



COURSEWORK

Name

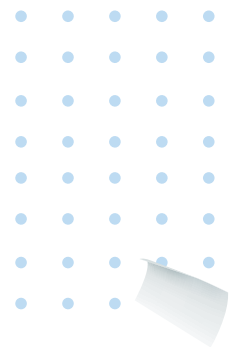
Course

Instructor's name

University

City

Date of Submission



Coursework



According to the Forbes Global statistics, Walmart Inc. is the world's largest public corporation. Due to its numerous competencies, the Company is able to keep ahead of its competitors. One of Walmart's key competencies is extremely low prices, something its competitors are unable to achieve. Walmart Inc. supplies and sells most of its commodities at the lowest possible prices thus attracting a lot of customers and achieving an increase in profits in both the short and long run. The Company sells its products at the lowest prices because its operating costs are lower than those of its competitors. Soderquist asserts that another significant competence is the use of technology to connect with effective suppliers in the market. The Company uses high-level technology to ensure that it creates a bond with its suppliers, thus ensuring that it leads the market by averting any incidences of stock-outs. Technology has improved the Company's research and development activities and has ensured that there is immense innovation in the supply chain. Moreover, the Company uses the Just-In-Time inventory management technique to ensure that it keeps the supplies that it gets more effectively. Effective management of inventory is a key competence, because it enables to reduce inventory management costs, as well as ensures that supplies are effectively managed. The Company's infrastructure has also played a significant part in boosting its efficiency as a supplier of different types of commodities. It has structures that operate as departments for storage

of different commodities intended to be supplied to required destinations. The human resource department is another competence that has been effective in the promotion of the supply chain at Walmart. The Company's employees work effectively in collaboration with each other, thus ensuring that they adhere to the profit goals set by the Company. All these competencies have helped in the transformation of the supply chain and led to the development of a greener supply chain. The greener supply chain has ensured that there are effective operations and mutual understanding between the Company and its suppliers.

SWOT ANALYSIS

Strengths

The key strength of Walmart is its strong financial base. The Company has a huge financial outlay that ensures that its activities are carried out effectively. Walmart Inc. has adequate capital resources that enable it to purchase required assets and develop an effective infrastructure within the Company. Availability of large amounts of capital resources is a strength, because it assists in the hiring of effective employees who ensure that most of the operations of the Company are carried out effectively. More so, large amounts of capital have ensured that the Company invests in other areas that are instrumental in boosting its competencies.

Another significant strength of Walmart is its large customer base. It should be noted that Walmart targets highly populated areas, thus enabling it to have a ready market for its products. The Company relies on a large number of customers to ensure maximum profits in its operations. Furthermore, Walmart's large customer base in different branches of its operation ensures that it achieves its set targets. The large customer base has assured the Company of consistently high sales over the years, thus improving its profitability. Affairs (2005) asserts that the huge customer base has promoted the stability of the Company in the market due to the assurance of higher sales during each season.

Weaknesses

Walmart's key weakness is the lack of morale among employees due to unfair payment of wages and incidences of harassment. Employees are significant stakeholders in any company; therefore, they must be treated in line with the standards set by employment bodies. At Walmart, employees have always complained of unsatisfactory wages and even resolved to engage in industrial actions, such as strikes. Therefore, most employees' morale is low, which leads to poor performance. Low levels of employee morale at Walmart have led to the retardation of activities in most crucial instances when the Company needs to be a leader in the industry.

Opportunities

Walmart has the opportunity of expanding into other markets around the globe. In addition to having a large financial base, it is also globally recognized as the best public company. With these advantages, Walmart has the opportunity to expand and maximize profits in developing countries in Africa, and even South America. The Company is also able to increase its profitability in markets outside its normal areas of operations, thus ensuring that it remains stable and effective all over the globe. Walmart has the capacity to use its large financial base to build more stores across the globe and increase its profitability in the market. This opportunity also ensures that Walmart stays in business in the highly competitive market.

Threats

The key threat facing Walmart Inc. is competition. Most of its branches all over the globe face competition that could tear down some of the significant operations. For instance, the Company faces competition from other departmental stores, such as Kmart, Target Company, Shopco, and Zellers. Competition is a threat, because it limits the accessibility of the Company to the strategic opportunities existing in the market. This makes it difficult for the Company to maximize goals set by its management. More so, the existence of competitors is a threat, because it reduces Walmart's market share. It should be noted that any company is able to remain a going concern, as long as it makes

maximum profits in the market. Companies experiencing dwindling market shares are likely to be pushed out of business. This threat could also affect Walmart unless it is taken care of effectively.

