In 1950, Sam Walton opened a small store in a small town. It was the humble beginning of his career.  
**And in just 38 years, that small store grew and multiplied until it was the most profitable retail company in America.** Sam spent his life making Wal-Mart the ultra-successful company it is today. His mission was “Saving people money so they can live better.”  
**Along the way, he also made a fortune.** In 1991, he and his four kids were numbers 3 to 7 on the Forbes list of wealthiest Americans, with a net worth of $4.4 billion each.  
Near the end of his life and sick with bone cancer, Sam wrote down the story of how he did it into a great book called “Made in America”.  
I’ve read his book and now you’re about to discover the best ideas, tools, and tactics I’ve learned from Sam Walton. The same ideas that made him one of the greatest entrepreneurs of all time and caused an explosion of thousands of Walmarts across the world.  
**I picked up this book because I wanted to know why was Walmart so successful?** Sam Walton didn’t have an MBA or wealthy connections. When he opened his first store, his only business experience was a retail job at JC Penney. Yet he built Walmart from nothing into an empire. One of the secrets to his success is hidden inside this quote from Sam:  
If you take someone who lacks the experience and the know-how but has the real desire and the willingness to work his tail off to get the job done, he’ll make up for what he lacks.  
Sam Walton had the desire, and it’s amazing how far he grew Wal-Mart. Now let’s jump into the first great idea from this book which is:  
**1. Sam Walton: An Unusual Billionaire**  
It’s great to have the money to fall back on (…) But if you get too caught up in that good life, it’s probably time to move on, simply because you lose touch with what your mind is supposed to be concentrating on: serving the customer.  
If you walked past Sam Walton in the street, you probably wouldn’t think he was a millionaire, let alone a billionaire.  
Sam lived most of his life in a small town called Bentonville. His parents had lived through hard times in the Great Depression, so they didn’t spend money unless they absolutely needed to. Sam learned their way of life and he was also very frugal and conservative with money.  
For example, **Sam drove an old pickup truck with cages in the back for his dogs.** He bought his clothes at Walmart, not Gucci. In his spare time, he enjoyed regular hobbies like tennis and bird hunting. His own brother said that Sam would always stop to pick up a penny if he saw one lying on the street. And this man was a billionaire for crying out loud! In fact, this mindset about not spending money is probably a big reason for Walmart’s
success.
Think about it.

**When the founder doesn’t believe in wasting money, that frugal mindset trickles down into the company culture.** So the company becomes very good at keeping expenses down. And that’s how Walmart can keep their prices lower than anyone else’s while still making a good profit.

| Summary | Sam Walton lived in a simple and humble way. Most of his life he lived in the same small town and drove the same rusty old pickup truck. He believed this helped him stay in touch with serving his customers. |

### 2. Why It’s a Mistake to Make Getting Rich Your Goal

Many people dream of being rich so they can buy status symbols. You know what I’m talking about. Ferraris, Rolexes, and Prada handbags.

Other people dream of being rich so they can stop working. That’s the dream of anyone who has ever played the lottery.

*It’s clear that Sam’s pleasure and challenge in life was perfecting Walmart. Even after he was a billionaire, he still came into the office earlier than anyone else, often at 4:30 in the morning.* *(He said that early morning time was very important to give him time and space to plan without interruption.)*

Why did Sam work so hard when he didn’t need to?

Well, a different billionaire called Phil Knight (who was the founder of Nike) says that life is interesting when it’s challenging. Phil said the most meaningful times of his life were also the most difficult, like when he was selling shoes from the back of his car. I believe this is how Sam felt, too. He felt the most alive when he was challenging himself to GROW.

| Summary | Sam Walton never cared about looking rich. And after he became successful, retirement was the last thing on his mind. His goal was always to build the best company he possibly could and see how far he could grow Walmart. |

### 3. Improve Something Every Day

“Two things about Sam Walton distinguish him from almost everyone else I know. First, he gets up every day bound and determined to improve something. Second, he is less afraid of being wrong than anyone I’ve ever known. And once he sees he’s wrong, he just shakes it off and heads in another direction.” – David Glass

“I remember him saying over and over again: go in and check our competition. Check everyone who is our competition. And don’t look
for the bad. Look for the good. If you get one good idea, that’s one more than you went into the store with, and we must try to incorporate it into our company. We’re really not concerned with what they’re doing wrong, we’re concerned with what they’re doing right, and everyone is doing something right.” – Charlie Cate

Sam Walton was never satisfied. He was always looking for ways to improve Wal-Mart. Always studying the competition. Always testing new ideas to get more sales. If you improve a little every day, those little improvements will add up until you are unstoppable. That’s exactly what happened to Walmart.

And one of the best places to get ideas for improvement is from your competition. Sam studied what other retail stores were doing like an obsession. Sam always carried a yellow notepad with him, taking detailed notes about everything. From how other stores displayed their products... to how their employees acted.

- He took overnight buses to other states just to see a new retail store.
- On family vacations, they stopped at literally every store beside the road.
- He asked store employees questions about why and how they did everything.

