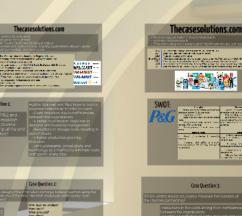
### Tom Muccio: Negotiating the P&G Relationship with Wal-Mart (Video), DVD

#### Thecasesolutions.com



More than just an efficient relationship... Business Partners!











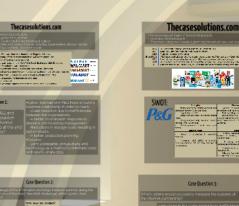
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In the 1980s, Walmart and Procter & Gamble pioneered an epic alliance to keep-up with the needs of serving more than 242 million customers.





- Family-owned discount store
- low-cost goods for customer.
- Walmart is currently the world's largest retailer
- 4.300 facilities with various formats including supercenters, discount stores, neighborhood markets, and warehouses.

1962	the first Walmart store was founded in Rogers, Arkansas	
1969	the company officially incorporated as Wal-Mart Stores, Inc.	
1970's	expansion of Walmart was national	MAIMADT
1972	Walliart was listed oil the New York Stock Exchange with 31 Stores	WALMART
1979	Walmart Foundation was established	WAL-MART
1983	the first wholesale store, SAM's Club, opened in Oklahoma	WAL-MART
1987	the largest private satellite communication system in the US was installed	VVALTIVIAR I
1988	the 1 <sup>st</sup> Walmart Supercenter was opened in Washington, MO	WAL*MART*
1990's	Walmart expanded its business to overseas	.1.
2000's	Multichannel sotre	Walmart 🔆
2011	The first Walmart Everess stores were introduced in Arkansas	



1962-1964

1964-1981

- America's biggest maker of household products.
- 250 brand merchandises in
- Three main categories: beauty & grooming, household care, and health & well-being

1837	P&G was born, namely Procter & Gamble, in Cincinnati, USA	
1879	Ivory Soap, the first branded product was launched	
1886	Production started at Ivorydale	
Since 1910's	P&G introduced wide range of consumer goods to market: Tide, oral care - Crest, diaper - Pampers	
1923	The first commercial advertisements for P&G products were published on radio	
2004	P&G created the Children's Safe Drinking Water program by using revolutionary water purification sachets	
2010	With net sales of 78.9 billion USD, P&G become one of the world's leading consumer products companies	





- P&G and Walmart used to manage their supply chains separately.
- No information sharing, resulting in
- Out-of-stock issues and
- Elevated inventory costs.
- 1988: joint strategy to manage the supply chain:
  - -Established business teams.
  - -Created an effective information-sharing method.
  - -Executed a CPFR strategy.
  - -Implemented an ECR.
  - -Unified product coding.
  - -Shaped a VMI program.



### Case Secondary Issue

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- EDI automated updating system was exchanging bad data faster.
- In order to fix this problem and avoid wasting time and resources: a common scorecard and lined prices in both databases to harmonize the information.







Weaknesses
<ul> <li>Bad reputation of being a bad employer</li> </ul>
(Walmart encourage managers to keep wages
as low as possible).
- Little differentiation.
- Little differentiation.
- Harmed reputation for international
scandals (Latest cases: Mexico, Pakistan, and
India).
- Strict "antiunion" policies.
Political Politi
- Lack of customer service
Eddit of eddeomer out field

Opportunities	Threats
- Retail market growth in emerging markets.	<ul> <li>Over two million employees and rising increases exposure to increasing wages and high healthcare costs.</li> </ul>
<ul> <li>Increasing tendency of emerging markets towards e shop.</li> </ul>	<ul> <li>Highly sensitive to economic downturns worldwide (volatility in commodity prices and cost inflation will tighten margins.</li> </ul>
<ul> <li>Rising trend of health and wellness has increased "eat at home".</li> </ul>	due multiple scandals.
	<ul> <li>Tougher regulations of international labor.</li> <li>Increasing and constant pressure from main competitors Target and K-mart in a saturated market</li> </ul>
	like the US.

