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Abstract

Wal-Mart Stores, Inc. is a multinational organization that has successfully managed to overcome market fluctuations and volatility throughout the years. Their business strategies and approach have granted continuous success by achieving net revenues of \$514.41 billion with 11,361 stores in 2019. This research elaborates on Walmart's business strategies throughout the years by reviewing Walmart's Annual Reports. The observations obtained from the annual reports are then compared against retail industry successful strategies and principles while assessing relevance. The research also evaluates possible correlation between the quantity of stores, net revenues and leadership (Chief Executive Officer). The research results displayed a positive correlation between the increment in stores quantity and net revenues for the organization during the timeframe of Sam M. Walton, David D. Glass, H. Lee Scott Jr. and Michael Duke leadership but it showed weak or potentially nonexistent correlation during the years 2014 through 2019 under Douglas McMillon leadership.

Introduction

Walmart has managed to become a leader across multiple sectors impacting not only customers, but having a strong influence within suppliers operations, and becoming an eco-friendly company by reducing the adverse impact of their business on the environment. What is the business strategy and strategy execution being pursued by Walmart's leadership leading to such organizational revenues, profitability, market growth and sustainability leading to competitive advantage?

Background

It is estimated that 60-90% of the strategy execution efforts fail to deliver the intended purpose (Busulwa, Tice, & Gurd, 2019). The research will assess Walmart's strategy execution processes that had been categorized as "successful" throughout the years. The objective of the research is to immerse the reader in Walmart's trajectory of business growth. The research will integrate key financial data obtained from Walmart's annual reports in combination to additional references while assessing key strategies throughout the years that led to "successes" in the path to competitive advantage and long term success.

Problem

Building and sustaining successful organization's in today's volatile and competitive markets is a continuous challenge. Millionaire investments had rule from one industry sector to another in pursues of productivity and performance optimization but results had been varied. We are constantly surprised with uncountable new billionaire enterprise startups while others with solid history and reputation decline to the point of bankruptcy and shut down. Walmart's unstoppable growth for the last 60 years had led the way many organizations conduct businesses today. Walmart Inc., has positioned themselves as the top rank, company in the Fortune 500 List since 2002 to present (2020) including three fluctuations to 2nd position rank due to market fluctuations. The research will immerse into the strategy execution processes that have led to Walmart's competitive advantage while becoming top rank in Fortune 500 for over a decade.

Methodology

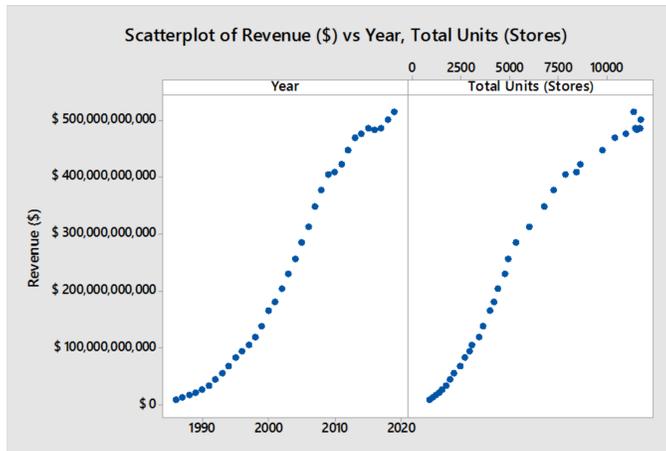
This research will be observational and retrospective in nature since will be collecting data readily available from archival databases, books and academic research. The dimensions to be evaluated and researched are Walmart's organizational successful strategies throughout the years.
 Independent variables:
 1. Stores quantity
 2. Leadership / CEO
 Dependent variable:
 3. Revenue in (\$ Billions)
 The dependent variable will be measured and analyzed against each independent variable. The rate of success will be measured by net revenues and organizational growth year over year including count of stores maintained open.

Results and Discussion



Results and Discussion

Walmart's Financial Results: Net Revenues (\$) YOY
 Walmart's financial results displayed exponential growth trends in net revenues since 1960's but trend has shifted since 2016, year in which the organization experienced a slight drop of \$3.521 billion. In 1980, the organization officially transition from millionaire figures to \$1.248 billion.



