Retail Supply Chain Management

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Wal-Mart's Sustainable Advantage

Wal-Mart's success is its information and supply chain management systems. Why are competitor's lagging behind?

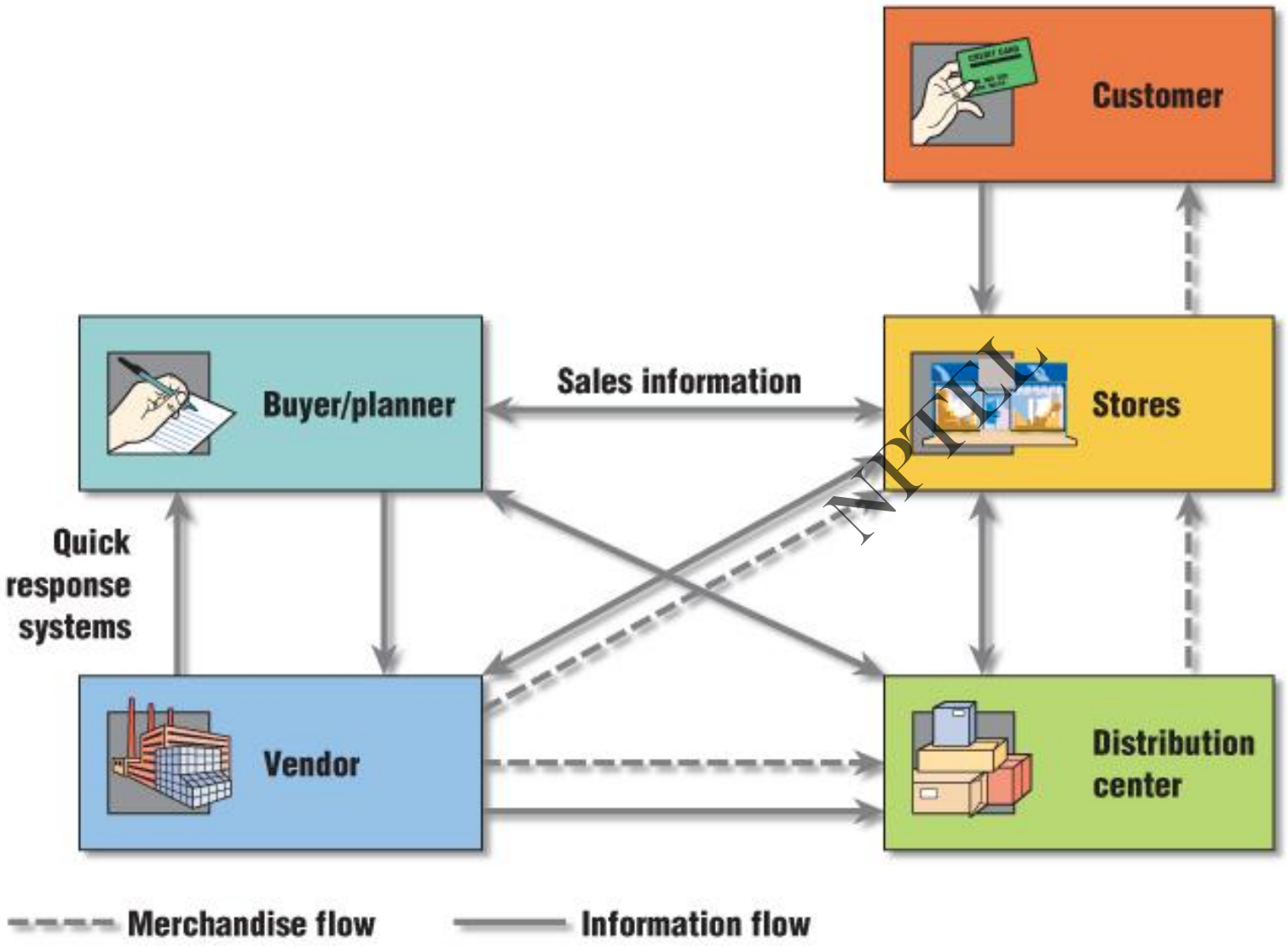
Wal-Mart made a substantial investment in developing its systems and has the scale economies to justify it.

