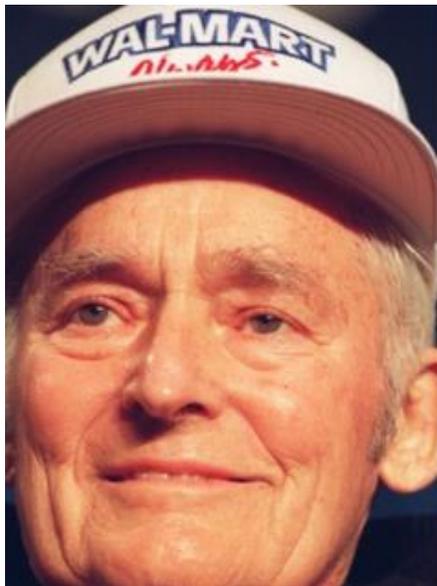


Made in America

By Sam Walton



You can't just keep doing what works one time, everything around you is changing. To succeed, stay out in front of change.

— *Sam Walton* —

AZ QUOTES

Summary

1. Sam Walton recounts his background and Walmart's path to retail dominance

Key Takeaways

1. Sam's Rules for Building a Business
 1. Commit to your business. Believe in it more than anybody else. I think I overcame every single one of my personal shortcomings by the sheer passion I brought to my work. I don't know if you're born with this kind of passion or if you learn it. But I do know you need it. If you love your work, you'll be out there every day trying to do it the best you possibly can and pretty soon everybody around will catch the passion from you - like a fever
 2. Share your profits with all your associates, and treat them as partners. In turn, they will treat you as a partner and together you will perform beyond your wildest expectations. Behave as a servant leader in a partnership. Encourage your associates to hold a stake in the company. Offer discounted stock, and grant them stock for their retirement. It's the single best thing we ever did
 3. Motivate your partners. Money and ownership alone aren't enough. Constantly, day by day, think of new and more interesting ways to motivate and challenge your partners. Set high goals, encourage competition, and then keep score. Make bets with outrageous payoffs. If things get stale, cross-pollinate; have managers switch jobs with one another to stay challenged. Keep everybody guessing as to what your next trick is going to be. Don't become too predictable
 4. 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. Once they care, there's no stopping them. If you don't trust our associates to know what's going on, they'll know you don't really consider them partners. Information is power, and the gain you get from empowering your associates more than offsets the risk of informing your competitors
 5. Appreciate everything your associates do for the business A paycheck and a stock option will buy one kind of loyalty. But all of us like to be told how much somebody appreciates what we do for them. We like to hear it often and especially when we have done something we're really proud of. Nothing else can

quite substitute for a few well-chosen, well-timed, sincere words of praise.

They're absolutely free - and worth a fortune

6. Celebrate your success. Find some humor in your failures. Don't take yourself too seriously. Loosen up, and everybody around you will loosen up. Have fun. Show enthusiasm - always. When all else fails, put on a costume and sing a silly song. Then make everybody else sing with you. Don't do a hula on Wall Street. It's been done. Think up your own stunt. All of this is more important, and more fun, than you think, and it really fools the competition. "Why should we take those cornballs at Walmart seriously?"
7. Listen to everyone in your company. And figure out ways to get them talking. The folks on the front lines - the ones who actually talk to the customer - are the only ones who really know what's going on out there. You'd better find out what they know. This really is what total quality is all about. To push responsibility down in your organization, and to force good ideas to bubble up within it, you *must* listen to what your associates are trying to tell you.
8. Exceed your customers' expectations. If you do, they'll come back over and over. Give them what they want - and a little more. Let them know you appreciate them. Make good on all your mistakes, and don't make excuses - apologize. Stand behind everything you do. The two most important words I ever wrote were on the first Walmart sign: "satisfaction guaranteed." They're still up there, and they have made all the difference
9. Control your expenses better than your competition. This is where you can always find the competitive advantage. For 25 years running - long before Walmart was known as the nation's largest retailer - we ranked number one in our industry for the lowest ratio of expenses to sales. You can make a lot of different mistakes and still recover if you run an efficient operation. Or you can be brilliant and still go out of business if you're too inefficient
10. Swim upstream. Go the other way. Ignore the conventional wisdom. If everybody else is doing it one way, there's a good chance you can find your niche by going exactly the opposite direction. But be prepared for a lot of folks to wave you down and tell you you're headed the wrong way. I guess in all my years, what I heard more often than anything was: a town of less than 50,000 population cannot support a discount store for very long
 1. I can tell you this, though: after a lifetime of swimming upstream, I am convinced that one of the real secrets to Walmart's phenomenal success has been that very tendency. Many of our best opportunities were created

