

### **Advice From Chairman Sam**

Despite the fact that he's moved on to that great Wal-Mart in the sky, Sam Walton left behind a legacy of success—not to mention \$24 billion. Before he died, Walton wrote down “Sam’s Rules for Building a Business.” In his own words:

Rule 1: Commit to your business. I think I overcame every single one of my personal shortcomings by the sheer passion I brought to my work.

Rule 2: Share your profits with all associates, and treat them as partners. In turn, they will treat you as a partner, and together you will all perform beyond your wildest expectations.

Rule 3: Motivate your partners. Money and ownership aren't enough...Set high goals, encourage competition and then keep score.

Rule 4: Communicate everything you possibly can to your partners. The more they know, the more they'll understand...Information is power and the gain you get from empowering your associates more than offsets the risk of informing your competitors.

Rule 5: Appreciate everything your associates do for the business...Nothing else can quite substitute for a few well-chosen, well-timed, sincere words of praise.

Rule 6: Celebrate your successes. Find some humor in your failures. Don't take yourself so seriously.

Rule 7: Listen to everyone in your company. And figure out ways to get them talking. The folks on the front lines—the ones who actually talk to the customer—are the only ones who really know what's going on out there.

Rule 8: Exceed your customer's expectations. If you do, they'll come back over and over.

Rule 9: Control your expenses better than your competition. This is where you can always find the competitive advantage...You can make a lot of different mistakes and still recover if you run an efficient operation.

Rule 10: Swim upstream...If everybody else is doing it one way, there's a good chance you can find your niche by going in exactly the opposite direction...I guess in all my years, what I heard more often than anything was, a town of less than 50,000 cannot support a discount store for very long.