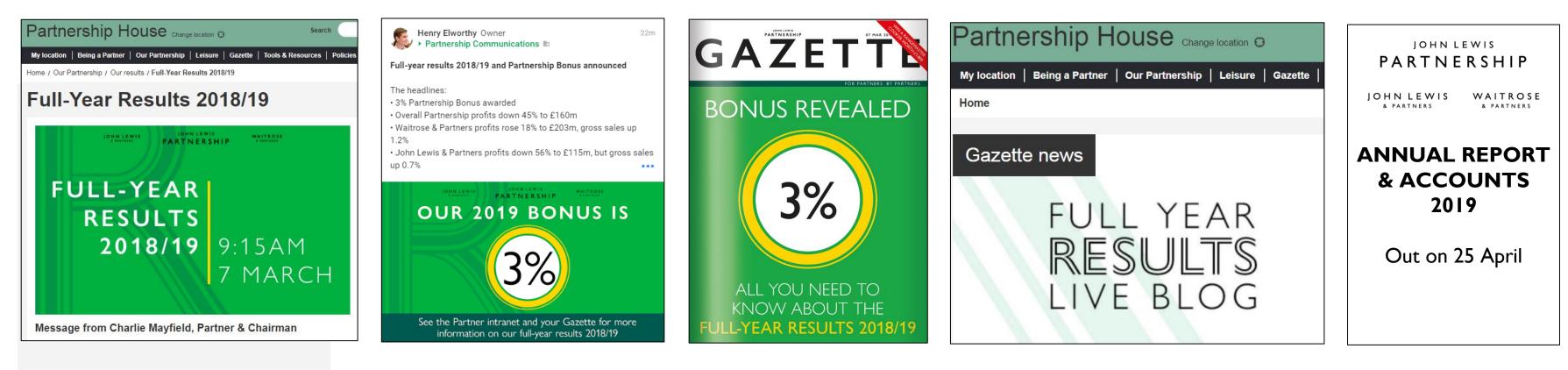
Suppose 1,000 men, in order to support themselves and their families, have to make 1,000 wardrobes every year. Suppose that each man working by himself must be at work sixteen hours a day, seven days a week all the year through, to finish his one wardrobe. Is that man really free, although he is working in his own home and on his own account ? Is it freedom to be obliged, on pain of starvation, to work sixteen hours every day of the year ?

Now, suppose that those 1,000 men combine into one team and become each of them a specialist in one or two of all the different jobs that go to the making of a wardrobe, and use in one factory such machinery as cannot





### WHERE TO FIND MORE INFORMATION







### FULL-YEAR RESULTS 2018/19

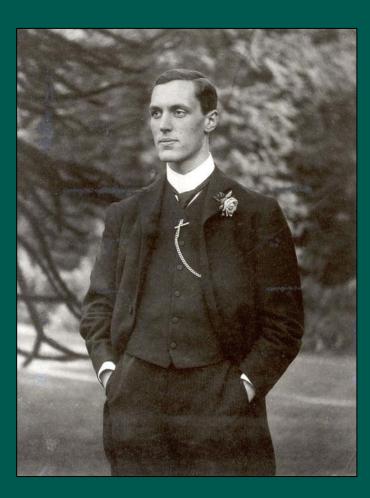
### 7 MARCH 2019

### Message from Charlie Mayfield, Partner & Chairman

Today we've announced our full-year results for the Partnership. Overall profits are down by 45%. In Waitrose & Partners, profits rose by 18%. But in John Lewis & Partners, they declined by 56%. The Board has awarded a Bonus of 3%. "The vision of the Partnership was created wholly and solely to make the world a bit happier and a bit more decent." John Spedan Lewis

To truly understand the Partnership you need to understand the founder's aspiration for the business he gave to Partners

### John Lewis Partnership







## Wellbeing should be different









### John Lewis Partnership



### John Lewis | Waitrose

# ...humanity and witness amongst commercial ambition?





I find it rewarding... you get to voice your own opinions and every day is gratifying."

Jacky, Replenisbment Partner John Lewis

### John Lewis Partnership



Next year will be my 25th year in the Partnership and as a thank you, I get six months' paid leave. I am really excited – what a benefit to have."

