



**BMS INSTITUTE OF TECHNOLOGY & MGMT**

**YELAHANKA, BANGALORE – 560064**

**DEPARTMENT OF INFORMATION SCIENCE AND ENGINEERING**

**Case Study for IA -1 –November 2022-23**

**5<sup>th</sup> Semester A, B and C**

**Course Name: Management and Entrepreneurship for IT Industry**

**Course Code: 18CS51**

## **1. A Case Study on Retail Business Enterprise**

The partnership between Bharti Enterprises and Walmart has been dissolved. Formed in 2007, the joint venture's purpose was to build and operate cash and carry superstores in India under the name Best Price Modern Wholesale. As partners, the two companies jointly built 20 superstores. These superstores are located in major cities such as Amritsar, Zirakpur, Jalandhar, Kota, Bhopai, Ludhiana, Ralpur, Indore, Vijayawada, Agra, Meerut, Lucknow and Jammu.

But the two companies have now agreed to go their separate ways. Bharti will acquire the Compulsory Convertible Debentures held by Walmart in Cedar Support Services, a company owned and controlled by Bharti. Bharti, which operates 212 stores plans, plans to continue growing independent of Walmart. Bharti indicated that it is committed to building a world class operation and will continue to invest in a retail concept called "Easyday." For its part, Walmart will continue to operate the 20 superstores opened since 2007 without the benefit of any partnership.

Walmart management has said it wants to serve India and its people through its cash and carry business. Management believes that the company has in place the supply chain infrastructure, direct farm program, and supplier development that enables it to make good investments and provide good returns for its shareholders.

However, there is a problem. The Indian government requires retailers to source 30 percent from small suppliers which is difficult for Walmart to comply with. Another problem is the continuing US investigation of fraud in Mexico, Brazil, China and India. In Indian, the government is investigating whether a loan made by Walmart to Bharti broke foreign investment rules. Both Bharti and Walmart have denied any wrong doing.

While Bharti and Walmart managements each wished the other well, I suspect that national differences and the challenges of working together broke up this partnership. Walmart entered into the partnership with Bharti in hopes of achieving a liberalization of the Indian market. This hope was not fulfilled and as a result the relationship with Bharti was no longer desirable, according to Scott Price, President and CEO of Walmart Asia.



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This action is similar to what happened in to Walmart in Germany. There Walmart stores were competing with entrenched local general merchandise and food merchants, rendering Walmart unprofitable. The company was restricted from running sales except for certain times, and the operation never appealed to the German shopper.

While Walmart's growth has exceeded anyone's dreams, its shifting strategies in India, Japan and Germany highlight the difficulties of operating a worldwide company. Its amazing international expansion often has the unfortunate flavor of inexperience. Dealing with foreign authorities requires finesse and charm, and even so sometimes still doesn't pan out as hoped. The dominance of Walmart in the United States is unrivaled; but the retailer still has to prove itself country by country, city by city. Even for global behemoths like Walmart, retailing is still a truly local business.