

One nation under wal-mart essay

Government



Wal-Mart was owned and guided by its founder. Sam Walton actually owned a variety of stores as early as the 1950s. During that time his business faced intense competition from other retail discount stores. Wal-Mart store formally began or opened in Rogers, Arkansas in 1962. Sam Walton has studied carefully what American consumers want about discount retail stores, having a vision he and his wife Helen used 95% of their money to put up the first store. The business shows good signs and continues to expand so by 1964 Wal-Mart had 24 stores in Arkansas already with \$ 12million in total sales. Five years later Wal-Mart has opened stores outside the state of Arkansas which was in Missouri and Oklahoma. Other stores at that time include Kmart and Target. By the year 1972, Wal-Mart goes public when Wal-Mart stock was first offered to the New York Stock Exchange with the infusion of capital the company experience growth having 276 stores in 11 states by the end of the decade. By the year 1980s, Wal-Mart comes of age as the first Sam's Club Member's Warehouse Store was opened.

In 1988 the first supercenter opened that features a complete grocery and 36 departments of general merchandise. The following year there were 1, 409 Wal-Mart stores and 123 Sam club's locations. The employment had also increased by tenfold and sales grew from \$1 billion in 1980 to about \$26 billion. The company was guided by founder Sam Walton's passion for customer satisfaction and the slogan " Everyday Low prices". The company's mission statement has been " Wal-Mart's mission is to help people save money so they can live better. " Sam's secret is to give customers what they want. At present, it is one of the most successful retailers in the world with 8, 000 stores and club locations in 14 markets employing more than 2. 1 million

associates serving more than 176 million customers a year. Company Overview Wal-Mart Stores (Wal-Mart or "the company") is a leading business retail industry included in Fortune 500 companies. In the US it has five retail formats operation namely discount stores, supercenters, neighborhood markets, market side, and Sam's Clubs.

Internationally, the company has operations in several countries like Argentina, Brazil, Canada, Chile, China, Costa Rica, El Salvador, Guatemala, Honduras, India, Japan, Mexico, Nicaragua, Puerto Rico, and the UK. Wal-Mart's business headquarter is in Bentonville, Arkansas, and is now employing 2.1 million people. The company recorded revenues of \$405,607 million during the financial year (FY) ended in January 2009, an increase of 7.1% over 2008. The growth in Wal-Mart's revenue is primarily attributable to strong growth in comparable-store sales, in the US. The company's comparable-store sales in the US increased by 3.5% in FY2009 as compared to 1.6% in 2008. The strong growth in comparable-store sales is due to an increase in customer footfall and in the average transaction size per customer. The growth in net revenue has partially supported the growth in operating income and net income. The operating profit of Wal-Mart during FY2009 was \$22,798 million, an increase of 3.6% from 2008. The net profit was \$13,400 million in FY2009, an increase of 5.3% over FY2008.

Strong financial performance in Wal-Mart's US operations, which constituted 82% of the company's total operating income, pushed the overall profits up. Wal-Mart's US operations recorded a growth of 7.1% in operating income. The growth in operating income indicates Wal-Mart's efficiency in managing cost and leveraging expenses in the US. Strong growth in operating profit

translated to robust growth in net profits. Other drivers for growth in net income include income from discontinued operations.