out of necessity. The things that we were forced to learn and do, because we started out underfinanced and undercapitalized in these remote, small communities, contributed mightily to the way we've grown as a company. Had we been capitalized, or had we been the offshoot of a large corporation the way I wanted to be, we might not ever have tried the Harrisons or the Rogers or the Springdales and all those other little towns we went into in the early days. It turned out that the first big lesson we learned was that there was much, much more business out there in small-town America than anybody, including me, had ever dreamed of

2. Walmart's Strategy

1. That method was to saturate a market area by spreading out, then filling in. In the early growth years of discounting, a lot of national companies with distribution systems already in place - Kmart for example - were growing by sticking stores all over the country. Obviously, we couldn't support anything like that. But while the big guys were leapfrogging from large city to large city, they became so spread out and so involved in real estate and zoning laws and city politics that they left huge pockets of business out there for us. Our growth strategy was born out of necessity, but at least we recognized it as a strategy pretty early on. We figured we had to build our stores so that our distribution centers, or warehouses, could take care of them, but also so those stores could be controlled. We wanted them within reach of our district managers, and of ourselves here in Bentonville so we could get out there and look after them. Each store had to be within a day's drive of a distribution center. So we could go as far as we could from a warehouse and put in a store. Then we would fill in the map of that territory, state by state, county seat by county seat, until we had saturated that market area
2. We never planned on actually going into the cities. What we did instead was build our stores in a ring around a city - pretty far out - and wait for the growth to come to us. That strategy worked practically everywhere
3. There's no question whatsoever that we could not have done what we did back then if I hadn't had my airplanes. I bought that first plane for business, to travel between the stores and keep in touch with what was going on. But once we started really rolling out stores, the airplane turned into a great tool for scouting real estate. We were probably 10 years ahead of most other retailers in scouting locations from the air, and we got a lot of great ones that way. From up in the air we could check out traffic flows, see which way cities and towns were growing,

and evaluate the location of the competition - if there was any. Then we would develop our real estate strategy for that market. I loved doing all this myself

4. A key transition point was moving from variety store to discount store
5. 2 cornerstones of Walmart's philosophy - we sell for less and satisfaction guaranteed The idea was simple: when customers thought of Walmart, they should think of low prices and satisfaction guaranteed. They could be pretty sure they wouldn't find it cheaper anywhere else, and if they didn't like it, they could bring it back. No matter what you pay for it, if we get a great deal, pass it on to the customer. And of course that's what we did
 1. *Building this consistent customer trust is vital, think it also applies to Costco and Amazon in certain ways*
6. As much as we love to talk about all the elements that have gone into Walmart's success - merchandising, distribution, technology, market saturation, real estate strategy - the truth is that none of that is the real secret to our unbelievable prosperity. What has carried this company so far so fast is the relationship that we, the managers, have been able to enjoy with our associates.
7. We didn't pay our associates much in the beginning. It wasn't that I intentionally was heartless. I wanted everybody to do well for themselves. It's just that in my very early days in the business, I was so doggoned competitive, and so determined to do well, that I was blinded to the most basic truth, really the principle that later became the foundation of Walmart's success. You see, no matter how you slice it in the retail business payroll is one of the most important parts of overhead, and overhead is one of the most crucial things you have to fight to maintain your profit margin. That was true then and it's still true today. Back then, though I was so obsessed with turning in a profit of 6% or higher that I ignored some of the basic needs of our people and I feel bad about it. The larger truth that I failed to see turned out to be another of those paradoxes - like the discounters' principle of the less you charge the more you'll earn. And here it is: the more you share profits with your associates - whether it's in salaries or incentives or bonuses or stock discounts - the more profit will accrue to the company. Why? Because the way management treats the associates is exactly how the associates will then treat the customers. And if the associates treat the customers well, the customers will return again and again, and *that* is where the real profit in this business lies, not in trying to drag strangers into your stores for one-time purchases based on splashy sales or expensive advertising. Satisfied, loyal, repeat customers are at the heart of Walmart's spectacular profit margins,

and those customers are loyal to us because our associates treat them better than salespeople in other stores do. So, in the whole Walmart scheme of things, the most important contact ever made is between the associate in the store and the customer

