

Case Study – John Lewis

John Lewis—the major high street retailer has seen a growth in customer numbers and profits over the last decade. However, today they face the challenge of many other high street retailers such as competition from other high street and online stores.

The John Lewis chain exists mainly due to the son of the original founder John Spedan Lewis. He saw the future of running a business and managing staff as using an approach of treating everyone as equals. Today, this is demonstrated through the employee profit sharing scheme that John Lewis operates.

In the last few years John Lewis has been seen as a solid ‘British’ retailer offering products and a service ethos that linked closely to the demands of the British middle class. However, questions are now being asked as to whether John Lewis is still the choice of the middle-class shopper as profits in 2018 have sank by more than £45% to £160 million ([www.channel 5 - Inside John Lewis 1/5/19](#)). This has led to a reduction in the profit share for staff. Some customers feel this is having an impact on staff motivation.

The management team at John Lewis are aware that they need to resolve their profit woes and get back on track with customers. The loss of other high street names has made the world of retail a battleground with forecasters seeing few winners.

Knowledge management has always been at the core of the operation of John Lewis. The importance of sharing information, communication between employees and managers and the value gained from acquiring knowledge at all levels of the organisation has been seen as one of John Lewis’s major strengths. Today, stores and the senior management team are seeing knowledge being lost as managers and employees leave the retailer looking for more secure and better paid positions. The loss of ‘talent’ employees and managers who share a substantial and sometimes unique knowledge base of the retailer could soon become an issue for John Lewis. The retailer is now calling for immediate action to address this issue.

Questions:

1. Do some additional research and explain how the KM system operates within John Lewis.
2. What is the value of the KM system to John Lewis? What recommendations would you provide to the retailer to improve their current KM system in order to increase profitability and staff motivation?