Sometimes Sam even did something crazy. He went to the company headquarters of retail companies in other states. He would introduce himself to the secretary and ask to see the CEO “about his business.” And often the CEO would agree to speak with Sam, maybe out of curiosity. Sam always used the opportunity to ask many questions about their business. He says he learned a lot that way.

Sam knew the best place to learn about what’s working now in business is not a textbook, but from observing real businesses. Here’s what one of his top employees said about Sam:

My own parents own a small fast food restaurant which is a modest success, and they have always done this, too! I can remember family vacations when we always had to stop so they could take a look at some interesting restaurants. They always wanted to see the menu, the prices and learn everything they could.

In my own online businesses, I am constantly studying what successful websites are doing. What does their design look like? What kind of photos do they use? How do they get people to buy their products? You can learn so much this way. The best place to learn about what’s working now in online business is not from a course, but from studying profitable websites.

Summary
Your business can always serve people better, so never stop improving. The best place to get ideas for improvement is from your competition. The best place to learn what’s working now in business is not from a textbook, but from observing real businesses.

4. A Single Focus: “We Sell For Less”

There’s one reason people shop at Walmart.

Low prices.

Sam knew that. From the beginning, he built the whole company around offering the lowest prices. In fact, the first Walmart had the words “We Sell For Less” and “Satisfaction
Guaranteed” on either side of the store sign. Sam wanted everyone to know that they won’t find products cheaper anywhere else, and if they’re not satisfied they can always bring it back.

**Everything Sam did was focused on that slogan: “We sell for less.”** He was on a never-ending mission to cut expenses. He did it by negotiating better deals with suppliers, by building his own truck fleet, and later by installing complex computer systems. But this focus came at a cost. **Sam admits the first Walmart stores didn’t look professional at all.** Looking good was not their goal. Their goal was to keep costs as low as possible.

Wal-Mart’s focus on being great at one thing—low prices—is how they’ve beaten the competition so far and spread across America like a wildfire.

**Do you remember Kmart stores?**

Kmart had the most retail stores when Sam was beginning Walmart. Kmart was the market leader that Sam wanted to catch up to.

**And Sam also knew Kmart was the biggest threat to Walmart’s future.** If Kmart moved into Walmart territory, they would be the toughest competition.

So when Kmart opened a store near a Walmart, Sam became obsessed with beating them. He told the manager in that town to **make sure Walmart’s prices on EVERYTHING were lower than Kmart’s prices,** no matter what.

If Kmart sold toothpaste for 26 cents, Walmart had to sell it for 25 cents even if they lost money. Why? Because Sam didn’t want anyone to think Kmart had lower prices than Walmart. He knew if they Kmart beat them on low prices, then there would be no reason for anyone to shop at Walmart. That would be the end of the company.

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**Summary**

In your own business, what will your ONE biggest focus be? Focus requires sacrifice. You can’t be the best at everything. But you NEED to be the best in the world at the one or two things that matter to your customer.

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**5. The Truth About Competition**

If I had to single out one element in my life that has made a difference for me, it would be a passion to compete. That passion has pretty much kept me on the go, looking ahead to the next store visit.

All this requires overcoming one of the most powerful forces in human nature: the resistance to change. To succeed in this world, you have to change all the time.

**Sam Walton loves competition. He knows competition is good for his business** because it puts pressure on Walmart to improve and evolve.

Kmart was Walmart’s biggest competitor. At one time, they launched a full attack on Walmart, trying to take them out of business. That may sound scary, but Sam says Kmart’s attack on Walmart “*was probably the single best external event in Walmart’s history.*”
Kmart forced them to improve and refine many areas of their business. In the end, both Walmart and customers benefitted.

**Sam also knew competition is good for the customer.** When you go to the store today and buy something, the price is cheaper because of Walmart and similar discounter stores. The gross margins in the retail industry have dropped from around 35% in the sixties to only 22% today. Most of that is money saved by you, the customer. So if you find someone already doing your business idea, don’t get discouraged. There’s 6 billion people on the planet. If your idea’s any good, then someone’s probably already doing it.

Even after your business is successful, you can never stop competing. New competitors can challenge you at any time. The world itself changes all the time. Which means you need to adapt and evolve if you want to continue being successful.

**Summary**

You can’t escape competition. And competition is actually good for both you and customers. Your competitor will force you to become smarter and sharper. They’ll force you to always try new things and become better, which makes you feel awake and passionate.

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### 6. How Walmart Quickly Grew to 6,300 Stores

Go the other way. Ignore the conventional wisdom. If everybody else is doing it one way, there’s a good chance you can find your niche by going in exactly the opposite direction. But be prepared for a lot of folks to wave you down and tell you you’re headed the wrong way.

How did Wal-Mart become so big, so quick?

According to Sam, many people believe the secret to their success can be summed up as: “**They went into small towns when nobody else would.**”

In the 60s and 70s, big companies like Kmart wouldn’t open a store in towns of less than 50,000 people. And everyone was telling Sam that “a town of less than 50,000 people cannot support a discount store for very long.”

