Wal-Mart: Supply Chain Management

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An Overview of Supply Chain Management at Wal-Mart

Wal-Mart is one of the largest retailers ever, with around 7000 establishments around the world and almost two million employees (Natto, 2014).The organization is primarily known for the provision of the goods and services at the lowest affordable prices without compromising quality. It hinges its competitive advantage on robust supply chain management. One of the high-level products that Wal-Mart relies on for its competitiveness is electronics. Some of the goals that the company has for its supply chain strategies are the enhancement of purchasing power and capability, alignment of information systems and effective distribution, and enhancement of environmental and social strengths.

Wal-Mart has a complex distribution channel system.The major channels are supercenters, discount stores, and neighborhood markets. According to the company, there are over 150 distribution centers around the world, with 61000 trailers, 6100 tractors, and almost 8000 drivers (Wal-Mart, 2018). Further, they rely heavily on their online retail platforms, with their website playing a pivotal role in the distribution processes. Through such platforms as Moosejaw, Bonobos, and Jet.com, the company has been able to enhance its ecommerce capabilities. There is also Sam’s Club, which offers great discounts to small businesses that buy from Wal-Mart on discount (Wal-Mart, 2018). Since Wal-Mart is a retailer, it relies on second and third type channels of distribution, implying that it sells directly to consumers and other retailers, depending on the kind and amount of goods being sold.

Wal-Mart’s supply chain management and logistics departments have a sophisticated relationship. To guarantee reliable delivery and cost efficiency, the firm had to set up its own logistics system to distribute its goods and services without any major challenges. Wal-Mart has integrated both the logistics and supply chain functions in many parts of the world, especially in the US. To manage the distribution of goods efficiently, it relies on its tractors and trailersthat are strategically placed across all distribution centers. However, this logistical function could not be possible without the collaboration and coordination of such parties as distributors, suppliers, and intermediaries.

References

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