

Walmart: Key Insights and Practical Lessons from the World's Largest Retailer

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In this well-researched case study, independent retail analysts Berg and Roberts chronicle Walmart's successes and failures during its fifty-year existence, aptly illustrating why the retailer is a \$419 billion company and the largest commercial employer in the world.

The authors closely examine the business decisions that have led to the company's tremendous success. Through detailed sales data, commentary from industry analysts, and interviews with executives, including Walmart President and CEO Bill Simon, who granted Berg and Roberts an interview for the book, they discuss how the company has been able to evolve over the decades.

The book will appeal to business students, including those interested in international business, as it looks at Walmart's global sales. It would be an ideal supplemental text in business and international business courses. Business owners, particularly Walmart's suppliers, vendors, and even their competitors, will also find the information insightful.

Attributing the company's success to myriad factors—efficiency, pricing, and the wide range of products and brands offered, including its own very successful private labels—Berg and Roberts acknowledge that timing played a key role as well, as Walmart emerged at the same time when consumerism, branding, television commercial advertisements, and the use of credit were all on the rise.

But ultimately the company became the business leader it is today, they note, because it continued to adapt. Examining production management strategies, they point to Walmart executives' use of the latest technology over the decades to increase efficiency, including Retail Link, which allows suppliers to access sales data, in keeping with the company's efforts to establish strong relationships with suppliers and work jointly on product development, packaging, and displays. The company's distribution infrastructure and logistics include a self-reliant system, aided in part by the company's Sam's Club chain. Walmart's pricing techniques, which differ from competitors, end in .88 instead of .99—and give the perception of a better deal. Environmentally-friendly efforts that are also cost-saving measures include using rail instead of road travel where possible, purchasing fuel efficient trucks for necessary road shipments, and reducing the amount of packaging on products.

While Berg and Roberts focus mostly on the retailer's successes, they do acknowledge a few lessons to be learned from mistakes the company made, including removing seemingly underperforming brands from shelves, which drove customers to competitors, of which there were many to choose from. Yet, they gloss over the well-known controversial aspects of the company's domestic business decisions, including labor disputes, attributing them to common complaints among employees within the industry.

Business students and owners will benefit from the unique perspective Berg and Roberts provide. They offer a peek “behind the curtain” and access to information rarely shared. In Walmart executives’ own words, they explain why the retailer has been able to remain so profitable for so long.

MARIA SIANO (April 12, 2012)

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