**Sam ignored what everyone else was doing and telling him. He opened his first Walmart stores in small towns.** And when his first few stores were very successful, he simply opened more and more of them.

Before Walmart, most small towns only had variety stores. Variety stores had a small number of products, short hours, and 45% markups. Yet everyone shopped there because it was the only store in town. When Sam started opening Walmarts in these towns with lower prices, a larger selection and longer hours... of course he took over most of their customers. Walmart was offering people what they wanted.

**Summary**

Walmart succeeded by opening stores in small towns when other companies wouldn’t. You too can start serving a part of the market that is being ignored by larger competitors. It often pays to ignore conventional wisdom and do the opposite of everyone else.
7. How He Remained In Control of His Empire
I can pick anything, say a little combination TV/VCR like I use here in my office, and tell you exactly how many of them we’ve bought over the last year and a quarter, and exactly how many of them we’ve sold. Not only overall, but in any or every region, every district, every store. (...) I guess we’ve always known that information gives you a certain power, but the degree to which we can retrieve it in our computer really does give us the power of competitive advantage.

When Walmart was opening 100 new stores per year, how was Sam able to stay in control? First, he kept a finger on the pulse of his company by visiting his stores in person, walking around, and talking to employees.

Second, Walmart was one of the first companies to use computers, technology and automation to connect all their stores and warehouses together. That was how Sam could stay informed about the health of each individual store when Walmart’s growth exploded.

Walmart’s sophisticated computer systems gave Sam an incredible amount of information at his fingertips. He knew exactly which products were selling best and where. He knew which stores were doing well and which ones were doing poorly. The simple fact is that Walmart would never have grown so much without those computer systems.

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Summary
Computer systems allowed Sam to keep a close eye on all his thousands of stores. He always knew which products, which stores, and which districts were doing well and which ones were doing poorly.

8. How to Make Employees Work Better
If you want the people in the stores to take care of the customers, you have to make sure you’re taking care of the people in the stores. That’s the most important single ingredient of Wal-Mart’s success.

In the early years, Sam visited every store personally. He flew a small plane himself to different stores each week. He walked around talking to employees. He wanted to know their thoughts.

In his office, Sam even had an open door policy with Walmart employees. Any employee could show up at the head office in Bentonville and ask to speak with Sam. That’s unique. I bet no other CEOs of billion-dollar companies have this type of policy.

Beyond listening, Sam wanted to share success with his employees. He said that sharing Walmart’s success with everyone in the company actually helped them
grow faster.
For example, Walmart pays its executives less than industry standards but gives them big bonuses when the company does really well. And every full-time employee of Walmart participates in a profit sharing program. This means if someone was working there for 20-30 years, they can collect a lot of extra money at retirement. Enough to send their kids to college and have a very comfortable retirement.

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<td>Sam believed that taking care of his employees would make them take care of the customers in his stores. He also believed that sharing success and profits with your whole team will make everyone better off, including you. He called this, “enlightened self-interest.”</td>
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9. Think One Store At A Time

So we know what we have to do: keep lowering our prices, keep improving our service, and keep making things better for the folks who shop in our stores. That is not something we can simply do in some general way. It isn’t something we can command from the executive offices because we want it to happen. We have to do it store by store.

Walmart grew into the giant it is today by Sam walking around his stores pretending he was in the customer’s shoes and making small improvements. And he said that’s exactly how it will continue to grow.

It’s easier to improve anything when you take a microscope to it. One store at a time. One section of a store at a time. One shelf at a time. That’s how you’ll get useful and practical ideas.

And Sam didn’t just do this by himself. He made his whole company focus on improving one store at a time during their weekly meetings.

Every Saturday morning, Walmart has a big meeting at their main office. This meeting is a great way to quickly share information between the whole company. Every regional manager from every state in America is there. Many regular employees are also there.

In the Saturday Morning Meetings, Sam likes to have everyone analyze and talk about one single store. They try to find areas for improvement. If they are talking about a Walmart that is near a beach they may suggest putting bathing suits, towels, and sunscreen at the front of the store.

Also, if a new idea or strategy is working well in one store, they can share the idea with every other store face to face. The meeting allows Walmart to make changes quickly across the country.

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<td>Even though Walmart has thousands of stores, Sam always thought about improving one store at a time. It’s easier to improve anything when you look at one part at a time as if through a microscope.</td>
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Conclusion
In 1992, President Bush (*the first one*) gave Sam Walton the Presidential Medal of Freedom, one of the country’s highest honors. Bush said: *“Sam Walton was an American original who embodied the entrepreneurial spirit and epitomized the American dream.”*
After reading *Made in America*, I agree. Sam Walton was a fierce competitor who never got tired of improving and growing every day. And now we have an inside look at how he grew one of the biggest companies in America so quickly.
Best of all, you can now use these same ideas, tools, and tactics in your own life and business. So you serve more people in a positive way.