

Go For It!

Sam Walton

Founder, Walmart Stores, Inc.

**Transcribed from a Meeting
Little Rock, AR 1985**

Forward by:
Alan Dranow

Forward

Sam Walton's business methods have been well documented for decades. Sam himself wrote the definitive book about his success, his autobiography *Made In America*. From just these pages you can find his views on company culture, his rules for running a business well, and just about every supporting story to give you inspiration or pause when making the decisions that will shape your future. Walmart maintains its Bentonville museum, in part, to continue to tell the story of Sam Walton, and to inspire others with his teachings.

It's hard to find a single speech by Sam Walton that was a "Defining Moment". Sam built Walmart on years of conversations. Like a master craftsman building a cathedral; Which brick can you say is the most important? The first? The last? Isn't the full picture defined by all of the bricks together?

Sam Walton gave speeches, sure. But he spoke to his crowds on a personal level. His style of communication is evident in Walmart leaders today; seeking out the audience members to address the people they know are directly connected with each topic. Whether in front of a store shift, or a shareholder's meeting, Sam Walton wanted to share a personal message.

This speech is from a company meeting with store managers (and their spouses) in 1985. It probably isn't Sam Walton's greatest speech, but it is a great example of what he was like in gatherings. When you read it, it feels less like a speech, and more like a personal pep talk. Sam's focus was customer service. In one speech, he covers the need, execution, and results of "aggressive customer service" ... all while trying to settle on an official name for people greeters. You can tell Sam wanted each member of his audience to feel like they had shared a moment. He asks questions, calls out individuals, and answers those people who call out to him.

Walmart had recently completed a year of record gains; including a better than pre-tax 8% growth that caused Sam to have to pay off a bet. He danced the Hula while standing on Wall Street. Sam's challenge at this meeting was to be aggressive in store hospitality. He aimed for a larger target in the coming year. But, even if double digit growth was beyond reach, it was worth aiming for. Sam Walton believed you should set lofty goals.

A special thanks to the associates at The Walmart Museum. They tell the tales, answer the questions, and keep the candle of company culture burning.

Alan Dranow

Sr. Director, Walmart Heritage Group
The Walmart Museum
Bentonville, Arkansas

“Go for it.”

Audience Member: Go for it!

That's right! But we've tried real hard, ever since we had a meeting at Western Hills in Oklahoma. I was talking about it the other night. In 1977, we tried real hard to bring our spouses from our management group, our managers as well as our assistant managers, into Walmart for better communication, a better understanding, and a better appreciation of what our company is all about, our goals and objectives. And it has been a little hard to do, but somehow or another, even with 750 stores and a few Sam's and a lot of special divisions and a lot of warehouses, we're still trying to do it. Is it really a worthwhile thing for you folks to be here?

[applause]

It really is?

[applause]

I know one thing - all of us in this company appreciate your support, your contribution, the attitude you have, your effort to help our company, your husband or your wife. We really appreciate it, and above all, those meetings you had last night - I wish I had time to review with you many of the suggestions that came out of those meetings. There were some great ideas, and we thank you for it. I really think we could build a program, Al Johnson, on just what the spouses suggested and the assistant managers suggested last night, and in my opinion, your ideas and your suggestions for improvement of our stores were probably a little better than we got out of our managers, but don't tell them that when you get back.

[laughter]

I don't think we need to start that kind of a conflict, but we had some great ideas. One of you suggested that our door greeters - we don't greet doors. We greet what?

Audience: *People.*

So why not make it people greeters?

Audience: *Yeah!*

Would you go to that or not?

Audience: *Yeah!*

[applause]

People greeters!

[applause]

Instead of door greeters, people greeters! And I've got a feeling that might be a good idea. Several of you suggested - and some of you are already doing it - several of you suggested that the door greeters ought to be selected on the basis of their friendliness, the way they smile, rather than being a rotating thing. We thought of it again, and we thought it was a pretty good idea. It has worked out great because I notice it helped our company in a lot of different ways, but we thought that all of us ought to have exposure up front - smiling, shaking hands, saying good morning - even folks that aren't very good at it. We thought it would be good for them and it has been, but maybe the time has come. You know, we change things at Walmart pretty often, don't we? Retailing is change. Systems change, and so many of your suggestions - and I guess the majority

voted this way - maybe the majority of you would feel that our people greeters ought to be the very best folks we can find. Would you feel that way or not? Let me see.

[applause]

You do? Don't let me influence you, now. We want you to say it like it is, whether Mr. Glass or Mr. Shewmaker, or myself feel a certain way, we want you to vote your feeling and tell us what you feel about whatever in this company of ours because it's your company.