The software is unavailable elsewhere and is constantly updated and improved



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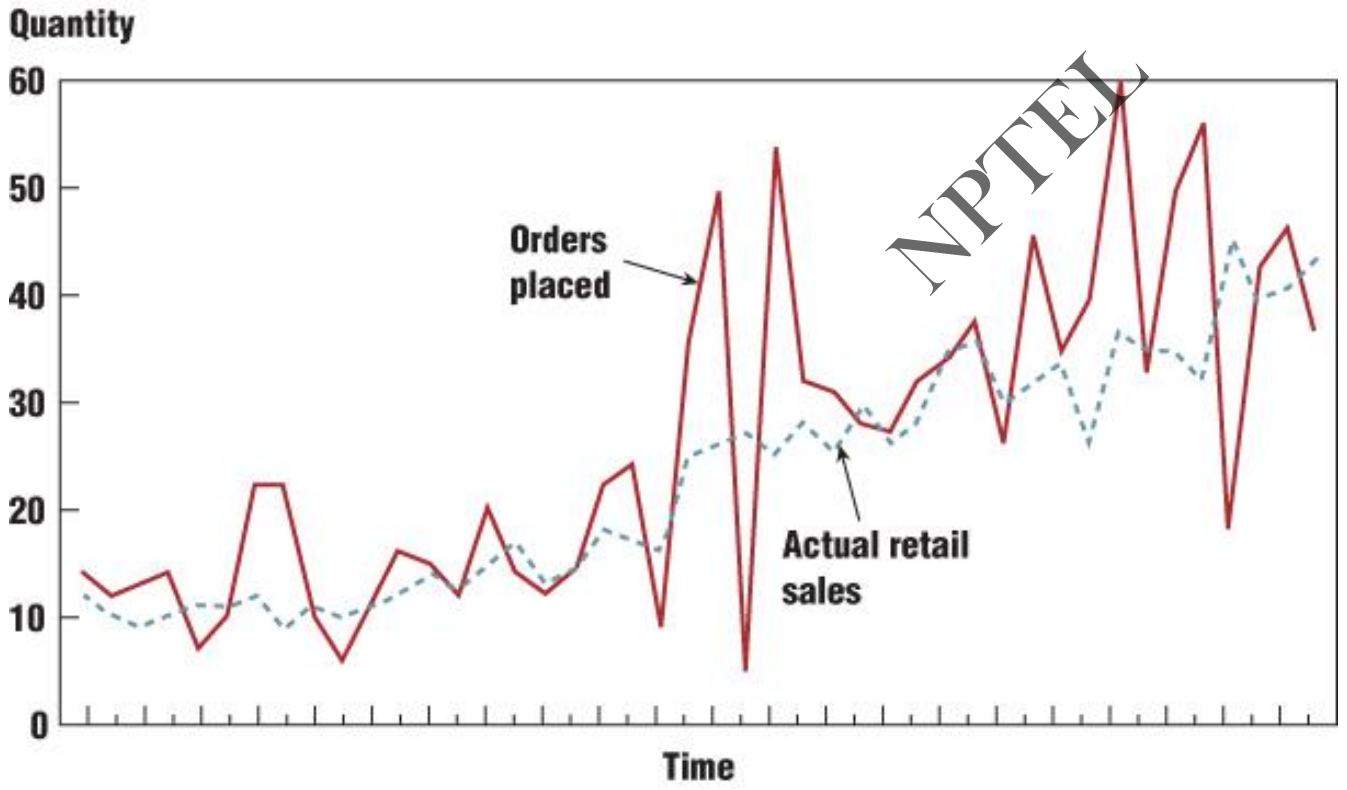
Information and Merchandise Flow



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Bull-Whip Effect

An uncoordinated channel of built up inventory when retailers and vendors do not coordinate their supply chain activities



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What Causes a Bull-Whip Effect?

- Delays in transmitting orders and receiving merchandise
- Over-reacting to shortage
- Ordering in batches rather than generating a number of small orders



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Data Warehousing

Data warehousing is the coordinated and periodic copying of data from various sources, both inside and outside the enterprise, into an environment ready for analytical and informational processing

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Wal-Mart makes good use of its data warehouse. It should. Experts estimate that it is second in size only to that of the U.S. government

Electronic Data Interchange

- **EDI** is the computer-to-computer exchange of business documents between retailers and vendors
- Merchandise sales
- Inventory On Hand
- Orders
- Advanced shipping notices
- Receipt of merchandise
- Invoices for payment

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