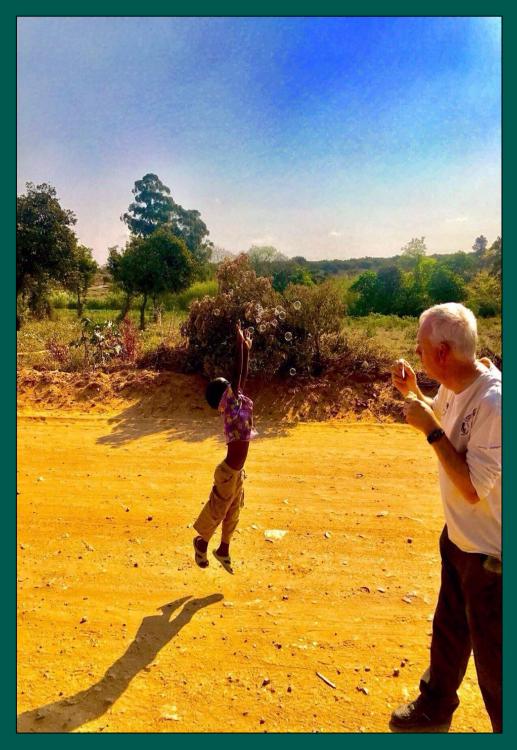
Rosemary, Department Manager, John Lewis at home



## Wellbeing should be different ....

'Many decades ago the leadership of our business had the foresight to stretch the boundaries, to inspire and reward those who give extended service to the Partnership. Crucially this is not a perk of the executive, the high paid or solely for leaders - it was devised for every contributor of Partnership success. The point is that when we see fruits of inspiring leadership - we impact the lives of our Partners immeasurably and in turn that can transform families, communities and other lives'

### John Lewis Partnership



### John Lewis | Waitrose

# PARTNERSHIP CONSISTENCY

JOHN LEWIS & PARTNERS

JOHN LEWIS PARTNERSHIP

WAITROSE & PARTNERS



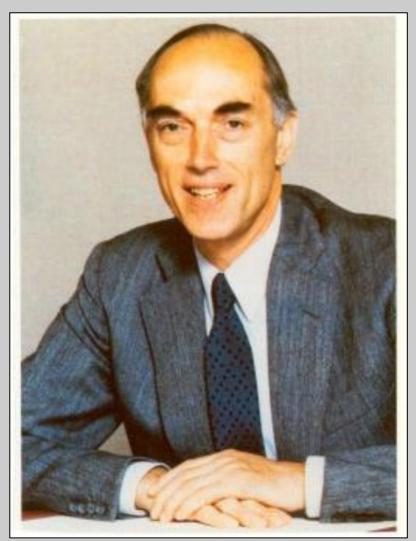




JL 1864 -1928 JSL 1928 -1955 BM 1955 -1972 PL 1972 -1993 SH 1993 - 2007 CM 2007 - 2020?







### John Lewis Partnership





### John Lewis | Waitrose

# OUR PARTNERSHIP VALUES

JOHN LEWIS & PARTNERS

JOHN LEWIS PARTNERSHIP

WAITROSE & PARTNERS

### OUR PARTNERSHIP VALUES

	Why? Principle I		
<b>What?</b> A better way of doing business			
<b>How?</b> For us, it's personal			
<b>Do right.</b> We act with integrity and use	All or nothing. We put everything we have into	Give more than you take. We all put more in, so that everyone	Be Alv We pro
our judgement to do the right thing.	everything we do.	gets more out.	best free

### e yourself. ways.

'e're quirky, oud and at our est when we're ee to be

### We not me.

When we work together, anything is possible.

## The media expects a difference

## 

### Can John Lewis teach us a better way to do business?

Right now, the John Lewis Partnership seems to be everyone's favourite business. Its department stores offer quality and helpful staff; its supermarket chain Waitrose sells you all sorts of tasty...

### NEWS **Clegg calls for 'John Lewis** economy'

The Deputy Prime Minister, Nick Clegg, has called for more companies to follow the "John Lewis" model, where firms offer shares to their employees.

