

THE 10 RULES OF SAM WALTON

Success Secrets for Remarkable Results

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MICHAEL BERGDAHL was hired by Sam Walton to be Wal-Mart's Director of the Home Office People Division. He worked alongside Sam Walton from 1990 until his death in 1992. Mr. Bergdahl was employed by PepsiCo's Frito-Lay Division before joining Wal-Mart and has worked for American Eagle Outfitters and Waste Management since leaving Wal-Mart. He is currently a full-time motivational speaker and business coach. Mr. Bergdahl is the author of *What I Learned From Sam Walton* and is now widely considered to be an industry authority on Wal-Mart, the world's largest retail company.

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MAIN IDEA

Sam Walton is by any measure the most successful entrepreneur in the history of the world. In addition to founding Wal-Mart Discount Stores and growing the company to become the world's largest retailer, Sam Walton also founded Wal-Mart Supercenters and Sam's Club. The fact he started with nothing in a small town in Arkansas and eventually managed to build the largest and most successful company on Earth is an amazing and awe-inspiring accomplishment. In the final year of his life, Sam Walton became aware that it was likely he would soon succumb physically to bone cancer. He therefore wrote down his list of 10 rules for success based on his lifetime of real world experiences. While it is true Sam Walton applied these rules with an exceptionally high degree of discipline, anyone can benefit by learning these rules and finding ways to integrate them into what they want to do.

"If you really break down Sam Walton's 10 rules for success you'll find one is about customer service, one is about managing expenses, one is about personal commitment, one is about risk taking, and six are about how to treat people."

– Michael Bergdahl

Rule #1 – Commit yourself to achieving success and always be passionate Page 2

Sam Walton was absolutely committed to doing whatever it took to achieve his dreams. He often went to work at 4:00 AM so that he could review the previous day's sales reports and do some quality thinking before the rest of his executive team arrived and got into action. To achieve your dreams, you've got to be willing to put in an above-average effort.

Rule #2 – Share your success with those who have helped you. Pages 2 - 3

Sam Walton always believed individuals don't win, teams do. For that reason, he put a profit sharing program in place right from the start. This had the impact of transforming his employees into a high-performing team of loyal and motivated business partners. To exceed expectations, make it feasible for everyone to share in the riches of victory.

Rule #3 – Motivate yourself and others to achieve your dreams Page 3

Make the people who work for you feel great. Help them do things they didn't dream they were capable of achieving. Provide them with opportunities to do impressive things and stand back while they go to work. Believe in people and let them realize their true potential.

Rule #4 – Communicate with people all the time and show them you care Page 4

Share as much information with your employees as possible. Help them thoroughly understand how the business works. The more everyone knows, the more they can become involved in moving the business forward. Analyze and discuss the information about your business openly and candidly.

Rule #5 – Appreciate and recognize people for both their effort and their results Pages 4 - 5

Showcase the people in your organization who come up with great new ideas or who simply do the right things consistently. Recognition will not only make the person feel good themselves but it will also signal your organization values new ideas highly. Show and express appreciation for genuine effort and results.

Rule #6 – Celebrate your own accomplishments and those of your team Page 5

Have fun. When your business achieves a milestone, do something which is so enjoyable people will rave about it for years. Don't take yourself too seriously but make working alongside you an interesting and enjoyable experience. Differentiate your business by creating a fun environment.

Rule #7 – Listen to other people and learn from their ideas Page 6

Sam Walton always listened very carefully to front-line employees who interact with customers. He believed these people had great ideas and it was his job to create an atmosphere where people would feel comfortable talking. He never thought he knew better but genuinely thirsted to hear what these employees were suggesting.

Rule #8 – Find ways to exceed the expectations of your customers and others Pages 6 - 7

The Wal-Mart way is to try and exceed the customer's expectations every time they come into the store. Sam Walton actively encouraged everyone to live by the standard: satisfaction guaranteed. He worked long and hard to make Wal-Mart known for legendary customer service levels regardless of how large the company became.

Rule #9 – Control your expenses and save your way to prosperity Page 7

Sam Walton grew up during the Depression years, and accordingly he loved to find ways to cut costs. As a result, Wal-Mart has a consistently lower cost structure than its competitors, which is good because these savings are passed on to customers in even lower prices. Controlling expenses is one of Wal-Mart's key competitive advantages.

Rule #10 – Always swim upstream – be different and challenge the status quo Page 8

Sam Walton challenged conventional thinking throughout his entire business career. He believed in blazing his own trails by challenging conventional wisdom. He took calculated business risks and often found conventional wisdom was simply the path of least resistance. Wal-Mart is where it is today because Sam Walton always embraced change like a good friend.

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