Twitter Thread by Sneh Kagrana

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Sam Walton: Made in America
[Autobiography of Wal-Mart's Founder]

- Creating Value for customers
- Being obsessed with Cost Control
- Taking care of employees
- Learning and Innovating
- Why stores Failed
- Sam’s Rules for Building a Business(Must Read)

A Thread ■■



2/ Wal-Mart today is a $400B market-cap company with over $500B in revenues, $15B of net profits, and over $25B in operating cash flows. It also owns a majority stake in Flipkart, and thereby in Myntra and PhonePe.

3/ Develop Communication/People's skill: "I learned early on that one of the secrets to campus leadership was the simplest thing of all, speak to people coming down the sidewalk before they speak to you."

4/ Be obsessed with providing value to the customers, save them money by tightly controlling costs: On business trips, Sam Walton and his colleagues used to stay in one or two rooms, once 8 of them shared one room. Expenses were capped at 1% of the purchases.

5/ "We exist to provide value to our customers, which means that in addition to quality and service, we have to save them money. Every time Walmart spends one dollar foolishly, it comes right out of our customer's pockets."

6/ "You're not negotiating for Wal-Mart, you're negotiating for your customer and your customer deserves the best price you can get. Don't feel sorry for a vendor. He knows what he can sell for, and we want his bottom price."

7/ Innovate and find new ways to sell, Be it installing candy and popcorn machines at his small retail store or piling up boxes of Tide [detergent] up to the ceiling and 100 feet long to run a promotional offer for selling it at 50% less and bringing in customers.

8/ "You can't just keep doing what works one time, because everything around you is always changing."

Learn from others. Focus on what they are doing right. Sam Walton: "I'll bet I've been to more KMarts than anybody."

9/ Take care of your employees. If employees are taken care of, they would take care of the customers. Management and supervisor should be open to a dialogue. Encourage talent, bring in talented people, and delegate.

10/ "I learned this early on in the variety store business: you've got to give folks responsibility, you've got to trust them, and then you've got to check on them." Praise your people but also follow up on things not done well.

11/ Wal-Mart adopted several ways to compensate its employees. Based on profit growth, eligible associates received a contribution to their plans from the company. On leaving, they could either encash it or take it in Wal-Mart stock, making many of them wealthy.

12/ Also if a store holds shrinkage below the company's goal, every associate in that store got a bonus. If you noticed, Wal-Mart called its employees 'Associates', treating them as partners. Small things do build up.

13/ Reason for failures of other stores and Wal-Mart's success:
"It boils down to not taking care of their customers, not minding their stores, not having folks in their stores with good attitudes, and that they never really even tried to take care of their own people.

14/ If you want the people in the stores to take care of the customers, you have to make sure you're taking care of the people in the stores. That's the most important single ingredient of Wal-Mart's success."

15/ If you grow and are not able to serve your customers or stay close enough to your business, it can become a recipe for disaster.

16/ On Financial Analysts: “ As business leaders, we absolutely cannot afford to get all caught up in trying to meet the goals that some retail analyst or financial institution in New York sets for us on a ten-year plan spit out of a computer at such and such rate.”

17/ Sam’s Rules for Building a Business:
-Commit to your business. Believe it more than anybody else
-SHARE your profits with all your associates, treat them as partners.
-MOTIVATE your partners. Money is not enough, find ways to motivate and challenge your partners.

18/
- COMMUNICATE everything you possibly can to your partners. The more they know, the more they’ll understand. The more they understand, the more they’ll care.
- APPRECIATE everything your associates do for the business.

19/
- Celebrate your successes. Find some humor in your failures. Don’t take yourself so seriously.
- LISTEN to everyone in your company and figure out ways to get them talking.
- EXCEED your customer’s expectations. If you do, they’ll come back again and again.

20/
- Control your expenses better than your competition.
- Ignore the conventional wisdom. SWIM upstream. If everybody else is doing it one way, there’s a good chance you can find your niche by going in exactly opposite direction.

21/ Have tried to highlight some parts, but no Twitter thread can substitute reading the book. One of the best autobiographies by a founder, along with Shoe Dog [Phil Knight, Nike]

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