

Wal-mart supply chain essay sample

[Technology](#), [Innovation](#)



Wal-Mart has been around since 1962, when founder Sam Walton, took the lessons he learned while operating a chain of Ben Franklin dime stores, and applied them to his new venture that he called Wal-Mart. Walton wanted to offer a large selection of items at discount prices to people who lived in small towns (Hoovers Pro, 2010). To become the discount store powerhouse that Wal-Mart currently is, innovation was crucial, especially in the areas of supply chain management. This purpose of this paper is to look at how Wal-Mart used innovation to improve the logistics of the supply chain and pass the savings along to the consumer, the impact on the organization and the reasoning behind the innovations (Chandran, & Gupta, 2003). Furthermore, this paper will examine the role that ethics plays and how the leadership of the Wal-Mart has transformed it.

Case Study Introduction

Wal-Mart founder Sam Walton had straightforward reasoning as to why his company was so successful: When we arrived in these small towns offering low prices every day, customer satisfaction guaranteed, and hours, that were realistic for the way people wanted to shop, we passed right by that old variety store competition, with its 45 percent mark ups, limited selection and limited hours. This philosophy would reverberate repeatedly in the case study prepared by Chandran, and Gupta (2003). The case study detailed the ways that Wal-Mart used innovation from the 1980's until the present to streamline the supply chain process in an attempt to reduce costs, implement an economical way of distributing products from vendors and distribution centers, and to advance the management of the logistic systems as a whole. Innovation did not start with the procedures identified in the case

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study; Wal-Mart also had an innovating way of selecting store locations in place as early as the 1970's. Curasi and Kennedy echoes Walton's words in their (2002) study. The study showed that Wal-Mart's selection of stores in small towns, gave a sense of freedom to their new customers, since they were no longer at the held prisoner by the small town retailers who had high prices and small selections.

In the 1980's Wal-Mart's presence was beginning to be noticed by the retail market. They focused on giving customers a great price, and a sizeable selection, but as Wal-Mart continued to grow problems began to arise as more and more stores began opening, and distribution centers were finding it hard to keep up with increased demand. This forced the management to think of new and innovative ways to keep up with demand, while at the same time not altering Sam Walton's values. Several parameters were set in place to ensure that customers were the continued focus, while continuing to offer products and services at prices lower than the competition. The predominant consensus detailed the need for a redesign of the supply chain. The redesign should encompass innovative technology, and ingenuity, to speed up and minimize the cost of product distribution.

Impact to the Organization

The improvements on the inventory system and supply chain management, allowed Wal-Mart to become the number one company in the world based on revenues for the year 2002. The management marched to the drum of keeping the customer satisfied and prices low. They obtained these goals by reducing the amount lead-time for products ordered for the distribution

center to the time of delivery, faster inventory turnover, accurate forecasting, increased warehouse space, and better utilization of working capital. Wal-mart put a significant amount of its capital to work with expansion of the Wal-Mart name into Mexico in 1992, and 1994 into Canada. By 1997, they were the largest retailer in both Mexico and Canada.

Also in 1997, Wal-Mart set up shop in Germany with the purchase of 21 stores that were previously supermarkets. Wal-Mart also has ventures in Brazil, South Korea, China, the UK, and Puerto Rico (Hoovers, 2010). Sam Walton's legacy of modesty, unpretentiousness, frugality, drive and energy are still present today. Executives at Wal-Mart, adorn their offices with unpretentious furniture and decor. The considerable power that Wal-Mart yields allows for unusual agreements with their vendors, local municipalities, and labor (Fishman, 2006). With the revamp of the supply chain, in 2001 Wal-Mart also was able to make significant strides towards efficiency and cost savings, by terminating 100 employees from their Bentonville, Arkansas headquarters and also eliminating 300 positions that were unfilled (Hoovers, 2010).