The sustainable competitive advantages that Walmart enjoys include huge amounts of capital, a large customer base, and technological advantages over its competitors, such as effective management and operation of numerous branches all over the globe. These factors are the key sustainable competitive advantages that Walmart enjoys over its competitors. They have enabled the Company to form a competitive advantage in the market and be ranked as the number one public company internationally. Walmart has utilized these sustainable competitive advantages to remain a significant force in the market where every company tries to differentiate its commodities, thus making them more attractive.

REASONS FOR WALMART'S FAILURE

Walmart's failure in countries, such as Germany and South Korea, is explained by the lack of customers its newly created branches faced. For instance, most South Koreans were not willing to go to Walmart stores because of the availability of other stores of their preference. It is asserted that most South Koreans were not interested in visiting

Walmart stores that were being set up by the company in their countries. The lack of customers the Company's branches faced made it difficult for it to achieve its targets in the market, thus leading to reduced profitability. The reduced profitability made the stores close down, as they could not generate adequate revenues to cater for effective sustainance of supplies and cost of inventory. This necessitated these firms to close down, as they could not make more profits, which ensured continued operations.

More so, Walmart did not succeed in these countries because of its failure to adhere to environmental factors. It is asserted that Walmart did not carry out an effective analysis of different markets prior to entering them. It did not understand the environmental and other factors existing in the markets, either. The failed in some countries, such as China, because of its ignorance of the requirements put in place by the Chinese authorities. The management did not follow carefully the rules regarding the environmental conditions required for effective operations in the country. Therefore, most citizens and organizations did not support the Company because of its perceived lack of adherence to the different environmental conditions existing in the market. The Company was rejected and hugely displaced by competitors who handled the public much better. All these factors denied Walmart Inc. the effective success that it had envisaged in its entire operations in the different parts of the globe.

REASONSSUCCESS IN INDIA

Walmart's success in India came about because of its perceived adherence to the cultural aspects of the people. Its collaboration with Bharti Company set it on the map of complying with the rules and regulations of the country. This is in line with the Geert Hofstede cultural dimensions that assert that an individuals or companies could only be successful in a particular country if they adhere to the country's rules. The Company adopted the rule of collectivism in its entry into the Indian market, thus ensuring that it was effectively appreciated by a majority of potential buyers in India. Its entry was a success due to involvement of Bharti Company. Walmart succeeded in India due to its adherence to Indian culture that emphasizes the significance of collectivism.

The Company's success in India is also due to the location advantages, as asserted by the Electic paradigm. Walmart was strategically established in India, which is recognized as one of the most populated countries in the world. The fact that India is the second most populated country offered adequate market opportunities for Walmart, thus ensuring that it is adequately successful in the market. This could be illustrated effectively by the adherence to the Electic paradigm that asserts that a company can only be successful in cases where it adheres to proper location. Proper location and collaboration with other companies, such as Bharti, enabled the Company to make continuous profits that sustain it effectively.

The presence of related and supporting industries, such as Bharti, contributed to the success of Walmart in India. This is in line with Porter's Diamond model that emphasizes collaboration of different companies in order to overall success in the market. Walmart was able to collaborate with Bharti, thus ensuring that all the activities were supported effectively and that it was able to penetrate the market effectively.

WALMART'S PESTEL ANALYSIS IN INDIA

The political environment in India is calm, thus presenting an effective environment for Walmart's business operations. Walmart has been able to carry out its activities in an effective manner, because of the relaxed political climate in India. The lack of political wars causing displacement of people has promoted Walmart's profitability and assured it of constant customers. This ensures that there is success in the market according to the set requirements. More so, the Company has also been able to expand to the different parts of the country due to favorable political conditions.

India's outstanding economic performance has enabled Walmart to expand into the different markets in India and increase its profitability. In fact, it has been able to make more profits as the years of operation

elapse.

The social factors in India are superb. Most individuals in India live in well-defined social classes. This ensures that there is proper setting of the companies in different parts of the country. For instance, Walmart Company has been able to establish its companies in the most appropriate places that provide effective markets for its products.

Modern technology used by Walmart Company has enabled the Company to modify its products in the market and boost its sales. More so, effective technology has promoted effective management of inventory and research within the Company.

India's environment has also favored Walmart's operations. It has ensured that the Company is effective in its operations and that it earns maximum profits in the market. Environmental conditions have also ensured that Walmart remains a significant force in the market.

