

Multichannel shift prompts radical restructure at Asda

BY BEN COOPER

Asda has embarked on massive restructuring and put 4,100 store roles into consultation as it realigns its business to reflect its multichannel priorities.

The changes could lead to as many as 2,600 people opting to leave the retailer rather than take on alternative lower-paid jobs, *Retail Week.com* revealed this week.

However the UK's second-largest grocer plans to create 1,500 new section manager roles and 3,500 section leader positions in-store, resulting in a net increase in overall headcount of 900.

The jobs under threat are at the middle manager level across Asda's 576 stores and the consultation period could last months.

Asda chief operating officer Mark Ibbotson said: "We haven't updated our structure for five to six years. We've got to have a business with an eye on the future. We believe we are about 18 months ahead of our competitors – they're all going to have to do this at some point."

John Lewis, Waitrose and B&Q



Asda boss Andy Clarke launched multichannel offers such as click-and-collect

have already conducted restructuring to position themselves for the shift to multichannel shopping.

An Asda spokesman insisted the initiative was not an attempt to slash costs but rather to improve customer service by allowing staff to spend more time on the shopfloor. He said it would also create roles that fulfil its multichannel needs.

As part of the restructuring Asda has created in-store ecommerce manager roles. Those shops with a significant multichannel offer will devote more senior staff to services such as click-and-collect and grocery home delivery.

Asda has invested heavily in multichannel and operates 300 click-and-collect points.

As part of the changes some key store roles are to be merged, including responsibility for clothing department George and overall non-food goods, which will be jointly held by one section manager.

Asda, which is owned by US giant Walmart, has taken the step after an initial trial of the structure in two of its stores, as revealed by *Retail Week* in November.

The latest restructuring follows the cutting of 150 jobs at Asda's Leeds headquarters and 50 at the Lutterworth offices of George in March.

The changes come amid a fierce battle on price among the grocers. Asda is ploughing £300m into bringing prices down this year. Tesco and Morrisons are also committing investment as they bid to stem the rise of hard discounters Aldi and Lidl.

Asda has managed to arrest its market share decline in recent months. It maintained a flat share in the 12 weeks to April 27 as Tesco fell 1.3% and Morrisons dropped 0.6%, according to Kantar data.