You held up your hands this morning. I was so proud of you. Almost 100 percent of you are buying stock, and I know it's kind of hard to do on a payroll deduction plan or you have bought stock in some way or another. I know it's not easy for you because you're not making all that much money, but gosh, your desire is there. Your loyalty is there. You somehow found out a way to do it, even with a house full of kids, so thank you.

I think we'll get a lot out of those suggestions you offered us, and I appreciate it very much, and all of us in the company appreciate it. We'll try to take as many of them as possible. I hope that each district manager will recap those suggestions that you had and each store will go back and put it together, and let that form a foundation for 1985 and 1986. I believe that we'll have a fantastic year if we do that because I know many of you have a better feel for what's right in our stores and what's wrong in our stores because you're the customers, as opposed to some of us in Bentonville.

“We like to develop fanatics.”

Let me just hop around a little bit with a few things that some of the stores have done. I suspect that these are some of your stores. We talked about the crazy Cajuns. We know what we like in Walmart? What we like in Walmart is the thing that Tom Peters talked about the other night. We like to have unusual ideas and suggestions from wherever in the company. We like to develop mavericks out there. We like to develop fanatics, I believe Tom said. We like to have some egomaniacs in a crowd. I hope that all of us at Walmart - I

hope that Wesley, I hope that Jack, David, I hope that all of our district managers will always be attentive and tune in to those far-out suggestions, whatever they might be. And in turn, management, you're the future leaders of this company - are you open? And do you listen to your associates in the store? When they come up with an idea or a suggestion? If it's not company policy, do you just turn them off and say that won't work? Let's see if we can adopt the attitude completely at Walmart - how we can make it work, whatever the suggestion is. Instead of taking the negative position, let's take a positive position. How can we make it work? What can we do?

Somebody at Monett, Missouri, the other day - I don't think they're here - came up with a crazy idea, and it never had been tried to my knowledge, of awarding a certificate to his associates. This happens to be a copy. I guess Oscar Scott and that district manager picked up on it, but that's a great idea. Perry Johnson, that's a great idea. Monett, Missouri, achieved a 15 or 20 percent sales increase in 1984 over 1983. They had the sales increase, and then '83 was 10 percent; sales results were 16 percent and this was Carthage. But, you know, you can set your goals. These results were only surpassed in 1980, after doubling our floor space and moving to our present location.

Thank you, Jane Jones, for your part in making our store the friendliest, cleanest, best in-stock shopping experience in the area. Good luck in 85 - signed by the store manager. That's a simple thing, isn't it? But you know what they said? All 85 associates appreciated it. Many of them put it in a frame and have it at home. I think it's a great idea.

We've got a crazy manager down at Sylacauga, Alabama. Something is going on at Sylacauga. The TG&Y manager was hassling those folks in Sylacauga, and hassling them in a way that I resented and I guess our folks in Sylacauga resented. Anybody here from Sylacauga? That TG&Y manager came up to our store and passed out handbills on our parking lot, stuck them under the windshield wipers and passed them out on the parking lot. The manager then tried to get him to stop. Here, Ryan, was that in Sylacauga?

Audience Member: [inaudible]

Where is it? Bill Adams, is this a true story or not? He tried to get him to stop and he wouldn't do it, so that doggone young manager of ours or one of our assistant managers from Sylacauga made up - Where?

Audience Member: [inaudible]

Made up a nice looking bill and went down and passed them out to every customer that came out of the TG&Y Store.

[applause]

With all our prices! That stopped it. There wasn't anymore posting on our parking lots. That took a little guts, didn't it? And that's great.

An assignment.

Well, there are so many wonderful examples of what all of you are doing. I want to talk to you just a moment about community involvement, but this merchandise mix that's in this house is so exciting. I think we could just completely run by all of the numbers that Mr. Shewmaker talked about the other night and this morning or Mr. Glass. I think we could gallop right on by all of those goals and objectives if we would collectively, with our department managers out there in the stores, take what we know to be the right way to go, take our experiences from this meeting, go through these items, and sit down with those department managers and plan a campaign in every one of your stores. It's simple. You can do it. You can do it with your managers. You can do it with those assistant managers, with the associates out there, the department managers, and those other wonderful people in the stores.

But let's don't go away from here having a glowing feeling and not reacting and doing something about it when you get home. I know you're going to feel good about being here. I think most of you will, even at a 5:30 breakfast, and even if the water is cold once

in a while, as mine was tonight. Even if that's the case, I think you're going to feel good about coming to Little Rock. Let's go home and rededicate ourselves to putting all this wonderful support, all of this wonderful program together because first and foremost, above all, we are merchants. I hope you enjoy being a merchant. I hope it's fun for you.

