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BOOK REVIEW

"The Wall-Mart Way"

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There's a lot to be learned from the story of Wal-Mart. Many authors have written the principles in the book, but through Soderquist's stories and quotes, "The Wal-Mart Way" has become more interesting and closer to business realities. Author Don Soderquist, Wal-Mart's retired Vice Chairman and Chief Operating Officer (COO), writes passionately about the company; its founder, the late Sam Walton; and its corporate culture

Sam Walton was one of the great entrepreneurs of all time. He created a great company with a culture that has survived his death in 1992. I believe "The Wal-Mart Way" is a great book for anyone seeking information on management. Not only does it entail much detail about the company itself, but also what more successful business lessons can be learnt from the Wal-Mart Company? Soderquist examines the company's workings from its humble beginnings to its rapid, phenomenal expansion. He describes Wal-Mart's commitment to its customers and employees & use of new technology to revolutionize internal systems.

The book is full of simple but important truths. It was written and aimed at small business owners and middle managers. The book is divided into 12 chapters in which Soderquist outlines the 12 reasons for Wal-Mart's great success, and how they can be applied and help just about anyone. The ideas include The Vision of Sam Walton, Grow Your Dreams, People Make the Difference, Reinvent the Supply Chain, Create Supplier Relationships, The Customer is Boss, Technology: The Ultimate Change Agent, and be a Good Neighbor. Each chapter uses details from Soderquist's own experience with the company, as well as stories of real life business guru's who have worked their way up the ladder.

Wal- Mart Way Principle #1

Growing dreams-"Every Successful venture begins with a dream that requires determination, Passion, & the willingness to grow if it's to be fulfilled."

Wal-Mart began with the dream of one man, Sam Walton, to own a store though it was a big risk to start a larger discount store in smaller towns, but he nurtured that dream in such a way that it became a reality which was beyond his wildest imagination. This could took place because if a dream is seen with a vision to satisfy the latent need with a passion to grow by putting forth the view points of Customers, Suppliers & Partners.

Wal-Mart Way Principle #2

Vision- The power of seeing what others don't see- "You Must Have a Vision that allows you to see bigger, better, stronger you in the future-while never taking your eyes off of who you are and what you are doing today."

Vision is a picture of how we would like tomorrow to look or, put another way, how we would like ourselves to look tomorrow. Walton simply wanted to provide a better shopping experience for the people living in small towns. Vision was to provide them a better shopping experience by providing them good quality goods at low process in a pleasant shopping environment. The simple ideology that worked fantastically well was to serve the customers first as per their need with a newer shopping experience. This vision was broad enough that worked well at every stage of his business progressions.

Wal Mart Way Principle #3

The power of Culture- "To build a great Company, you must create a culture where everyone shares the

same values, purposes, & expectations of Success"

Culture is a personality of the organization, Culture governs the way people acts, interacts with others, & do their productive work. Culture can literally determine the success of the company. Wal-Mart is a live example of the same. If the culture is developed bases on Shared values, Shared Expectations, Shared Purposes, & shared views from each at every level of the organizations then it would create a productive environment synchronizing the growth of organization with people.

Wal Mart Way Principle #4

People Make the Difference- "True success is achieved in direct proportion to the degree that an organization treats its people with respect dignity and believes in them enough to help them grow."

Every Associate is vital to the success of the company- because these are the people who would be framing a basic architecture of the company, like in case of Wal-Mart it's not only about Stores, Clubs, Distribution Centers, Trucks or computers but these tangible assets are simply the crucial ingredients where as real success story is about people who would create a difference in achieving a Benchmark.

Wal Mart Way Principle #5

The customer is the Boss- "You will succeed when you make a commitment to help your customers succeed first."

Customers are the reasons we are in business & that is our responsibility to do our best to exceed their expectations. Burning focus to satisfy every single customer every day has lead Wal- Mart to create a difference in Store Merchandising. Merchandising Strategy of Wal- Mart simply focuses that what the customers need & what they wants to buy on day to day basis.

