COMPANY RESEARCH SHEET

Walmart

The Empire Built on Nobody Looking

Sam Walton built the largest company on Earth in towns the giants had written off, on a logistics machine the customer never saw. Then it did the thing incumbents almost never do: it reinvented itself before the disruptor finished the job.

FOUNDED
1962 · Rogers, AR

THE MOAT
Scale + logistics

LEGENDARY SCORE
8.5 / 10

AT A GLANCE

The Story in Nine Lines

Origin	Sam Walton's first Walmart, Rogers, Arkansas, 1962, after seventeen years running variety stores
The strategy	Everyday low prices, won on volume, first in rural towns the big chains considered too small
The real moat	An unmatched logistics machine: hub-and-spoke distribution, early barcodes, cross-docking, a private satellite network
The culture	Saturday morning meetings, the ten-foot rule, profit sharing for hourly associates
The IPO	Went public in 1970 at $16.50 a share, founding a generational fortune
The scale	Overtook Sears in 1990; the world's largest private employer and, by revenue, the largest company on Earth
The scare	The early-2010s threat from Amazon and e-commerce, attacking Walmart at its greatest strength
The reinvention	An omnichannel pivot (Jet.com 2016, Flipkart 2018) that turned stores into a digital weapon
Status	Public (Nasdaq: WMT) · Bentonville, Arkansas · the Walton family still owns ~45%

THE MOAT

Logistics as a Weapon

The thing most people never understood about Walmart is that its true genius was not in the stores at all. It was in the invisible machine behind them. A retailer's costs are dominated by the complexity of getting the right goods to the right shelves at the right time across thousands of locations, and Walton understood earlier than almost anyone that whoever solved that problem best would win.

He pioneered a hub-and-spoke model, placing automated distribution centres at the centre of clusters of stores, each within a day's drive. He was an early and aggressive adopter of the barcode and computerised inventory tracking. He pioneered cross-docking, moving goods from supplier trucks almost directly onto store-bound trucks. And in 1987 he completed a private satellite network, then the largest in the country, linking every store to headquarters in close to real time, years before most companies imagined such a thing.

The flywheel that could not be broken into

Enormous size let Walmart buy from suppliers more cheaply and run its logistics more efficiently than anyone. That let it charge lower prices. Lower prices drew more customers. More customers made it bigger. And greater size deepened the cost advantage further.

A self-reinforcing loop no smaller rival could break into, because breaking in required the very scale that only winning first could provide. The customer saw only low prices and full shelves. The machine that produced them was nearly invisible, and nearly impossible to copy.

THE STRESS TEST

The Existential Scare, and the Turn

Walmart's story has no near-death in the financial sense. It never came close to bankruptcy, and its stock has been one of the steadiest compounders in the market. The threat it faced was strategic. Through the 2000s and into the 2010s, Amazon was rewriting the rules of retail, attacking Walmart at the exact point of its greatest strength by building a logistics machine for the internet age.

Walmart chose to change. Under Doug McMillon, who had started as an hourly worker in a distribution centre, it bought Jet.com in 2016 for around $3.3 billion, less for the business than for the digital talent and urgency it injected, and in 2018 paid roughly $16 billion for a majority of India's Flipkart. It poured capital into its online platform, delivery, and automation, and turned its greatest supposed weakness, thousands of physical stores, into forward distribution points a pure internet retailer could not match.

The honest counterpoint: the machine did not travel everywhere. Walmart spent years and billions in Germany before retreating entirely, and withdrew from South Korea. The moat was not magic. It was a specific machine tuned to a specific environment, and where that environment differed enough, it stalled.

Decision Point — the early 2010s, and you run the largest retailer on Earth

Your entire culture, infrastructure and identity are built around physical stores and a physical supply chain. A competitor is proving the future is online. The stock has stagnated and the obituaries are being drafted.

A) Defend the empire you have. Optimise the stores, treat e-commerce as a sideshow, protect today's profits.

B) Accept that you must become a different kind of company, pouring billions into a digital business that will lose money for years and cannibalise the stores you spent sixty years building.

C) Hedge. Dabble in e-commerce while keeping the focus on stores, and hope the threat is overstated.

The comfortable path, A, is the path that turned Sears, the giant Walmart itself dethroned, into a corpse.