So here are 3,000 items, Al Johnson. Three thousand items, every one of which, if you had them in your stores today, what would happen out there as they're displayed here? What would happen? Wouldn't our sales just jump? So tell me something. How are you going to take advantage of this? On your bus trip home, will you make notes? Will you write it down? Will you plan a campaign? And then I hope your manager will be smart enough, along with you, to provide the leadership and the direction to get the job done with your wonderful associates. You can't do it alone and neither can that manager, but you can provide the leadership, you can provide the example, create the chemistry, and bring it all together there in that store.

So I guess we're going to send out a list of all these great items that are here. I think you'll get all that list at home. You figure out how to plan it, how to set it up, how to buy it, how many you can sell and how to keep it in stock, and I really believe, I really believe that we could again have a double-digit increase in 1985 that would far exceed 10 percent.

[applause]

I think we're going to need it. I think it's going to need to be 15 percent. I wouldn't want to plan on it because it's so much better to exceed any plan, and that goes for all of your stores and all of your departments, and everything else.

Go back out there and excite those people in the stores and get them challenged. Get them up and plan how to do it in all of your stores - in Bunkie, Louisiana, in Ava, Missouri, in Texas, South Carolina, and wherever. It's fun if you'll do it.

In that connection, I would like to see at least one meeting a year of all of your associates held in your manager's home. Now will all of you spouses agree to host your associates in your home when your husband or your wife gets to be a manager? Would you?

[applause]

That might be a little tough with a bunch of squalling kids around and maybe a small home, but we're going to try to make it work. Don't you know those folks in the stores would appreciate you bringing them into your home? We'll pick up whatever tab there is. Mr. Miles has even agreed, if you put out a bill for a silver service, he has even agreed to pay for it.

[laughter]

That's not really so, but we would pay for whatever coffee and cookies or doughnuts. It doesn't have to be much, but it's just the idea. You're together and if you get them in there and talk about it, get their ideas, their plan on what they can sell, how much, how to do it, how to improve that store - that's what it's all about anyway! Retailing is simple. It's just a people business, and you're the most wonderful group of, I think, ambitious and challenged assistants in America, and that's the reason I think we're going to do well this year. So go back and try to have those meetings. I hope your managers' spouses and your manager, and yourselves will work it out. Above all, plan what you're going to do with these 3,000 items, and let's keep them in stock, along with basic merchandise.

“... great things with community involvement.”

Community involvement - I don't really have a lot of time, but there are so many wonderful stories in this company about what all of you have been doing within your communities to represent Walmart well. Each and every one of you, every one of us, is representing Walmart to everyone that you ever come in contact with everyday. What did our friend, Tom, say the other night? I just found this difficult to believe, but the more you think about it, I think it's true. Each of us can influence at least a thousand people a day by our actions. Did he say a thousand a day? A thousand people a day with our actions

- just think about it. What we do during a day - a day, and we can really do that. Many of you have done some great things with community involvement.

...

You know, there's nothing we can't really do if we put our minds to it. It seems to make sense, and this thing might be a real good thing for us to do. So maybe we'll get together and we'll talk about it. We'll discuss it at a later time and see what we can do.

Down in Arkadelphia, Arkansas, I got a letter to Tim. I guess that Tim is our manager down there. It says: Thank God for modern-day good Samaritans like you by allowing space in Walmart Store here in Arkadelphia to conduct a gift wrapping service. You made it possible for the children of the Methodist Children's Home to have a most blessed meal. The children needed it so badly for someone to show interest in them, and Walmart did. He appreciated it and the community appreciated it.

Over in Elizabethton, Tennessee or Middlesboro, Kentucky, they adopted a couple of brothers from a local orphanage to raise money for them and saved soda pop cans from the lounge and recycle center, and one associate made clown dolls, and they just did a lot of things. Then they brought the kids in for Christmas dinner, and you know how good they felt when it was all over. They had raised \$200 or \$300 in just that way.

In Elizabethton, Tennessee, they had a young man in the town who had cancer, and they had some fundraising projects. They baked some cakes and cookies on the lot. The whole community got involved and instead of raising a hundred or two hundred dollars, they went over a thousand dollars, Paul Carter. And that's Walmart at its best - caring in those communities. So we really thank all of you.

And that ought to be part of our program this year. All of you, in turn, think of ways that we can be represented in the community and do more for others within that community in whatever way we can. There are so many ways. If you'll grass roots it and talk about it, discuss it with your associates, and come up with a plan. I think we can all do that.

