

Example of the wal- mart stores business analysis research paper

[Business](#), [Company](#)



\n[[toc title="Table of Contents"](#)]\n

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1. [Introduction](#) \n \t
2. [SWOT Analysis for Wal-mart](#) \n \t
3. [Weaknesses](#) \n \t
4. [Opportunities](#) \n \t
5. [Threats](#) \n \t
6. [Internal and external stakeholders](#) \n \t
7. [How is Wal-Mart fulfilling stakeholders' needs?](#) \n \t
8. [What to do on unfulfilled stakeholders' needs](#) \n \t
9. [References](#) \n

\n[/toc]\n \n

Introduction

Wal-mart store has topped the Fortune 500 list for two years in a row in the annual ranking of America's largest corporations. The retail goods and households dealer has been in the position for the eighth time now after beating Exxon Mobil (Wal-mart Stores, 2011). Its current profits stand at approximately 17 million U. S. dollars for the financial year ended January 2011 (Wal-mart Stores, 2011). Sales in the U. S. stores have declined for the last eight consecutive quarters (Our stakeholders, 2011 Nov 15). Although, it's global revenues still remain high. In response, it is restocking the shelves

with lower-priced goods to attract customers. Wal-Mart has also planned to by a South African retailer, Massmart Holdings.

SWOT Analysis for Wal-mart

Strengths

- a) Wal-Mart is a well known, strong brand with an international presence. It has built a strong reputation with common people with its low-pricing strategy in attempts to encourage their spending.
- b) Wal-mart has rapidly expanded its operations to other countries through buyouts of foreign retailers For instance, the planned buyout of South African retailer, Massmart Holdings.
- c) The company has a strong inventory management to enable it to track movements of its worldwide merchandise. It also keeps track of fast moving goods. Such goods are adequately stocked in her shelves so that at any time there are no shortages.

Weaknesses

- a) Wal-Mart has expanded to over 70 countries all over the world. This will require huge span of control likely to weaken it in some areas.
- b) Have to buy bulk of inventories in order to keep its prices low.
- c) Accusations of internal discrimination of female workers.

Opportunities

- a) It can have successful take-over, mergers, and buyouts of other foreign stores in strategic areas.
- b) It has a potential on exploiting new markets hence increases in its global

revenues.

c) Promotion of environmental conservation and reducing gas emissions.

Threats

a) Increasing numbers of courts cases files against the company on allegations of discrimination.

b) The impact of employees' unions.

c) Political interferences on claims of exporting jobs in America hence exposing it to scrutiny.

d) Wal-Mart is the world largest retailer in terms of profitability. Therefore it is the target of competition from its rivals.

Internal and external stakeholders

Wal-Mart has four major strategies to meet the needs of its stakeholders; rule in the retail products market, expand in the international markets, create a strong brand; and invest in new retail products line. Hülsmann and Pfeffermann (2011) outline internal stakeholders to include customers, suppliers, creditors, and employees. They are also called market or primary stakeholders. They influence the affairs of the firm in a major way. External or non-market stakeholders include general public, communities, and media among others.

Both groups of stakeholders will vary in terms of their needs, wants and values (Hülsmann and Pfeffermann, 2011). Its employees are advocating for job security and a medical care system be put in place for all types of workers. Recently, Wal-Mart has been taxed with allegations of workers

discrimination, especially female and temporary workers. They are also demanding increase in their take home pay, adequate staff, and equal treatment. Customers will need attention, good value for their money and mostly important meeting their expectations. They also like the convenience of shopping a variety of goods under the same roof.

In the US, Wal-Mart has had lawsuits filed against her by a largest employee group through local employee union called Living Wages. They have consistently clamored for changes to be made on employment policies on allegations that they are discriminatory. However, the accusations were not established. Expansion strategies being pursued by Wal-Mart will in the long run create jobs for the communities. It will help improve their local economy. They would like to be guaranteed of a clean environment.

How is Wal-Mart fulfilling stakeholders' needs?

In a message to its stake holders, Wal-Mart has promised that meeting their needs is the organization's core business. There is a continuing discussion with various stakeholders' representatives to sort out these issues. Through a forum called Sustainable Value Network (SVNs), it has engaged with various stakeholders to see how they can mutually benefit. The major focus has been on environmental conservation measures.

Wal-Mart established a benevolent foundation called Wal-Mart Foundation's State of Giving Program. Through the program, it has provided grants to community projects and local organization as a way of exercising corporate and social responsibility. Such projects will create a good name for the firm

and indirectly affect the performance of its products in the market. In order to increase returns to providers of liquidity, it has embarked on strategies to raise its profitability levels hence increasing their returns.

In response to allegations of sour employee relations, Wal-Mart has reviewed its employment policies. The company has introduced a new plan to cover its employees' medical costs. However, the policies have increased premium costs of healthcare for the employees especially the part-time workers. It has begun charging higher rates for smokers! With a slip in last quarter's profitability, the retailer has decided to lower its prices even further so as to pull customers back to its shelves. It has also come up with a new initiative to provide customers with more affordable and healthier products. Such strategies are meant to meet the ever changing needs of the customers.

What to do on unfulfilled stakeholders' needs

A large population of employees in Wal-Mart is still underpaid. With the rising premium costs of healthcare, they will hardly be able to meet their subsistence. Wal-Mart has to come with strategies of meeting the medical cost of such underpaid part time employees through proper medical plans. They can start contributing towards the new medical cost-sharing plan. Lowering of prices is still not enough to lure customers. Wal-Mart should enhance its sales package through other value added services for instance after sales services. Such initiatives can attract many customers. It also has to rebuild its customer loyalty in the US market. Lastly, employees are very important to how the organization runs. They drive the organization policies and implement its strategies. They have to be motivated.

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