· Always low prices - Always • Sales per square foot \$440 (vs. \$249 Target, \$221 K-Mart) Dominant Exchange Disintermediation - dealing with ultimate manufacturers (3-4% savings) • Retail Link (\$4B to develop) • Lowest prices (2-4% below competitors on average) Vendor partnership · Cross Docking - from inbound vehicles to store-bound vehicles • Private satellite network · Unbranded suppliers and private labels • RFID · Single price negotiation with suppliers UPC scanner and check-out counters · U.S. largest importer from China • MCAPS • Unique hub-and-spoke distribution system (2-3% COGS vs. 4-5% others) Highest inventory turns (7.6 vs. 6.1 Target and 5.4 K-Mart) Lowest advertising to sales ratio (.3% vs. 2.2 Target, 1.2 K-Mart) Scan N'Pav • RFID (radio frequency identification) reduces uncrating and pilferage (6% cost · Concentration in small towns and rural areas • Suppliers absorb cost of Rollback (promotion discounts) • Sales per employee (\$175,000 vs. \$144,000 Target, \$145 K-Mart • Full format scope (Discount Stores, Sam's Clubs, • Full line grocery store, specialty departments, and **TCS** ВP Customer engagement Differentiation • "People Greeter" · Unique merchandising by store · Satisfaction guaranteed or your money back -Customer integration no questions asked MCAPS (Modular Category · Joint forecasting, planning, Assortment Planning System) EDLP image supported by advertising replenishment and shipping with Tailoring product assortments to Communities involvement (local charities, suppliers local demographics scholarships) Optimizing merchandize mix 24 hour store opened . "Best retailer to do business with" • Walmart.com · Automated distribution centers linked to stores and suppliers

Lowest cost

2002. Wal-Mart is Fortune's Most Admired Company and #1 in Fortune 500 (replaced ExxonMobil) - The Most Respected.

Restricted access

then backfill

Horizontal breadth

One stop shopping

general merchandizing

Supercenters, Neighborhood Market)

· Hard goods, soft goods, and consumables

Nationally branded and private labels

• Initially open stores in isolated rural areas

· Pushing from inside out - never jump and

with 5000-25000 people ("in towns that everybody else was ignoring")