

The Business Process Model of Walmart
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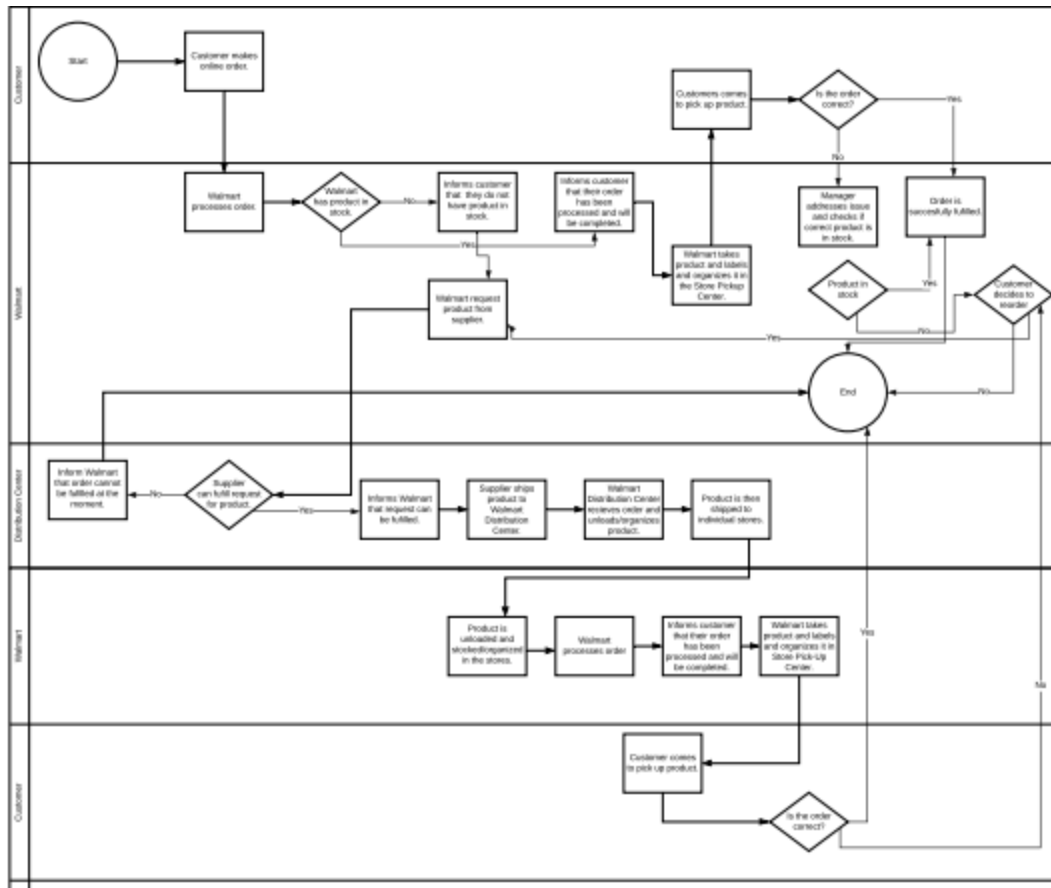
I. Business Process

One business process that plays a key role in making up what Walmart does is their online ordering process. The primary input for this process is the online order from the customer requesting specific products. The primary output for this process would be the package(s) to be delivered to the customer.

The transformation process for this model starts with taking the request from the customer and ends with delivering the product(s) that the customer asked for. At the start of this process, the customer must first make the online order to be processed. Then, backroom associates at Walmart will process the order and search the system to see if that product is currently in stock. If the product is in stock, then the backroom associate will move the product or products to the store pickup center. Once there, the product can be picked up by the customer. However, if the product is not in stock, then the associate will make a product request the the supplier of that product. The supplier will ship the product to a distribution center, where a distribution driver will take it and other products to specific Walmart store locations. Finally, the backroom associates will receive the products, move the ordered ones to the store pickup center, and the customer will pick them up. (DeShields).

