

► Interview

Michael Bergdahl, international speaker,
author & Wal-Mart Competition Authority



The case study of Wal-Mart is on every retailer's learning agenda. The story of this one retail giant is talked about at every retail conclave. In an interesting tete-a-tete with STOrai, Michael Bergdahl, author of some very interesting books on Wal-Mart shares his experience working with the retail giant and also talks about his most recent publication in India.

RAI: To begin with, let's share with our readers your experience with Wal-Mart?

MB: I look back now and I am still amazed that I moved my family from the home we loved in the cosmopolitan city of Dallas Texas to live in the middle of the Ozark Mountains in rural Arkansas. That's exactly what we did because I was hired by Wal-Mart as their Director of People for the headquarters office in Bentonville, Arkansas. In that role one of my internal customers was Wal-Mart's founder Sam Walton. As

it turns out I was extremely fortunate to have had the opportunity to work with Sam Walton, because by doing so I learned many of his leadership best practices. As a result of my firsthand experiences I am often "booked" to present keynote speeches or teach master classes at conferences, and corporate functions around the world.

RAI: What led you to pen down books talking about the best practices followed / adopted at Wal-Mart?

I left Wal-Mart after Sam Walton died and I became a business turnaround specialist. I have now participated in two highly successful business turnarounds. Not surprisingly, I still find myself using the knowledge I gained while working with Sam Walton in both my personal and business life. As a result of the success I experienced I decided to write a book about the knowledge I gained at Wal-Mart, so that others could benefit from it also.

RAI: The initial set of road-blocks and challenges you faced when you set out to write your first book?

MB: This is a great question. I had wanted to write a book about Wal-Mart for many years after I left the company. I was no different than a lot of other people who can't seem to get

their book idea down on paper. I think when I finally started writing I had just finally reached the point in my life when I had gained enough life experience, business maturity, and patience, which made me feel like "I had earned the right" to finally write my books. I am still surprised that I was able to write not just one but two books about Wal-Mart and Sam Walton!

RAI: Taking your book across the globe - how was the experience?

MB: The book writing experience, and what followed, completely exceeded my expectations! My books have been published in different versions around the world including, English, Korean, Vietnamese, Simplified Chinese, Indonesian, Russian, Traditional Chinese, and Spanish. The story of Sam Walton's entrepreneurial success resonates universally with business leaders of both small and large companies!

I have to tell you that once I finally got started writing I found the actual experience of writing quite enjoyable. I never experienced writer's block.

RAI: Responses you managed to generate from your first book?

MB: I have been asked if I had planned to write books about Wal-Mart when I worked there. The answer is a resounding "NO!" I have



also been asked how Wal-Mart's leaders feel about the fact that I wrote books about the company. The answer to that question is best answered by explaining that Rob Walton, (Sam Walton's son) who is the Chairman of the Board of Wal-Mart wrote the Foreword for my book, *The 10 Rules of Sam Walton*. They may not like the fact that I am sharing their best practices but they have embraced my books and they have even sold them in their stores!

Once my first book was published my International speaking business exploded. I have now spoken at conferences on 6 continents in places like China, Venezuela, Russia, Ukraine, Serbia, Macedonia, Colombia, South Africa, Chile, Saudi Arabia, Australia, Dubai, Malaysia, Ecuador, and across the USA.

RAI: A note on the publishing of your first book in India and journey thereon?

MB: My first book was published by John Wiley & Sons in India in 2008 called, *What I Learned from Sam Walton: How to Compete and Thrive*

in a Wal-Mart World. Interestingly this book is about the "strategies that made Wal-Mart the world's largest company." The reason behind writing this book was a result of my interest in helping retailers, non-retailers manufacturers, and suppliers in the USA and globally to benefit from the knowledge I had gained from Sam Walton. In this book I discuss the seven key strategies and tactics of Wal-Mart using the acronym P.O.C.K.E.T.S. which stands for: P rice, O perations, C ulture, K ey Item Promotion, E xpenses, T alent and S ervice.

