 **Dr. Rita Littrell**

**Mr. Sam Timeline Activity**

**Procedures:**

1. Have students, working in groups of two or three,
read the chapter summaries.
2. Have the team illustrate the chapter summary.
3. Then have each share one or two points of interest with the rest of the class.
4. Place each chapter summary and the accompanying illustration in chronological order for reading and review later.
5. There are many digital aids for creating timelines on the Internet.

**Introduction: Meeting Mr. Sam**

Mr. Sam wasn’t about wealth. Winning, beating the competition was important to him. He focused on cutting prices for customers and improving sales. The result was the largest company in the America and largest retailer in the world. Walmart rings up more than $1.1 billion every day – almost $800,000 every single minute. (2011)

**Chapter 1: Win! Win! Win**

From the time he was very young, Sam loved to compete – and win. He competed in football and basketball. He ran and was elected to school offices and activities. He boasted he would be an Eagle Scout before his other friends. He achieved this goal at age 15 – the youngest person in Missouri’s history. “It is a fact,” he wrote later, “this I have been over-blessed with drive and ambition from the time I hit the ground.”

Sam accompanied his father as he reposed farms during the Great Depression. Sam found this to be tragic. Sam

Sam delivered papers, ran track and was the quarterback. He was fast and didn’t have a good arm but he was tenacious and driven. He used his strengths and ran the ball. He pursued everything with true passion --- some say obsession --- to win.

The 1936 Hickman High yearbook showed Sam as a member of more than 10 clubs and teams – including library club, speech club, and Latin club.

**Chapter 2: War!**

Penney’s required seven day work weeks. They started in small towns with one-room general stores, which grew into small department stores filled with reasonably priced work clothes, underwear, shoes, fabrics, and sewing materials. By 1930 they had more than 1000 outlets.

People moved to the cities and bought cars. Sam learned frugality from James Cash Penney who also grew up poor. Chains of movie theaters, grocery chains and drugstores were common.

Sam enlisted after the bombing of Pearl Harbor. He met Helen Robson in Claremore, OK. She had earned a bachelor’s degree in business at the University of Oklahoma. Helen took flying lessons. Sam found Helen pretty and smart, energetic and athletic, and opinionated and strong-w8illed enough to hold her own. He also grew fond of her father. He introduced Sam to quail hunting and mentored him in starting a business. Helen thought life with Sam Walton would be interesting.

They married on Valentine’s Day, 1943.

**Chapter 3: Sell! Sell! Sell!**

Using $5000 of his own savings and $20,000 borrowed from Helen’s dad, Sam opened the Ben Franklin in Newport, Arkansas --- a railroad and cotton town with a population of five to six thousand. He learned the accounting system he would use for two decades from the Butler Brothers, owners of Ben Franklin chain.

Sam figured out he could make more profit if he bought items in bulk on his own. He could sell for less and beat the competition. Helen consulted with Sam about business but she was busy having their four children. Sam’s brother Bud moved with his wife to Newport. The two men did everything in the store to save money --- sweep floors, wash windows, check stock, etc.

Sam always checked out his competition. By the third year he had doubled his store’s sales. He had repaid his loan to Helen’s father. To draw in customers Sam put a popcorn machine outside the store and soft-serve ice cream inside. The landlord did not renew his lease because he wanted his son to run the store. Sam had to move and Helen was not happy.

**Chapter 4: Flying**

Sam and Helen found a small town in Northwest Arkansas that was not far from her family and needed a store to provide well-priced items. It was near quail hunting in four states and was a very scenic area. This time Helen’s father bought the building so Sam could not be evicted. In May 1950 the local paper read: “It is a big accomplishment to have people such as the Walton’s come here to live, as this is a fine family and their progressive plans mean much to the business life of this city.”

Walton kids all worked in the stores and had chores at home along with paper routes and other forms of income. Helen expected straight A’s in school since she was valedictorian. Helen’s father, Leland S. Robson, advised Jim to make the kids part owners, which he did. They learned the business, avoided inheritance taxes, and gave them part ownership. They tool a month long camping vacation every summer.

Sam bought a plane to help him scout out new store locations. Bud was opposed because Sam was a horrible driver --- easily distracted and always in a hurry. Sam was discovering that there was a great deal of business in small town America.

**Chapter 5: Cheap! Cheap! Cheap!**

Discounters started selling below costs to attract customers. One example was the Kissy Doll which sold for as low as $6.66 when it cost the discounters $8.00. Some discounters started selling radios, appliances and housewares. These stores were much larger and were in suburbs rather than the downtown. Sam learned from a Berryville, Arkansas native, Herb Gibson, about stacking products high and selling them cheap. Some items would be sold very cheap while others were higher. Sam wanted to compete but Bud was the only investor willing to help. He got bank financing but had to pledge everything he and Helen owned – house, her family property – as collateral. Bob Bogle suggested the name of Walmart for the new store. Sam added slogans – ‘we sell for less’ and ‘satisfaction guaranteed’. The store opened in Rogers in 1962 with 500 people waiting in line. It was a few months after the first Kmart, Target, and Woolco. Sam was slowly opening stores while other retailers were speeding ahead.

Sam’s accounting system was haphazard. If math was off, Sam did not worry. He would note ESP in the column – error some place. In 1967, Kmart had 50 stores with $800 million in sales. Sam had 19 stores with $9 million in sales. Sam realized a distribution center was needed to stock his stores.

