

The Miller's Tale



OB (Sir Bernard) Miller around the time of his retirement, and John Lewis Oxford Street at Christmas 1964 showing the new Hepworth sculpture, in place and floodlit.

OB Miller was pleasant, precise, with a very decisive brain. He used a quarter of the words Spedan would, and was his complete opposite as a personality, though like him he could talk for an hour without a single note. He did a great job turning the Partnership into an up-to-date business.

TREVOR FRY, BUYER AND PARTNERSHIP PHOTOGRAPHER,
SPEAKING IN 2002

Let's return to the Partnership when Bernard Miller took over in 1955, and look at how it performed under his guidance between then and his retirement in 1972. Between those years the Partnership went from being an intriguing but unfulfilled experiment to a rock-solid business that was outperforming its competitors. It did so despite carrying out virtually no expansion. At the end of the period it had two fewer department stores that it had when it began, the Waitrose expansion under Carter had barely got under way, and yet the Partnership ended with sales three times and profits six times higher in real terms than in 1955. The Bonus payout was 18% in Miller's last year, and had averaged 15% for the previous eight years from 1965 to 1972. By any measure that's a spectacular improvement, especially considering the parlous state of the Partnership in the early 1950s. And it was done by the very opposite of exploiting the workforce. During the period the working week of John Lewis shop assistants had been reduced across the board, their holidays increased and their average take-home pay including annual bonus was up by close to 50% in real terms. His successor as Chairman put it like this:

When I arrived in 1959 the whole of the Oxford Street south west corner was just a hole in the ground. The minimum holiday was three weeks. The working week was five and a half days. We had a half-finished Trewins and Tyrrell & Green, half a Robert Sayle, half a George Henry Lee.

It looks like magic, but it was done by sheer persistence in following through Spedan's trading principles, and, it must be said, by resisting all his old distractions. Admittedly we were entering the era the Conservative government described as a time when 'we had never had it so good', and the 1960s was a decade that saw a UK population increase of three million, the largest in a single decade since the Edwardian period. Trading conditions were therefore on the whole much better, but how did Miller's team capitalise on it so successfully? We've seen how John Lewis in Oxford Street was rebuilt and energised by the turbocharged Stanley Carter, and Waitrose rescued from a muddled obscurity, but what other forces were at play? It could be simply described as deciding the right trading format and sticking to it; improving each shop bit by bit; improving the buying operation; taking no unnecessary financial risks – no adventures. All was underpinned by sticking to Spedan's trading principles.

These threads came together in two of the best Partnership thinkers to survive the war, two men known before long as May and Baker. May and Baker was a well-known pre-war pharmaceutical company, long ago split up and absorbed by Big Pharma. In the Partnership it meant Paul May and Max Baker. After the war the contented pre-war silk buyer Paul May found his ability and judgement catapulting him into a series of top positions