The other side of that thing is just this as well. We need you, also. You spouses as well as the assistants to be involved in whatever way you can within these communities. Of course, we'd like for you to attend the local church. We would like for you, as you can, to be interested in the schools, the city clubs, and anything else that you can get involved in. I think that it goes without saying that will make all of you and your relationships, even, better than it has been before.

“I don't like that phrase .”

The other thing that I would like to just touch on is the fact, and it has to do with this and I discussed it the first morning, I believe I did when you were here, or the first afternoon. We would like to develop a program within our company where we're not going to transfer our people as much, and that is a tough one. I know that you're all basically for that objective and that goal, but how can you have a retail company like Walmart? How can we put in 10 or 11 large Sam's Wholesale Clubs this year, 125 Walmart Stores this year, or 115, Royce, maybe 45 expansions and relocations of Walmart Stores, and not just move people all over the world? As have had Kmart, as have had Sears, as have other retailers through the years, and none of them have grown at the rate that we have on a compounded rate of growth anything like approaching 40 percent, which we have for 15 or 20 years.

We feel like, though, there's a better way to do it. We feel like that we can figure out a way to do it when maybe other companies haven't figured out a way to do it, and I guess what I'm talking about is what our objectives are going to be. Our district managers, our personnel department, all of us - our objective ought to be to leave you assistants and management in place longer than we have before. Would you spouses that are working stand on your feet? Working spouses, stand on your feet. Now take a look, would you, everybody? Would you like to stay in the town that you're in for two or three years? Not really? Yes or no?

Audience:

Yes! No!

Okay - it's a mixed bag, but I've got a feeling that there are a lot of us that can get as good of training in Mena, Arkansas, and run a store in Mena, or up the road in Waldron, or down the road in De Queen, or across in Poteau. I think there are a lot of folks that would like to live in Mena or that area, and that our company would be better off if you were there on a permanent basis, on a resident basis, and that you could develop your management talent in one store, whether it's Store 59 in Joplin, Missouri, or New Iberia, or Slidell.

I've got a strong feeling that if our program is right, if our leadership is right, if our management is right that you can learn as much in one store as you could if your were in six, and be a whole lot better off financially. So that's a challenge for us; that is a real challenge for us. It's a challenge for these district managers. It's a challenge for Tom Cochran and the Personnel Department. It's a challenge for Al Johnson, Wesley, and everybody else, but let's see if we can find a way to do it. Don't tell me it won't work. I don't like that phrase. Don't tell me it won't work. Let's figure out how to do it.

We've got so many examples in this house of folks that have done a fantastic job for us that are assistant managers that were hired as department managers or stock receiving clerks or hourlies and moved up, and they have become assistant managers. Where's that fellow named Medlin? I met him out there in the hall. He retired from the Army. Where was Medlin from? What store are you from, Medlin? What store?

Medlin: 176.

176? Where is that?

Medlin: Ripley.

Ripley, Mississippi - so far back in the piney woods and north Mississippi that you can hardly find it. I did find it a few years ago in an airplane, but Medlin came drifting into

Mississippi, Ripley, Mississippi, from the Army. He retired from the Army. Seven years ago and he went to work as an hourly. Today he is an assistant manager, and I've got a feeling the stability that man has brought just being in that store with assistant managers coming and going has been good for Ripley, Mississippi.

Bernie Banes from Junction City is here. Bernie is in the same category. John, who's the manager up in DeSoto? John Anderson was hourly. Al Miles, you remember him at Festus? Today he is managing the store down the road eight miles away at DeSoto. The list is long. The manager at Jerseyville became the Store of the Year - won the Store of the Year award. Five years ago, you know what he was doing? He was running a grocery store in Jerseyville, and he wanted to go to work for Walmart. He came out and applied, and somebody hired him. So what we're saying is that there is more talent in every one of our communities that we sometimes recognize - whether it comes from other chains or whether it comes from people in business for themselves that want to try their talents with Walmart. So let's think about it together, and like all of our opportunities and all of our challenges, let's figure out a way to do it better than we've done it in the past.

I like what's going on down at Mena, Arkansas. I was going to have you for my bodyguard someday. Stand up, would you please? There he is. Right there - how long have you been with us?

Audience Member: It's been 12 years - 11 years and 6 months.

Eleven years and six months, and I think he started out down at Mena. I don't know which one of the district managers know about it, but he started out down there in the Sporting Goods Department. The Sporting Goods Department, and how he's an assistant manager. You're a resident assistant in Mena, Arkansas. Do you have another resident down there?

Audience Member: We have an in-store assistant.

