

Police organization and administration marketing essay

[Business](#), [Marketing](#)



1. Analyze the company's history, development, and growth.

Wal-Mart Stores, Inc. (formerly branded as Wal-Mart, branded as Walmart since 2008) is an American public corporation that runs a chain of large discount department stores and a chain of membership required warehouse stores. In 1983, Wal-Mart was ranked first among all retail shop chains by Forbes Magazine. In 2010, it was the world's largest public corporation by revenue, according to the Forbes Global 2000 for that year. The company was founded in 1962 by Sam Walton, a businessman from Arkansas. He opened the first Wal-Mart Discount City store on July 2, 1962 in Rogers, Arkansas. The company was later incorporated on October 31, 1969, and publicly traded on the New York Stock Exchange in 1972. In 1977, in a massive takeover, Wal-Mart acquired the Hutcheson Shoe Company and also introduced a branch for pharmaceuticals by the name of Wal-Mart pharmacy. Walmart, headquartered in Bentonville, Arkansas, is the largest majority private employer and the largest grocery retailer in the United States. In 2009, it generated 51% of its US\$258 billion sales in the U. S. from grocery business. It also owns and operates the Sam's Club retail warehouses in North America. Walmart operates under its own name in the United States, including the 50 states and Puerto Rico. Walmart operates in Mexico as Walmex, in the United Kingdom as Asda (" Asda Wal-Mart" in some branches), in Japan as Seiyu, and in India as Best Price. It has wholly-owned operations in Argentina, Brazil, and Canada. Wal-Mart's investments outside North America have had mixed results. Walmart's operations in the United Kingdom, South America and China are highly successful. Walmart was forced to pull out of Germany and South Korea when ventures there were

unsuccessful. Walmart's efforts have changed the world. The idea of retail shops, discount stores, and super-shops has changed the world of shoppers and consumers. Today the organization employs more than 2.1 million associates and direct employees. Walmart stores serve more than 176 million consumers worldwide, annually. Sam Walton and Walmart organization have been successful in setting an example before the world about maintaining values and also managing the never-ending growth and success.

2. Identify the company's internal strengths and weaknesses.

STRENGTHS

Walmart's strength is that it had developed a loyal customer and employee base. Walmart achieved this loyalty through good customer service, great pricing for the products they sell, and by moving to areas of the country that are often ignored by other retailers. Walmart offers employees flexible hours, competitive wages, health insurance, and discounts for their purchases.

Walmart is a powerful retail brand. It has a reputation for value for money, convenience and a wide range of products all in one store. Walmart has grown substantially over recent years, and has experienced global expansion (for example its purchase of the United Kingdom based retailer ASDA). The company has a core competence involving its use of information technology to support its international logistics system. For example, it can see how individual products are performing country-wide, store-by-store at a glance. IT also supports Walmart's efficient procurement. A focused strategy is in place for human resource management and development. People are key to

Walmart's business and it invests time and money in training people, and retaining a developing them.

WEAKNESSES

The weakness of Walmart, for example, is that in order for them to keep their pricing down, they need to buy in large quantities. This need can lead to an unreliable inventory. An unreliable inventory affects the customer in two ways: the customer may not always find the same items on the shelves and items may come in larger quantities than needed (buying in bulk).

Another weakness is that Walmart tends to keep more part time employees than they do full time. Walmart is the World's largest grocery retailer and control of its empire, despite its IT advantages, could leave it weak in some areas due to the huge span of control. Since Walmart sell products across many sectors (such as clothing, food, or stationary), it may not have the flexibility of some of its more focused competitors. The company is global, but has a presence in relatively few countries Worldwide.

OPPORTUNITIES

Walmart needs to focus on the future and improve their perception.

American consumerism was once only driven by cost. However, that is starting to change. People in America are beginning to perceive the larger picture meaning Walmart needs to start promoting positive ideals. To take over, merge with, or form strategic alliances with other global retailers, focusing on specific markets such as Europe or the Greater China Region.

