Environmental Scanning

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Walmart Inc. is an American multinational retail company that was established by Sam Walton. Walton believed in leadership through service since his goals were bringing great value and quality customer services. The first store opened by Walton was a small dime store in Bentonville which received huge success influencing him to open the first Walmart in Arkansas. The success experienced by Walmart was due to the values by Walton of offering lower prices and with great customer service to his clients. The company experienced steady success which led to it going public in 1970 and the proceeds from the company financed an expansion of the business. Walmart is currently a global company operating in several regions in the World and the major focus of the company is its investments in the people, stores and also the advancing technology. The company has been able to bring new approaches to technology and also, trying out with new store structures which include Sam’s Club and the Walmart Supercenter (Finkelman, 1997). In this paper, we will be discussing Walmart Inc. management functions.

**Environmental Scanning**

Environmental scanning as a business management function involves the procedure of collecting organizational information and understanding the relationship between the organization’s internal and external surroundings. Walmart is a company that has experienced success in its operations due to its associations with technological advancements which has in turn greatly influenced the corporation’s business approach of “everyday low prices”. Walmart was the pioneer company in some of the leading technological advancements such as bar code scanning and analyzing point of sale information. Walmart also launched its own satellite in 1980 which had a lot of impact on the company’s business practices most profoundly on its supply chain management process. Some of the strategic systems spear headed by the industry luminary, Kevin Turner such as Retail-Link was significant it is enabling data integration and sharing between the company and its suppliers. The strategic systems were also significant in enabling the concept of vendor managed inventory. In the mid 1980’s Walmart developed a $4billion software and hardware system whose aim was to gather consumer-behavior information on what they were buying which was to aid the company in knowing how to store the correct products in the appropriate store. The most competitive e-commerce companies include Amazon and Jet.com which have a vast ecosystem of prime membership and they are able to deliver a wide variety of products and they also have a secure payment system that makes them to be more attractive to their customers. To respond to these emerging technologies Walmart has held the belief that information technology provides a competitive advantage over other industry leaders which has made them move from the traditional business strategies to the suitability of e-commerce. Walmart allocated resources to invest in digital capabilities that would allow the company to compete effectively and better align their resources with the consumer preferences (Chatwin, 2013).

**Competitive Advantage**

Walmart’s historical information strategy was focused on an internal approach which has created innovative business strategies that have allowed the company to gain competitive advantages globally. The emerging technologies have influenced the need for Walmart to revise its business strategies to increase their geographical reach and transform their existing retail infrastructure to be able to compete with online retail companies such as Amazon. Walmart has recently revamped its cloud-based technology by developing information centers and also creating cloud-based business tools. Walmart natured in e-commerce to enable them effectively to compete with online retail companies by recently combining Sam’s Club with Instacart for delivering real-time services. The company has built their efforts in e-commerce expansion plans and strategies which has accelerated their online sales giving them a competitive advantage over other brick and mortar stores in the United States. Walmart has also recently improved its merchandise listing on their web with more innovative informative descriptions to present new initiatives on their online sites. Although, Walmart are still grasping on their traditional business strategy due to the challenging nature of online retail. The company’s United States e-commerce sales soared to 23% in the fourth quarter and its shares also rose to 31.1% over the past year as compared to the previous 24.5% (Lakdawalla et al, 2005).

**Strategies to Create Value and gain Competitive Advantage**

Walmart’s investors influence the strategic choices of the organization and they are the individuals, groups and companies that impact the organization. Walmart has had little resistance from their investors on its e-commerce venture due to its ability to increase company revenues. The customers and suppliers have also gained from the online venture due the easy transaction modes in place and the availability of a wide variety of products. There are a series of organizational changes that have taken place in Walmart Company to enable them cope with the changing technological nature of the retail environment. Walmart is not a technological company but over the years it has had to embrace technologies in its business strategies which has influenced organizational change and interdepartmental collaborations. The recent advancement to e-commerce has led to the development of a common system for the entire company together with its subsidiaries which has eased communication between departments both locally and globally. Walmart due to the technological change to e-commerce it developed a common platform where all its stakeholders could have real-time interaction which is both economical and efficient (Price, 1996).

**Measurement Guidelines**

Walmart makes use of sustainability guide which functions as an instrument to for refining merchandises that their clients prefer, assimilate sustainability into the company, augment the quality of their merchandise, upsurge competes in their supply chain and improve the output loop by decreasing expenses. Walmart believes in building sustainability as a measurement guideline that the organization uses to verify the effectiveness of its strategies. Walmart collaborated with the Sustainability Consortium to develop metrics to evaluate significant indicators for examining the efficiency of the organization’s strategies. The company together with its partner developed a standardized system for relaying of information on sustainability all through the merchandise value chain. The system is identified as the sustainability measurement and reporting method which serves as an international podium for states to evaluate and report on merchandise sustainability. According to Walmart’s management, the company’s goal is to acquire the right metrics to advance their measurement guideline for assessing the effectiveness of their strategies (Feng et al, 2010).

**Effectiveness of Walmart’s Measurement Guidelines**

The sustainability measurement and reporting system has been an effective measurement guideline since it enables a rigorous product level life cycle assessment and offers an arena to communicate sustainability information through the supply chain. This measurement guidelines are effective since it enables sustainability of the organization’s strategies that ensures increased product quality, supply efficiency and an increase in productivity loop. Walmart has heavily benefitted from these measurement guidelines since they are able to measure the sustainability of their suppliers and develop effective strategies to easily integrate their global supply chains effortlessly. Walmart is however in the process of identifying better metrics to include in their measurement guidelines to ensure the organization gains its business potential in the global technological business environment.

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