8. The idea for sharing profits and benefits had come up even before we went public, not from me, but from Helen. The decision we reached around that time, to commit ourselves to giving the associates more equitable treatment in the company, was without a doubt the single smartest move we ever made at Walmart.
9. One of the most successful bonuses has been our shrink incentive plan, which demonstrates the partnership principle as well as any I know beyond just straight profit sharing. As you may know, shrinkage, or unaccounted-for inventory loss - theft, in other words - is one of the biggest enemies of profitability in the retail business. So in 1980, we decided the best way to control the problem was to share with the associates any profitability gained by reducing it. If a store holds shrinkage below the company's goal, every associate in that store gets a bonus that could be as much as \$200. This is sort of competitive information, but I can tell you that our shrinkage percentage is about half the industry average. Not only that, it helps our associates feel better about each other, and themselves. Most people don't enjoy stealing, even the ones who will do it if given the opportunity. So under a plan like this, where you're directly rewarded for honesty there's a real incentive to keep from ignoring any customers who might want to walk off with something, or worse, to allow any of your fellow associates to fall into that trap. Everybody working in that store becomes a partner in trying to stop shrinkage, and when they succeed, they - along with the company in which they already hold stock - share in the reward.
 1. *Use human nature to work for you - in this case he was able to align incentives to get people all-in and to become self-policing*
10. Keeping so many people motivated to do the best job possible involves a lot of the different programs and approaches we've developed at Walmart over the years, but none of them would work at all without one simple thing that puts it all together: appreciation. All of us like praise. So what we try to practice in our company is to look for things to praise. Look for things that are going right. We want to let our folks know when they are doing something outstanding, and let them know they are important to us. You can't praise something that's not done well. You can't be insincere. You have to follow up on things that aren't done

well. There is no substitute for being honest with someone and letting them know they didn't do a good job. All of us profit from being corrected - if we're corrected in a positive way. But there's no better way to keep someone doing things the right way than by letting him or her know how much you appreciate their performance. If you do that one simple thing, human nature will take it from there

1. *What the pupil must learn, if he learns anything, is that the world will do most of the work for you, provided you cooperate with it by identifying how it really works and identifying with those realities. - Joseph Tussman*

11. "When I started working at Walmart in West Texas, we could anticipate a store visit by the chairman with the same sense you get when you're going to meet a great athlete, or a movie star, or a head of state. But once he comes in the store, that feeling of awe is overcome by a sort of kinship. He is a master of erasing that 'larger-than-life' feeling that people have for him. How many heads of state always start the conversation by wanting to know what *you* think? What's on *your* mind?

1. *It is great to be great, but it is even better to be human. - Will Rodgers*
2. *Walt Disney also had this capacity to put people at ease - if he wanted to...*

12. And, as I've said, we've certainly borrowed every good idea we've come across. Helen and I picked up several ideas on a trip we took to Korea and Japan in 1975. A lot of the things they do over there are very easy to apply to doing business over here. Culturally, things seem so different - like sitting on the floor eating eels and snails - but people are people, and what motivates one group generally will motivate another

13. A strong corporate culture with its own unique personality, on top of the profit-sharing partnership we've created, gives us a pretty sharp competitive edge. But a culture like ours can create some problems of its own too. The main one that comes to mind is a resistance to change. When folks buy into a way of doing things, and really believe it's the best way, they develop a tendency to think that's exactly the way things should always be done. So I've made it my own personal mission to ensure that constant change is a vital part of the Walmart culture itself. I've forced change - sometimes for change's sake alone - at every turn in our company's development. In fact, I think one of the greatest strengths of Walmart's ingrained culture is its ability to drop everything and turn on a dime...Part of this constant change helps keep people and competitors a little off balance

14. Small merchants need to avoid coming at us head-on and do their own thing better than we do ours. It doesn't make sense to try to underprice Walmart on

something like toothpaste. That's not what the customer is looking to a small store for anyway. Most independents are best off, I think, doing what I prided myself on doing for so many years as a storekeeper: getting out on the floor and meeting every one of the customers. Let them know how much you appreciate them, and ring that cash register yourself. That little personal touch is so important for an independent merchant because no matter how hard Walmart tries to duplicate it - and we try awfully hard - we can't really do it