The stores are currently only trade in a relatively small number of countries.

Therefore there are tremendous opportunities for future business in

expanding consumer markets, such as China and India. New locations and store types offer Walmart opportunities to exploit market development. They diversified from large super centers, to local and mall-based sites.

Opportunities exist for Walmart to continue with its current strategy of large, super centers.

THREATS

Currently in the nation's capitol, Washington, D. C., a brewing trade war is occurring between the U. S. and China. This poses a threat to Walmart's SWOT analysis. The result of this trade war could lead to higher prices and tit-for-tat tariff charges that could negatively impact their bottom line.

Another threat to Walmart's SWOT analysis is that Walmart employees are attempting to unionize. If this occurs, the unionization will have a ripple effect all the way through the company. This means Walmart's cost of labor would increase with no beneficial outcome. Being number one means that you are the target of competition, locally and globally. Being a global retailer means that you are exposed to political problems in the countries that you operate in. The cost of producing many consumer products tends to have fallen because of lower manufacturing costs. Manufacturing cost has fallen due to outsourcing to low-cost regions of the World. This has lead to price competition, resulting in price deflation in some ranges. Intense price competition is a threat.

3. Analyze the external environment.

WALMART PORTER'S 5 FORCES ANALYSIS

POTENTIAL COMPETITORS: MEDIUM PRESSURE

Grocers could potentially enter into the retail side. Entry barriers are relatively high, as Walmart has an outstanding distribution systems, locations, brand name, and financial capital to fend off competitors. Walmart often has an absolute cost advantage over other competitors.

RIVALRY AMONG ESTABLISHED COMPANIES: MEDIUM PRESSURE

Currently, there are three main incumbent companies that exist in the same market as Walmart: Sears, Kmart, and Target. Target is the strongest of the three in relation to retail. Targets' has experienced tremendous growth in their domestic markets and have defined their niche quite effectively. Sears and Kmart seem to be drifting and have not challenged Kmart in sometime. Mature industry life cycle.

THE BARGAINING POWER OF BUYERS: LOW PRESSURE

The individual buyer has little to no pressure on Walmart. Consumer advocate groups have complained about Walmart pricing techniques.

Consumer could shop at a competitor who offers comparable products at comparable prices, but the convenience is lost.

BARGAINING POWER OF SUPPLIERS: LOW TO MEDIUM PRESSURE

Since Walmart holds so much of the market share, they offer a lot of business to manufacturers and wholesalers. This gives Walmart a lot of power because by Walmart threatening to switch to a different supplier would create a scare tactic to the suppliers. Walmart could vertically integrate. Walmart does deal with some large suppliers like Proctor & Gamble, Coca-Cola who has more bargaining power than small suppliers.

SUBSTITUTE PRODUCTS: LOW PRESSURE

When it comes to this market, there are not many substitutes that offer convenience and low pricing. The customer has the choice of going to many specialty stores to get their desired products but is not going to find Walmart's low pricing. Online shopping proves another alternative because it is so different and convenient.

4. Evaluate the SWOT analysis.

Walmart is strongly competitive in today's market. Walmart's strengths significantly outweigh its weaknesses. Walmart can continue to pursue its current corporate-level strategy due to its ongoing success and continual expansion around the world. With 3, 200 stores in the United States and more than \$200 billion in annual sales, Walmart is at the top of the Fortune 500 list because it is a relentlessly profit-driven company. The Walmart Empire is built around four retail concepts. The basis of the company remains its discount stores, which have followed the same pattern since the company's founding in Rogers, Arkansas. The second concept is the Walmart

Supercenter that combines a discount store with groceries and perishables in a total inventory of almost 100, 000 items. The newest of the four concepts is the Walmart neighborhood market that provides the services of a traditional grocery store in a building format that is small by Walmart standards. The fourth retail concept is the Sam's Wholesale Club, which is basically a membership warehouse store that carries a constantly changing inventory of approximately 4, 000 items.