You have an in-store assistant and a resident assistant? That's an example, and they're all over the company. So right now we're in a position of having 4.2 assistants per store. In my opinion, that's probably more than we ought to have. I may be the only one in the company that feels that way, but I think, I really believe that we can, if we figure this thing out right, can run these stores with an average of two or three assistant managers, maybe four in the large stores, with the support of our department managers and the support of our associates. My gosh, we've got them all over the house. The support of our department managers and the support teams, but it's going to call for a different approach. It's going to call for a rethinking of what it takes to run a retail store.

Do you know that Target Company, they don't have the responsibility that you have or that our managers have? We have to be the merchants in our company. You have to do the buying. You have to do a lot of the thinking. They've got computers up in Minneapolis that do a lot of it for them, but still they run big stores, 20 million dollar stores. Do you know how many assistants they have? An operating manager, a merchandise manager, and a manager, and they're averaging \$20 million a store. Now don't tell me it takes four of you or five of you to run an \$8 million Walmart Store.

If you use your people right in the store, if you develop assistant managers and resident managers, if you've got people that want to live in that community, stay in that community and contribute, I've got a feeling we can do it with the support of those wonderful people in the stores with a lot less folks. So what that would mean is that this year we might be able to take the assistants that we've got, open the new stores with them or the managers in place, promote you as you need to be promoted, and get back to a position that we probably need to be in as far as the utilization of local talent is concerned. So we're going to work on it. We're going to talk about it tomorrow and the next day. We're going to see if we like your ideas as well. I hope it's something we can do because it provides a greater opportunity for all of us, and that of course is what it's all about.

I would hope that by being supportive, that accepting responsibility and supporting one another, and helping one another, I think the greatest thing this company has got is teamwork. I think that is probably what has carried us past a lot of our competitors -

teamwork. The communication aspect has been important, but working together. I saw a poster out in the hall about Sylacauga - no, Demopolis. Demopolis, Mississippi - Alabama. Good gracious. I've been there twice and I ought to know, but Demopolis, Alabama. They had a big poster that exemplifies teamwork and started with the store manager and assistant managers, and all of the department managers were in that circle and they were pulling together. So, if we'll just do that throughout our company, throughout our stores, we're going to be able to accomplish most of our goals. Of course, that's what I would wish for you and I am hoping we can do it.

“Aggressive hospitality.”

Hospitality - what can we do? An awful lot has been said about it. A lot of you have had meetings already. You've got plans in your stores. I really think that we're going to have to carry out this aggressive hospitality thing and do it better than our competition. Do it better than anybody up and down the street in order to have a top year in 1985 and down the road. So don't just idly commit to it. Commit to it 150 percent, and do the job out there with your wonderful people.

Excite them, involve them, and get them to support it in such a way that it's not just conversation and it's not just talk. We actually have the friendliest, the most open, and the best service store in every community that we're in. And I think if you'll do that, you can come up with a program that you'll be proud of, that our employees and associates will be proud of, and our customers will really enjoy and like. So for heaven's sakes, let's see what we can do about aggressive hospitality, about going over and above and beyond, and what are some of the things? Well, it would take three hours, I guess, to start listing what all of you have thought about, but just activate it and churn it up, and cause it to happen in your own stores with your people.

Get friendly. Get open out there. Shake their hand.

I've got a wonderful trainee somewhere who wrote a three-page memo on what his ideas were that would help his store with aggressive hospitality. I think if you haven't done it, I

hope each of you will start thinking about things that maybe you haven't thought of yet that you could do when you go back home. Even one of his suggestions was that when you get within any distance of a customer that is not too far out, speak to them. Say hello to them, and of course that's so important, and when they leave the Service Desk, that friendly salutation. Have we sent the message out on the Service Desk handling the customers up front? Do we say now thank you for shopping Walmart, or have we given up on that? Let the folks use their imagination and their ideas. I hope it's the latter. I hope you have already talked to your cashiers and your checkers, and let them say: Thank you, Ms. Jones. Have a nice day. We appreciate you being here.

We don't want our folks sounding like parrots up front, do we? We don't want them to sound like it's just automatic. We want them to express a feeling of appreciation and thank you. Bernie, are you doing that at Junction City? Have you changed it at Junction City, Bernie?

Bernie Banes: *Yes, sir.*

Well, we want every store to do it. Let our folks say it in their own words, but be sure they say it. Call them by name. I was reading an article that was talking about door pleasers - people pleasers. Door pleasers? Whew! I was talking about people pleasers.