1. *Like Paul Graham advises, attack incumbents orthogonally. Start small, start cheap, start obscure, start with actions that might not scale, in areas which are looked down upon. You'll build such a loyal customer base that before your competitors know it, you're on their heels*
15. I loved it. So many times we overcomplicate this business. You can take computer reports, velocity reports, any kind of reports you want to and go lay out your counters by computer. But if you simply think like a customer, you will do a better job of merchandise presentation and selection than any other way. It's not always easy. To think like a customer, you have to think about details. Whoever said 'retail is detail' is absolutely 100% right. On the other hand it's simple. If the customers are the bosses, all you have to do is please them.
16. Distribution and transportation have been so successful at Walmart because senior management views this part of the company as a competitive advantage, not as some afterthought or necessary evil. And they support it with capital investment. A lot of companies don't want to spend any money on distribution unless they have to. Ours spends because we continually demonstrate that it lowers our costs. This is a very important strategic point in understanding Walmart - Joe Hardin
17. I would go so far as to say, in fact, that the efficiencies and economies of scale we realize from our distribution system give us one of our greatest competitive advantages
18. For a long time Sam would show up regularly in the drivers' break room at 4AM with a bunch of donuts and just sit there for a couple of hours talking to them. He grilled them. What are you seeing at the stores? Have you been to that store lately? How do the people act there? Is it getting better? It makes sense. The drivers see more stores every week than anybody else in this company. And I think what Sam likes about them is that they're not like a lot of managers. They don't care who you are. They'll tell you what they really think.

19. Being big poses some real dangers. It has ruined many a fine company - including some giant retailers - who started out strong and got bloated or out of touch or were slow to react to the needs of their customers. Here's the point: the bigger Walmart gets, the more essential it is that we think small. Because that's exactly how we have become a huge corporation- by not acting like one. Above all, we are small-town merchants, and I can't tell you how important it is for us to remember - when we puff up our chests and brag about all those huge sales and profits - that they were all made one day at a time, one store at a time, mostly by the hard work, good attitude and teamwork of all those hourly associates and their store managers, as well as by all those folks in the distribution centers.
20. So we know what we have to do: keep lowering our price, keep improving our service, and keep making things better for the folks who shop in our stores. That is not something we can simply do in some general way. It isn't something we can command from the executive offices because we want it to happen. We have to do it store by store, department by department, customer by customer, associate by associate
21. *Push responsibility down to those touching the medium* - That makes it management's job to listen to those merchandisers out in the stores. We have these buyers here in Bentonville - 218 of them - and we have to remind them all the time that their real job is to support the merchants in the stores. Otherwise, you have a headquarters-driven system that's out of touch with the customers of each particular store, and you end up with a bunch of unsold workboots overalls and hunting rifles at the Panama City Beach store, where folks are begging for water guns and fishing rods and pails and shovels; and at the Panama City store in town you've got a bunch of unsold beach gear stacked up gathering dust. So when we sit down at our Saturday morning meetings to talk about our business, we like to spend time focusing on a single store, and how that store is doing against a single competitor in that particular market. We talk about what that store is doing right, and we look at what it's doing wrong
22. We believe that we have to talk about and examine this company in minute detail. I don't know any other large retail company - Kmart, Sears, Penney's - that discusses their sales at the end of the week in any smaller breakdown than by region. We talk about individual stores. Which means that if we're talking about the store in Dothan Alabama or Harrisburg, Illinois, everybody here is expected to know something about that store - how to measure its performance, whether a 20% increase is good or bad, what the payroll is running, who the competitors

are, and how we're doing. We keep the company's orientation small by zeroing in on the smallest operating unit we have. No other company does that. - David Glass