5. Analyze corporate-level strategy.

COMPANY MISSION AND GOALS

Saving people money so they can have a better quality life was a goal Sam Walton envisioned when he opened the first Walmart store more than 40 years ago. Today, with thousands of stores in a number of formats around the globe, this mission is embedded in Wal-Mart's business.

RELATIONSHIP AMONG BUSINESSES

Walmart's influence on its suppliers can be felt in the cheap products it sells and the jobs it drives overseas. To keep prices low, Walmart must source goods from areas of the world where employment standards are severely lacking. In fact, over 80% of Walmart's suppliers are from China. According to Duke University Professor Gary Gerreffi, "Walmart and China are a joint venture." Quintessential American businesses like Huffy, Mr. Coffee, and Master Lock have suffered under the weight of Walmart's pressure. With increased sourcing from India, local suppliers will increasingly have to meet unrealistic prices and quotas to satisfy their demands.

6. Analyze business-level strategy.

Walmart stores operate according to their "Everyday Low Price" philosophy. Walmart has emerged as the industry leader because it has been better at containing its costs which has allowed it to pass on the savings to its customers. Walmart has become a capabilities competitor. It continues to improve upon its key business processes, managing them centrally and investing in them heavily for the long term payback. Walmart has been regarded as an industry leader in "testing, adapting, and applying a wide range of cutting-edge merchandising approaches." Walmart has invested heavily in its unique cross-docking inventory system. Cross docking has enabled Walmart to achieve economies of scale which reduces its costs of sales. With this system, goods are continuously delivered to stores within 48 hours and often without having to inventory them. Lower prices also eliminate the expense of frequent sales promotions and sales are more predictable. Cross docking gives the individual managers more control at the store level. A company owned transportation system also assists Walmart in shipping goods from warehouse to store in less than 48 hours. This allows Walmart to replenish the shelves 4 times faster than its competition. Walmart owns the largest and most sophisticated computer system in the private sector. It uses a MPP (massively parallel processor) computer system to track stock and movement which keeps it abreast of fast changes in the market. Information related to sales and inventory is disseminated via its advanced satellite communications system. Walmart has leveraged its volume buying power with its suppliers. It negotiates the best prices from its vendors and expects commitments of quality merchandise. The purchasing

agents of Walmart are focused people. " Their highest priority is making sure everybody at all times in all cases knows who's in charge, and it's Walmart."

" Even though Walmart was tough in negotiating for absolute rock-bottom prices, the company worked closely with suppliers to develop mutual respect and to forge long-term partnerships that benefited both parties." Wal-Mart built an automated reordering system linking computers between Procter & Gamble (" P&G") and its stores and distribution centers. The computer system sends a signal from a store to P&G identifying an item low in stock. It then sends a resupply order, via satellite, to the nearest P&G factory, which then ships the item to a Walmart distribution center or directly to the store. This interaction between Walmart and P&G is a win-win proposition because with better coordination, P&G can lower its costs and pass some of the savings on to Walmart.

7. Analyze structure and control systems.

Since Walmart's inception, Sam Walton led by example. He emphasized frugality, customer service, and an open book policy. Walmart's culture focuses on building loyalty among associates, suppliers and customers. Associates are seen as playing a critical role in the success of Walmart and are given more responsibility and recognition than employees of competitors. Training is decentralized, and managers are given greater local control. Efforts are made to actively involve employees in the continued success of Walmart, and employee suggestions are often implemented at great cost savings. For example, more than 650 employee suggestions were implemented in 1993 at savings of \$85 million. Compensation is based on a

