

Research on the Walmart's Successful Application of Supply Chain Management

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Abstract: Walmart's success in supply chain management and its specific technologies for its application, and its business has been greatly benefited by supply chain management. The research method of this article uses literature reference hair, that is, the search and review of related literature. This article proposes that Walmart's successful application of supply chain management has improved its own development. Even Walmart played a role in promoting the supply chain management's evolution. This article's founding proves that the reasonable application of supply chain management is one of the important reasons for Walmart's success. In the future business development, other companies should learn from Walmart's experience in supply chain management to help their economic development.

Keywords: supply chain management, business, walmart

1. Introduction

Supply chain management is an emerging management model in the business segment. Along with the continuous development of the big data era, more and more online consumption makes enterprises realize the importance of supply chain management. And some time ago, the new crown epidemic and the problems arising from it demonstrated that the perfect supply chain system can provide great help to people and enterprises in special times. So far, in the application of supply chain management, the well-known success story is Walmart. Walmart is a large supermarket chain, and its success and growing scale are indispensable to its successful application of supply chain management. Walmart has also developed its own app and distribution service, which is rare in supermarket chains. This paper will focus on how Walmart has successfully applied supply chain management and become an object of reference for other companies.

2. Walmart's Supply Chain Management Strategies

A series of grocery stores, cheap department stores, and hypermarkets are all run by the international retail company Walmart. Sam Walton established the business in Bentonville, Arkansas, in 1962, and it has since expanded to become the largest retailer in the world, with more than 11,000 locations across 27 nations. Walmart is known for its successful implementation of supply chain management practices, which have contributed significantly to its growth and success as a retail giant. The company has built a highly efficient and integrated supply chain network that spans across its various operations, from manufacturing and distribution to retail. Rather than simply imposing its American

business model on other countries, Walmart has made an effort to understand the unique needs and preferences of each market it enters. For example, in China, Walmart has focused on selling fresh produce and local specialties, while in Mexico, it has emphasized convenience and low prices.

One of the key aspects of Walmart's supply chain management strategy is its focus on vendor management. The company works closely with its suppliers to establish long-term relationships that enable it to obtain the best prices, quality, and delivery times. Walmart also uses advanced technology, such as its Retail Link system, to share real-time data with its suppliers, which helps optimize inventory management and improve efficiency. In addition, Walmart has invested heavily in advanced technology, such as its Retail Link system, which allows suppliers to share real-time data with Walmart about inventory levels, delivery times, and sales information. This information is used to optimize inventory management, improve forecasting, and reduce lead times. For example, the company has set ambitious targets for reducing greenhouse gas emissions from its supply chain, and has implemented a program to ensure that all products are sustainably sourced. Another important aspect of Walmart's supply chain management strategy is its investment in distribution centers and logistics. The company has built a vast network of distribution centers across the United States, which enables it to transport products quickly and efficiently to its retail stores. Walmart also uses advanced technologies, such as automated warehouses and inventory tracking systems, to further optimize its logistics operations. Walmart encourages its suppliers to implement lean manufacturing practices, which emphasize minimizing waste and increasing production efficiency. This helps to reduce costs and improve quality. Also, Walmart has been a leader in promoting sustainable supply chain practices, such as lowering emissions and waste generation while encouraging local vendors. These initiatives not only help the environment but also lower expenses and increase productivity. [1].

In Walmart's supply chain transportation, the transportation fleet is a very important part of the process. This is because fuel for the fleet is very expensive, in addition to the extra cost of drivers. The most expensive part of the entire logistics process is fleet transportation, so the more savings from the fleet, the more savings in the entire supply chain, and the more benefits to consumers. To minimize fleet transportation costs, Walmart used the largest possible transport trucks, about 16 meters long, and developed its own team of transport drivers.

As an example, in the early 1990s, Walmart had more than 2,000 tractor heads, more than 10,000 trailer cars, 5,000 employees, 3,700 drivers, a fleet of 77,000 annual shipments, and a record 3.1 million accident-free miles [2].

3. The Influence of Walmart's Successful Application of Supply Chain Management

The successful application of supply chain management at Walmart has had a significant influence on the retail industry as a whole. By using supply chain management to improve efficiency and reduce costs, Walmart has been able to offer its products at lower prices than many of its competitors, which has helped to entice and keep customers. Moreover, the company's supply chain management practices have set a high standard for the industry, encouraging other retailers to adopt similar strategies to remain competitive [3].

