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Marketing 360

Wal-Mart Assignment

1) UPC/RFID tags: These are both very important when looking at Wal-Mart from a Supply Chain Perspective. RFID tags and UPCs allow a single piece of inventory to be tracked and maintained throughout its process from making it to buying it. They are basically a shortened and electronically readable form of tracking for a particular product.

2) POS Terminals: At Wal-Mart, and any other retail store, you are not able to leave with a product without paying for it. The POS terminals provide a way for a product to be purchased, but also allows the company (Wal-Mart) to see which product was purchased (using the RFID/UPC). It also will then correct and maintain the actual inventory on hand, after it has been recorded at the POS terminal.

3) Data Warehouse: These are important to a business, mainly because they provide a place for all the electronic information needed to be stored in a central location. It also allows a collaborative amount of users to look at and manage the data. This database is a collection of POS tickets, inventory levels, and a bounty of other information that the business would like to include.

4) Electronic Data Interchange (EDI): This was an important part between Walmart and Proctor & Gamble. This data exchange from the store to Proctor and Gamble allowed Walmart to step back a bit from the ordering process, and let Proctor and Gamble handle the inventory. When a purchase is made at Walmart, the data is sent both the Walmart, AND P&G, allowing P&G to see real-time data about what products are being sold. They then will also be able to restock Walmart with what they want Walmart to sell without Walmart having to do any of the ordering. This also allows less data transfer of the total product data, by streamlining it right to the manufacturer.

5) Vendor Managed Inventory (VMI): This is when the manager at a particular location manages the orders for what they will have in stock. This is useful when it comes to different regions. For example, in the southern states, winter jackets might not be in high demand; in the northern states, winter jackets would be in very high demand. This allows the managers in each location to order the number of jackets they think they will need, vs. Walmart stocking each store with the same number of winter jackets, no matter the location.

6) Just-In-Time Systems (JIT systems): JIT systems are very useful for frequently bought materials and products. When a popular product is purchased on a regular basis, JIT systems will order fewer particular products to the store, but on a more frequent and reliable schedule. This allows the time that that product would be sold out, to diminish or become very small. It allows the store to be “always” stocked with the product they are selling a lot of.