23. If you had to boil down the Walmart system to one single idea it would probably be communication, because it is one of the real keys to our success. We do it in so many ways, from the Saturday morning meeting to the very simple phone call, to our satellite system. The necessity for good communication in a big company like this is so vital it can't be overstated.
3. Sam does not consider himself reflective or one to dwell on the past
4. His passion to compete is what sets him apart
5. His father was totally honest and the best negotiator he had ever seen - him and the counterparty always parted as friends
6. Had several hard jobs as a kid during the Great Depression. Like Disney and many others, was a paper boy which taught him the value of a dollar and this became part of the Walmart culture
7. Supremely competitive with a great bias for action but his best talent was as a motivator.
8. "Exercising your ego in public is definitely not the way to build an effective organization. One person seeking glory doesn't accomplish much; at Walmart, everything we've done has been the result of people pulling together to meet one common goal - teamwork - something I also picked up at an early age"
9. Thinking you have the right to win often turns into a self-fulfilling prophecy
10. Sam was one of the masters of "going positive and going first"
 1. 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. I did that in college. I did it when I carried my papers. I would always look ahead and speak to the person coming toward me. If I knew them, I would call them by name, but even if I didn't I would still speak to them. Before long, I probably knew more students than anybody in the university, and they recognized me and considered me their friend
 2. "I guess Mr. Walton just had a personality that drew people in. He would yell at you from a block away, you know. He would just yell at everybody he saw, and that's the reason so many liked him and did business in the store. It was like he brought in business by his being so friendly
11. Somehow over the years, folks have gotten the impression that Walmart was something I dreamed up out of the blue as a middle-aged man, and it was just this great idea that turned into an overnight success. It's true that I was forty four when we opened our first

Walmart in 1962, but the store was totally an outgrowth of everything we'd been doing since Newport - another case of me being unable to leave well enough alone, another experiment. And like most other overnight successes, it was about twenty years in the making. Of course I needed somebody to run my new store, and I didn't have much money, so I did something I would do for the rest of my run in the retail business without any shame or embarrassment whatsoever: nose around other people's stores searching for good talent. One way he lured the best people in, especially early on, was to give away a percentage of the profits

12. Early goal was to be the best, most profitable variety store in Arkansas within 5 years.
That happened
13. Early lesson: you can learn from anybody, especially competitors
14. Was always iterating and experimenting - this may be Sam's most important contribution. "Every crazy thing we tried hadn't turned out as well as the ice cream machine, of course, but we hadn't made any mistakes that we couldn't correct quickly, none so big that they threatened the business
15. What Walmart realized more clearly than anyone else and what they built around and exploited is that you can lower the mark-up and margin so that the volume makes up for less profit per item
16. Always sought out competition - "Bentonville was the smallest of the towns we considered, and it already had three variety stores, when one would have been enough. Still, I love competition, and it just struck me as the right place to provide I could do it all over again
17. Was a keen observer
 1. "As soon as Sam moved the store from Newport to Bentonville, he had a nice big sale, and we put barrels full of stuff all around the floor. Those elderly ladies would come in and bend way down over into those barrels. I'll never forget this. Sam takes a look, frowns, and says: 'One thing we gotta do, Charlie. We gotta be real strong in lingerie.' Times had been hard, and some of those underthings were pretty ragged." - Charlie Baum
 2. "I remember him saying over and over again: go in and check our competition. Check everyone who is our competition. And don't look for the bad. Look for the good. If you get one good idea, that's one more than you went into the store with, and we must try to incorporate it into our company. We're really not concerned with what they're doing wrong, we're concerned with what they're doing right, and everyone is doing something right." - Charlie Cate