**Chapter 6: Going Public**

In 1968 sales were $12.7 million. In 69 they were $20 million. In 70 they were going to cross $30 million – more than doubling in two years. Over the years Sam had built a team of managers but he realized he needed sophisticated systems like using computers. He attended an IBM school and recruited a young aggressive computer and financial whiz, Ron Mayer. Rob had finished law school and helped Mayer with the stock offerings. On October 1, 1970 Wal-Mart Stores Inc. sold 300,000 shares of stock for $16.50 each. Investor demand pushed the price per share up to $18.50 by the end of the first day. The five million generated brought Wal-Mart enough to pay off debt and to expand. Sam, now 52, and his family, were truly wealthy. Within 6 months the stock price climbed to $46.

Though Sam would buy anything he possibly wanted, he was still as cheap and hardworking as ever. Before going public, Sam had shared profits with managers, many who became very wealthy. His one regret was not sharing more with the associates. Executives attended a meeting at 7:30 a.m. every Saturday morning.

Sam always chatted with and helped store associates. He listened and learned from them. He regularly told them how much he appreciated them. He created the Wal-Mart cheer with the squiggly in it.

**Chapter 7: Grow! Grow! Grow!**

Sam had this habit of visiting every store twice a year. He also visited competitors and assessed their displays, employees, cleanliness, etc. He talked to the employees and listened to their suggestions. He found new ideas and shared them across stores. Sam opened new stores within the magic circle – a day’s drive form Bentonville where the warehouse was located. Walmart competed with Kmart as they moved into Little Rock. Price wars occurred. Retail executives criticized the Walmart stores after Sam asked for an assessment. He took it all in, listened, and took action. They changed the Walmart logo to softer colors and then added carpet to the apparel department. Sam, upon urging by other executives, spent money on technology to computerize its ordering system. They adopted bar codes that could be read by the computers at check-out. Sam bought the Bank of Bentonville when it fell on hard times. He bought the newspaper so that they could run their sale bills. The bank became Arvest and the newspaper became Community Publishers.

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**Chapter 8 Rich, Richer, Richest!**

Sam loved change! He thrived on it! In the 1980s the US economy was plagued by high levels of unemployment. Inflation and unemployment caused people to look for lower prices and therefore shop at Walmart. Most of Walmart’s competitors were not able to survive the weak economy. Because of their lean cost structure and low debt, Sam was able to take advantage of the economic situation and expand by buying other companies. By 1982 Walmart was the second largest retailer. Sam owned 500 stores in 13 states and had more than 40,000 employees. The stocks split seven times within 15 years, resulting in Sam becoming the richest person in the United States by 1985.

At age 64 Sam became tired. He was diagnosed with cancer. His father died in 1984. His management team was strong with Jack Shewmaker serving as president and chief operating officer while David Glass was the chief financial officer. Sam spent as much time as possible hunting and playing tennis. Ol Roy was the name of his favorite bird dog who would attend meetings with him and spend the night in the hotel room.

**Chapter 9 Go! Go! Go!**

By the mid-80s Sam was building Sam’s Club, a gigantic warehouse club that sold only super-size quantities at near-wholesale prices to members who were often small businesses. Sam, nearing his late 60s, was energized as he had a chance to build a company again. He experienced mall-sized hypermarkets in Europe and Latin America. These giant marts would become supercenters, selling groceries, apparel, tires and most anything. A satellite system was installed that would allow Sam to send video messages to stores and track sales almost as they happened. Governor Bill Clinton asked Sam to save factory jobs in Arkansas. Sam bought cloth from Asia and the factory made shirts. Sam decided to try to have an impact on American jobs through his Made in the U.S.A products. He tried to buy products from US manufacturers if they could compete in quality and price. Walmart and other retailers were major buyers abroad though.

Upon Helen and Alice’s persuasion, Sam finally included Hillary Rodham Clinton on the Walmart Board of Directors. Hillary pushed Sam to give more opportunities to women. By 1989 there were two women vice presidents out of eighty-eight.

Communities started to fight newly built Walmart stores, declaring they destroyed downtown areas and did not invest in the community in the same way small businesses did.

**Chapter 10: Big, Bigger, Biggest!**

In early 1990, Sam told associates to “continue to listen to those wonderful customers of ours and take care of their needs as they shop with us.” He urged them to become “the very best person we possibly can be.”

Walmart, by design, was stingy. Sam felt that they were not in the charity business. Their goal was to help people save money through lower prices. Helen was interested in charitable giving. She told others, “It isn’t what you gather in life, it’s what you share that tells the kind of life you have lived.” Their philanthropy was mostly to support education including local universities, library, art center and a program called Walton International Scholars to support international students studying in Arkansas universities.

At the 1990 shareholders’ meeting at the University of Arkansas, Sam challenged the company to increase the $26 billion in annual sales by five by the year 2000. Six months later, Walmart became America’s largest retailer.

Any lucky person who had purchased 100 shares of stock on 1970 for $1650 and simply held on as Walmart grew would now have more than 51,000 shares valued at more than $1.5 million --- a stunning gain in 20 years.

In 1992, George H. W. Bush awarded Sam the Medal of Freedom, one of the nation’s highest civilian awards. President Bush said this award is not about money or philanthropy. “It’s about determination. It’s about leadership. The story of Sam Walton is an illustration of the American dream.”

**Epilogue:**

By January 2000, Walmart’s annual sales reached $165 billion, surpassing Sam’s challenge. The Walton Family Foundation had more than $2 billion in holdings at the end of 2009. To date, the emphasis has been on school choice, conservation, and northwest Arkansas. Alice has invested time and money in Crystal Bridge Museum of American Art which is transforming the sleepy little town of Bentonville.