The scatterplot graphs from figures 5-9 displayed a positive correlation between the increment in stores quantity and the net revenues for the organization during the timeframe of leadership from four different CEO's. The graphs display a strong linear relationship. The correlation is statistically significant. The scatterplot from figure 9, however, display a non-linear relationship while having very weak or potentially no strength in the relationship during the timeframe Douglas McMillon as CEO. The correlation is not statistically significant.

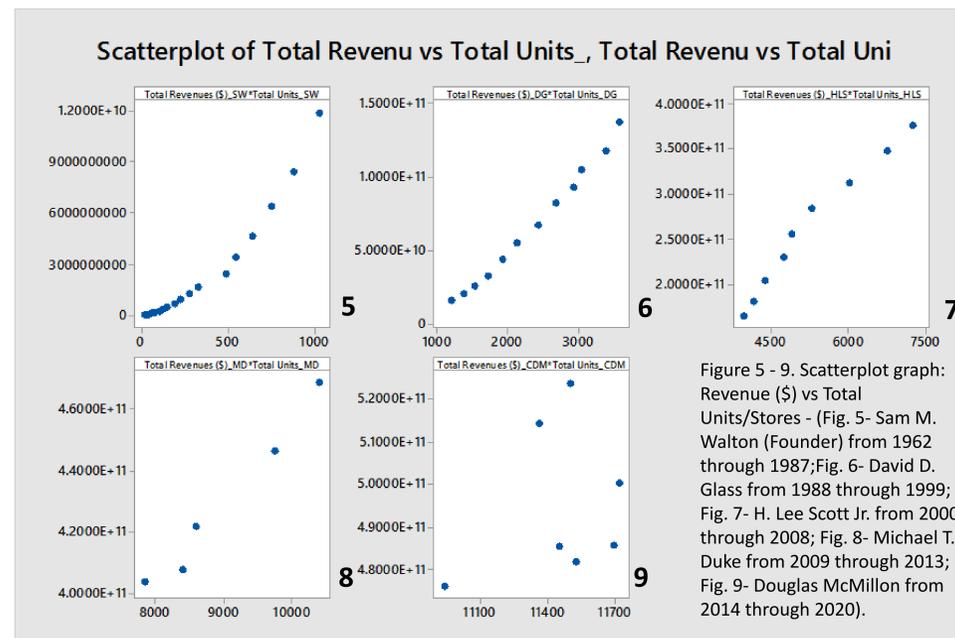


Figure 5 - 9. Scatterplot graph: Revenue (\$) vs Total Units/Stores - (Fig. 5- Sam M. Walton (Founder) from 1962 through 1987; Fig. 6- David D. Glass from 1988 through 1999; Fig. 7- H. Lee Scott Jr. from 2000 through 2008; Fig. 8- Michael T. Duke from 2009 through 2013; Fig. 9- Douglas McMillon from 2014 through 2020).

Conclusions

The research findings provided insights on successful Walmart's business strategies that have led to long term competitive advantage. It was observed that Walmart's has one primary strategy "Everyday Low Prices" that has been the main driver of all the rest of the organizational strategies. The organization highly value their associates since the organization's early beginnings. Walmart pioneer multiple programs to improve their employees' capabilities and philosophy of "Our people make the difference". The organization pioneer and was highly proactive in regards to improvements of stock items availability and accuracy. The organization was highly aggressive towards opening new locations in appropriate and welcoming territories. The organization have the tenacity to influence even the way their suppliers manage their operations while engaging them on new processes and technology to reduce cost on products and packaging. The organization clearly understood the concept of engaging employees in the business by creating multiple programs that listened to employees' ideas while improving accuracy of stock items while cutting administrative costs.

Future Work

The future research approach should explore leadership styles, particularly for each individual CEO. Does the leadership style impact Walmart financial results positively or adversely? Does the CEO style impact strategy execution, key financials and results of the organization? Our hypothesis is that the leadership/CEO style did have an impact on the organization continuous growth.

It was observed during this research that for the first time in 50 years the net revenue and the strategy correlation of the organization shifted adversely impacting the positive momentum sustained for decades. Further research will provide visibility on the organization's new business strategies to counteract the impact of market volatility and strong new competitors more advance in technology and ecommerce.

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