Wal Mart Way Principle #6

A passion for Excellence- "Achieving excellence becomes a reality when you set high expectations , humbly face and correct your mistakes, stay optimistic, an avoid the quicksand of complacency."

Don't wait for the problems to come & then to change, but is it's always better to change the existing systems that are doing even comparatively better based upon future need & customer's requirements, but this would only be possible as long as one has the passion for excellence & in Fact this was one of the best practices that Wal-Mart has adopted to create a triumph history.

Wal Mart Way Principle #7

The Execution Imperative-"Your success is in direct proportion to your ability to plan, monitor, and ultimately execute all phases of your business."

Wal Mart thrives on execution, on making things happen, on a can-do- attitude. This means getting the job done and achieving the objectives with record, speed & accuracy. It's very true that a company could have a wonderful vision & products but as long as people are not able to execute that vision the whole purpose would defeat & Wal- Mart is the live example. Hence determination to execute well must be accompanied by dedicated people with sound execution plan.

Wal Mart Way Principle #8

Technology- The Ultimate Change Agent- "To build a company, you must actively and continually seek out, evaluate, and invest in the tools that serve the people and aims your organization."

Most of the cases are there where huge investment is done on newer technologies but poor returns are suffered & there are also such cases where companies have suffered losses as they could not update themselves with the changing technologies. The key to achieving strong returns on investment is to tie all system development and implementation into your most vital business functions all together. Wal-Mart, keep the technology focused on customer satisfaction, which has in turn resulted in good returns on investment & provided them a key to competitive advantage.

Wal Mart Way Principle #9

Re- inventing the Supply Chain-"The most basic operation in your company represents tremendous opportunities for improvement, growth, & savings."

In-fact having a powerful, integrated & cost effective supply chain is need of every retail business in modern perspective. For Wal-Mart working with suppliers to create seamless Flow, Improving In-house distribution system by improving & Tracking performance has resulted in fulfilling the commitments towards the customers for providing them quality products at great price & value. This is how the importance of concept of

Supply chain management was successfully established to create seamless flow of goods from supplier to the shelf of retail stores.

Wal Mart Way Principle #10

Creating Supplier Relationships- "When you create win-win relationships with your business partnerships based on trust and open communications, you maximize your potential for growth."

Unless the company is not committed towards its customers & partners, it's really very difficult to have a healthy supplier Relationship. In Wal- Mart unique strategy for this is to maintain highest level of commitments, honesty & Candor all the times. Trust & relationship are the basis of any long term loyalty & create a climate of Success for all the parties & this is definitely the need of an hour.

WalMart Way Principle #11

Never Stop Growing-"The Ongoing success of your organization is in direct proportion to your ongoing commitment to grow."

Growth & Organizational health are inextricably linked. The Wal Mart growth strategy has been the engine that drives the ever expanding sales of Wal-Mart. If you don't add to the top line (Sales Revenue) you will not be able to add to the bottom line (Profits) & thus you will not be able to invest in business, which will damage every aspect of your business & limit your growth. Wal- mart understood this philosophy well & by plowing a large percentage of profits back into the business to aggressively expand into the new the new markets & to equally revitalizing the existing stores.

WalMart Way Principle #12

Good Neighbours- "When you cultivate a spirit of charitable giving civic involvement within your organization, you exponentially increase your tangible & intangible returns- including the personal character of your team."

Commitment towards Corporate Social Responsibility is something, which is etched in your mind it's the right thing to do for the prosperity of our communities. Wal mart had shown an early commitment to Corporate Social Responsibility & found that it is important to invest back into the communities we serve & into the lives of customers which infact shows their commitment not only to the customers but also to society at large.

I would not say that Wal-Mart has always been right, there is still lot to be done, but in my opinion, the type of management used by Wal-Mart is Total Quality Management. Their entire business revolves around providing all products at the lowest prices you can find. In TQM, once prices are lowered, productivity will increase, and the company can gain control of the market, which is exactly what Wal-Mart has done?

Walton would no doubt be pleased that 21 years after his death his company is exercising the same kind of control over its dealings.