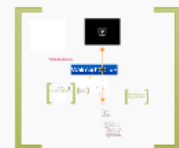




Wal-Mart in China 2012

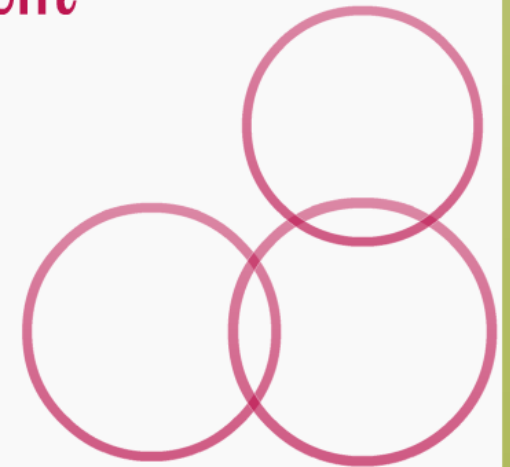
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Wal-Mart in China 2012

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In what year did Wal-Mart
enter China?

TEXT a code TO 37607 to VOTE:

1987 - 251302

1992 - 251308

1996 - 251342

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1996 Citic Pacific Joint Venture

- Son of a Chinese official
- \$1.9 Billion loss from "unauthorized foreign exchange trading"
- Wal-Mart's bribery history

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Acquisitions and Joint Ventures

- Trust-Mart
- Other Companies
 - Dreamworks
 - Satellite Communications
 - Security Scanners
 - China Power International
- Audit Committee

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Strategic Differences

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- Logistics
- Leadership
- Approach
- Labor and Supplier Relations

Logistics

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USA

- Able to pit suppliers against each other for lowest bids, high level of control over suppliers
- Heavy investment in Inventory Mgmt and IT leading to extreme supply chain efficiencies
- Size is huge cost advantage

China

- Suppliers and managers rebelling against razor thin margins
- Poorer infrastructure - including roads, ports, and managers ability to adjust to supply chain management
- Scale - unable to reap efficiencies from distribution and logistics

Leadership

Joe Hatfield - 30 year Walmart veteran, thick Southern accent, focused on preserving Walmart culture



Ed Chan - Hong Kong businessman, regional director for Dairy Farm International, running stores across Asia



Greg Foran - 30 year retail veteran, joined Walmart in 2011, worked as director of Supermarkets, liquor and petrol for Woolworths



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