The power and influence that Wal-Mart has gained over the years has allowed for advancements in the retail industry. In the early 1990's Wal-Mart demanded that their vendors reduce the amount of shipping waste (cardboard or plastic packaging the adds bulk and cost to the price of the item, but it not necessary) so to appease Wal-Mart their vendors reduced the amount of shipping waste from all items sold to all retailers (Fishman, 2006). Power also corrupted the store managers. The allegations made toward Wal-

Mart for a period of 1994-1999, that managers asked employee to punch-out and work unpaid overtime. In 2004 a federal judge rules that Wal-Mart had to pay its employees overtime (Hoovers, 2010).

Boarnet, Crane, Chatman, and Manville detailed in their (2005) study on the challenges being faced by the retail market, that Wal-Mart's reach also goes far beyond the managers, customers, truck drivers, and employees. Wal-mart is the eight largest customers of products made in China. Their economic influence had increased the productivity of the United States, and at the same time slowed the pace of inflation. A (2009) profile of Wal-Mart compiled by Datamonitor shows that the innovation that they used to streamline the supply chain and better uses of working capital, allowed Wal-Mart to venture into different directions. The year 2000 saw for the first time that Wal-Mart offered household appliances such as washers, dryers, refrigerators, and ranges. In 2001 Wal-Mart began is " No Boundaries," a private label cosmetics line.

SWOT Analysis

Knowledge Management (KM)

Appreciative Inquiry (AI)

(Robbins & Judge, 2010)

System for the Case Study

Wal-mart found several ways to change their distribution of products from their distribution centers and vendors. The first cost-cutting step was for

Wal-Mart to purchase a fleet of trucks to for both, picking up products from vendors, and to delivers products from the distribution centers to the individual stores. This action significantly cut down on the cost of delivering the products, and it streamlined the procedure. This was noteworthy, because products sold at Wal-Mart only had a 3% mark-up due to transportation cost, while most of the competition had a 5% mark-up. Wal-Mart was stringent in the selection of drivers. They set up a rigorous selection procedure. They would only hire experienced drivers who focused on customer service, had 300, 000 accident free miles and no major traffic violations, and once they were hired, they needed to follow a stringently devised set of rules.

The second step used by Wal-Mart was the switching of the inventory system from the previous system to a much-computerized system, which utilized bar codes and hand held scanners. This allowed for Wal-Mart track inventory levels, which also allowed the automatic ordering of items from the distribution centers and vendors when stock ran low. This was significant for Wal-Mart because, it provided a constant availability of items. Later improvements to the system included the adding a sophisticated algorithm to forecast sales and product need; consequently, this allowed the distribution centers to increase shipment in anticipation of increased sales periods.

With the push for increased levels of autonomy, Wal-Mart made another decision that allowed store managers to select for several different plans for inventory delivery, based on the nuances of the individual store (i. e. staffing

levels, or directives set forth by the local municipalities). Later advancements to the inventory system, include the addition of radio frequency identification (RFID) tags, and stand mounted bar code scanners, which allowed for quicker check-in of palletized products, and shipping containers. In 1991, Wal-Mart progressed in the inventory system further, by spending \$4 billion on a system that linked all of the retail locations, distribution centers, and vendors. The new system was similar to the older system that would automatically order products for stores from the distribution centers when quantities were running low, but it went one-step further it would place orders with vendors for these items, allowing for a more efficient process. The new system was also able to use the algorithm to forecast sales for the retail locations to forecast product need for the distribution center.

Purpose of Innovation

Innovation at Wal-Mart has a purpose, going back to Sam Walton's first store in 1962, customer satisfaction and low prices have always been at the core of the Wal-Mart way of business. Now with Wal-Mart crossing into new territories whether it is a new store in a new location or even operating in new countries, Wal-Mart needs to keep in mind all of the innovated ways that took them from single store in 1962 to the number one retailer in the world in 2002. Wal-Mart has threats out there from completion in all forms, continuous recalls of products (both national brands, and private labels), to fluctuations in the (US) dollar and other foreign currencies, plus Target has

recently begun a program for matching Wal-Mart's prices (Datamonitor, 2009).

