



TESCO

David Potts



The secret to success?

- 'Consistency of purpose'
- 'Doing the common things uncommonly well'

Every little helps

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What makes Tesco a success?

The philosophy of Every Little Helps



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Success makes it harder

- Extra, Superstore, Metro and Express
- More choice
- 180 million more cases through our depots
- Only warehouse room for what's absolutely necessary
- Customers expect more and shop more often

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Our goal is to be

- Better for customers
- Simpler for staff
- Cheaper for the business

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Three examples of how

- Making the very best use of space
- Freeing up staff time to serve customers better
- Encouraging great leadership

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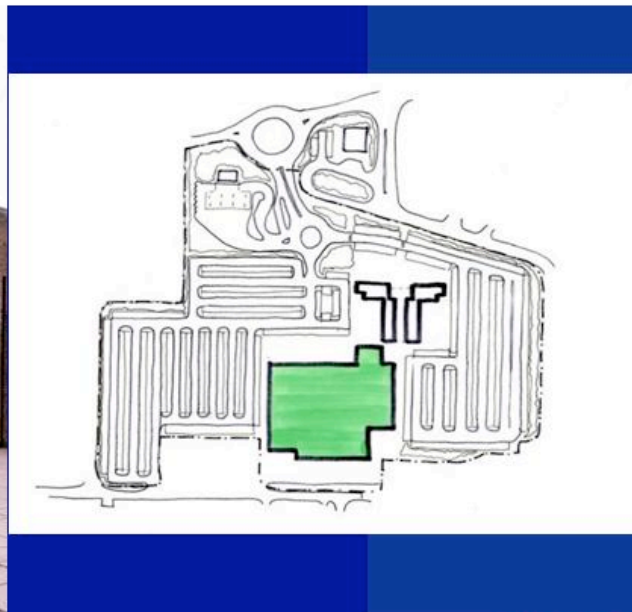
Making the best use of space

- 100 stores refitted
- 21 extensions
- Two-floor trading

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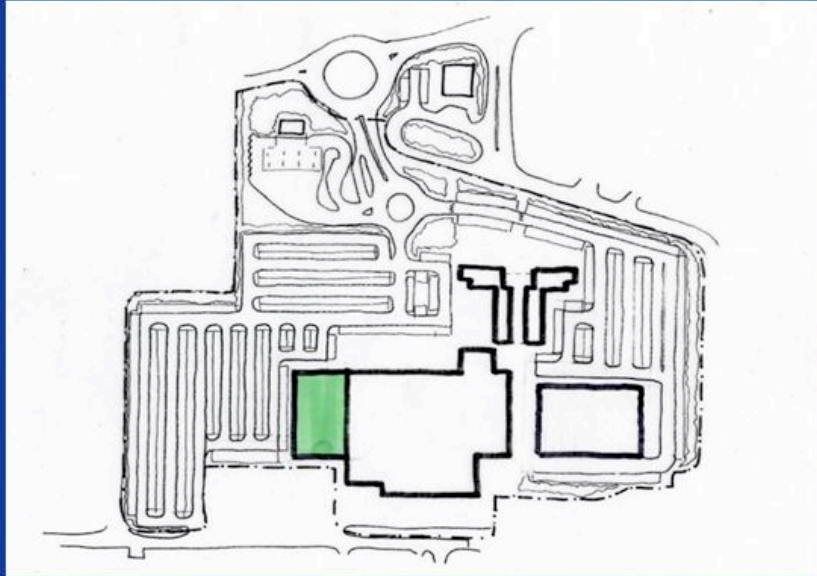
The original Cambridge Bar Hill



