



Sam I Am...

The Ninth in a series of An Executive Summary for Busy Managers.

The drive to succeed exists in all of us to some degree. That drive is what keeps us ahead of the competition and in front of the customer. Whether the customer is buying an automobile or the competition is the guy next to you in a staff meeting, we all deal with customers and competition on a daily basis. It is our internal drive that governs how we stack up against the competition.

Buon giorno. Perhaps a nice cup of cappuccino will help your day get off to an excellent start.

How does someone get to the top and stay there?

Well, Sam Walton, the founder of Wal-Mart, has a few answers for us to ponder on just that question. Late in life Sam was struggling with a debilitating health condition. It was not until this realization that he slowed down enough to allow his thoughts to be put onto paper. At the age of 74, Mr. Walton authored Made in America. Made in America tells the story first-hand of how the idea of Wal-Mart started from a single store in a one-horse town in Middle-America.

For the last few years Wal-Mart has topped the Fortune 500 list for annual sales revenue. The latest results for Wal-Mart were almost a third of a trillion (that's with a "T") dollars. This is almost incomprehensible. Here is a company that sells everyday goods and they are the largest company in the world. Where are the techno-gizmos that protect us from the enemy? Where is the R&D lab that is inventing the next wonder drug? What assets do they have pumping oil in the Middle East? The answer is in the three-pack of Fruit of the Looms. Not all of us need stealth aircraft... but we all need underwear. Sam started in business in 1945; 60 years later he has a \$300B company. Even the simplest of analyses says that he would have had to grow \$5B per year, every year since he first owned a store. I want to know who his Business Development guy is!!!

The question still remains, how did someone build such an amazing icon. Well, the short answer is obsession. Sam's family hypothesizes that he has been into most every retail store in America and most of the stores around the world. He was absolutely obsessed with retail sales. He recounts stories of family vacations where his goal was to visit some faraway store that he had heard good things about. Talk about work-life balance... He did however have one pastime that he talks about. He enjoyed quail hunting. As a matter of fact, his quail hunting dog, Roy, is the celebrity dog on the number one selling dog food in America; Ol' Roy. I am not kidding. The next time you are in a Wal-Mart take a look at the end cap on the pet food aisle. You will see a 400 pound bag (okay, maybe it is 60lbs) of dog food called Ol' Roy with a picture of the famous quail hunter. Now that is what I call work-life balance!



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If you think you are ready to compete, you will have to get up pretty early in the morning and sleep in pretty cramped quarters if you have any hope to succeed. Not only did Sam regularly show up to work at 4am, but he also made his executives sleep two and three to a hotel room. He recounts stories where eight corporate people slept in a friend's apartment so they could save money. Talk about frugal. I wince at the thought of most of the people that I know being asked to share rooms to save a few bucks. Forget the sharing rooms, just think how much money could be saved if each person eliminated only one or two unnecessary business trips per year. Maybe that video teleconference stuff does make sense!

Sam Walton was driven to be the ultimate discount retail store owner in America. He did this by pinching pennies and constant improvements. He is very open about the fact that he would "borrow" ideas from his competition to see if he could improve upon them. The "SuperCenter" that we know today was a copycat of a store he had seen overseas. Never before had Wal-Mart had a grocery inside of the retail building. Now you can hardly find a Wal-Mart without a grocery. Sam's Club is a copycat of a company he found in California. Putting stuff on shelves in a warehouse and selling it to the general public was not a Sam Walton original idea. However, without Sam Walton's drive, retail sales would probably never have become the biggest business in the world; even with the plethora of ideas that Sam borrowed.

Reading Made in America was an eye opening experience. Many people feel that just because they get up in the morning and show up to work on-time they should be richly rewarded. Sam Walton tells a story that is a kick in the gut to those folks. Success is the result of going above and beyond what you or anyone else thinks is even possible. Setting out on Monday morning to drive across the state to find the lowest price on a batch of sweaters is not everyone's cup of tea. If you are going to commit to having the lowest prices and guarantee satisfaction you are going to have to come up with some innovative buying practices. Sam went kicking and screaming into the technology age only because it meant that he had to spend money. Ironically it was his investment in technology that allowed Wal-Mart to become the largest company in the world. The expensive communication and inventory management technology also eventually allowed Wal-Mart to be the most efficient and cost effective company in the world.

I am not saying that this way of life is for everyone. What I am saying is that the next time someone you know whines about their lot in life and an inability to get ahead, drop this book on their desk. After they give it a cover to cover read maybe they will rethink the merit of their situation... or perhaps they will set the alarm clock a little earlier.

Just my opinion and we all know what "they" say about opinions...

Thanks

JB

jbreitfeller@breitideas.biz

www.breitideas.biz

Dynamic Management Consulting

PO Box 560265, Rockledge, FL 32956-0265 • Phone: 321.806.8664 • Fax: 321.504.0277