

Political risk at wal- mart

Business



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Wal-Mart customers have based largely U. S population's beliefs (Overholt, 1982).

The strategy used by Wal-Mart to deal with political risk was first by opening up of new Wal-mart super-centre in certain cities and areas. They had to make good financial decisions, those areas which were disturbing the welfare of store and not making good profits were avoided. Wal-mart knew profits were not expected in areas which have down falling economy. For example, Wal-mart would initiative risk by making more than 1500 jobs in their stores. If the economy goes down the jobs would be eliminated, and they incur a financial loss because a lot of money has been used in training those employees. This brings a financial burden to the company. They expanded their stores in Brazil but it has its risk itself. Looking for people to hire and training them took a lot of money and time. Although, Brazil is a wealthy nation like the U. S any economic downfall if it was to happen would make the company incur lose to people, stores, and money (Overholt, 1982).