Knowledge Management Selection for Supply Chain Management

The SWOT analysis provided two different systems that could lead innovation at Wal-Mart, KM, and AI. AI details ways that Wal-Mart could continue to utilize their influence with vendors, and continue to develop the strong relationships that they have formed with their satisfied customers. While AI has its positive side it would hamper Wal-Mart by ignoring problems areas, such as employee relations and competition from other retailers such as Target and K-Mart. Though KM is not a perfect application, it is an application that they have some experience with. In 2008, Wal-Mart also took the principles of KM and applied it to the relationship between the stores and the shoppers, and the corporate headquarters and the individual stores with the inception of the Wal-Mart Smart Network, a closed circuit television broadcast, broadcast throughout the store during operation hours for customers and during nonoperational hours for employees. This keeps shoppers up-to-date with upcoming events at Wal-Mart stores, such as new product launches, and sales. This also allowed for information to be transmitted to the employees keeping them up to date with changes at the stores, upcoming events similar to the customer feed, and changes in expectations, changes in the day-to-day operations of the organization, and other important information (Datamonitor, 2009; Robbins & Judge, 2010; Chandran & Gupta, 2003).

Through further analysis of the case study presented by Chandran and Gupta (2003), Wal-Mart already uses some practices of KM in their supply chain management. The current systems limits the transfer of knowledge and data to product sales levels and the inventory needs of the individual stores and distribution centers. A new development implemented into the current system allowed for the bypass human involvement in the supply chain process. With the selection and implementation of a formal KM plan would not only allow for Wal-Mart to work the kinks out of the supply chain management system but it would furthermore allow for Wal-Mart to patch over problems that they have had with store managers in the past. These problems include wage discrimination, and not paying overtime pay to entitled employees, but mostly it will allow for some of the autonomy that is currently present in the supply chain management process to be rolled back giving more control to the managers of the individual stores (Datamonitor, 2009; Robbins & Judge, 2010).

Implementation and Application of KM to Improve Innovation

Wal-Mart is already using some aspects of KM in their supply chain management and other aspects within the organization, these changes has been detailed in the previous section, but further improvements are needed to further increase efficiency practicality in the supply chain system. As seen previously in this study, the supply chain process revamp allowed Wal-Mart to utilize the volume discounts on products that Wal-Mart receives, through combining the needs of the individual stores into one lump, in essence allowing the individual stores to act as one large store. The system needed

further changes to simplify the distribution process for products, by limiting the input and influence of store managers (Datamonitor, 2009; Chandran & Gupta, 2003).

The first step in improving KM in the supply chain system is to try to remove as many barriers to communication process. Furthermore, there needs to be improvements made to ensure that there is a consensus as to the sharing of information, at what levels the information needs to pass through, and how quickly the information is passed to the correct individuals. This is paramount for the supply chain, as the entire system revolves around to the extent to which the decisions being made quickly, and correctly. These decisions need to be quickly decided upon with a meeting and matriculated down to the employees using the Wal-Mart Smart Network, and memos. Another technique needed for the implementation of KM into the supply chain process will require the stores to test all potential employees for communication apprehension, or people's inability to communicate effectively. This is important because Robbins and Judge, (2010) show the link between efficient communication and employee satisfaction.

Challenges to adding KM to Supply Chain Management

Many barriers exist with implantation and refinement of KM on the supply chain management. The problems include, filtering, selective perception, information overload, emotions, language usage, and communication apprehension. Filtering and selective perception are the largest problems facing Wal-Mart and further development of innovation in their supply chain management through KM. Filtering is a problem that arises on the senders

end. It occurs when the sender chooses to include details in the message but leaves out other information from message. Selective perception is very similar to filtering except it takes place on the receiver's side, when the receiver of the message only tasks in bits and pieces of the message instead of the entire message. Each of these problems can be overcome through training (Robbins & Judge, 2010).