I was reading an article by a professional shoplifter that stole an awful lot of merchandise from Walmart Stores out of the Kansas City area. This article was in the Tulsa paper last Sunday morning, I believe. This guy had the biggest ring of shoplifters that anybody has ever put together in the Midwest, and today, thank goodness, he's working for the law, on the side of the law. He never did get caught, and I expect he and his firm had stolen millions of dollars from our Walmart Company, along with Sears Roebuck, and a lot of the other companies. He laid out how they did it and what their plan was, and it was so simple and so easy. He said the greatest deterrent is the store that is managed by caring people who watch what is going on and who are interested in what is going on. So, of course, do that.

The one thing that stood out in my mind and I think, Jack, this is one reason that we've had a 1.06 shrinkage reduction this year. He made this one statement. He said: When somebody is at that front door and looks me in the eye and says hi, how are you today? He said: That really makes me nervous and makes our people nervous, and we get out of there just as quick as we can because you think in your mind that maybe they recognize me today. Will you pick up on that?

Joe Manning: Mr. Walton?

Yeah.

Joe Manning: In every chair tonight, there is something I believe that is noteworthy and needs to be brought forward. It came from a resource that we've not even tapped.

Great idea.

Joe Manning: It's a fantastic idea. There's a ribbon in every one of the chairs that says: We appreciate you, our customers. That's the Walmart way.

How about wearing those for a while and let that be meaningful. Joe, go ahead.

Joe Manning: And there is a pledge card in there. This idea came from an assistant manager in our district. It was a fantastic idea. All the assistants got together and came up with these good ideas, and every one of you has fantastic ideas. They need to be brought forward, taken to the managers, and then brought to the district managers. We can make these company programs if it's a good idea. There are fantastic ideas out there and you all have them. It just takes one. This one right here,

we're going to take back to the stores. It has already been sent, I understand, to all the stores - the ribbons and the cards.

...

Really? Well, what do you think about that?

[applause]

Let's wear them, and more importantly, let's do something about it. Let those customers know that we appreciate you, our customers; that is the Walmart way, and do it at the front door. Say hello to them. Call them by name. Don't just show them over here. Take them down the aisle and give them an idea. So set the example for our associates. Please set the example for our associates. You are our leaders. You are the folks that are going to have to carry this company in the future, this year and next year, and we're depending on you. So set the example out there.

Royce Benson, I didn't mention you're at Poteau a while ago, Royce and his wife, Julie. Royce has been with us 13 years. What an opportunity and what a story Royce is. He was an assistant manager at one time and then decided he wanted to live in Poteau, and went back to Poteau. He became the manager of the Sporting Goods Department, and today he is an assistant manager. This year, his profit sharing will be up around \$75,000 to \$80,000. He's been with us 12 years. You know what Julie said? That's going to send our three kids to college. Isn't that great?

[applause]

“The Customer Service Pledge.”

Customer Service Pledge - Let me get these Walmart glasses on. I ordered some prescription glasses the other day and I hated to do it. I've been wearing these old Walmart size 22s for ten years, and I've got at least six dozen of them, but here's what it

says - The Walmart Customer Service Pledge. Will you read it? It's in your seats. You read it:

(reading)

I pledge to greet all customers and invite them back, to acknowledge verbally all customers throughout the store whenever eye contact is made, to personally follow through when a customer asks for assistance until their request has been satisfied, to remember customers are the people that make it all possible and pay my salary.

Will each of you pledge just that among the whole company? For yourselves? And then will you go back and see that your associates pledge as well?

I had the managers stand and raise their hands and vow to do just that thing, but we don't need to do that tonight. What I would like for you to do is to have them sign it, have our associates sign it, and how about putting it on the reverse side of their bags? It will fit in there, and let it be on the back side so whenever they put their bags on and off, they'll have this customer pledge. Would you do that for me, please?

[applause]

I would appreciate it if you would.

[applause]

I think that will do it, Joe.

[applause]

I think that will help at least.

So let's be sure that all of you work hard on aggressive hospitality. There are 10,000 things we can do in every store that you can think of, your associates can think of, that maybe haven't been mentioned yet.

“I'll even push his doggone apple juice.”

Profit sharing opportunities - you know what there is out there for us in profit sharing. I think we're all going to have to realize that this year, in 1985, we're starting the year in a little different position than we did last year. I was a little nervous about 1985 until I got to Little Rock, but I believe now that with your enthusiasm and your support, and what you have shown us here in the way of interest and loyalty and capacity, and what we know you can do for us within our stores, I believe we can make this year.

We've got a pretty tough year to go with all the new stores that are coming up. We're in the position now of not having as much cash this year as we had last year. We committed ourselves to a large real estate program, a large new store program, the Sam's Wholesale Club Division, which is a large capital commitment in both real estate and in inventory, and I've got a feeling, Jack, we're going to be \$75 to \$80 million, maybe \$100 million, with less cash this year than we had a year ago, and that's going to be reflected in interest charges on your P&L, and we're going to have to offset it.