RAI: From your experience; how do you perceive the Indian retail story so far?

MB: The India marketplace is one of the most complex in the world! With so many variables in the marketplace across India, global retailers planning to enter India won't be able to use a "one size fits all" store strategy approach. With different languages, customs, product preferences, religious beliefs, India presents challenges most international

retailers have not faced before. If it were easy the per cent of organized retail would be substantially higher already. Pan India expansion has not been solved by India's current retailers, and I believe international retailers are wary of the chance of failing while they are trying to understand and overcome the unique challenges of the Indian consumer, and the regional cultural differences. Add to that the challenge of competing with the well established, and entrenched small and large India retailers and foreign competitors are in for quite a fight! I believe there is no guarantee of success for multinational retailers intending to open stores in new markets like India. I believe the amount of time, energy, effort and creativity required to simply understand the India consumer may prove too challenging for some international retailers.

RAI: Wal-Mart has been trying to break ice in India since a very long time now but there has been little luck. How do you see the situation improving - steps needed, how will Wal-Mart work in India, the do's and



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don't Wal-mart should keep in mind pertaining to the Indian market etc ?

MB: Wal-Mart has its call center in Bangalore as well as its Asian Product Sourcing Office. I think Wal-Mart's entry strategy into India indicates the importance of India to global retailers. Not surprisingly, Wal-Mart entered via a partnership with Bharti. The Wal-Mart strategy at this point is a wholesaler strategy but that will change. Wal-Mart is a retailer at heart and as it did in Japan Wal-Mart would prefer to own its own stores outright. This is the first country Wal-Mart entered using a wholesaler strategy and for good reason. I believe Wal-Mart's normal direct assault on small retailers (Kirana Stores) using its retail strategy would prove disastrous due to the impact it would have on so many small entrepreneurs. I think you will continue to see hook-up strategies as USA and European Retailers try to figure out a profitable strategy for entering the India Market. You will see ongoing efforts

and lobbying to change the laws to allow foreign ownership.

RAI: Top 3-5 learning's retailers need to keep in mind (based on your Wal-Mart experience) ?

MB: There are 5 key learnings I think all of us can take from Sam Walton's rules:

- Serve your customers
- Be willing to take managed risks
- Control your expenses
- Have passion as a leader
- Take care of your employees

RAI: A detailed note on your most recent publication and why retailers should not miss reading your book ?

MB: My second book which is about to be published in India was also published by John Wiley & Sons. The book is called, *The 10 Rules of Sam Walton: Success Secrets for Remarkable Results*. If I had to summarize this book in one sentence I would say this book is about "the tactics of Sam Walton, the world's

richest man." Incredibly Sam Walton's personal wealth was in the neighborhood of US\$100 billion when he died, which at that time was almost double the wealth of Bill Gates!

When Rob Walton was asked if Wal-Mart still embraces Sam Walton's 10 Rules he responded, *"As large as Wal-Mart has become, we still find ourselves referring to Dad's "Rules for a Successful Business," embodied in this book."*

For the sake of simplicity, Sam Walton described his ten rules for success using the words: COMMIT, SHARE, MOTIVATE, COMMUNICATE, APPRECIATE, CELEBRATE, LISTEN, EXCEED EXPECTATIONS, CONTROL EXPENSES and SWIM UPSTREAM.

In this book you will get a glimpse into how "Mr. Sam" lived his life and built his business using strategies and tactics he personally developed the hard way, through trial and error. My goal in writing this book, *The 10 Rules of Sam Walton* is to give you an insider's perspective into the thought process behind Mr. Sam's genius and the success of the company he founded, Wal-Mart. Much of his focus in becoming successful was on helping those around him to become successful also. Entwined in each of his rules are reoccurring themes about leadership, innovation, commonsense, hard work, simplification, the power of positive thinking and how to treat people. This is why his 10 rules for success are so widely adaptable and applicable for just about anyone. 😊

