

Collaborative Style Keeps Retailer Out In Front



John Lewis cuts travel and improves productivity, training, and communications with Cisco TelePresence

EXECUTIVE SUMMARY

Customer Name: John Lewis

Industry: Retail

Location: United Kingdom

Number of Employees: 29,000

Challenge

- Streamline companywide communications and encourage greater use of virtual collaboration
- Reduce travel costs, avoid wasted time, and improve efficiency
- Enable new ways of working

Solution

- Cisco TelePresence

Results

- 60 percent efficiency saving in delivery of training to Partners
- 50 percent reduction in training-related unproductive hours
- 50 percent rise in Partners receiving training without incurring travel time and cost
- 95 percent of Partners felt work had simplified, while 90 percent praised improvement in communication

Challenge

John Lewis is a prestigious British retailer with a network of 40 department stores across the United Kingdom. The company has an unusual ownership structure in that all permanent employees have a stake in the company and are known as Partners. This structure has helped John Lewis achieve a high degree of employee engagement. As Partners, its people have a natural incentive to seek cost reduction and efficiency-boosting measures.

Coinciding with the expansion of a store format called *John Lewis at home*, the management team began to consider whether it might be possible to streamline company-wide communication processes using video technology. The prime focus of the initiative was to reduce the time and cost involved in travel, while at the same time improving the overall level of collaboration across the business and developing new ways of working.

Solution

John Lewis was already using Cisco® technologies including Cisco WebEx® Meetings, Cisco Unified Communications Manager, Cisco Unified Contact Center Enterprise, and Cisco Unified Customer Voice Portal.

The company entered into talks with the Cisco Internet Business Solutions Group about further uses of technology to improve its business. A number of business transformation concepts were being considered, involving ideas such as use of in-store tablets, video content on demand, and Cisco TelePresence® technology. Three of these technology areas, including telepresence systems, were selected for pilot studies across six *John Lewis at home* stores.

In the five-month Cisco TelePresence pilot, stores were able to communicate with the head office and each other, while the system was scaled to allow the six trial locations to come together in single video meetings. The sessions proved very popular, for example for best practice sharing, trading updates, and generally as a replacement for in-person meetings.



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Andrew Murphy
Retail Director,
John Lewis

Andrew Murphy, the John Lewis retail director, says: “As a result of that very successful pilot, telepresence was rolled out to all our *John Lewis at home* stores and the head office on a permanent basis.” This deployment was then extended to cover all the retailer’s locations and several head office points, with the capacity for all stores to join a meeting at once. Around 20,000 employees have access to the technology too.

John Lewis now has a range of telepresence technologies in place including Cisco TelePresence EX, MX, and Profile Series endpoints, TelePresence Content Server, and TelePresence Video Communication Server. The systems rely on Cisco TelePresence MSE 8000 Series Video Bridges for multi-site voice and video connectivity, with support through Cisco Smart Services.

John Lewis operates with a Cisco TelePresence system in every business unit, and has extended the solution to every floor at its head office.

Results

The use of Cisco TelePresence arguably represents one of the most pervasive examples of video adoption for retail business process improvement anywhere in the world. Information is being shared face-to-face faster, further, and more cheaply across the entire organization. If a supplier visits the head office to demonstrate a new product, for example, representatives from every store in the country can join the meeting via TelePresence, allowing companywide briefings to take place within an hour, and with no travel time or costs.

Previously, such educational activity would have either required the supplier to undertake a nationwide road show lasting weeks, would have involved Partners from each retail branch traveling all the way to the head office for a one-hour meeting, or would not have been possible at all.

“The video conferencing facilities have been a really effective way of pulling groups of Partners together, at a greatly reduced cost, across a number of branches and for a variety of different reasons,” says Maggie Porteous, director, Selling North and New Format, John Lewis. “In terms of video collaboration I think we have only just scratched the surface. Already we have seen how it can improve product training, trading meetings, sharing of best practice between different branches in specific functions, and democratic forum meetings.”

Other highly valuable telepresence use cases that have been developed include:

- Improving safety and security by running food hygiene sessions and risk management workshops
- Strengthening inter-branch relationships through social events such as quiz nights, with participation across different branches
- Boosting corporate communications including Partner bonus announcements
- Giving Partners greater participation in company governance by allowing them to remotely attend management councils or forums
- Handling live IT support issues with operational service desk people

“Since its introduction, Cisco TelePresence has proved a huge success within John Lewis branches and contact centers, which make frequent use of it for substantial travel cost and time savings,” says Murphy.

In fact, the John Lewis telepresence business case was based entirely around travel budget savings; that is, the entire system is self-funding thanks to the cost reduction that it achieves. For its *John Lewis at home* stores, the company has calculated that telepresence will result in annual travel cost savings across all stores of GBP£296,000 (USD\$453,600).

“This is exactly the IT-enabled investment we are keen to sponsor in John Lewis IT, working with our strategic suppliers like Cisco,” says IT director Paul Coby. “It makes it easier for our Partners in retail to share ideas and information, and it supports our democracy. Furthermore it is paid for from savings from travel and overnight stays.”

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Top line business benefits also include:

- 60 per cent efficiency saving in delivery of training to Partners
- 50 per cent reduction in training-related unproductive hours
- 50 per cent more Partners receiving training without incurring travel time and cost
- Furthermore, these savings have been achieved while improving partner satisfaction. In February 2013, John Lewis surveyed 250 partners and found:
- 98 per cent rated the quality of telepresence as excellent
- 95 per cent believed that it had saved them travel time and made it easier to complete their jobs
- 90 per cent considered telepresence had improved communications with head office and other branches
- 85 per cent said their branch had saved travel costs

“We are seeing how Cisco TelePresence can be a key enabler to improve communications, ways of working, and best practice sharing between business units,” says Murphy.

Next Steps

John Lewis has purchased 50 Jabber video licenses as part of plans to deploy video communications on laptops in stores. The company also plans to extend Cisco TelePresence further with additional units in the head office and across the branch network. John Lewis is even encouraging its suppliers to deploy TelePresence, so the benefits of video communications can be extended throughout the supply chain. “Moving forward, we are excited about the future opportunities this presents,” Murphy concludes.

For More Information

To learn more about the Cisco architectures and solutions featured in this case study go to:

www.cisco.com/go/collaboration

Product List

Collaboration

- Cisco TelePresence MX Series End Point
- Cisco TelePresence System EX Series End Point
- Cisco TelePresence Profile Series End Point
- Cisco TelePresence Content Server
- Cisco TelePresence Video Communication Server (Control with Expressway)
- Cisco Unified Communications Manager
- Cisco TelePresence MSE 8000 Series



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