You know how to offset it? Al Johnson told us.

Sales are the best way to get turnover, isn't it? Sales are the answer for turnover. So if you go back and whop up on all of these good items - those lamps, and the minnow bucket up there that I haven't even showed you, a \$5 minnow bucket and it used to be \$6.87, and that thing is going to sell like crazy, I know it. Even Mr. Johnson's TKD over there, TDK, whatever that thing is - that tape, that cassette tape - that is a great item. I'll even be for Mr. Glass' apple juice. I'll even push his doggone apple juice. If we'll all do that, sales will take care of turnover.

We'll get a 5-time turn in this company in 1985, as opposed to a 4.5 turn that we got this year. A five-time turn - you know how many dollars that will free up for new stores? For

new fixtures? For new systems? A new warehouse in Florida or in Texas? You know how many dollars we're talking about? You spouses won't believe it. You just won't believe it. A 4.5 turn compared to a 5 turn would probably free up \$125 million - a \$125 million, just a half a turn. A half a turn, ladies and gentleman, would free up \$125 million, and we don't begin to have anything like that in the bank at this particular moment.

So dedicate yourselves to it, would you? This is a partnership. This is your business and our business.

There is a way to do it if we follow these programs that have been outlined here so capably by our management, and with your dedication and your loyalty, I think we can do it, but 1985 is going to be a tough one. It is going to test us in a lot of ways. All of our competitors are getting better and better and better. The big edge has to be with customers and our relationship with customers, and how we treat them and whether they like us or not, and whether they stay with us or not.

"I Am Your Customer."

Let me just take a moment. I think this is worth it, and then I'm going to shut up and sit down. Where did my glasses go? Catch those things. Jack was telling me this morning as I'm flying that airplane and I can't find my glasses, and the bird dog is hopping up in the seat, and I'm wanting my briefcase. Some of those things happen.

[laughter]

(Reading)

I am your customer.

Listen to it carefully because this is the guts of all that we do, and everything that happens to us depends on this customer. We've got to make our associates in the stores

understand that and feel it. We've got to do it better than we've done it in the past. We haven't even scratched the surface. We're not doing a good job in many stores with layaways, at the Service Desk, with friendliness, or refunds. There are so many areas that we fall short on and staying in stock. You know, don't let anybody tell you that Walmart has reached the peak. There is so much opportunity out there for all of us. There are so many ways we can improve this company. You can. I can. Our district managers can influence it at every level, Phil Webb and all of us. So, gosh, I hope you realize that and I hope you go back and carry the ball.

(Reading)

I am your customer.

Satisfy my wants, add personal attention and a friendly touch, and I will become a walking advertisement for your products and your services. Ignore my wants, show carelessness, inattention, and poor manners, and I will simply cease to exist as far as you're concerned. I am sophisticated, much more so than I was a few years ago.

My needs are more complex. I've grown accustomed to better things. I have money to spend. I am an egotist. I am sensitive. I am proud. My ego needs the nourishment of a friendly, personal greeting from you. It is important to me that you appreciate my business. After all, I buy your products and services. My money is feeding you.

I am a perfectionist. I want the best I can get for the money spent. When I'm dissatisfied, then take heed. The source of my discontent lays in something you or the product you sell had failed to do. Find that source and eliminate it or you will lose my business and that of all my friends as well.

When I criticize your products or services, I will talk to anyone who will listen. (And that's so true.) I am fickle. Other businessmen continue to beckon to me with offers of more for my money. To keep my business, you must offer something better than they have.

I am your customer now, but you must prove to me again and again, day after day, day after day, that I have made a wise choice in selecting you, your products and services above all the others.

How true that is. I related to most of you the other day. In flying down from Bentonville, we were not running any sale, and yet we had customers in our parking lots that outnumbered Kmart five to one, four to one, outnumbered TG&Y, and outnumbered Target. Why? Some of you, and it is happening all over the country, are pleasing customers. So why not start with our door greeter and call them people greeters? Why not do some of these other innovative, creative things that we need to do in this company to keep changing, and to keep providing better service for our customers, and better stores for our communities? We can do it together. Teamwork has brought us this far.

I'm so proud of our General Office, and our management team and our buyers. We've got a commitment from people up there in Bentonville that I think is unusual. We've got a supportive feeling that runs throughout our distribution centers and throughout our general offices, and that's what it takes. It takes a team wherever and folks having common goals and supportive, and helping one another. That's the way I hope it is in your stores. I hope that together we can create that climate, that chemistry that says in your stores: We're going to support one another. We're going to help one another. When we've got problems, we're going to talk about it and do all we can about it.

