

**STRICTLY PRIVATE & CONFIDENTIAL**  
**Softlines New Organisation Structure Proposal (Project Tiger)**

**Executive Summary:** The purpose of this document is to provide an overview of proposed structural changes to the EU Softlines business consistent with the SOC documents already shared. The paper summarises the current status of the organisation and the changes proposed to deliver the Softlines' mission and strategic priorities. [REDACTED]

[REDACTED] The objective of this paper is to summarise the changes proposed, the communication and transition plan and timings, generate discussion on these proposals, and to gain approval for this reorganisation. This project is named Project Tiger.

**Summary:** Softlines' mission is to be each customer's most loved fashion destination. In 2015, Softlines implemented a new organisation structure with the objective to allow the business to scale, leverage the knowhow of teams across all countries and minimise duplication of tasks. As a result of this restructure, [REDACTED]

[REDACTED] Due to the Hands off the Wheel initiatives, Spans of Control and other business learnings, Softlines is reviewing the organisation structure again to ensure it operates optimally to achieve its mission.

In order to guide our work, we developed the following tenets (unless you know better ones):

1. The new Softlines organisation structure will enable us to become each customer's most loved fashion destination.
2. The proposed structure will increase proximity to the customer, speed of decision making and allow us to be more agile to adapt to customer, vendor, seller and business requirements and retain Day One culture.
3. We Keep It Super Simple (KISS), but not simplistic. We believe in having single-threaded owners. The new structure removes bureaucracy and ensures clarity of business priorities.
4. When headcount reductions are realised, we reinvest in areas that accelerate delivery of our mission and improve the customer experience.
5. Category Directors / Heads / Leaders retain ownership of the Total P&L and the voice of the customer.
6. The structure adheres to all Amazon guidelines, for example, spans of control and headcount budgets, and is consistent with our leadership principles.
7. The employee experience throughout the transition process is as positive as possible, ensures retention of our talent and results in an engaged and high performing team. Employee relocation will be avoided. Skill sets will be closely matched to proposed roles and training will be provided where necessary.
8. Vendors are smoothly managed through the change ensuring their needs are met and sales, and profitability continue to grow so we meet or beat our performance targets (inputs and outputs).

Project Tiger combines all Hands off the Wheel (HOTW) programs and Amazon spans of control guidelines. Deep dives have been completed to review the Site Merchandising, Instock Management (ISM), Planning and Pricing functions. This has resulted in the recommendation to [REDACTED]

[REDACTED]

[Redacted]

[Redacted]

The alignment between the two regions will support the ability to scale globally and more easily coordinate projects across regions.

[Redacted]

Please see below a summary of the changes that are proposed for each function within EU Softlines.

Spans of Control: In addition to the changes that Softlines is proposing to make to the organisation, at a global level, Amazon has reviewed the spans of control for all managers. [Redacted]

[Redacted]

The table below shows both Manager of Managers (MoM) and Front-Line Manager (FLM) data for Softlines. Due to the spans of control guidelines, [Redacted]

This data does not include open reqs.

[Redacted]

This has been taken into consideration for the implementation of our proposals. In order to retain talent within the organisation, we will ensure that all roles remain attractive for both ICs and Managers.

[Redacted]

The implementation of Hands Off the Wheel in SM will mean that through automation, SMs are removed from more tactical work and there is less work for humans. [Redacted]

[Redacted]

Instock Management, Planning & Pricing: The current organisations for Planning, Pricing and Instock were put in place when Softlines transitioned to a pan-EU business, [REDACTED]

[REDACTED] enabled greater focus on brands across the EU5 marketplaces driving improvement in CX, selection, vendor terms and growth. [REDACTED]

Since this change a number of business, process and systems changes have occurred:

- [REDACTED]
- There is a significant increase in the level of automation across all GLs – [REDACTED]
- Current and future tools and automation developments supporting SL specific use cases – [REDACTED]
- [REDACTED]

In addition to these changes and based on assessing the loss of progress in these areas with [REDACTED]

[REDACTED] This will ensure focus is regained on these areas, and we leverage this team to ensure all categories and countries receive the support required.