THE LEGENDARY SCORECARD

Eight Categories, Scored Out of Ten

Founder Vision		9/10	Saw the rural opportunity and the primacy of
Innovation		8/10	Operational and logistical rather than product
Execution		10/10	Among the greatest operating machines ever
Moat		9/10	Scale-and-logistics cost advantage; deep and
Capital Allocation		9/10	Relentless reinvestment in cost advantage;
Wealth Creation		9/10	One of the great compounders since 1970
Durability		9/10	Over 60 years; survived the Amazon era by
Historical Importance		9/10	Reshaped global retail, supply chains and

OVERALL LEGENDARY
8.5

An elite, exceptionally durable operating-and-logistics machine.

Editorial verdict on the standard eight-category scale. The overall is a judgment, not a weighted average.

TIMELINE

Walmart in Dates

- **1945** Sam Walton buys a Ben Franklin variety store in Newport, Arkansas, and builds it into the best in the state.
- **1950** After losing that lease, he opens Walton's Five and Dime in Bentonville.
- **1962** Opens the first Walmart in Rogers, Arkansas, the same year Kmart, Target and Woolco all launch.
- **1970** Walmart goes public at $16.50 a share.
- **1979** Becomes the fastest company to reach $1 billion in annual US sales.
- **1983** The first Sam's Club opens; the first Supercenter follows in 1988.
- **1987** Completes the largest private satellite network in the United States.
- **1990** Overtakes Sears as the largest retailer in the US. International expansion begins in Mexico in 1991.
- **1992** Sam Walton dies, four years after handing off the CEO role.
- **2016** Buys Jet.com for ~$3.3 billion to fight Amazon; a majority of Flipkart follows in 2018 for ~$16 billion.
- **2025** Revenue reaches ~$713 billion, the largest of any company in the world.
- **2026** Approaches a $1 trillion market value and hands the CEO role from Doug McMillon to John Furner.

WHAT EVERYONE GOT WRONG

The Consensus, and the Reality

"Rural towns are too small for a real discount store."
Reality: Those ignored towns gave Walton soft monopolies and a hidden base of hundreds of stores before the giants noticed.

"A folksy Arkansas operator can't threaten the great chains."
Reality: He overtook Sears and built the largest company on Earth by revenue.

"Walmart just sells cheap stuff. There's no real moat."
Reality: The moat was the invisible logistics machine, a continent-spanning supply chain no rival could copy without the same scale.

"Amazon will do to Walmart what Walmart did to Sears."
Reality: Walmart reinvented itself into an omnichannel giant and is now thriving, near a record valuation.

LESSONS IN ORDER OF DEPTH

Mind · Method · Money

ON THE SURFACE

Method

The most durable competitive advantages are often the least glamorous and the least visible. Walmart did not win on products, which anyone could copy, but on logistics, which no one could. Look for advantage in the unglamorous infrastructure of a business, because that is where durable moats are built, far from where competitors are looking.

BELOW THE SURFACE

Money

Every gain in efficiency was ploughed back into lower prices and more scale, which produced more volume, which funded more efficiency. Walmart did not maximise its margin in any given year; it maximised its advantage over time. A low-margin business with an unbreakable cost moat can be worth far more than a high-margin one without one.

BELOW THAT

Mind

Walton's edge was not brilliance or vision in the romantic sense. It was that he cared more, worked harder and stayed at it longer than his competitors, obsessing over costs and details that bored everyone else, year after year. Consistency and discipline sustained over decades beat sporadic genius.

AT THE DEEPEST LEVEL

The question

The same machine that delivered low prices to hundreds of millions of ordinary people also hollowed out small-town main streets, squeezed suppliers and workers, and concentrated an almost unimaginable fortune in one family. None of these facts cancels the others. The efficiency we admire is never free, and its benefits and its costs fall on different people.

KEY NUMBERS

The Figures Worth Remembering

FOUNDED **1962**	IPO **1970 · $16.50**	SATELLITE NETWORK **1987**
OVERTOOK SEARS **~1990**	JET.COM **~$3.3B (2016)**	FLIPKART **~$16B (2018)**
FY2025 REVENUE **~$713B**	MARKET VALUE **approaching $1T**	WALTON FAMILY **~45% owned**

Current figures are fast-moving and should be checked against live data. Nothing in this sheet is investment advice.

READ THE FULL STORY

Walmart: The Empire Built on Nobody Looking

The full story, the failures abroad, and the Mind · Method · Money reading of the logistics moat are on the site and in the Greatest Companies book.

completetradersedge.com · Greatest Companies — 51 companies, one framework