

# When growth goes wrong

## John Lewis

### Discussion points

- 1 Figure 3 shows that John Lewis payouts to its staff/owners were falling from 2011. Why might it have taken management so long to halt the profit-eating expansion plan shown in Figure 1?
- 2 Look carefully at Figure 2. Which side of the business has the bigger problems: Waitrose or John Lewis?

John Lewis store under construction

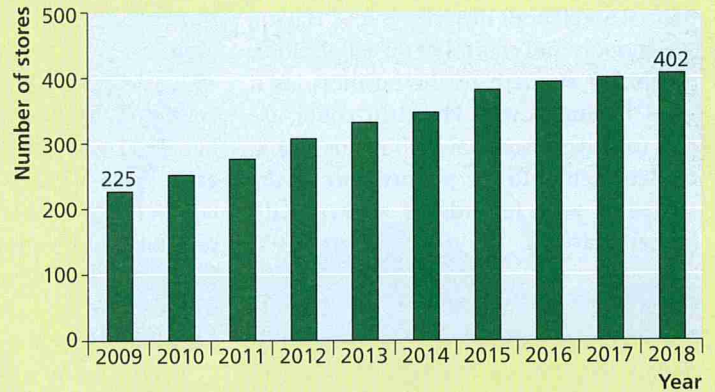


Figure 1 Too many new John Lewis and Waitrose stores, just as online was taking off

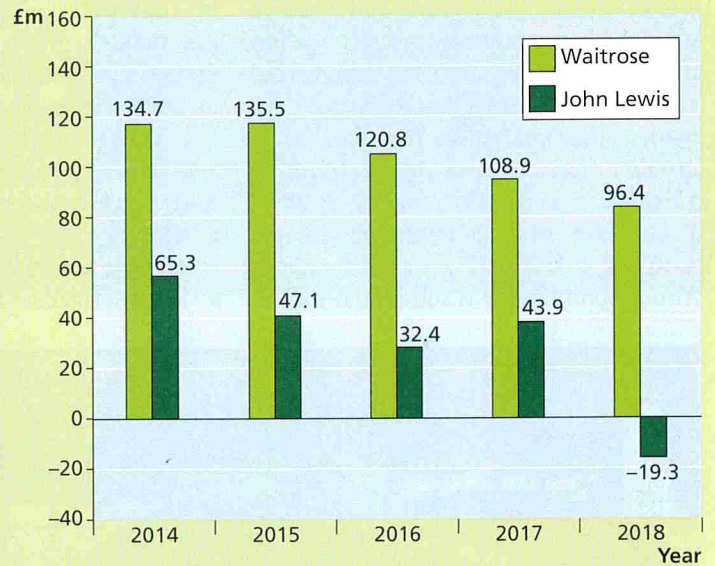
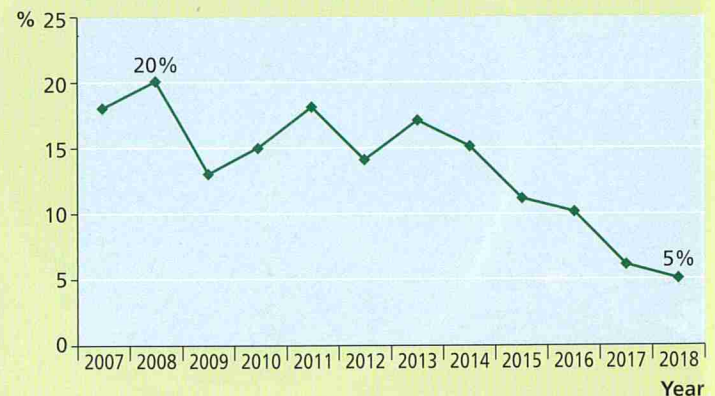


Figure 2 Going down: operating profit in the first half of the financial year (February to July)



Source: John Lewis annual reports

Figure 3 John Lewis partners — annual bonus as a percentage of pay

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