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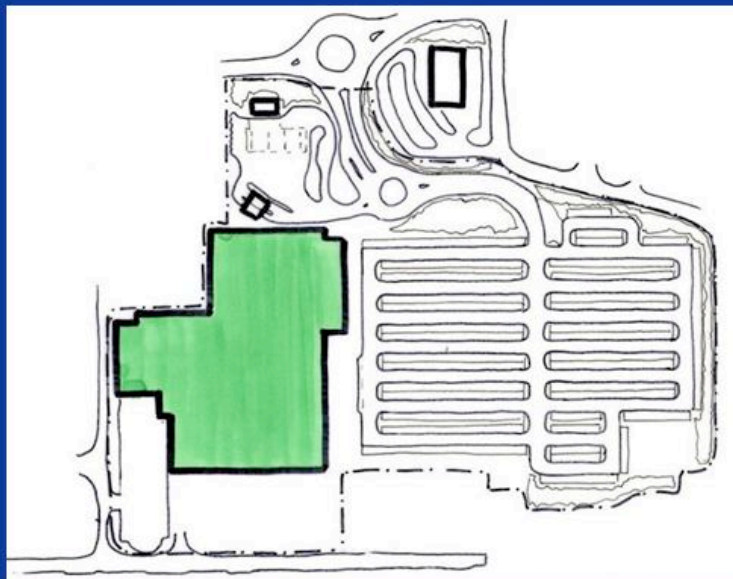
With the extension



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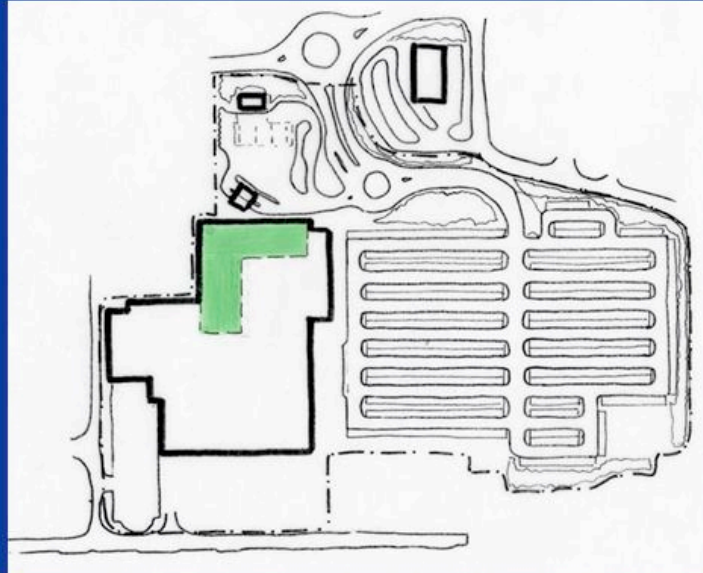
The new store as an Extra



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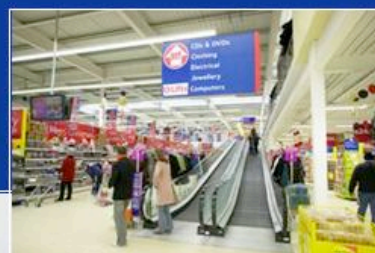
And with the mezzanine floor



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Cambridge Bar Hill today



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Making the best use of space

- 130 new stores
- Over 2 million square feet
- Express a big part



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Making the best use of space

Homeplus

- Good start - customers like it
- 40th for sales of TVs and computers
- 15% more selling space



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Energy efficient store



Freeing up staff time

Simpler Checkout

- In 90 stores
- 160 more this year



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Freeing up staff time

Infra-red cameras

- Helped improve One in Front from 87.3% to 91.5%



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Freeing up staff time

Self service checkouts

- 44 million customers and just 19 complaints



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Freeing up staff time



Grab and Go counters

- In 45 stores
- Payroll down 40%, Sales up 19%
- 150 more this year

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Freeing up staff time

- Retail-ready packaging
- Simpler Counting
- Customers getting everything up 45%
- Gaps on shelves down by 25% in trials



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Freeing up staff time

- Freed up around £100 Million to reinvest last year
- Enough to staff 300 more Express stores
- Despite growth, payroll as a percentage of Sales kept to below 9% for the last 5 years

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Encouraging great leadership

- Manchester Business School
- Stores Leadership Programme
- 800 managers in 6 months
- 'My Job'



“Life changing - the best course I’ve ever been on

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Encouraging great leadership

- 2,500 staff developing to next level
- Working shoulder to shoulder
- 4,000 new management and 8,000 new Team Leader roles
- Thousands of leaders



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Success for Tesco?

- Always pursuing Better, Simpler and Cheaper
- With a firm focus on delivering Every Little Helps for our customers

Every little helps

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