

The move to experience squads is a foundational change driven by the ambition to become the world's best club retailer and accelerate execution by shifting the organization's focus from siloed operations to seamless, end-to-end user experiences. Furthermore, talent in the right roles, specifically empowered associates and clear business leadership, is considered **essential** to the business strategy and the success of this transformation.

Here is a summary of how the organization arrived at the experience squad structure and why talent placement is critical for the business:

The Journey to Experience Squads

The formation of the experience organization marked a deliberate shift in strategy, recognizing that future growth relies on innovation in experience, making it the brand's true differentiator. This initiative began roughly 110 days prior to one discussion and resulted in the establishment of the experience team as a new differentiator.

The Challenge with the Previous Model Historically, the organization operated in vertical silos, focusing on individual components rather than thinking horizontally about the complete member journey. Evidence showed the organization was excellent at launching features, with over 6,500 major launches and 60,000 changes rolled out in the previous year. However, this vertical approach created inconsistency and challenges for members and associates.

A key illustration of this issue is membership signups: 70% of new members sign up digitally, yet the physical (in-club) and digital processes historically had inconsistencies, including different brand logos, messaging, colors, and rules. This fragmented approach often prioritized saving time internally rather than delivering a cohesive experience to the end user.

The Strategic Shift to Squads To overcome these silos, the organization decided to adjust its ways of working, moving toward an **end-to-end user mindset**. The goal is to move from launching incremental features to **designing end-to-end experiences**. This is intended to eliminate friction for both members and associates, making the overall experience "effortless" and "personal".

The shift involves introducing nine **experience squads** that are deemed transformative to the Sam's Club experience. These squads are meant to reshape how the organization works, placing member experience at the center.

The nine identified experience squads include:

1. In Club Experience
2. Club Associate Experience
3. Location, Asset Strategy & Lifecycle
4. Online Experience
5. Membership Lifecycle

6. Services Experience
7. E2E Replenishment & Inventory Placement
8. Catalog & Merchant Tools
9. Product Development & Trends

This structure is guided by underlying operational pillars:

- **Design First Culture.**
 - **Empowered Associates.**
 - **Leading Retail Technology** (Powered by Data, Driven by AI).
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The Essential Role of Talent in the Right Roles

Talent and technology form the strong foundation needed to accelerate strategic execution for the Experience Organization's key priorities. The success of the new squad structure hinges on placing talent strategically and ensuring associates are empowered.

Empowering Associates as the Human Element The goal is to be "tech powered, but human led". The most important thing the business can do is to "lean into our people," as associates are the humans who make a difference in the experiences provided.

- **Associate Experience is Critical:** External experience leaders emphasized the need to be very thoughtful about **who they hire and how they hire and onboard them**. The organization acknowledges an obligation to advance thinking about Sam's Club associates, referred to as the "cast members," in a new way, ensuring that the experience starts with them before reaching the member.
- **Creating Moments of Joy:** Associates are crucial in driving positive member experiences. For instance, one associate named Brian from the Las Vegas club was highlighted in a letter for walking across the parking lot to help an injured woman get inside safely with a cart, creating moments of happiness and showing the human, community aspect of the club. This associate interaction is likened to the way Disney "cast members" are encouraged to "create magic" for someone.

Structure and Accountability of Talent The new squad structure is specifically designed to assign accountability and align talent cross-functionally. Each squad is structured to contain specific roles to address end-to-end challenges:

1. **Clear Business Leaders:** The squads will be led by clear business leaders responsible for thinking across the entire experience. The leadership team is responsible for identifying these leaders and clearly defining the roles.
2. **Cross-Functional Teams:** Teams will be set up with business owners, product leads, design leads, and potentially marketing or a people leader (for the Associate Experience squad).

3. **User-Driven Focus:** This organizational shift moves away from being merely stakeholder-driven towards being user-driven, ensuring the end user is top of mind. The talent within these roles must prioritize the experience over internal silos.
4. **Empathy and Discovery:** The emphasis on design thinking puts **empathy at the center**, which is seen as a competitive differentiator in retail. The business plans to hire a **behavioral psychologist** to help the teams be thoughtful about the emotional aspects of the member and associate journey. Furthermore, personnel involved in the transformation process learned that embracing ambiguity and focusing on **discovery** rather than rushing to a solution is essential for success, even if it feels uncomfortable.

The overall aim is to leverage talent to move the business from being merely transactional to being focused on relationship building, ensuring that membership feels earned, personalized, and rewarding.

The transition to experience squads is like moving from a relay race, where each department hands off a project piece by piece, to a unified design studio, where cross-functional artists (the core talent) work side-by-side from start to finish, ensuring the final product reflects a single, cohesive vision for the customer.