combination of salary/wages and incentives linked to profitability. Profit sharing and stock ownership plans (60% participation) link employee incentives to performance and profitability. Weekly meetings allow repeated emphasis and communication of company goals and strategy. Walmart's organizational structure has a centralized office but lacks regional offices, which minimizes administrative costs at savings of 2% of discount store sales per year. International diversification into supercenters should be a success for several reasons. Expansion into the food product line allows Walmart to grow strategically within the domestic marketplace by further leveraging its existing capabilities and competitive advantage. Diversification into food products is a natural extension of Walmart's product line and would provide increased flow into Walmart stores. Using the food product to drive customer traffic clearly takes market share away from general supermarkets and taps into yet another section of the market. Walmart's activities and capabilities are well prepared for introduction of food products. For example, Walmart's automated operations are well aligned to provide efficient inventory management of food items and local store managers are specifically trained to best meet local demand and maximize inventory turnover, a critical component to successful food sales given the perishable nature of the product. Providing low cost food products also reinforces the Walmart brand for its consumers and makes Walmart a "one stop shop" for all of the customer's needs, obviating the need for Walmart customers to shop elsewhere. Although Walmart will not likely be able to undercut supermarkets on brand name items due to the low margins of the food industry (1-2%), it can provide lower cost yet higher margin private label

food items (" Sam's Choice" label) that would appeal to its price sensitive customers.

8. Make recommendations.

Walmart should be cognizant of the brewing trade war occurring between China and the U. S. International expansion is critical to Walmart's continued long run success. Walmart has historically profited by its foresight to enter key geographic markets and benefit from an early mover advantage. This key piece of strategic positioning fits with international expansion. Walmart can succeed internationally if it continues to make strategic choices about expansion by remaining focused on its competitive advantage. Specifically, Walmart should concentrate on deepening its current strategic position by leveraging its existing activities and capabilities in the international arena rather than trying to grow by broadening into other areas in the domestic marketplace that compromise its competitive advantage. In order to "globalize" successfully, Walmart will need to pay particular attention to its execution in each country it enters and should choose to enter a country strategically based on local demand and the ability to implement its key set of activities within the chosen country. For example, prior to entry Walmart will need to examine supplier availability and understand supplier relations, which can often be affected by intercultural variations as well as local market dynamics. Walmart may need to provide suppliers with needed technology in order to fully automate operations. A greater initial investment may be necessary to ensure international success. Therefore, success will need to be gauged with a longer-run timeframe in mind. In other words, up front

infrastructure investments in countries such as China may show less profitability at the outset but should allow for greater long-term growth and returns. Cross-cultural training of associates will be critical to success at the local level in each different country. This should assure implementation of the Walmart corporate culture in a manner that is sensitive to local cultural customs and community needs. Walmart can ensure continued supplier access by forming joint ventures/partnerships with local large suppliers and providing them with an opportunity for increased profitability via the partnership. Another alternative is to acquire suppliers of key products in order to ensure consistency and efficiency of inventory management. To be successful internationally, Walmart should stay focused on implementing its competitive advantage while at the same time, avoiding a "cookie-cutter approach" to implementation by understanding and fine-tuning its capabilities to better serve the target country. Overall, globalization should be successful for Walmart since it opens up a larger market within which to implement the company's focused and well-developed strategy. Walmart should also attempt to hire more full-time employees. It is important to keep the customers happy but it is equally important to keep the employees happy. The employees are the individuals that interact with the customers. An unhappy employee will not have the motivation and desire to give excellent customer service. Unsatisfactory customer service can begin to shake customer loyalty. If employees are unhappy, they will want to unionize with greater urgency. Walmart should also attempt to have a more reliable inventory. Customers will become unhappy if the product they are accustomed to buying is not in stock. Also, customers do not want to buy in

bulk all of the time. This dissatisfaction of customers can lead them to go to Walmart's competitors such as Target and Kmart. Overall, Walmart has to continue to focus on providing good quality products at low prices in order to keep the consumer satisfied. It has to make sure employees are satisfied by offering more full-time positions. Although the cost and quality of the product affects consumerism, the image of a company also has an impact on consumerism as well. Walmart has to maintain a friendly, family-oriented image to the public in order to keep the loyalty of its consumers.