

# Research paper on organizational structure of wal-mart stores inc.

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(your university's name)

Wal-Mart Stores Inc. is a leading wholesale and retail chain founded in the US. Today, Wal-Mart has established its stores and business units in all major parts of the world. With “ 11, 000 retail units in 28 countries”, Wal-Mart has expanded globally to be named as the largest retailer in the world (“ Our Story”, 2015). The paper examines and analyses the international organizational structure of the company.

Wal-Mart has three business segments viz. Wal-Mart U. S., Wal-Mart International and Sam's Club. The Wal-mart U. S. and Sam's Club comprise the company's operations in the US. The Wal-Mart International segment comprises of the company's operations outside the U. S. and is represented in three major brand categories viz. Retail, Wholesale and others (Wal-Mart Stores, Inc., 2015, p. 63).” Wal-Mart became an international company in 1991 and it presently leverages global resources to meet local needs in more than 6, 100 stores internationally” (“ Our Story”, 2015). Wal-Mart's 2015 Annual Report shows that its international division has generated increased sales by 3. 6% and earned more profit in comparison to its previous years (p. 6).

Wal-Mart has successfully been able to expand its operations in South America, Europe, Canada, Asia and Africa in recent years. It however, failed in countries such as Korea and Germany. It has achieved a ton of success in South and Central America especially in Argentina, Chile, Brazil and Mexico where it is benefitted in being the largest retail store available. Expansion projects in other parts of the world like China and Europe have been brilliant for the company as well. It also has successfully entered the markets of

Africa, Japan, India and United Kingdom over the years. Wal-Mart reports that “ it serves more than 176 million customers each week globally” (“ Our Story”, 2015).

“ Wal-Mart International is the second largest segment in Wal-Mart Stores, Inc. and it has grown through acquisitions, as well as by adding retail, wholesale and other units.” (Wal-Mart Stores, Inc., 2015, p. 19). These sub-units consist of numerous supercentres, stores, supermarkets, hypermarkets, distribution centers and warehouse clubs. Wal-Mart supercentres serve as a one-stop shop for electronics, digital media, apparels, home furnishings, groceries and the like. The stores are generally named as Discount stores which provide all kinds of home and food accessories and supplies. Supermarkets or neighborhood markets serve as convenient stores for consumers which provide food items such as vegetables, dairy and meat products under a single roof. The Distribution centers act as a supplier to all stores and shops under the company in various locations. The warehouse clubs provide storage facilities to keep the supplies.

Wal-Mart is considered to have a three-dimensional matrix business organization. It is one of those companies which can successfully and beneficially execute a matrix organization. Galbraith (2009) explains matrix organizations are, “ Those companies which operate and distribute to different customer segments in multiple countries through multiple business channels.” Rightly so, Wal-Mart has been able to establish its operations worldwide with the help of a matrix. According to Loganathan (2013), Wal-Mart was able to open Sam’s Club in Mexico because of a joint venture with

Cifra, a retail company. Similarly, it purchased 122 Woolco stores to commence operations in Canada and purchased 35% interest in Trust-Mart for establishment in China. Further, it acquired 100% stake in ASDA in the UK and 6.1% stake in Seiyu in Japan to maintain its global matrix. Moreover, Wal-Mart also acquired a majority stake in Massmart Holdings Ltd. and D&S in South Africa and Chile, respectively to operate stores in those countries. In India, Wal-Mart operates as 'Best Price' as per an agreement with Bharti Enterprises. Wal-Mart has a structured matrix system in order to establish itself as a branded retail chain store on the global front.

## References

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