18. I guess we had very little capacity for embarrassment back in those days. We paid absolutely no attention whatsoever to the way things were supposed to be done, you know, the way the rules of retail said it had to be done
19. "Two things about Sam Walton distinguish him from almost everyone else I know. First, he gets up every day bound and determined to improve something. Second, he is less afraid of being wrong than anyone I've ever known. And once he sees he's wrong, he just shakes it off and heads in another direction"
20. After a tornado tore down a key store - "We just rebuilt it and got back at it." No feeling sorry for oneself. Just facing what reality hands you and making the most of it
21. Distribution was an absolute key to Walmart's success
22. I guess I've stolen - I actually prefer the word "borrowed" - as many ideas from Sol Price as from anybody else in the business. For example, it's true that Bob Bogle came up with the name Walmart in the airplane that day, but the reason I went for it right away wasn't that the sign was cheaper. I really liked Sol's Fed-Mart name so I latched right on to Walmart.
23. Many of these larger stores were bright stars for a moment, and then they faded. I started thinking about what really brought them down, and why we kept going. It all boils down to not taking care of their customers, not minding their stores, not having folks in their stores with good attitudes, and that was because they never really even tried to take care of their own people. 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 Walmart's success
24. Academy Men vs. NCOs (non-commissioned officers) - the early fellows didn't want me hiring any college men. They had the diea that college graduates wouldn't get down and scrub floors and wash windows. The classic training in those days was to put a two-wheeler - you know, a cart that you carry merchandise on - into a guy's hands within the first thirty minues he came to work and get him pushing freight out of the back room. They all came out of these variety stores with the same background and the same kind of philosophy and education. And we looked for the action-oriented, do-it-now, go type of folks
25. I can name you a lot of retailers who were originally merchandise driven, but somehow lost it over the years. In retail, you are either operations driven - where your main thrust is toward reducing expenses and improving efficiency - or you are merchandise driven. The ones that are truly merchandise driven can always work on improving operations. But the ones that are operations driven tend to level off and begin to deteriorate. So Sam's item promotion mania is a great game and we all have a lot of fun with it, but it is

also at the heart of what creates our extraordinary high sales per square foot, which enable us to dominate our competition

26. Sam was never one to scoff at change if it was correct. He began as a dime store man so at first he wanted to make a certain percentage of profit on everything. But he came around to the idea that a real hot item would really bring customers in the store so we finally started running things like toothpaste for 16 cents a tube. Then we'd have to worry about getting enough of it in stock
27. Thrived on change and no decision was ever sacred
28. One thing I never did - which I'm really proud of - was to push any of my kids too hard. I knew I was a fairly overactive fellow and I didn't expect them to try to be just like me. Also, I let them know they were welcome to come into our business, but that they would have to work as hard as I did - they would have to commit to being merchants.
29. One reason he fell in love with his wife Helen is that she was always her own woman, forming her own opinions and making her own decisions
30. I have always had the soul of an operator, somebody who wants to make things work well, then better, then the best they possibly can
31. Some folks no doubt figured we were a little fly-by-night - you know, in the discount business today but out selling cars or swampland tomorrow. I think that misunderstanding worked to our advantage for a long time, and enabled Walmart to fly under everybody's radar until we were too far along to catch
32. Anybody who has ever known anything about me knows I was never in anything for the short haul
33. I always had great curiosity and would openly ask competitors how they operated and thought about their business. I always questioned everything
34. I think it must be human nature that when somebody homegrown gets on to something, the folks around them sometimes are the last to recognize it
35. I guess what's annoying to executives - to anybody who tries to spend their time managing a company as big as this - is these money managers who're always churning their investors' accounts. You know, the stock will go from \$40 to \$42 and they'll rush in there and say, "Hey, let's sell this thing because it's just too high. It's an overvalued stock." Well, to my mind, that doesn't make much sense. As long as we're managing our company well, as long as we take care of our people and our customers, keep our eye on those fundamentals, we are going to be successful. Of course, it takes an observing, discerning person to judge those fundamentals for himself. If I were a stockholder of Walmart, or considering becoming one, I'd go into ten Walmart stores and ask the folks

working there, "How do you feel? How's the company treating you?" Their answers would tell me much of what I need to know

36. The point is, all those analysts may have had perfectly logical theories about why a 20% increase would be a disaster for us. But they failed to see that in a big economic downturn, when everybody is suffering, Walmart's fundamental strengths would keep us going strong. And we would look great compared to everybody else
37. What's really worried me over the years is not our stock price, but that we might someday fail to take care of our customers, or that our managers might fail to motivate and take care of our associates. I was also worried that we might lose the team concept, or fail to keep the family concept viable and realistic and meaningful to our folks as we grow. Those challenges are more real than somebody's theory that we're headed down the wrong path
38. If you asked me am I an organized person, I would have to say flat out no, not at all. Being organized would really slow me down. In fact, it would probably render me helpless. I try to keep track of what I'm supposed to do, and where I'm supposed to be, but it's true I don't keep much of a schedule. Except for reading my numbers on Saturday morning and going to our regular meetings, I don't have much of a routine for anything else. I always carry my little tape recorder on trips, to record ideas that come up in my conversations with the associates. I usually have my yellow legal pad with me, with a list of ten or fifteen things we need to be working on as a company. My list drives the executives around here crazy, but it's probably one of my more important contributions
39. "When Sam feels a certain way, he is relentless. He will just wear you out. He will bring up an idea, we'll all discuss it and then decide maybe that it's not something we should be doing right now - or ever. Fine. Case closed. But as long as he is convinced that it is the right thing, it just keeps coming up - week after week - until finally everybody capitulates and says, well, it's easier to do it than to keep fighting this fight. I guess it could be called management by wearing down." - David Glass
40. One way I've managed to keep up with everything on my plate is by coming in to the office really early almost every day. 4:30am wouldn't be all that unusual a time for me to get started down at the office. The early morning time is tremendously valuable: it's uninterrupted time when I think and plan and sort things out
41. "I think one of Sam's greatest strengths is that he is totally unpredictable. He is always his own person, totally independent in his thinking. As a result, he is not a rubber-stamp manager. He never rubber-stamps anything for anyone"

