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**Walton, Sam & Huey, John – Sam Walton: Made in America**

Bantam Books, 1992 [Surrounding Knowledge] Grade ★★★★★

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*Sam Walton: Made in America* pushes the reader to become a better and more honest person by presenting the standards that Sam Walton set on himself and others. "I'd hate to see any descendants of mine fall into the category of what I'd call "idle rich" - a group I've never had much use for." There are dozens of similar quotes in the book which summarizes Walton's worldview. The book is a biography filled with wisdom and real life lessons on business and management.

Sam Walton was the founder of one of the most successful businesses of the 20th century, Wal-Mart. What started with one store in the small town of Bentonville, Arkansas, developed into a store network covering the whole US. Walton who in building Wal-Mart became the richest man in America, co-authored the book together with John Huey in the end of his life while struggling with cancer. Huey, an author and journalist, has, among else, served as the editor-in-chief of Time Inc.

The structure of the book follows the life of Sam Walton in chronological order. The reader is set on a journey from Walton's early days working in a retail store, to when he started his own shop and thereafter the development of his huge legacy. Every chapter is filled with viewpoints from family members and Wal-Mart employees which gives the reader a more objective view of how things were.

Customer obsession and constant improvement are core themes when describing Wal-Mart's strategy. Similar to the founder of Amazon, Jeff Bezos, Walton had the idea that if you always try to do a bit more for the customer then you will stay ahead of the competition. Bezos has mentioned that Sam Walton and Wal-Mart was a big inspiration for him when building Amazon. Walton was studying the competitors deeply and was in the words of the super-investor Mohnish Pabrai "a shameless clone" as he applied the good concepts that he learned from his competitors. A quote from the book reads: "most everything I have done I've

*copied from somebody else".* Another quote is about the learning's from Sol Price, another highly successful manager within retail: "I guess I've stolen - I actually prefer the word "borrowed" - as many ideas from Sol Price as from anybody else in the business". By studying others, Walton created a great corporate culture driven by incentives to his partners which led to better customer treatment. He constantly adjusted the business to what he thought was for the best. These constant adjustments were probably one of the keys for Wal-Mart to stand out from the competition in one of the most competitive industries around.

A further lesson to learn from Wal-Mart is the growth strategy the company used. The business grew in smaller towns in areas close to its distribution centers in order to benefit from economies of scale in the specific area. A less well-known and riskier aspect of the growth strategy was that it was built on debt financing. From the start of Wal-Mart until the listing in 1971 the company and its owners were saddled with debt. Since Walton used debt in order to grow the business he was relieved when he got rid of the burden when going public.

There are a lot of interesting facts in the book that are important from an investment standpoint. The reader will get a better idea of the retail industry and what it takes to become successful but especially what to look for in a manager. Walton mentions that the investors who profited most from Wal-Mart were the ones that had a long-term view and that studied the company and got familiar with the strengths and the management approach.

Even though the book is written at the very end of Sam Walton's life I don't think it shines through. Possibly, this is due to the skill of the co-author John Huey. I think all managers, investors and people in general would become better in their professions and in life by learning from Sam Walton. This book is a great place to start.

Niklas Sävås, June 30, 2018