

Wal-Mart's Organizational Structure

By Group 6

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Mission Statement

- Wal-Mart was originally opened in Rogers, A.R. by Sam Walton in 1962 and has been growing since then. Wal-Mart's slogan was their mission statement; "We save people money so they can live better."
- The purpose of the company was, if they could lower the cost of living for everyone it would give the world the opportunity to have a better life by saving money.
 - "If we work together, we'll lower the cost of living for everyone...we'll give the world an opportunity to see what it's like to save and have a better life."

–Sam Walton

Main Products

- Wal-Mart carries general merchandise and a selection of groceries.
- Many of these stores also have a garden center, a pharmacy, Tire & Lube Express, optical center, one-hour photo processing lab, portrait studio, a bank branch, a cell phone store and a fast food outlet.
- More and more locations are constructing gasoline stations.

The Workforce

- Retail store employees include the hourly workforce, the store Management, and higher-level managers such as District Managers and Regional Vice Presidents. The store management positions include Store Manager, Co-Managers, Assistant Managers, and Management Trainees.

Organizational Structure

- The organizational Structure of the Wal-Mart Corporation is a formal, bureaucratic structure that has made some changes to its structure in 2010. The three successful operating divisions – Logistics, Real Estate and Store Operations are under a unified leadership team. This unified team is organized into three distinct geographic business units:
 - West, South and North.

Organizational Structure

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- This has taken Wal-Mart from being departmentalized by function to geographic departmentalization.
- There is also a clear chain of Command from the top to the bottom.
- The span of control is narrow as the organization has management teams that decide how merchandise gets priced, how items are shipped, and other items that need to be managed.

Diversity Policy and Customer Relations

- Wal-Mart employs a diverse group of people that demonstrates a wide variety of differences. Wal-Mart employs large numbers of workers which differ in age, culture, gender, and personalities. Wal-Mart cares about their employees as well as their customers. Their goal is to save people money so they can live better. Wal-Mart's customers have a voice. They are given Wal-Mart's 1-800 number (1-800-WALMART) for any questions or feedback that they may have.

Group Dynamics

- Wal-Mart's employee numbers are larger than most company's customer numbers. Each worker brings different talents, perspectives, values and experiences to the work team. Each employee pulls their own weight to get the job done.
- One example of team work is the Midnight Buggy Blitz where department workers go outside to gather buggies since no cart pushers are on duty during this time. With employees working together, you see results much faster.

Technology and Innovation

- Technology is used to maintain inventory
 - Scanners are used to scan merchandise into a database
 - Registers remove items from the database as purchased
- New technology.
 - Self-checkout keeps wait time down.
 - Smart phones can be used to scan items into customer registries and wish lists.
- Future improvement
 - Items scanned with smart phones can be payed for at self checkout counters.

Globalization Efforts

- Global trading has allowed Wal-Mart to pass savings on to the consumers'. Wal-Mart's buying power in the world makes it what it is today.
- Wal-Mart is doing better overseas
 - Research has shown that the biggest problem with Wal-Mart isn't with its' global impact; the problem lies in America where Wal-Mart started.
 - Other companies, such as Target and Amazon, are cutting into Wal-Mart's profit margins. In comparison, Wal-Mart has not been very competitive in the United States lately.

Managerial Challenges

- Competing Profit Margins
 - Wal-Mart's profit margins taking a hit from competitors
 - Price match guarantee offers to match the price of other companies. The problem here is:
 - if a customer can obtain a particular item from a competitor for a lower price, the customer will buy it from the competitor rather than going through the hassle of getting Wal-Mart's price match.
- Bad Publicity
 - Wal-Mart is under fire with complaints of wage discrimination for Women
 - Many Women do make it into Management but are drastically underpaid compared to Men.

Recommended Solutions

- Competition in the market
 - Wal-Mart needs to regain its costumers from its competitors by making themselves the better company to deal with. Price matching will not win costumers back on its own, but if Wal-Mart can become the better company to deal with then costumers will be willing to go through the price match process
- Eliminating discrimination
 - The quickest solution would be for Wal-Mart to start paying its female managers the same as the male managers. An ad campaign can then be started advertising their equal opportunity employment.

Conclusion

- Here for the long run
 - Wal-Mart is still a powerful global company and won't go away anytime soon. The Walmart corporation has a good strong foundation with a good vision. It is excelling in the global market, making use of the latest technology and producing innovations constantly.
 - Wal-Mart does have its challenges to deal with, but with the right strategies, and adherence to its founding principles will allow the company to succeed and grow in the years to come.