

More lessons from the world's largest company Wal-Mart (contd. from 26)

BY

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Facts about Wal-Mart contd.

- No. of stores : 8576
- Sales: \$408B!
 - 25% international
 - Going towards half a trillion dollars!
- Employees: 2.1 million
- Countries: 15

What growth means in Wal-Mart?

- To increase revenue by 3%
 - Has to produce additional sales of \$12B
 - \$12B itself would put a company at no. 194 on Fortune 500 list!
- To meet Wall Street's modest expectations over next 5 years profits must increase by \$3.68B
 - That is greater than 463 companies in Fortune 500 list!

CEO Mike Duke-60

- Is a Doer
- Moves very quickly
- Largely anonymous
- Low key and very friendly
- Man of details
 - Analyses sales data and analyses stores shelf by shelf
- Demanding boss and tough negotiator
- Constantly coaches
- Trusts but verifies
- Just doesn't quit
- Takes tough decisions
- Very disciplined

CEO Mike Duke contd.

- Rigid adherence to schedules
- Does not like carry-overs
 - Replies all mails instantaneously
- Moving to next generation Wal-Mart
 - “This person who is very un-assuming, is very , very global thinker , a very worldly person”- Indira Nooyi

Major decisions

- Example –pulling out of Germany
- He got a plan which said it will be tough for 3 years and then there will be a hockey stick growth five years from now
- He went back and pulled out all plans for several years
- Which all showed hockey sticks five years out
- And proved it never happened!

Quick decisions

- Visited a local store in China and noticed
 - Home grown bananas which did not look different from imported ones, cost 20% less
- Came to Wanda Super centre in Beijing and found they did not stock local bananas
- Took decision on the spot
 - In 24 hours Wanda had local bananas at a market-beating price!
 - In a week all 49 Wal-Mart stores in North China had them
 - Followed this quickly in all 300 stores across China!

Quick decisions contd.

- Project Impact—a plan to freshen up the stores and make them a better place to shop- cut down on the number of items sold in the stores
- He found that customers stopped shopping in Wal-Mart as the options came down
- He immediately added back most of the items the retailer had dropped and gave more autonomy to store managers

Store display

- Duke says:
 - “If we have got something at really good price, we want to show it off!”
 - Is that not the very essence of ‘display’?

Source

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