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What Would Sam Walton Think of Today's Wal-Mart? Part Two - Principles 6-10

There is no denying that Sam Walton was one heck of a businessman.

And his rules for building a business clearly worked. But where is Wal-Mart today? And what would Sam think?

His Ten Rules for Building a Business are found in his book, [*Sam Walton: Made In America*](#). [Yesterday, we covered rules 1-5](#) and where Wal-Mart stands today. Today, we'll take a look at the last five.

Here are the remaining rules for building a business and what I think Sam would think today.

6. Celebrate your successes.

Throw a party. Dance. Give a high five. Shout. Send out an email in 30-point, bold, red font about a client you just picked up.

When you win, act like it. Celebrating properly is a great bonding tool and is something to look forward to next time.

I'm not sure where Wal-Mart stands on this. I believe, from what I've heard, that it drastically depends on the store manager.

7. Listen to everyone in your company, and figure out ways to get them talking.

This is real leadership communication.

For nearly all of history, leadership meant being the talker. It meant barking orders. Not anymore.

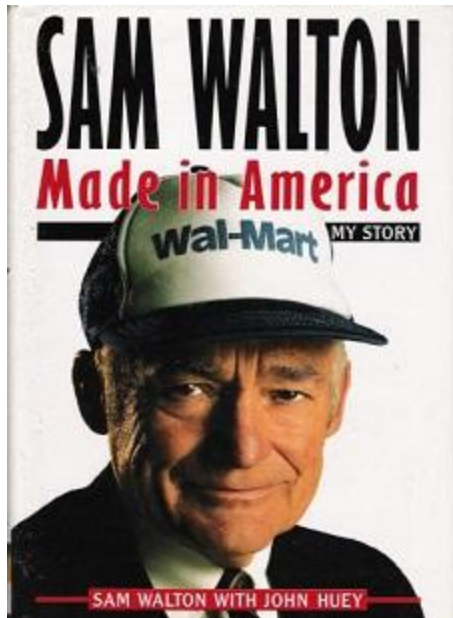
Get your [team talking](#). Get your [customers talking](#). Get your vendors talking.

Then listen carefully.

On many levels Wal-Mart excels at this. They listen to their customers in many regards. Each of their product offerings (such as more organic food) is a result of listening to their customers. And while I could argue that they could listen better and improve customer service, the reality is that most Wal-Mart customers are more interested in saving \$20 a trip than improving service or quality of the shopping carts. Much like Southwest Airlines strives to be *the* low-cost airline, Wal-Mart's goal is to be *the* low-cost store.

8. Exceed your customers' expectations.

I think I've covered where Wal-Mart is today on this one.



For Sam's view on all ten rules, [read his book](#). It's definitely worth the read.

That being said, consider this question..."Can you go too far in customer service?" I'll answer that in an upcoming post. If you haven't already, make sure to subscribe to my [RSS feed](#) or get posts [via email](#) (and get my [free book](#) as a bonus) so you don't miss it.

9. Control your expenses better than your competition.

Big win for Wal-Mart. Wal-Mart has been accused of nickel-and-diming their vendors. And they do...for good reason.

Their mission is low prices for their customers. To keep overall costs down and therefore prices, they will do everything they can to reduce the acquisition cost of the products.

I don't believe, as some do, that they treat their vendors unfairly. Some of these vendors might sell 1,000,000 units or less each year. Maybe they make an average of \$20 per unit profit. Wal-Mart will cut that in half, but sell ten times their average annual units. In other words, they'll make five times more money. And even if they cut their profit per unit by a factor of four or five, they are still making twice as much money as before.

That is what we call a win-win.

10. Swim upstream.

There is more [resistance](#) swimming upstream, but it's a lot less crowded.

You have two choices in business:

- Follow the crowd
- Go the opposite direction

The first one might be the easiest way to a small level of success but it is severely limiting. Perhaps you will get your small sliver of an already existing pie and live reasonably ever after. But the better way...the daring way...the fun way...is to make your own pie.

There is no arguing that Wal-Mart itself; the entire concept; was swimming upstream. And clearly it succeeded. Whether they continue to innovate and push further outside the mold remains to be seen.

So what would Sam Walton think today?

I began these posts seeking that answer myself and I'm not much closer to an answer. I believe he would find a company that has ran with his vision and excelled in many ways, while falling woefully short in others. That is often the case with companies after their founder and original cast members leave.

His principles were in many ways revolutionary for their time. He built an institution with them. Together, we shall see how closely they follow them in the years to come.

If Sam Walton were alive today, what do you think he would say to Wal-Mart?