### () 16 Jan Business

BBC O







CPD article 01 March 2015

John Lewis: competitive advantage in a tough retail market

### Home / Members / CPD online

In this latest article in a series on competitive advantage, Tony Grundy looks at the unique position that the John Lewis Partnership has in the UK retail market



All 76,500 of John Lewis's permanent staff are partners and they ultimately own the retailer's 35 department stores and 272 Waitrose supermarkets

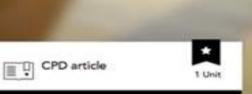


Andy Street, the MD of John Lewis, addresses new partners in the new Westfield Stratford City branch. All 76,500 of John Lewis's permanent staff are partners and they ultimately own the retailer's 35 department stores and 272 ts which nenerate annual sales of more than £8bn. Photograph: Oli Scarff/Getty images

### John Lewis Partnership

### theguardian

### The John Lewis model and what others could learn from it

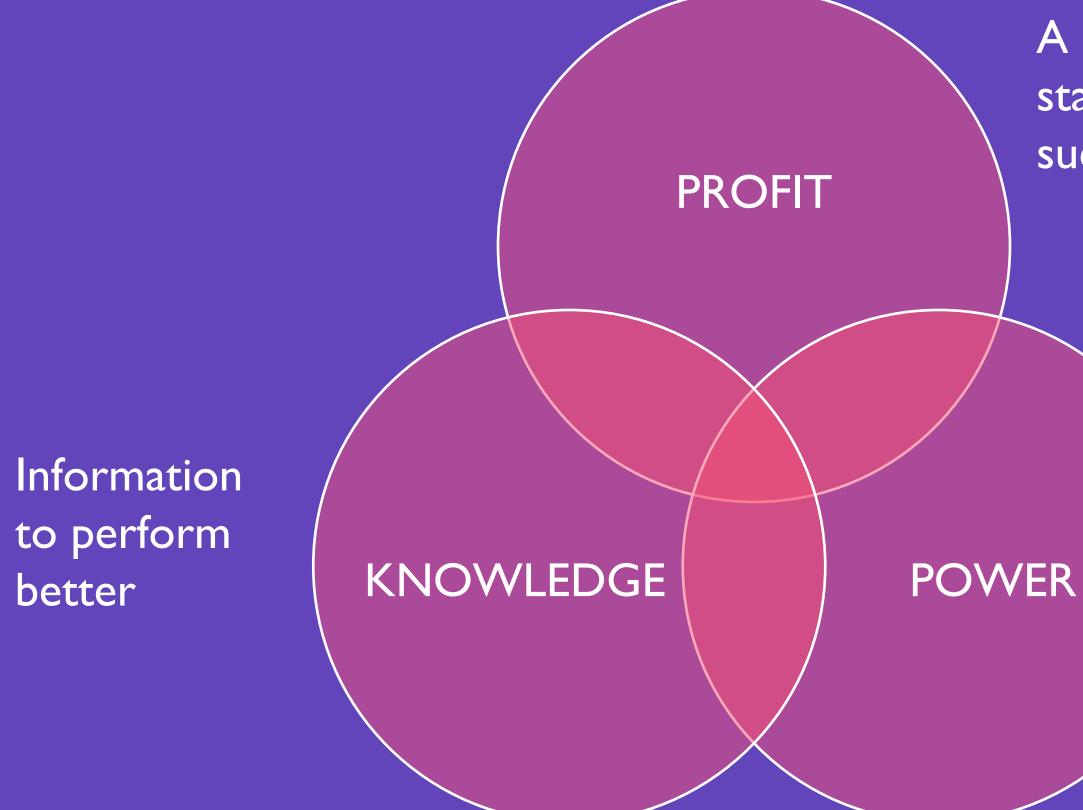


the few UK companies where bumper

field down to Saturday shelf-stackers hich rises or falls in line with its financial rs" as John Lewis calls them, received 17% e weeks' pay.

ership model operates differently from stock market-listed companies as instead of John Lewis they flow to the staff, in the ne-off; according to the Employee an 100 UK companies with significant economy that is worth more than £25bn ckwell bookshops, jam maker Wilkin & Sons