A review of the Instock, Planning and Pricing structure has taken place and the following structure is proposed. The top line summary is:

**Softlines Inventory Management** [REDACTED]

[REDACTED] To facilitate close working, the structure of the team is aligned with [REDACTED]

[REDACTED] Please see below summary organisation chart.

**Planning** [REDACTED] While the key tasks for planning [REDACTED]

[REDACTED]

[REDACTED]

**Pricing Excellence** [REDACTED] While this helps with execution of pricing tasks, and other tasks, the structure does [REDACTED]. The need for harmonization is becoming increasingly important both from a system point of view [REDACTED].

[REDACTED] We propose to [REDACTED]. [REDACTED] will be used to scale and expand the automation levels we have attained [REDACTED] in a more efficient manner. [REDACTED]

**Vendor Operations** [REDACTED] Shift the focus of the [REDACTED]. The teams will focus on [REDACTED] in order to bridge the gap to [REDACTED] in 2019, we would [REDACTED].

*Amazon Vendor Services (AVS):* In order to enhance [REDACTED]. The goals of this program are to [REDACTED]. [REDACTED]

*Business Development:* We have created a [REDACTED]. The objective of this function is [REDACTED]. ongoing management of the brand will move to the relevant Category Management team. [REDACTED]. [REDACTED]

*Category Management:* As a result of these changes the [REDACTED]. Within this proposed structure [REDACTED]. Category leaders will seek to achieve [REDACTED]. [REDACTED]

[REDACTED]

Given these changes, in order to [REDACTED] This will be done during [REDACTED]

it as the new organization embeds through the following actions:

1. [REDACTED]
2. Ensure clarity that the category management team [REDACTED] following implementation of the new structure.
3. [REDACTED] focus more on the Category strategy and business development, and less so on tactical operations.
4. In addition to point 2, [REDACTED] structures, they retain [REDACTED] to ensure focus on their categories' priorities.
5. Category Leaders and Heads of VM will [REDACTED] for both our customers and vendors. This will involve [REDACTED] We will create a mechanism to make this a more important and leveraged activity that remains lightweight.
6. We expect [REDACTED] There may be scope for some categories [REDACTED] though we expect this to be the exception rather than the rule. We plan to manage this transition through [REDACTED] in our proposal. We will evolve this structure and re-purpose roles as the [REDACTED]

As a result of [REDACTED]

program, categories' [REDACTED]

- Vendor Management: As part of the review of our organisation structure we are also reviewing [REDACTED] We will approach Vendor Management productivity and structure recommendations from (1) [REDACTED] manage vs [REDACTED] We are in the process of finalizing our plans [REDACTED] In this recommendation, we reflect having [REDACTED] We are also reviewing [REDACTED] shoes and apparel. We believe that all vendors will [REDACTED] The local country teams already [REDACTED] to focus on the [REDACTED] We considered [REDACTED] but felt those vendors have [REDACTED] and that this recommendation aligns with Org 2.0.

We will use the following tenets (unless you know better ones) when completing this review:

1. [REDACTED]
2. When brands belong to a group [REDACTED] we will base our decision on [REDACTED]
3. Strategic brands [REDACTED] to grow their business and drive growth. [REDACTED]
4. [REDACTED] are determined by indexed [REDACTED] in one country and/or best and direct relationship.
5. We will leverage [REDACTED] to manage the [REDACTED]
6. We will [REDACTED] (more on this through a different workstream)

Private Brands: Private Brands will [REDACTED] at this time with regards to the above proposed changes, other than Spans of Control. [REDACTED]

**Category Career Development:** Career development within Consumer has traditionally focussed on [REDACTED]. Within this new structure the traditional category functions are being reorganised into [REDACTED] functions. This combined with the span of control guidelines will [REDACTED] for employees who have been focussed on a career path [REDACTED]. This will predominately impact the [REDACTED] as this is the function where the [REDACTED] promoted from. Due to a move towards [REDACTED] development opportunities and long-term career paths will be established [REDACTED]. We will utilize career development tools and new online training modules to help employees understand career opportunities available to them.