Another problem that can break down the successfulness of KM implementation is overloading the receiver with more information that they can possibly handle for one conversation/communication. This becomes troublesome since the receiver of the information is not able to pinpoint the main theme of the conversation, or pick-up on all of the details that were passed along to them. Matters are further complicated in this ever-diversifying economy, more and more people with diverse backgrounds are being hired to utilize their expertise. This can lead to a language barrier, or language usage barrier. This is caused primarily because people use language differently, and just because the person you are talking to speaks English, it does not mean that they are getting the context of the message. Some cultures focus highly on body language for clues on what is important, where other languages are more about the words being used.

Communication apprehension is also a barrier that needs to be eliminated for the KM implementation to be successful. Communication apprehension is anxiety that causes problems in the communication process. This stress can be caused by lack of language proficiency, or by not having a clear and concise idea of what needs to be communicated. It hampers the communication process by causing a spot in the communication channel

where message can be misconstrued, altered, or not passed along in a timely manner (Robbins & Judge, 2010).

Innovation, Change and Ethics

Ethics plays a big role for Wal-Mart in their continued improvements to the supply chain management process, and health of the organization. Over the past 20 years, Wal-Mart has been hit with a several lawsuits, ranging from salary discrimination, unethical treatment of employees, and suits to stop Wal-Mart building in larger towns and cities. One of the major principles behind the initial changes in the supply change system was for trucks to be empty on their return trip from the stores to the distribution centers. This means efficiency in the supply chain management process, and lack of authority for the store manager in what he/she is allowed to do, in reference to ordering of products (Chandran & Gupta, 2003). Wal-Mart has also shown in other ventures (i. e. the notion of being a “ Green,” company) that they have the ability to reshape ethics, not only for the organization but for the retail industry of the big box stores (i. e. K-Mart, Target, Sears...) as well (Gunther, Burke, & Yang. 2006).

Merck & Co., Inc. CEO/President Raymond Gilmartin in (1998), before a conference on new leadership strategies for the 21st century at Harvard University, stated that there were three principles that would allows for any company to be successful in a globally diverse economy. These were a commitment to innovation, an accord on the values that drive the actions of the organization, and obedience to the highest set of ethical standards.

Principles of Implementing Innovation

Klein and Knight, (2005), list six steps that are vital to the implementation innovation. The first step is to establish policies that are accommodating to innovation. This includes policies for the training that will be given to employees as well as the quality of the training. Policies will also need to be established for how technical assistance will be performed after the project is finished. The second step is to get the employees motivated about the changes, and keep them motivated throughout the implementing process. This is crucial because naysayers can detract from the success of a project. Klein and Knight, point out that the third step is to have strong and experienced managers in place before the changes begin. They will be important for keeping the morale of the employees up, and well as keeping rumors to a minimum. The fourth step is to verify the resources needed to complete the project, not only financial resources, but also the employees, and technology. The fifth step is to remove the fear of failure. As noted previously in this paper failure is acceptable if the organization learns from it. The sixth and final step, once the changes have been made and the project is complete, both employees and managers need to be patient, as results rarely come instantly.

Literature Review

Supply Chain Management

Lying at the heart of many discount retailers is their supply chain management process. This process allows goods to be moved from vendors

to the warehouses for the organization and then to the individual sales locations. According to Krabbe (2007), the supply chain is one process that can control the overall competitiveness for the organization. This is due primarily to several factors such as fill time, leveraging volume discounts, and making sure that products are available to the consumers. Gosman and Kohlbeck (2009) went on to further elaborate on Krabbe's work. They stated that large discount retailers exert a large amount of influence on vendors and their pricing structure for items, warehousing of items and the terms of payment. This is important because it can mean the difference between keep and losing customers.

