



Supply Chain Management

How Walmart Maintains a Competitive Advantage in the Consumer Retail Industry

Walmart Background



Walmart goes public in 1970

- Marks the beginning of its journey towards becoming an American multinational icon
- Dominance in the consumer retail industry

Sam Walton founded Walmart's first store in Rogers, Arkansas



- Founded in 1962

Walmart's financial statements show nearly \$200 billion worth of assets on its balance sheet and \$482 billion in sales revenue

- Size, scope and scale!



For the calendar year of 2016, Walmart had a three-year weighted RoA of 7.9% and a inventory turnover ratio of 7.7

- Many business professionals and scholars regard Walmart as one of history's greatest logistical and operational triumphs

As recently as 2014, the company employed over 2.3 million associates and served over 260 million customers a week

- Spanned across 28 countries with more than 11,500 stores



Mission and Strategic Initiative: Everyday Low Prices

- Massive purchasing power that can be used to pressure suppliers
- Continuously focus on customer needs while squeezing out excess costs



Wal-Mart's Supply Chain

What makes it so great?

Marketing/ Sales

Walmart's Marketing Mix

Product

Price

Promotion

Place

Product

- Multinational Retailer (i.e. it has every brand or good that a person could use in their everyday life)
 - Toys, college essentials, electronics, grocery, home appliances, etc

Prices

- Procuring products, in large quantities, from all around the globe (achieving economies of scale)
 - Look to force consumer purchasing behavior on the basis of discount strategies