John Lewis Case Study
Clipper’s Implementation of the John Lewis Online Fashion Operation

John Lewis
Clipper, the UK’s leading retail and high-value logistics provider, has been working in partnership with John Lewis since January 2010, providing an e-fulfilment fashion solution from its 500,000 sq ft ‘Centre of e-fulfilment Excellence’ facility at Ollerton near Newark.

The Solution
Based on its ethos of ‘agility matched by ability’, Clipper was quick to respond, working in close partnership with John Lewis to understand and facilitate their exact requirements. After a series of meetings, the project team, headed up by Director, Sean Fahey, set about producing a robust operational model that could handle the current online fashion offering, as well as accommodating the retailer’s future growth plans.

The Challenge
Following the introduction of its online fashion, John Lewis experienced a significant peak in demand during the 2009 Christmas period. With this in mind, the retailer made the significant move to separate its online fashion offer from its other online offerings.

As a specialist in fashion e-fulfilment solutions, Clipper was approached in January 2010 to manage John Lewis’ online fashion requirement. This had to be fully integrated and commence live operations in just 14 weeks, a process which normally takes many months.

The scale of the operation was to accommodate an immediate demand of 80,000 online SKUs, with a post ‘go-live’ operation scalable to accommodate 170,000 SKUs.

The project had a requirement for full IT integration with John Lewis’ systems including Metapack and the Clipper e-fulfilment WMS solution, and included carrier contingency software, a business continuity programme, ‘click and collect’ in-store service, and the restructuring of over 160,000 sq ft of warehouse space. It also involved the installation of conveyor systems for hanging and boxed stock and the creation of sufficient packing stations. Clipper was also required to expand its returns service on-site at Ollerton to accommodate a greater fashion element.

To meet customers’ needs, Clipper initially employed over 60 staff to manage the 24/7 John Lewis operation. This included a standard, next day, Saturday, named day and timed delivery service direct to customers’ homes, and a ‘click and collect’ delivery in-store option. This free, market-leading service enables customers who order by 7pm the previous evening to pick up their purchase in-store after 2pm the next day. Clipper also manages all inbound deliveries, which includes items direct from John Lewis, as well as liaising with around 35 other premium-fashion suppliers.

The Clipper John Lewis operation has over 19,000 flat locations, in a combination of shelving and pigeonhole formats, to accommodate different garment types in the men’s, women’s, children’s and footwear ranges, and an impressive 60,000+ hanging locations across three different garment heights.

The Customer
The John Lewis Partnership’s visionary business started over a century ago; the company built its foundations on the principle of putting the happiness of its partners at the heart of its proposition. Today, the company operates 30 John Lewis shops across the UK – 29 full line department stores and six John Lewis at home (johnlewis.com) plus 231 Waitrose supermarkets, and Greenbee.com, which is John Lewis’ Financial Services.

The business has an annual turnover of over £7.4bn and is the UK’s largest example of worker co-ownership, where all 75,000 staff are partners in the business.

John Lewis, ‘Britain’s favourite retailer 2009’* and ‘Multiple Department Store of the Year 2009’**, has an extensive and diverse range of products to manage, typically stocking more than 320,000 separate lines in its department stores. The johnlewis.com website stocks in excess of 200,000 products focused on the best of fashion, beauty, home, giftware and electrical items, including online exclusives, and is consistently ranked as one of the top online shopping destinations in the UK.

* Verdict consumer satisfaction index, January 2010
** The Drapers Awards for fashion retail, October 2009

Over the past four years, John Lewis Department Stores have experienced approximately 20% growth with a multi-billion pound turnover during the last year.
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The Result
The Clipper 'go-live' launch was a seamless operation. Much quicker and more efficient than the industry standard, it was completed significantly ahead of target, as was the implementation of the new systems and warehouse facilities. Consequently, the first dispatch of outbound orders went out on time and without a hitch.

The initiative is a great success and is delivering real tangible benefits for John Lewis and its customers. In the first 12 months of the contract, Clipper has successfully processed over 735,000 orders with a staggering 21,155 orders on a peak day. Clipper continues to exceed its KPI targets, and the dispatch-on-time KPI is currently at 100% and the order fulfilment rate is at 99%.

The contract is expected to develop further over the coming months, as John Lewis now has ambitious growth plans to double the size of its online business both in the UK and internationally over the next few years. In fact, John Lewis has won an array of awards, including the 'Best Multi-channel Retailer' award at the E-commerce Awards for Excellence 2011, and also Drapers Etail Awards 2011, as well as 'E-tailer of the Year' award at the Drapers Fashion Awards 2010, and the Retail Week Awards 08/09.

John Lewis’ thriving online business has now become the 4th largest website in the UK, welcoming 2.5m visitors per week; and with Clipper’s policy of continuous refinement, it will continue to further enhance the service offering for John Lewis’ customer base in the future.

Client Testimonial
“We chose Clipper as our partner for our expanding online fashion business in light of their extensive operational knowledge of both the clothing and e-fulfilment markets. It was extremely important to us to find a partner who could understand our exact requirements, and one that could work alongside us to deliver a successful project in a very tight timeframe. Clipper have demonstrated that 'agility matched by ability' truly exists within their business, and we are extremely happy with the results they have delivered.”
Dino Rocos, Operations Director, John Lewis

Clipper Testimonial
“I am delighted to add John Lewis to our expanding e-fulfilment client base. The team provided a faultless transfer from John Lewis’ previous supplier within weeks of the request being made. We were able to leverage our extensive experience in delivering tailored solutions to protect the John Lewis brand whilst adding greater efficiency and service to the operation. We have seen this demonstrated in increasing orders while beating all KPI targets, and foresee a great future to this relationship.”
Sean Fahey, Solutions Director, Clipper