

RETAIL

## UK's Selfridges trims 450 positions as it prepares to reinvent retail and build back

July 29, 2020



*Louis Vuitton's fall-winter collection at Selfridges' Manchester department store in England. Image credit: Selfridges*

By LUXURY DAILY NEWS SERVICE

Selfridges will cut 450 jobs, or 14 percent of its workforce, as the U.K. department store chain struggles to cope with the fallout of the COVID-19 coronavirus outbreak.

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Anne Pitcher, group managing director of Selfridges, sent a letter to employees outlining the struggle ahead for the retailer. She drew attention to how consumers work, shop and socialize has changed since the pandemic.

"Like many others, we are feeling the effects and acknowledge that recovery will be slow, with sales this year forecast to be significantly less than they were in 2019," Ms. Pitcher said. "It will, without doubt, be the toughest year we have experienced in our recent history."

Retailers worldwide, along with hotels and restaurants, have been hardest hit with lockdowns, closures and social distancing.

In the United States, Neiman Marcus filed for bankruptcy, Nordstrom and Bloomingdale's parent Macy's had layoffs, and several non-luxury retailers threw in the towel as consumers switched to ecommerce and stopped visiting bricks-and-mortar stores.

Now, even as the pandemic rages on unequally in the U.S., Europe, Africa and Asia-Pacific, retailers and brands are cutting costs to prep themselves for rough times. The only outlier market is China, which survived the pandemic outbreak with minimal damage to its economy.



*Selfridges London. Image credit: Selfridges*

Ms. Pitcher outlined her thoughts on the family-owned **Selfridges'** journey in this letter:

#### AN IMPORTANT MESSAGE FROM ANNE PITCHER TO SELFRIDGES TEAM MEMBERS

Dear team,

Over recent months we have been through so much together. None of us have experienced anything quite like it and, sadly the challenges ahead remain very real.

The COVID-19 pandemic has forced change and caused us to rethink so many aspects of our lives and, will continue to do so as we adapt and respond to a new and evolving reality.

How we work, shop and socialize is changing. Of course, our high streets were changing rapidly before COVID-19 arrived. As a creative business at the forefront of retail, we have a proud history of leading the way, however the speed and magnitude of what is happening right now and the impact on trading, means we must make some more fundamental changes to our organization to stay ahead and realize a more sustainable future.

Like many others, we are feeling the effects and acknowledge that recovery will be slow, with sales this year forecast to be significantly less than they were in 2019. It will, without doubt, be the toughest year we have experienced in our recent history.

As you would expect at such a critical time, we have been carefully examining every aspect of our business; our structures, our costs, our ways of working from top to bottom, leaving no stone unturned to ensure we are fit for purpose and the future. This has involved reviewing all non-essential expenses as well as pausing projects and initiatives where prudent to do so.

Being fit for purpose doesn't just mean being efficient and flexible though it is also about making sure we are strengthening areas of our business that have become even more important to our customers since the pandemic, such as digital, sustainability and experiences.

The task ahead is significant and, as we look to reinvent retail and prepare to build back, we will need to go further. As a family business, the hardest decisions are the ones that affect our people which is why it pains me to share news today of the toughest decision we have ever had to take that we will, very regrettably, need to make a 14 percent net reduction in our overall headcount, approximately 450 roles.

As always and, as we have endeavored to do at every step of the COVID-19 crisis, we will use our values to help guide us through these changes and the difficult days ahead. We will lead with care and consideration, we will share our knowledge with responsibility and respect and, it is why we will do everything possible to mitigate the number of redundancies we propose to make. However, very sadly and with heavy hearts, we do go into this knowing that some people will be leaving us. For those of you on furlough leave, I do want you to know that this has no bearing on whether your role may be impacted or not.

With so much change over recent months, we do recognize that some of you may have taken this time to reflect on your own personal circumstances and lifestyle going forward. It is why there will be an opportunity to consider and apply for a number of flexible options during the process. For example, permanently adjusting working hours to support your work and home life, taking sabbatical, a career break or leaving the business with a voluntary redundancy package. A communication on this will follow tomorrow.

We will be commencing a period of collective consultation during which we will discuss these matters, through engagement with specially elected team member representatives and trade union representatives (where they are in place). In tomorrow's message we will share details of how to nominate and elect team member representatives for

the purposes of this consultation, as well as the timeline for the consultation process. Once team members have indicated whether they wish to be considered for voluntary redundancy (and subject to consultation), we will be able to let you know how our proposals and the headcount reduction may potentially impact you.

Nobody imagined when we started the year that things would unfold like this and lead us to having to make such momentous decisions. It is a huge responsibility and I appreciate how incredibly unsettling receiving this news today must feel, prompting all sorts of thoughts and emotions.

The coming weeks will be difficult for everyone but, as the Selfridges community has shown time and time again over these past few months, I know we will all do our very best to support each other.

Thank you for this and for your strength and professionalism in response to what continues to be one of the most challenging situations of our time. It is both hugely appreciated and admired.

With kindest regards,

Anne

Anne Pitcher

Selfridges Group Managing Director

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Selfridges (@Selfridges) [July 14, 2020](#)