42. As famous as Sam is for being a great motivator - and he deserves even more credit than he's gotten for that - he is equally good at checking on the people he has motivated. You might call his style: management by looking over your shoulder
43. I'm always asked if there ever came a point, once we got rolling, when I knew what lay ahead. I don't think that I did. All I knew was that we *were* rolling and that we were successful. We enjoyed it, and it looked like something we could continue. We had found a concept, certainly, that the customers liked. Even back then, I always said at the first sign of it getting out of control, the first time our numbers don't come through as they should, we will pull in and put our arms around what we've built. Up to this point, of course, we haven't had to do it
44. We keep our prices as low as possible by keeping our costs as low as possible
45. Incumbents of a new model almost always drive out or are acquired by the old guard.
What happened was that they (KMart, etc.) didn't really commit to discounting
46. I have played to my strengths and relied on others to make up for my weaknesses
47. Sam and top executives always had and encouraged a 'bias for action'
48. Most of us were too busy in the stores to even think about where it was all leading
49. Have to give people responsibility, trust them and then check on and help them
50. Sharing information and responsibility is key to any partnership.
 1. *Scarcity of any kind leads to "hoarding" where people will not feel secure in their environment and will not be all-in*
51. Submerge your own ambitions and help whoever you can in the company
52. Everybody likes praise and we look for every chance to heap it on them
53. The secret to successful retailing is to give your customers what they want
54. Customers (eventually) vote with their feet
55. Decision process - On something like the Kuhn's decision, I try to play a "what-if" game with the numbers - but it's generally my gut that makes the final decision. If it feels right, I tend to go for it, and if it doesn't, I back off
56. Once I decide I'm wrong, I'm ready to move onto something else
57. I've always been a delegator - trying to hire the best people for our stores
58. Sam's 'Beat Yesterday' Ledger book - Sam kept a ledger book to monitor and compare their performance to earlier versions of themselves during the early years of Walmart
 1. *Is there a way to transfer this 'Beat Yesterday' ledger book to compare current self to younger self? Journal, decision book, mistakes made, what you've learned, how you would've handled a situation differently?...*
59. Enlightened self-interest

1. We've been able to help our associates to a greater degree than most companies because of what you'd have to call enlightened self-interest; we were selfish enough to see in the beginning the value to the company of letting them share the profits
 2. You may have trouble believing it, but every time we've tested the old saying, it has paid off for us in spades: the more you give, the more you get.
60. Win/Lose - the Japanese are right on this point: you can't create a team spirit when the situation is so one-sided, when management gets so much and workers get so little of the pie
61. Great ideas come from everywhere if you just listen and look for them. You never know who's going to have a great idea
62. One of the most powerful forces in human nature is the resistance to change. To succeed in this world, you have to change all the time
63. A lot of folks ask if a Walmart-type story still occur in this day and age? My answer is of course it could happen again. Somewhere out there right now there's someone - probably hundreds of thousands of someones - with good enough ideas to go all the way. It will be done again, over and over, providing that someone wants it badly enough to do what it takes to get there. It's all a matter of attitude and the capacity to constantly study and question the management of the business

What I got out of it

1. One of my favorite business books of all time. Absolute focus on the customer, willingness to change, profit sharing with associates, gestures of appreciation, enlightened self-interest, willing to be different, going positive and going first. Will reread immediately

