



Mini-case #1: Walmart

To be prepared for class on September 26, 2017

1. Look through the background materials and prepare your answers to the questions below. You will not be turning in these answers, so you may simply sketch the solutions to guide you in the in-class discussion. Links to the background reading are available on the course website. You may also find it useful to do some research yourself and consult other sources.

The annual reports and the 10K filings have a lot of content that is irrelevant to our analysis. Dig through them to find the answers to questions 4 and 5. [This is research: separating the wheat from the chaff.]
2. After discussing the background reading and questions together, a new set of questions will be circulated. You will have some time during class to discuss these questions with your classmates. We will then discuss the new questions together.
3. A subset of the new questions will appear on problem set #2. You will carefully write up your answers to these questions on problem set #2 and they will be graded.

Questions from the background reading

1. What does Walmart do? Describe Walmart's business model. What factors contribute to Walmart's success? [What is Walmart's comparative advantage?]
2. Walmart operates in three major "segments." Name them. What does each segment do?
3. When, and how, did Walmart become a multinational enterprise? What was its first international market? How did Walmart enter this market?
4. How big is Walmart International compared to Walmart U.S.? What were the net sales of these two segments in the 1996 fiscal year? In the 2017 fiscal year?
5. How many "units" did Walmart U.S. operate in 1996? How many units did Walmart International operate in 2017? In terms of units, what parts of the world are most important? What can you say about the kinds of countries in which Walmart operates?