

Walmart's operations and management



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Walmart owns and operates retail stores throughout the world. It has three main segments: Wal-Mart Stores, SAM'S CLUB, and Walmart International Company Report"). It is the world's biggest retailer, with over 5700 stores, almost 75 percent of which are in the United States (" Company Profile").

Wal-Mart Stores is the company's largest segment and accounted for two-thirds of its total revenue in 2005 (" Company Report").

In the year 2005, Walmart held the top spot in Fortune magazine's ranking of the 500 largest publicly traded U. S. Companies. Is is the fourth time in a row that it has bagged the top spot (" Fortune 500"). Market analysts are of the opinion that Walmart will retain its top position (" Turning Point"). With this trend, it seems that Walmart will definitely continue its dominance in the consumer market, at least in the foreseeable future. It definitely does not hve a problem with the number of retail stores it owns; in the United States alone, it has about 3900 retail outlets (" Annual Dividend").

Walmart is a very aggressive company, and is currently opening about 1. 45 stores per day. Although Walmart shares have mostly not grown, it will most likely increase in the immediate future. In a research note, Edward Jones analyst David Powers said " We believe Wal-Mart's growth outlook remains favorable." Powers believes that by April this year, growth will accelerate to nearly 13%. (Van Riper)

Walmart's main concern is its slow growth rate, although this seems to be a minor problem at the moment. In January 2006 Walmart's same-store sales growth was 4. 7%, compared to the previous december's 2. 2%. (Van Riper)

It is interesting that Walmart has what is probably the world's largest computer database, in its 1000-person Information Systems Division. This database has a capacity of 460 terabytes, equivalent to almost half of the

information on the Internet. (Bianco)

Walmart is able to reduce payroll costs through automated generation and adjustment of work schedules, where stores are fully staffed only when they are busiest. Their centralized computer system takes care of this, generating hourly projections of customer traffic and merchandise deliveries. (Bianco)

H. Lee Scott Jr, the Chief Executive Officer, states in a speech that Walmart has "single-handedly raised America's standard of living, saving consumers about \$100 billion a year." "I believe that if you look at the facts with an open mind," he says, "you'll agree that Wal-Mart is good for America." (Bianco)

To compete with Walmart, many retailers bring their prices down, and the overall effect is that the dollar goes further than it would have without the "Walmartization" of the U. S. (Bianco)

Walmart has no tolerance for labor unions, says Martin Levitt, a consultant who helped develop anti-union strategies for Walmart. "In my 35 years in labor relations, I've never seen a company that will go to the lengths that Wal-Mart goes to, to avoid a union." (Bianco)

There are many union-free companies aside from Walmart, but what makes Walmart different in this regard is that it actually denies its extreme antagonism to labor unions. (Bianco)

Walmart is now a top player in world economy, and is poised to take over even more of the market. With its business practices and strategies, its future is definitely positive.

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