

RIM Lessons from the Brave New World of Business

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Nelson Lichtenstein's *The Retail Revolution: How Wal-Mart Created a Brave New World of Business* is an important read for records and information managers interested in the increasing globalization of business practices. It explains the history of Wal-Mart and how it used political and legal savvy and embraced the power of data to drive its business practices and become the world's largest company.

On its own merits, *The Retail Revolution* would be an interesting resource for many people. Looked at through the lens of records and information management, it becomes a cautionary tale about the importance of the use of business data in the 20th and 21st centuries, the importance of safeguarding business information, and how business will increasingly use records and information management tools in the days of increased globalization.

Lichtenstein, a professor of labor history at the University of California, Santa Barbara, devotes the second chapter of the book to Wal-Mart's use of data and logistics to drive its business. He argues that it was the early embrace of such technologies as bar codes, a massive data center, and the world's largest private, satellite-based communications system that made Wal-Mart difficult to beat in the worlds of logistics, management of inventory, data mining, and manufacturer negotiations.

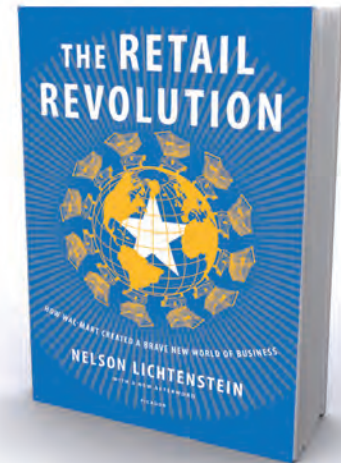
Wal-Mart had the information management tools to track what consumers wanted in ways the competition could not and used those tools to

drive everything from supply and demand to pricing, and, eventually, who would and would not survive as Wal-Mart suppliers.

Lichtenstein's book also explains some of the retailer's bad records and information management decisions and their unintended consequences. For example, Flagler Productions of Lenexa, Kansas, was, for many years, the outside contractor Wal-Mart used to tape its annual meetings and internal management meetings. After Wal-Mart dropped the company, Flagler took this work product and offered it as insight into Wal-Mart that researchers and others interested in the inner workings of Wal-Mart have used. This and other examples serve as cautions about outsourcing work product and what can happen when information slips through an organization's control.

The Retail Revolution also explores how Wal-Mart successfully globalized its retailing and manufacturing business, providing a roadmap for how records and information managers need to respond to globalization in their organizations. Wal-Mart was successful because it partnered with local manufacturing organizations abroad, but also because it adhered to its data-driven decision-making process that worked so pervasively in the United States. This was paired with a telecommunications system that made the Bentonville, Arkansas-based company able to track and change inventory half-a-world away in real time.

It should be noted that Lichtenstein does write with a specific bent and, be-



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cause of this, his book can appear to be an exposé of Wal-Mart and the policies and tactics it applies to its workers, laws, healthcare, and so on. However, in a 2009 radio interview on "Fresh Air," Lichtenstein admitted to frequently shopping at Wal-Mart, stating that he believes in efficiencies of scale. In *The Retail Revolution*, records and information managers can discover how these efficiencies of scale were and are realized by Wal-Mart. **END**

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