

## Walmart Case Study

Walmart today is a global retail giant. According to Carbonara (2018), Walmart is the world's largest retail company with continued plans for global growth. There are many competitors, one of which is Amazon. How will Walmart continue to be a global giant in the years to come? In order to maintain the market leader position Walmart will be required to continually look for ways to out grow its' global competitors (2018).

In order to understand Walmart and where they are today and what tomorrow holds, it is important to understand their foundation. "Sam Walton opened his first five-and-dime in 1950. His vision was to keep prices as low as possible" (Wilbert, 2018, para1). Walton opened the first Walmart in early 1960's in Roger, AK (2018). One thing that has and will always remain a key component for all Walmart stores is to keep expenses low. There has always been a mentality behind the vision of Walton to demand that employees always keep costs to a bare minimum (2018). On average, "Walmart saves a typical American family of four about \$2500 a year. That's about what a family of four gets from the government in food stamps. That makes Walmart a major antipoverty force in the United States" (Kestenbaum, 2017, para3). Another factor to consider when thinking about Walmart is that "since 1990, the global rate of poverty has been cut by two-thirds. That's the sharpest decline in human poverty in all of history, more than one billion people have been lifted out of poverty during that period and Walmart is a major force in that effect" (2017, para 3).

Today, Walmart has grown considerably and continues to expand. Just to get an idea of how large this retail giant is:

- Walmart employs 1.6 million people.
- Walmart has 6,200 retail outlets. In contrast, Home Depot has 2,040. (Wilbert, 2018, Para4)

One might question, what does Walmart do to continue to be successful and keep costs to a minimum? There are several things that this retail giant has incorporated into the operations. First, "Walmart became the first major retailer to demand manufacturers use radio frequency identification technology (RFID). The technology uses radio frequencies to transmit data stored on small tags attached to pallets or individual products. RFID tags hold significantly more data than bar codes" (Wilbert, 2018, para6). Another interesting fact is that "Walmart is the single most important pipeline distributing wealth from rich countries to poor countries" (Kestenbaum, 2017, para3).

One concern pertaining to Walmart is how the employees are treated. It is well known that Walmart not only pays low wages, but they also will cut corners (Kestenbaum, 2017). Walmart tends to hire mostly

part-time workers (2017). Some may even say that Walmart “pay their workers poverty wages” (2017, para 4). There have long been ethical concerns in how Walmart operates and manages their employees.

### **Case Study Assignment**

Throughout your MBA program you will be covering various subjects as they relate to business. You will initially have an opportunity in this class to create and build your own Walmart in a new global location. Your choices of location include: Czech Republic, Egypt, New Zealand, Peru, Philippines, and United Arab Emirates. As you progress through each course in the program you will build upon your case study for Walmart.

The purpose of this Walmart Case Study is to give each student an opportunity to apply subject matter from each course in the MBA program to an ongoing strategic development. The knowledge gained on the case in each course will be cumulative. The knowledge will assist the student in demonstrating his or her ability to conduct critical analysis and decision making across a wide range of subject matter throughout the MBA program.

### **Methodology**

The case is based upon past and current information about Walmart and the country of destination.

1. Each student will select a country to develop his or her case from. The student will use the same country in each course of the MBA program.
2. The student will be responsible for gathering as much information as needed that will help the student with determining the course of action that Walmart should pursue in the company’s quest to growth and meet the needs of international markets.

### **References**

- Carbonara, P. (2018, June 6). [Walmart, Amazon top world’s largest retail companies](https://www.forbes.com/sites/petercarbonara/2018/06/06/worlds-largest-retail-companies-2018/#55ead67213e6). *Forbes*. Retrieved from <https://www.forbes.com/sites/petercarbonara/2018/06/06/worlds-largest-retail-companies-2018/#55ead67213e6>
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- Wilbert, C. (2018), [How Wal-Mart works](https://money.howstuffworks.com/walmart.htm). Retrieved from <https://money.howstuffworks.com/walmart.htm>