I want to thank you for listening to me this evening. I haven't done this as well as I would have liked to have done, but I don't think I needed to have said a thing tonight. I think all of you have in your mind pretty much what we need to do as a company. You've got some great leadership in this company, and I'm depending on many of you to come forward and manage these stores for us, be buyers for us, or many of you in turn would like to stay out there in your present store, doing your job, representing Walmart in the community, for x-number of years.

I hope a lot of you will take that choice because we want to do the things that are best for you and your family. If we do that, we know in turn you are going to come through for us, and that is the way it ought to be. The determination ought to be in every one of our minds to do that for our associates in the stores. Put them first. Consider them when it comes to the scheduling. Consider them when it comes to assignments of jobs. If you put their interests first, they're going to put our store and our customers first, and you're

going to have a great, great store out there with good attitude. You're going to have good sales and good customer relationships.

So as much as we can, we're going to try to create a company, continue to work together with you and your families in a way that will be good for you.

...

What if you stayed with us, Royce, for another 20 years? How much would the profit sharing be worth? You don't all have to be presidents. You don't all have to be buyers. There is ambition galore out there among you, and it can sure take you a lot of different ways. Let's make a commitment to helping one another. If there is somebody that wants to stay in your community, whether it's Farragut, Tennessee, or Athens, Tennessee, or Paducah, Kentucky, if there are those of you that want to settle down and plant some roots, and grow some kids and send them to school, and stay in that community, why not? Our commitment as a company ought to be that you will have an opportunity to manage that store or other stores as quickly as those of you that are transferring from one store to the next, and we ought to figure out a way to do it.

I would like to, though, hold out to you the possibility that if you will stay with us with profit sharing as the assistant manager that in, say, 25 or 30 or 40 years, 25 years, what would you have in that fund? Good gracious. You know, it would have to be over \$100,000. It could be \$500,000 depending on how well we do. So it's not just pie in the sky. It has happened and it will be there for us if we continue to work together as a team if we don't get complacent and if we support one another and help one another, and do everything in our power to make each of you successful.

The last thing that I did not touch on that I told the managers the other day was this: Before we move a manager or replace him in his store from this point on, we're going to ask they come to Bentonville and sit down with the Executive Committee and tell us what his problems are. I think you're going to like that.

Why not? Why not?

The district managers or the regional managers are going to do everything in their power, as you know they do, to not let anyone fail, and to let everyone do all they can to be successful in managing a store. If he has problems, either at home or with himself, or if he's not working with his people as he should, the district managers and the regional managers are going to do everything they can. As a last resort, before any decision is made, I've got a feeling that manager would appreciate being flown into Bentonville or driven into Bentonville, or whatever, and have them talk to Al Johnson, Jack, David, or myself. So that will be done. Okay?

[applause]

You've been real patient. I've been on here longer than I intended to be, and I thank you again from the bottom of my heart for your participation here and for your interest, and for the support of this company. Let's don't have any failures. I would like for all of you to be back next year. If you've got a problem with us, talk it out. A lot of you, though, or some of you, are not going to like retailing and if you don't, and if it's not for you, we'll understand and you should move on. We will try to help you in every way we can. Hopefully you will have learned something with being with Walmart, but for the most part, if it's fun for you, if you've enjoyed your association with Walmart, we've got a great future together.

So, one more time, one more time. Let's . . .

Audience: Go for it!

Thank you very much. I appreciate it. Okay! That should do it.

#

Sam Walton was born in 1918 in Kingfisher, Oklahoma. In 1942, he joined the military. He married Helen Robson in 1943. When his military service ended in 1945, Sam and Helen moved to Iowa and then to Newport, Arkansas. During this time, Sam gained early retail experience, eventually operating his own variety store.

In 1950, the Waltons left Newport for Bentonville, where Sam opened Walton's 5&10 on the downtown square. They chose Bentonville because Helen wanted small-town living, and Sam could take advantage of the different hunting seasons that living at the corner of four states had to offer. Inspired by the early success of his dime store, and driven to bring even greater opportunity and value to his customers, Sam opened the first Walmart in 1962 in Rogers, Arkansas.

The Walmart Museum operates with a mission to educate, engage, and inspire visitors about the heritage of Walmart. Located on the Bentonville square, the birthplace of Walmart, it features Walton's 5&10, The Spark Café Soda Fountain, and a world-class exhibit gallery that documents the beginnings of the Walton family, the growth of Sam Walton as a leader and businessman, and the founding of Walmart.

For more information, visit walmartmuseum.com.