Legal factors in India are also defined accordingly. Walmart has not been involved in any litigation, thus enabling it to perform according to the society's expectations. Such a status has been achieved due to the company's adherence to India's rules and regulations. The rules and regulations governing the conduct of business has ensured that the Company succeeds in its entire operations.

WALMART'S JOINT VENTURE STRATEGY IN INDIA

Walmart adopted the strategy of joint venture in India because of the country's improving economic growth. There were many opportunities for the growth of the Company due to a high economic growth rate in India. More so, the Company decided to go for a joint venture in India because of the country's large population. The It believed that the large population in India could easily transform into a pool of loyal customers hence boosting the profitability of the Company in outside makes. It decided to form the joint venture with Bharti because of its understanding that Bharti had already established itself in the Indian market. Collaboration with Bharti was meant to ensure that Walmart would be accepted similarly. Therefore, the Company was able to succeed in the Indian market and achieve the profit levels envisaged by its management.

BHARTI'S SWOT ANALYSIS

Strengths

Bharti's strength lies in having an effective managerial staff. It is asserted that Bharti Corporation has an effective managerial staff that ensures that the company's operations are conducted appropriately. Availability of effective management is a strength, because it has been

instrumental in reducing the amounts of wasted resources. It also ensures that there is no corruption and that all resources are managed appropriately for effective performance.

Weaknesses

The key weakness that can be observed at Bharti is the lack of effective performance of the Company's outside branches. Most of Bharti's operational branches, especially those found in developing countries, do not deliver the required profit levels, thus harming the Company's targets.

Opportunities

Bharti has the opportunity of expanding to the outside market just like Walmart. It has the adequate amounts of capital that could be used to build other effective branches in the outside markets, thus assuring it of success. More so, Bharti has the opportunity of expanding into the markets of developing countries because of its established title in the market of operation.

Threats

Competition from other established international companies is an immense threat to Bharti. It adversely affects the Company's profits, as

well as limits its target of achieving effective performance and profitability in the market.

THE CURRENT SITUATION

Following the merger, the Company's situation in India has been most favorable. It is performing outstandingly in terms of generation of expected profits.

PORTER'S FIVE ANALYSIS

In line with the Porter's Five model, the new joint venture does not face any threat from new entrants, because startup companies require large initial capital. The high requirements for start-up capital limits other Companies from joining the market hence giving the venture the opportunity for more growth. More so, the customer bargaining power is high, as customers are given the first priority in the market. The customer bargaining power is high because of the reduced costs of switching from one Company to another. The supplier bargaining power is also high because of the mobility of suppliers. The high bargaining power of suppliers emanates from the fact that this is a free market and they are able to move from one Company to another in their supplies. The existing competitors are a threat to the Company, as

they limit its operations. Competitors have reduced the level of profits realized by the Company in most instances. Lastly, the competition from substitute products is high because of the existence of other Companies providing similar goods and services. This necessitates the Company to operate effectively in order to avert the loss of profits in the market due to the purchase of substitutes.

JOINT VENTURE SWOT ANALYSIS

Strengths

The key strength of the joint venture is its ownership of large amounts of capital for expansion, research and development. It must be noted that the Walmart-Bharti venture possesses large amounts of capital that can be used in expansion strategies and the modification of goods and services. This improves the quality of goods and services delivered to customers hence improving the profitability of the Company in the market. The large financial base is also used in the purchase of more assets that boost the venture's operations.

Weaknesses

The key weakness of the Company is its divided management. The

management at Bharti and Walmart have different interests due to the different types of businesses that are run by the two Companies. This could hurt the entire performance of the Company negatively and limit its profitability in the market. The pursuit of different interests could lead to the achievement of weaker results in the entire joint venture.

Opportunities

India is a large country with a large number of people. This means that the joint venture has the opportunity to grow and expand in all parts of India hence maximizing its profitability. This would be achieved through identifying those places in India that are likely to improve the profitability of the Company and maximizing on investments. The Company would be able to remain a strong force in the market because of its expansion opportunities in India.

Threats

The joint venture faces the threat of non-acceptability in all parts of India. This is because of the perception that Walmart emanates from the western countries and does not understand the demands of the Indian culture. This threat is likely to interfere with the profitability of the Company and affect its effective performance in the country.

RECOMMENDATIONS

I would recommend that the Company continue to maximize profits in the market with the use of new technology. The Company should also introduce new commodities that would be acceptable by most of India's population as this would play a significant part in boosting the profitability levels. The Company should also adhere to the culture and demand of Indians as this would boost its acceptability. The reasoning behind these recommendations is that any Company that wishes to succeed in the market must bow effectively to the needs of its stakeholders in the environment of operation.