

Social work paper on walmart



**ASSIGN
BUSTER**

Capitalism is an economic system whose open markets encourage competition in the private sector. Everyone has an equal opportunity to compete in such a marketplace and the end-state customers are the stakeholders that decide which companies to support and purchase from. In the United States the one of the greatest success stories is the retail giant Wal-Mart Corporation. Wal-Mart is the world largest retailer and the biggest corporate employer with over 1.3 billion employees. Wal-Mart is a controversial firm because of being able to amount great power which it penetrates and establishes a store in the social and economical stratosphere of the communities they penetrate and establish a store. This paper discusses the positive and negative aspects of having a Wal-Mart store in your neighborhood.

Wal-Mart became the largest firm in the world by utilizing a business strategy that emphasizes supply chain superiority that translated in the firm being able to offer its customer a greater product variety and lower prices. The people in the community benefit as consumers of Wal-Mart because the company provides them savings in essential items for their family such as clothes, food, medicine and household merchandise. In small rural towns a Wal-Mart establishment provides a great advantage for the consumers because in these regions the amount of business activity and alternative buying options are limited, thus having a place where the consumer can purchase everything they need in the same store is tremendous. The families obtain transportation cost savings, a higher supply of products, and save time by choosing the Wal-Mart alternative.

The presence of a Wal-Mart has a great impact in the community. These establishments create lots of jobs for people of all ages. These establishments occupy large physical facilities that generate high property

taxes and million of dollars of annual sales which boost the tax collections of the towns and cities. The problem with Wal-Mart is that they hurt the retail activity of other business in the community which can not offer the same prices or product variety. The job creation a Wal-Mart offers for a community is offset by the job losses due the closure of small business as a consequence of Wal-Mart moving into the neighborhood. A study perform between 1977-1998 found that for every 100 jobs Wal-Mart creates, 50 retail jobs and 20 wholesale jobs are lost (Renkow, 2005). To add to the problem the community are downgrading the quality of the job creation since most of Wal-Mart job offering is for part-time workers.

The proliferation of capitalism, deregulation, technology and globalization are some of the factors that have allowed the creation of a powerful firm such as Wal-Mart. In its purchasing cycle the company obtain the best prices by having thousands of supplies from different parts of the world. The companys logistics implement high solutions such as radio frequency identification tags (RFID) to become more effective. A RFID is small electronic device that transmit a signal that allows the location to the item to be identified from a high distance (Alenxandrous, 2008). Wal-Mart was able to achieve economies of scale due to its expansion efforts overseas.

The business case of Wal-Mart has been good for the marketplace. The expansion and globalization of this company provides a great model for other companies to follow. Many of Wal-Mart became more efficient in order to be able to compete which help the industry and the customers. I am a firm believer in the open markets and that the best business deserves a higher market share. Wal-Mart should continue its expansion plan and should be welcome in many places. In the only places I do not support the presence of

a Wal-Mart in small towns with simple marketplaces where a Wal-Mart cannibalize the market and hurt the local economies.

Works Cited Page

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