Process Step	Actor
1.Customer makes an order online	Customer
2.Order is processed	Stocker/Backroom/Receiving Associate
3.Determines if product is in stock	Stocker/Backroom/Receiving Associate
4a.Product in stock- product moved to store pickup center	Stocker/Backroom/Receiving Associate
4b.Product not in stock- walmart makes product request to supplier	Stocker/Backroom/Receiving Associate
5b.Supplier ships product to Walmart Distribution Center, then shipped to a Walmart store location	Distribution Driver
6b.Walmart receives the product and moves to store pickup center	Stocker/Backroom/Receiving Associate
5a/7b.Customer picks up product	Customer

II. Business Process Model



III. Metrics

- **Differentiation** - Walmart's ability to stand out from other firms in their abilities through quality of service, delivery rate, and more. Walmart specifically differentiates itself from its largest competitor, Amazon, with its In-store pickup feature. This would allow customers to directly interact with employees if an issue with their order arised. This is unlike Amazon, where a customer would have to take any issues up with the vendor via Amazon, and they may not be able to get a direct response or solution (Halzack).

Walmart has also made significant technological progression that is very attractive to customers. For example, Walmart offers a 3D virtual shopping tour, that way customers can see products in a real life setting, and then choose to “buy the room” based on their own personal preference.

Differentiation is incredibly important, because it gives Walmart the opportunity to stand out from competitors in various ways. Without the recent technological

advances of Walmart's online buying systems, as well as its good customer service, the chances of Walmart even having a foot in the door with Amazon and other competitors is very slim.

- Overload of system for orders - When too many orders are placed, the current system may not have time to keep up everything to date and may not alert customers if a product is out of stock until it is too late. This determines ultimately whether or not a company is capable of lasting and advancing in the world of business. Companies unable to handle more than a few orders, because of low staff or poor information management, ultimately collapse in on themselves or never advance due to an inability to serve the people.

In the beginning, Walmart's online ordering system had this as a recurring problem. A customer would complete an order, only to receive an email a few days later with a notice that the order could no longer be completed. While this is an issue that can and does occasionally still occur, Walmart has been able to fix the majority of these issues through trial and error. Now, if a product is no longer in stock, Walmart's website would say on the catalog page that it is out of stock so there is no further confusion.

- Cycle Time - Cycle time measures the time between an order being placed, the preparations made to the order for delivery, and its shipping to when the customer receives it. This metric is important because it can determine which customers come back to a service and how much money that particular service can make. If a firm has high cycle times, people may be less inclined to use them, especially for relatively cheap services. This could cost the firm several customers and potential profits.

Walmart manages to keep cycle times small between the purchasing of an order and the delivering of the product to the customer by efficiently locating distribution centers-which are almost always sorting and shipping products to stores, centers, and customers-in a radius of 200 miles from their furthest stores(DeShields). Using these distribution centers and a fleet of thousands of drivers who distribute the goods, the supply chain of Walmart is virtually always running, from the moment someone orders at 3 in the morning to its delivery within the next few days (DeShields).

IV. Information System

- Differentiation - Walmart's entire supply chain process is already so efficient, it is difficult to think of an information system to improve their process. For example, Walmart focuses on low-cost, medium-quality products while keeping their prices low relative to competitors, and cuts costs by having their own trucks that transport goods straight to the store rather than a warehouse. All this being said, if Walmart developed an information system that allowed them to compete with services like Amazon Prime, they'd see a huge increase in profit. In fact, the only service that Walmart lacks is an online delivery service, that delivers products straight to the customer's door, similar to that of Amazon's.
- Overload of system for orders - Would alert backroom associates more readily that product is out of stock, letting them order faster, know how much of a product is available, etc. An information system would give a verified and updateable report to managers, detailing them on trends and preventing the overloading of the system.
- Cycle Time - An improved information system would greatly help the cycle time by reducing the wait time. A more organized system can help workers know where a product is either in the store or the distribution center and how to get it to the customer as fast as possible. In cases where the item in question is not available, workers can flag customers who may want it, reserving the item for retrieval when it arrives or tells the customer the day it will be available. This would greatly improve the system as customers and managers would be aware of the location of their item and be able to accommodate for this, not coming into the store to pick it up until necessary, and reducing unhappy customers waiting in line hours .

Integrating an information system into the system as a whole would radically change the rate at which users could access information, whether they're consumer or worker. If information could flow more readily between the two, the customer would know almost instantaneously where their package is and when it should arrive. Additionally, a database could help automate the process for the website, making it so orders are compared nearly instantaneously and inventory is updated to accommodate these changes. This could also prevent the system from overloading and/or reduce long wait times from an out of radius order being shipped in. It could also alert managers when they're running low on a specific item, flagging the item for purchase, although not completing it so that managers can ensure it's necessary, and providing analytics into what is selling faster in a given period.

Works Cited

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