[REDACTED] As a result of these changes, [REDACTED] realised to enable [REDACTED]. The table below provides a summary of the [REDACTED].



**Country Parity:** Due to the introduction of Spans of Control, [REDACTED] organisation structure. [REDACTED] minimal changes to the [REDACTED].

**Transition Process:** Softlines has conducted [REDACTED] the deprecation of [REDACTED]. One key learning from these projects is that a full and thorough [REDACTED] the business is impacted minimally [REDACTED]. Key learnings with regards to the change process from both these projects are:

- Ensure transparency from announcement, with clear timelines and communication [REDACTED]
- Provide support to [REDACTED] as soon as possible in order to be resolved
- Ensure consistency in communication and approach throughout the transition process
- Develop a project critical path that covers all stages of the transition and provides regular updates to all stakeholders
- Engage all stakeholders that have regular contact with the Softlines teams impacted and ensure they reinforce the communication message
- Plan for engagement post implementation. [REDACTED]

**Pros of the Proposed Structure**

- **Simplification:** Removes the complexity created by [REDACTED] and aligns the EU Softlines organisation with [REDACTED] as a result of the [REDACTED]

implementation of [REDACTED] activities. This project has recommended [REDACTED]

- **Accelerated Growth:** Enables us to accelerate growth by [REDACTED] invest in customer experience roles where we continue to [REDACTED]. The areas of focus for this investment are [REDACTED].
- **Ownership:** The proposed structure provides [REDACTED] the EU Softlines Organisation.
- **Business Development:** Category management roles are [REDACTED] enabling them to spend the majority of time on [REDACTED] on behalf of customers.
- **Speed of Delivery:** Expertise [REDACTED] to enable clearer strategic alignment, speed of decision making and delivery. The [REDACTED] will also result in increased clarity of role and opportunities for career progression. Our current structure with distributed ownership of these functions, results in [REDACTED] this will be resolved and enable us to take action quicker.
- [REDACTED] Duplication of workload is reduced due to [REDACTED] which reduces [REDACTED]. Realisation of this [REDACTED] will be achieved through [REDACTED] to accelerate delivery in roles that will support achievement of the Softlines' vision.
- **Stakeholder Management:** The Softlines organisation is moving to an enterprise structure requiring additional stakeholder management across functions rather than [REDACTED]. This will require new skills development which will be supported through training and coaching. Mechanisms and processes will be required to ensure clarity of responsibilities and communication across the organisation.

**Cons of the Proposed Structure**

- [REDACTED] These changes result in significant [REDACTED] it may be perceived that they have been [REDACTED] is [REDACTED]. In addition, some individuals who have been in [REDACTED] may require clarification of their long term career opportunities.
- [REDACTED] Resource and focus needs to be maintained [REDACTED]. It is essential that the centralised resource is not consumed by the [REDACTED]. This has been designed to be avoided by creating [REDACTED]. Following implementation it is essential this is audited by directors and function heads through business reviews and other mechanisms.
- **Future Leaders.** The career path for developing talent to multi-function Category Director roles [REDACTED] given the move to [REDACTED]. We will need to map out an appropriate path (or paths) to Category Director and Functional Director, and envisage this [REDACTED].
- **Compensation:** In our communication we will be stressing that although manager may [REDACTED] we will be affirming that [REDACTED]. If compensation is [REDACTED] this message.

**Proposed Timeline**

Date	Summary of Activity
31 January	Review Tiger proposal with [REDACTED] and make amendments as required
8 February	As part of the EU OLR, brief country managers on the proposed changes with initial sharing of SOC document already done
w/c 19 February	Communicate changes to Category Leaders and consult with them on communication plans, team members proposed moves and change management training
19 February – 12 March	Work with the category leaders to ensure the roles identified for each impacted employee is the most suitable for their skill set
w/c 12 March	Communication of the reorganisation to the Softlines business

26 March	New organisation implemented
26 March	Roll out of engagement strategy to support engagement with the new structure

**Appendix 1: Topline Organisation Charts for the Softlines Structure Proposed**

M-Team Structure:













