

Vice President of Operations

Name

Institution

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The company chosen is Walmart. Walmart is an American multinational retail corporation that operates a chain of warehouse stores and discount department stores. The headquarters of the company is in Bentonville, Arkansas in the United States. The company was founded in the year 1962. Incorporation was done later in the year 1969. The company has over eleven thousand stores in twenty eight countries. It operates under the walmart name in Canada and the United States.

The mission of Walmart is set to be the best retail store with a large assortment of high quality and low prices both in the United States, where it has the largest number of branches, as in the other countries where there are operations. The company is founded on three basic premises created by Sam Walton in 1962. The vision of walmart is to be the largest and best retail organization of the world, through offering the best products not only on time but also provide efficient service to its customers.

Walmart has changed its strategy by focus on the enhancement of the skills and the knowledge of individual employees that are responsible for the work that is key to the integrity and credibility of the business. Walmart learnt these practices through some groundbreaking work that was done with professional psychologists, while using modern technology in the creation of low cost innovative interventions, which drive sustainable and safer behavior.

The founder of the franchise, Sam Walton had a business model that was focused on keeping the prices as low as possible. That strategy of offering low prices hinged on or depended on another key pillar on which so much of Walton's advantage is built: volume/ scale. He was aware that even if his margins were slimmer than those of the competitors, he could make up for that through the volumes that he would sell. In time, this volume would permit economies of

scale, and a level of bargaining power that would enable the company to remake the supply sector and the retail landscape. The third principle that Walmart uses is the minimization of the operating costs. By keeping the operating costs as low as possible, Walmart is able to make big profits from the sale of items.

The methods of supply chain management done by Walmart differ very little from the main components of most supply chains, that is, purchase, operations, distribution and integration. However, the retailer has refined the methods. The supply chain starts with the purchasing managers who determine the kind of products that will sell. They then find the vendors and arrange the deals for the products. The operations part of a supply chain is mainly focused on demand planning, forecasting well as management of inventory. The consumer demand is forecasted based on historical data, external drivers including sales and promotions as well as changes in competition or trends.

Demand planning is used in the creation of forecasts that are accurate. This is a critical step towards inventory management that is effective. The forecasts are then compared to the levels of inventory to ensure that the warehouses have enough inventory to meet the demand by the consumers. Movement of the product from the manufacturing plants or warehouse and finally to the customers is the distribution function of the supply chain.

Just in time is a methodology that is aimed primarily at reducing the flow times within the production as well as response times from customers and suppliers. Walmart uses this methodology in its operations. This method helps to minimize waste and improve the quality of goods that are delivered to the customers. The philosophy advocates a lean approach to production and uses many tools to achieve this overall goal. When the items are ready just in

time, they are not sitting idle and taking up space in storage. This will mean that they are not costing you anything to hold onto them, and they are not becoming obsolete or deteriorating.

Walmart uses various forecasting methods so as to be able to determine the demand for certain type of goods so that they can be sourced from the manufacturer. It is the managers that are responsible for undertaking these forecasting operations to determine the demand for the goods, hence know which goods need to be restocked and the quantity of the goods that need to be availed. The company uses various statistical methods to aid in the forecasting.

Work design is the specification of the methods, contents and the relationship of work in order to satisfy organizational and technological requirements as well as the personal and social requirements of the holder of the job. The principles of work design are geared towards how the nature of the job of the person affects the attitudes of the person as well as the behavior of the person, particularly relating to the characteristics such as autonomy and skill variety. Walmart usually conducts work design so as to improve job satisfaction, quality and reduce employee problems such as grievances and absenteeism.

An operations strategy for a business is the plan of the company for how the business will operate to achieve a set of goals. It defines how different components of the business will work together so as to achieve success in the business. The operations strategy of Walmart has been to offer goods to customers at the lowest prices in the market. This increases the demand of the goods by the customers and the goods move quickly from the shelves. Another strategy has been to keep the costs of operations as low as possible. This eventually leads to an increase in the profit margin. Keeping the inventory low allows the company to keep the prices low for their customers, as well as replace products with new items once the inventory is gone.

At the Walmart New York branch, it has been observed that some of the goods are heavily priced. This reduces the demand of the goods as the customers prefer to buy goods at lower prices. It also goes against the philosophy of the company that is to have low prices for the goods sold to consumers. Reduced demand for the goods has led to lower sales of the goods. This has led to some of these goods staying at storage for a longer period of time.

Another observation that has been made on the goods is that some of them are low quality. Again, there is reduced demand for the goods due to the low quality. The goods tend to stay in storage for longer times. Only few numbers of people buy these goods and this leads to lower profit margins that are generated from the sale of these goods.

Also, the suppliers take a long time to supply the goods once they have been ordered. This leads to a situation whereby some of the goods are lacking from the shelves. Thus, some of the customers end up not getting what they want from our stores and end up buying these goods from our competitors. If this trend continues, we might end up losing some of our customers to the competition.

In view of the above, a new operations strategy has to be formulated. First, the cost of the highly priced goods has to be decreased. The decrease in the prices of the goods will attract more customers leading to an increase in the sales volume. Offering goods at very cheap prices is one of the key pillars of the operations strategy of Walmart. It has led high sales volume, making it one of the biggest retailers worldwide. Despite the reduced profit margins per good when sold at lower prices, the increased sales volume will lead to higher profits in the long run. It will also ensure that goods do not remain in storage for long.

The other problem is the time it takes to deliver orders from the suppliers. Delayed delivery of these goods leads to empty shelves once all the goods have been bought. One way to

counter this is not to wait until all the units of a particular good have been bought so as to order for more goods. The goods should be ordered early enough so that they can be delivered in time. Another way to ensure that goods are available throughout is to have a warehouse where the excess goods are stored until when they are needed.

The issue of the quality of the goods can be addressed by ensuring that the goods are of good quality at the supplier's plant before they are transported to the store for sale. This will ensure that the goods that eventually find their way into the stores are not of low quality. Additionally, the store should not order from suppliers that deliver goods that are of low quality.

One of the enablers of the business is the use of information technology in its operations. The use of computers is very important to the success of a business in the 21st century. This is because most of the business operations are automated. The technology can be used in inventory control, finance and the storage of information relating to the business. The advantages of the use of information technology is that it is easy to use once trained, more convenient and saves on labor. The disadvantage is that it requires specialist training and the initial capital required is high.

Another business enabler is the training of the employees or hiring of better employees. These employees will bring fresh talent to the workforce leading to increased productivity. The advantage of this is increased productivity while the disadvantage is the increased costs incurred in the training of the employees. The company can also buy new vehicles for transportation of the goods. This will ensure that more goods will be available in time. However, this requires a large capital investment.

References

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