Subject: Re: Enlightening article on Wal Mart
Posted by Wayne Parham on Mon, 06 Dec 2004 03:49:00 GMT
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I did a lot of business with Wal-Mart in the 80s too. Parham Data did several prototypes for them, most did not sell. But several did, and we put thousands of our products in their stores. I designed communications devices and specialty products for them. Data communications, telephony and even NiCad battery chargers that combat memory effect. Everything I designed for them was to be used in the stores, not to be sold on the shelves.What I found was that there were several competing groups within the company that did projects. Winning projects would get placed in the stores, and other projects would die. That was not really any different than other corporate enterprises. I cultivated a relationship with some of the people in various groups, and I think they considered me to be a reliable vendor.Parham Data was only asked to warranty maybe 10 devices out of tens of thousands that were put into the stores, and I built prototypes quickly for them. I would usually make the design and first proof-of-concept prototype at cost and if the project was successful, then I would have a few thousand built for use in the stores. All production was done in Tulsa, Oklahoma, so our products were 100% American made. I don't think that matters anymore but back then it was a badge of honor for Wal-Mart. That relationship was a pretty good deal but I really worked hard and, in the end, other things became more lucrative for me.I never had a problem with Wal-Mart invoices getting paid, but I heard a lot of horror stories. I always sent in the paperwork just as they asked, and would be paid in 45-60 days. Several people told me that was quicker than normal and that 90 and 120 days was not unusual from Wal-Mart. I was pretty dilligent at making sure the paperwork had dotted I's and crossed T's because I didn't want problems, so all my large orders went pretty smoothly. It's always a hassle to orchestrate a few thousand products with hundreds of parts inside, so dealing with a few extra forms to expedite receivables wasn't a big deal.Back in the 80s, there was one day a week called "vendor day" that all Wal-Mart's buyers would greet new vendors. That was really something, because there were thousands of people from all over the world in Bentonville on that day. After you got "connected," you really didn't want to be there on vendor day because the place was a zoo. But it was interesting to see. I don't know if they still do it that way or not.