Verghese, and Lewis (2007), detail the common practices for the supply chain. Raw materials are received by packaging manufacture. The raw materials are then converted into items and packaged. After the items have been packaged they are sent from the manufacturing plant to the warehouse for storage until they are purchased, or requested by the retailer. After the items are requested they are sent from the vendor's warehouse to the retailer's warehouse, where they will sit until they are needed by the individual locations. After all this many of the items are destined to sit in the stockroom of many of the individual locations until they are needed on the sales floor.

Complicating matters further, Wal-Mart has their own spin on how the supply chain is to operate. Gosman and Kohlbeck (2009), state that Wal-Mart has so much influence with vendors, they can dictate prices, they often pick up deliveries from vendors directly, and often deliver them directly to the

stores, circumventing the vendor's warehouses, and their own distribution centers. In the end this means low prices for the consumers and higher profits for Wal-Mart. Zhu, Singh, and Manuszak (2009), state that Wal-Mart is very hushed on prices paid to vendors, volumes of products being ordered from vendors, and other stipulations that Wal-Mart makes. This can leave other retailers in the dark as how to better leverage themselves against the vendors.

If Wal-Mart is such the powerhouse, how does other discount retailer compete by making changes to the supply chain? Krabbe (2007), list four steps that can help them. Krabbe, states that starting with examination of the current procedures of the supply chain, and devise a metrics that will allow for a quantitative analysis in later steps. This will give organizations looking to compete with Wal-Mart a baseline of where to start and what practices can be changed. The next step would be to compare what your organization is doing via the matrices, in comparison to others in the market. This will show where there are deficiencies. The next step is to devise a plan of how certain procedures can be augmented in an attempt of lowering prices to the consumer and increasing profits. The final step is to implement the changes. After the procedures have been implemented, a review is needed to see if the steps need to be completed again.

Verghese and Lewis (2007), and Gunther et al. (2006), show that there are other ways to help be more profitable by changing the supply chain process. The “ Green,” packaging is procedure that Wal-Mart started in the early part of the past decade, to assist them in becoming a more environmentally

conscious company. This meant more efficient packaging, more reliance on recycled packing, and a focus on have less package waste. This alteration was not done solely to be more environmentally friendly, it also meant lower prices due to decreased amount of packaging, while at the same time winning over some of the Wal-Mart detractor, who say Wal-Mart is only concerned on profits. The innovative for lower prices through decreased packaging is a concept that the rest of the discount retailers are beginning to warm up to.

Core Aspects of Leadership

Robbins and Judge, (2010) define leadership as “ The ability to influence a group toward the achievement of a vision or set of goals.” There have been many studies done on the core aspects of leadership, two f the most prominent are the studies completed by the University of Michigan and Ohio State University (Robbins & Judge, 2010). James and Arroba, (2005) also did an extensive study on the core aspects of leadership. The studies concluded that good leaders are able to go beyond what is obvious, and to dig for the core problems. This is imperative because without an understanding of what is wrong, it is hard to find a solution to the problem. Leaders also need to be able to influence subordinates to achieve the goals of the organization.

Robbins and Judge, (2010) link a leader’s success to the possessing the big five personality traits: openness, conscientiousness, extraversion, agreeableness, and neuroticism. Openness is simply how easily the leaders can be approach by those who work under them. Conscientiousness includes the factors of being meticulous, keeping commitments, and having a high

degree of self-discipline. Extraversion is the amount of ambition the leader had and their energy level when interacting with others. Agreeableness, is also important to being a good leader, since it help keeps the harmony between the employee and the leader. Neuroticism, is the intelligence the leader posses and their passion for the organization. Beyond the big five personality traits it is also helpful for leaders to be charismatic, even in the face of tough times.

