

Using strength and grabbing opportunities essay



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It was mentioned that as Wal-Mart grows, the stronger it becomes, so the strength of the firm remains intact and utilized in every forward step that the company makes. The maximization of sales floor space could be done in three ways. First would be to reconstruct the supply and distribution channel to allow for changes to the internal floor store space.

Second, the opportunity should be taken at some of their stores to expand the physical store space itself.

As stores are renewed and redeveloped, opportunities should be taken where possible to expand the size of the ' box'. The third element of store portfolio development could be the most difficult and most controversial. Wal-Mart should seek to expand the actual number of stores in the chain. Some organic growth has been possible. This space, however, has not necessarily been in the chain's preferred locations, and some of these are replacement stores.

Planning permissions generally and for extensions specifically have become more problematic, under revised and stricter government interpretations of national planning policies, thus the other quicker method of increasing the store portfolio should be followed, and this is through acquisition. The increase in the use of the Internet for shopping could be used to their advantage by redesigning their website to become more pleasing to the eyes and having better response time for their site search engine and email response. Strengthening Weaknesses and Avoiding Threats

As pointed out, one of their major weaknesses is their internet presence. As the last sentence of the previous section suggests, an overhaul of their

website is called for since it is traced that their website is not the most popular choice for buying things from the company. Wal-Mart needs to focus more on how to attract customers to their online store, by perhaps offering lower product prices on the internet site than what is posted right now, since it was diagnosed that one of the main factors why online sales are small is because prices on the website are significantly higher than those in the physical stores.

Employee policies also need to be redesigned, as the current one does not seem to be working for Wal-Mart employees.

The consequences of opening of new stores might prove more difficult for the firm if the threats are not addressed, which is why policies for new store opening also need to be reconsidered. Growth Potential The success of Wal-Mart's growth model is legendary. The company has grown from a single store in a remote part of the United States to become the largest, most powerful retailer in the world.

It is a strong assertion of this paper that Wal-Mart CAN continue to grow, if only for the fact that at the core of their success lies a single powerful and tried and tested message: create a simple business model that provides consumers with the products they want at rock-bottom prices. Wal-Mart has been able to leverage and replicate its core strengths: its process for selecting new store locations, its vendor negotiation and relationship management process, and its supply chain management systems.

The powerful concept behind these strengths is that as Wal-Mart grows, the strengths are reinforced.

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This rock-solid foundation is the reason why the potential to grow more than where they are right now is an extremely plausible direction. Wal-Mart also embraces many other traits of operationally excellent growth companies. It capitalizes on the consolidation of its supplier industries.

In fact, Wal-Mart is so big that it regularly accounts for one-third, or more, of the sales revenue of consumer product giants such as Procter & Gamble and Mattel (Marquard and Birchard, 2007). The bigger Wal-Mart becomes, the greater is its purchasing power and economies of scale in its supply chain. This means that it can continuously improve its cost position and offer even lower prices to consumers, which in turn allows it to increase market share and start the growth process again.

Essentially, Wal-Mart's business model allows it to become even stronger as it expands its business. It is a powerful growth engine, so little doubt is left in anyone's mind about its future course.

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