### THE FOUNDATIONS OF OUR PARTNERSHIP



### A shared stake in success

Decision - making

# QUESTIONS?

JOHNLEWIS & partners JOHN LEWIS PARTNERSHIP

WAITROSE & PARTNERS

JOHN LEWIS & PARTNERS JOHN LEWIS PARTNERSHIP

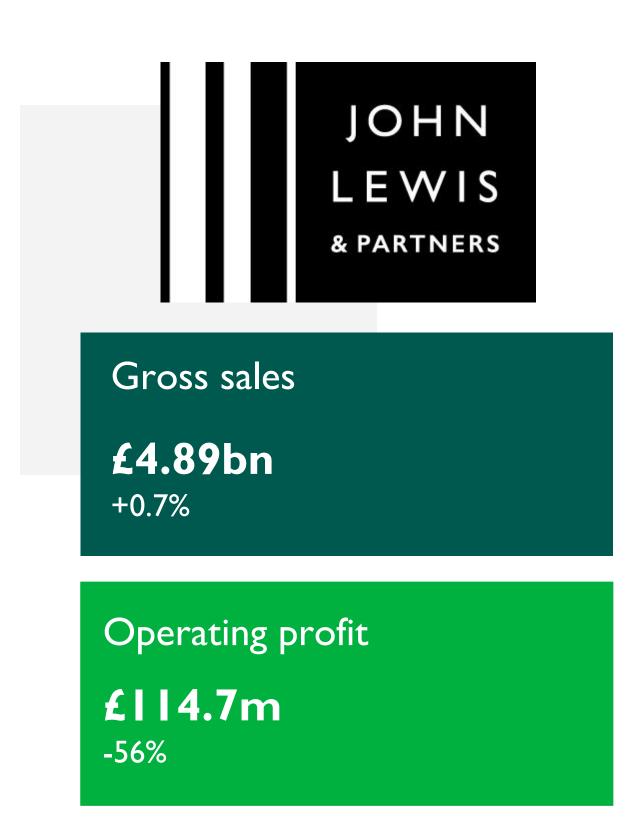
WAITROSE & partners

# Additional slides

JOHNLEWIS & PARTNERS

JOHN LEWIS PARTNERSHIP

WAITROSE & PARTNERS









## WAITROSE & PARTNERS

Gross sales

**£6.84bn** +1.2%

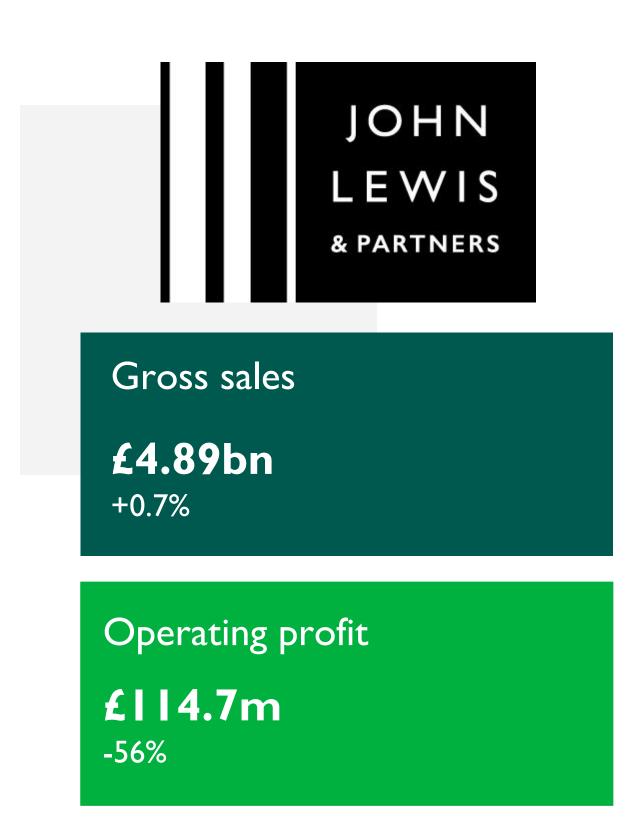
Operating profit **£203.2m** 

+18%















## WAITROSE & PARTNERS

Gross sales

**£6.84bn** +1.2%

Operating profit **£203.2m** 

+18%







### OUR COMMERCIAL STRATEGY

- Differentiation, not scale

- Focus on innovation on product and service, personalisation and exclusivity

Investing in our point of difference: our
Partners

- Continuing to secure our financial sustainability, unlocking £500m over three years and maintaining investment of £400- £500m a year