Outside the general attributes that are needed for successful leaders, there are also subtle attributes depending on the type of leader the leader is. A leader focused on employees will need to focus on interpersonal relationships. They will also need to take personal interest to the needs of their employees, and accept the differences that their employees have, and use these differences to the advance the team. A leader how is focused on production will need to emphasize the technical aspects of the tasks, and their main goal should be focused on task completion and meeting goals. A transformational leader will need to be able to lead and motivate their employees, by clarifying the role the employee plays in the organization and by clearly defining the task that are to be completed. An authentic leader needs to be able to admit mistakes that were made by the employees under them. They are also focused on values, and made many of their decision by referring to their values (Robbins & Judge, 2010).

Hindrances to Leading Innovation

Many obstacles can stand in the way of implementing innovation. Robbins and Judge, (2010) list the amount of risk being deemed as acceptable for

many organization is too low for innovation to truly be feasible. They continue to list the tenure of management as another hindrance for implementing innovation. This is because managers who have recently been seated in the position usually lack willing to accept innovation because they are still trying to learn the position, and they do not want to start a changing the procedures before they have had time to become accustomed with the position. Manager who have also been in the position for a long time are also reluctant in their desire to see innovation implemented because it will affect their comfort zone. An additional obstacle to innovation as listed by Robbins and Judge is how the organization is structured. Innovation is easier to implement in an organization with a flat hierarchy, since the people making the decision about implementing innovation are will be directly impacted by it.

Klein and Knight, (2005) state that the amount of resources needed to be well documented, this is important when it comes to implementing innovation. The employees are very important because their lack of motivation can derail the implementing, in addition it will be their skills and the evolution of their roles that will help with the implementation. Therefore, it is vital to assess the present skills sets of the employees, and clearly define how their role will change. Organizations also need to make sure that there is sufficient working capital before the implementation is begun, so if the project runs long or over budget, the project can be completed in spite of being over budget or beyond expected completion date. Klein and Knight also point out that technology or lack thereof can derail innovation.

De Moor, Berte, De Marez, Joseph, Deryckere, and Martens, (2010), point out those poor communication skills for members of the organization can be troublesome when implementing innovation. They also point out that the culture of the organization is something that needs to be closely looked at before implementing innovation. One of the largest misnomers about implementing innovation is that the absence of failure for most organizations translates into success, but this can be further from the truth, as many projects are determined to be successful or a failure until significant amount of time has passed since the project was completed. For implementing of innovation to be successful, De Moor et al. point out that organizations need not fear failure, as long as there were lessons learned from it. Moreover, organizations need to accept the value of experimentation as part of the culture of the organization, for innovation to become successful.

Effects of Leadership Ethics

Di Norcia (1994), point out that leaders use ethics to minimize the risk to the stakeholder not to maximize the gains for the organization. Bierly, Kolodinsky, and Charette, (2008), disagree, they feel that ethics are used not only to avoid legal actions but also to improve profits, and increase job satisfaction through promoting a sense of value to the employees. Bass and Steidlmeier (1999), also point out that leaders of multinational and cross-functional organizations need to have a multidimensional view when it comes to ethics, and these ethics are defined by the moral character of the leader, the vision the leader has for the organization and amount of social influence influencing the leader. Bass and Steidlmeier (1999) further pointed

out that the higher the level of ethics that the leader possesses, the more likely that the leader will use those ethics when making decisions that impact the organization. Bierly, et al. (2008), point out that leaders who are focused on promoting creativity are less likely to follow ethical standards closely as leaders who are not as focused on promoting creativity. This is not to say that leaders who promote creativity are not ethical leaders, but they are more likely to apply the specifics of the situation to help determine what is and what is not ethical according to the organization's ethical standards. They further point out that leaders who promote creativity, can be even more ethical than leaders who are not as concerned about creativity. This is due primarily because creativity allows the leaders to look at a situation from a different perspective and adapt the ethics, as the need requires.