Walmart's successful application of supply chain management has enabled it to build a highly efficient and integrated supply chain network that has contributed significantly to its growth and success. The company's focus on vendor management, logistics, and advanced technology has set a high standard for the industry and has influenced the way retailers operate their supply chains. Walmart uses the current, cutting-edge solutions for sensible transportation arrangements, making retailing more successful through the use of computerized systems and distribution centers. Walmart is leading the way in retail logistics operations and is a leader in logistics, which makes it possible for suppliers to gain greater profitability with the mall and with customers on both sides, and that demonstrates the importance of group collaboration [4].

Supply chain management is the management of the movement of products and services from their place of production to their destination. All processes involved in the creation and delivery of a good or service, such as sourcing, procurement, production, transportation, warehousing, and distribution, must be coordinated and integrated.. All of Walmart's systems are based on UNIX, a multi-user computer operating system to use conveyor belts, very large open platforms, product codes, automatic replenishment systems, and laser identification systems as part of a distribution system.. In today's global economy, the importance of supply chain management strategy has increased as businesses strive to increase their competitiveness and efficiency by streamlining their supply chain activities.. By adopting supply chain management principles, companies can reduce costs, improve quality, enhance customer service, and increase their responsiveness to changing market conditions [5].

4. The Impact and Problems of Applying Supply Chain to a Business

There are several ways that supply chain management influences business. First of all, supply chain management can improve the efficiency of business operations by optimizing the flow of materials, information, and finances throughout the supply chain. This leads to reduced lead times, lower inventory costs, and higher productivity. Secondly, supply chain management helps with cost reduction in business cycle. Through supply chain management, businesses can identify areas of waste and inefficiency in their supply chains, enabling them to reduce costs. By streamlining processes and improving inventory management, companies can minimize expenses and improve profitability. In addition, supply chain management can help to increase customer satisfaction. By ensuring that products are delivered on schedule, in the appropriate amount and quality, and at the appropriate price, supply chain management can assist organizations in providing better customer service. Higher client satisfaction, repeat business, and favorable word-of-mouth marketing result from this. Also, businesses that implement supply chain management can gain a competitive advantage over their rivals. They can outperform their rivals by improving their prices, product quality, and customer service by streamlining their supply chains. Last but not the least, supply chain management enables businesses to manage risks associated with supply chain disruptions such as natural disasters, labor strikes, or geopolitical conflicts. By having contingency plans in place, businesses can mitigate the impact of disruptions and maintain their operations [6].

In the process of doing supply chain management, enterprises often encounter some problems, such as unclear core values, poor utilization of external resources, poor digital construction, resulting in the inability to give strong information technology support, the lack of an effective information exchange platform, thus reducing communication efficiency and work efficiency, etc. Some enterprises may be limited to internal management, but ignore the cooperation and development of upstream and downstream enterprises, the lack of effective connection and communication between enterprises and suppliers, suppliers and retailers, and the allocation of enterprise resources may lack rationality, not fully utilizing external resources, and the failure to establish partnerships among various enterprises, etc [7-9].

Walmart's logistics management ideas have a positive effect on the development of the logistics industry for other enterprises. For instance, the development of a quick and efficient information network and the organic merger of e-commerce create a sizable logistics support platform. The use of data mining is required for vast amounts of data in order to separate the information and aid in decision analysis. Promote EDI technology among supply chain businesses to ensure the seamless operation of all processes [6][10].

5. Conclusion

Overall, Walmart's success in supply chain management can be attributed to its focus on collaboration, technology, logistics, lean manufacturing, and sustainability. By leveraging these factors, Walmart has been able to build a highly efficient and integrated supply chain network, which has significantly contributed to its growth and success as a retail giant. Supply chain management has a significant influence on businesses, helping them to operate more efficiently, reduce costs, improve customer satisfaction, gain a competitive advantage, and manage risks. As such, it is an essential aspect of modern business operations. "Seamless linkage" permeates every phase of the logistics cycle in Walmart's system. Such an optimized system allows the sales and distribution sides to achieve zero inventory, reduce inventory backlog, maximize enterprise revenue, and lessen the bullwhip effect on market fluctuations, in addition to lowering the cost of the supply side and providing reasonable expectations for its production. The bullwhip effect on market volatility is reduced. In addition, the fundamental purpose of all concessions to customers is to provide more profit-gaining points for enterprises. Logistics activities exist for the sole purpose of providing timely and accurate deliveries to internal and external customers. Regardless of the motivation or purpose of the delivery s, the customer receiving the service is always the core and driving force of the formation of logistics demand. Walmart aims to win over customers with affordable products and high-quality services in order to grow its business and strengthen its scale advantage. By using large-scale centralized distribution and procurement, paperless information systems, cutting-edge technology, an integrated information network, etc., to speed up the flow of materials and cut costs, Walmart is forced to increase its own customer flow while improving its own requirements.

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