Wal-Mart has been accused of unethical business practices. Wal-Mart has is currently in legal battle because of sex-discrimination stemming from paying female workers less than their male counterparts. They have also been accused of failing to pay overtime for employees who worked more than 40 hours in a workweek. In addition, they have been accused of improper handling of recyclable waste (Datamonitor, 2009). Wal-Mart has also been on the forefront of evolving ethics for the retail industry. Gunther et al. (2006) point out that Wal-Mart was the first discount retail company to demand that vendors reduce the amount of packing waste used in their products. They have also spearheaded projects to reduce water consumption, and electrical use in the retail stores.

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Research Summary

This paper focused on the founding of Wal-Mart. The core values that Sam Walton used to found Wal-Mart. Plus how they have used innovation to transform not only the supply chain but also ethics for the entire retail industry. In 2002 Wal-Mart was recognized as the largest retailer in the world, with locations in the United States, Canada, Mexico, Germany, China, Brazil, South Korea, the United Kingdom, and Puerto Rico. Wal-Mart gained such a large proportion of the market by offering a wide selection, a reduced price, and with a focus on the customer and serving them. Behind the scenes Wal-Mart is also efficient at putting their working capital to good use, while dismissing the modern luxury trappings that many managers form other companies are accustomed.

Wal-Mart has used their influence to transform the retail industry. In the 1990's Wal-Mart wanted to preserve shelf space, so more products could be showcased. They accomplished this by going to their vendors and asking them to reduce the size of packaging, and minimize the amount of packaging waste. Soon after this was accomplished Wal-Mart noticed that many of their competitors were following suit, by requesting the same packaging that Wal-Mart was receiving. At this time Wal-Mart was also begging to think of ways to bolster the bottom line while at the same time becoming environmentally responsible. This was accomplished with great success, as Wal-Mart was able to save money on electricity, and shipping waste.

Not everything at Wal-Mart has been milk and honey. Wal-Mart has seen their share of legal battles in the past 20 years. Wal-Mart has been hit with lawsuits ranging from unequal pay for women to not paying overtime to eligible employees. This has caused many to refuse to shop at the retailing giant. If Sam Walton were alive today he would hardly recognize his creation. In the last 20 years Wal-Mart has started to carry large appliance such as washers and dryers, and the new incarnation of Wal-Mart the supercenter and the grocery store.

Interpretation

Coming into this paper i had quite a few preconceived notions about Wal-Mart. That they did not treat their employees well. That they kept priced elevated so they can show off their price rollbacks. That they were an unethical company. That their groceries, in particularly their meat and

produce were of lower quality as compared to the competition. Either Wal-Mart does not do any of these or they do a great job in hiding their secrets. The more and more I looked into Wal-Mart the more that I found that they had a unique business model, and knew how efficiently their company runs.

Many of their goals are accomplished by watching how much they spend, and by looking for ways to reduce costs. One of the largest cost reduction techniques at Wal-Mart is how they run their supply chain. Wal-Mart bought a fleet of trucks to pick up shipment from the vendors and to deliver products between the distribution centers and the retail locations. For Wal-Mart to stay competitive they need to stay focused on saving money, whether the savings comes from new technology, or transformation of the business model. Wal-Mart also needs to stay focused on making sure that they are not derailed by legal battles.

Conclusion

In conclusion, Wal-Mart is a force to be reckoned with. They are the highest grossing retailer in the nation and annually place in the top five of Forbes list of top companies. Wal-Mart is not just satisfied with the status quo, they are always looking for the next way to help save money so the savings can be passed along to the customers. Even though at times it looks like that Wal-Mart is just out for Wal-Mart, nothing could be further from the truth. Wal-Mart knows that the lifeblood of the organization is the customer base. In this paper we looked in-depth at the supply chain and the ways Wal-Mart transformed it by using their fleet of trucks. Many other programs were led

by technological advancements such as the forecasting system that can automatically order items for the store that are running low.

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