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SAM WALTON, A VISIONARY ENTREPRENEUR

Review
Article

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Abstract

In nowadays society, entrepreneurs play an essential role in thinking about new visionary businesses and in their long-term development. Presenting successful business models is essential to understanding the sustainable businesses, as well as to inspire new entrepreneurs. The goals of the paper are to define the concept of visionary entrepreneur and to present the case of Sam Walton, one of the famous American entrepreneurs. The methodology was based on a quantitative research method and a case study. The paper underlines the mentality and the spirit of the successful entrepreneur and his vision about business, in general, and, especially, about retailing. The paper contributes to a better understanding of the concept of “visionary entrepreneur”. Also, it shows that Sam Walton was one of the most important entrepreneurs worldwide.

INTRODUCTION

Entrepreneurship is a global phenomenon. It can be defined in different ways (Hitt et. Al., 2011; Waddock and Steckler, 2016) and, in this context, Davidsson (2005) offered what he labeled as three partly overlapping views of entrepreneurial activities: “(1) entrepreneurship is starting and running one’s own firm; (2) entrepreneurship is the creation of new organizations; and (3) entrepreneurship is ... the creation of new-to-the-market economic activity”.

In entrepreneurship, vision has been characterized as a “previsualization” of a desired outcome (McMullan & Long, 1990) and as a “mental model” that influences entrepreneurial activity (Hill & Levenhagen, 1995).

Wal-Mart, the world’s largest retailer, was founded by Sam Walton in 1962 and evolved from his goals for high value and great customer service (Grădinaru and Toma, 2017). The American corporation owes a lot to its founder, Sam Walton, a famous American entrepreneur and a business genius (Vance and Scott, 1992; Lee, 2008; Grădinaru and Toma, 2017). Starting from these aspects the authors that understanding an entrepreneur’s vision is one of the main areas of entrepreneurship research. The goals of the paper are to define the concept of visionary entrepreneur and to present the case of Sam Walton, one of the famous American entrepreneurs. The research is based on a quantitative research and a case study. The paper contains four other sections as follows: literature review, research methodology, results and discussion, and conclusions.

LITERATURE REVIEW

There are numerous theoretical approaches regarding the concept of the visionary entrepreneur (Nyström, 1993; Waddock and Steckler, 2016; Toma and Marinescu, 2013; Toma et al., 2017; Toma et al., 2019; Marlia et al., 2020). Broadly speaking, there are generally two kinds of approaches in the business literature: the visionary entrepreneur and the planning entrepreneur (the control of details). The visionaries like to “float with the wind” to take advantage of opportunities that present themselves (Business Development Bank of Canada, 2020).

In business, in general, and in retailing, especially, visionary entrepreneurs do not follow theoretical guides or concepts (Hnátek, 2015). According to Friedman (2008), these leaders have the courage to experiment with new arrangements and communication tools to better meet the expectations of people.

Vision is a “coherent and powerful statement of what the business should aim to become” (Wilson, 1992, p. 18). It orients the organization by providing

a connection to a sense of purpose and meaning (Barnard, 2018). Also, vision gives inspiration in times of change and disruption (Levin, 2020).

Thus, entrepreneurial visions capture how “entrepreneurs envision their venture strategically as an extension of themselves and their needs” (Ruvio et al., 2010; Preller et al., 2020).

RESEARCH METHODOLOGY

In order to reach the aims of the paper, the authors employed a quantitative research method and a case study. The information were obtained through desk research. The secondary data had been collected through the deployment of a widespread literature review from various sources, such as books and journals from the fields of marketing, management, leadership, sociology and psychology. The documents were found in prestigious economic databases (Web of Science, ProQuest, Emerald Insight and JSTOR).

First of all, the authors studied the literature review on entrepreneurship, vision, visionary entrepreneurship and information about Wal-Mart company and its founder. Secondly, the information was synthesized, highlighting the aspects related to Sam Walton’s life and his vision on business, in general, and on retailing, in particular. Finally, the authors concluded the paper and emphasized the conclusions following the analysis performed.

RESULTS AND DISCUSSION

Sam Walton was born on March 29, 1918, in Kingfisher, Oklahoma, located in South Central region of the United States. He attended the University of Missouri and graduated in 1940 with a degree in economics. Following graduation, he aspired to attend the Wharton School of Business at the University of Pennsylvania, but quickly found he couldn’t afford it. In 1942, at the age of 24, he joined the military. He was an Eagle Scout and served as an Army captain during World War II. (Kennon, 2019). When his military service ended, in 1945, Sam Walton and his wife, Helen, moved to Iowa and then to Newport, Arkansas. During this time, Sam gained early retail experience, eventually operating his own variety store. (Wal-Mart, 2020).

Inspired by the early success of his dime store and driven to bring even greater opportunity and value to his customers, Sam opened the first Wal-Mart in 1962 at the age of 44 in Rogers, Arkansas. His idea was that a successful business could be built around offering lower prices and great service (Figure 1). The company’s success exceeded even the founder’s expectations and in 1970 the company went public and the proceeds financed a steady expansion of the business. Sam Walton credited the rapid growth of

Walmart not just to the low costs that attracted his customers, but also to his associates. He relied on them to give customers the great shopping experience that would keep them coming back. He shared his vision for the company with associates in a way that was nearly unheard of in the industry. He made them partners in the success of the company, and firmly believed that this partnership was what made Wal-Mart great (Figure no. 1)

In addition to bringing new approaches and technologies to retail, he also experimented with new store formats - including Sam's Club and the Wal-mart Supercenter - and even made the decision to take Wal-Mart into Mexico. Sam's fearlessness in offering lower prices and bringing Wal-Mart's value to customers in the U.S. and beyond set a standard for the company that lives on to this day. His strong commitment to service and to the values that help individuals, businesses and the country succeed earned him the Presidential Medal of Freedom, awarded by President George H. W. Bush in 1992. Thus, visionary entrepreneurship has played an important role in the Wal-Mart's successful business story. The company is still guided by the following statement: "saving people money so they can live better" (from Walton's acceptance remarks that he articulated when he earned the Presidential Medal of Freedom).

CONCLUSIONS

Visionary entrepreneurship represents a key factor of progress in the business world, characterized by incessant change and turbulence. As the context is always changing, successful entrepreneurs need to be visionary.

The paper provides the theoretical framework to better understand the concept of visionary entrepreneur. Also, it shows that Sam Walton, the founder of Wal-Mart, has succeeded in becoming one of the most important entrepreneurs worldwide.

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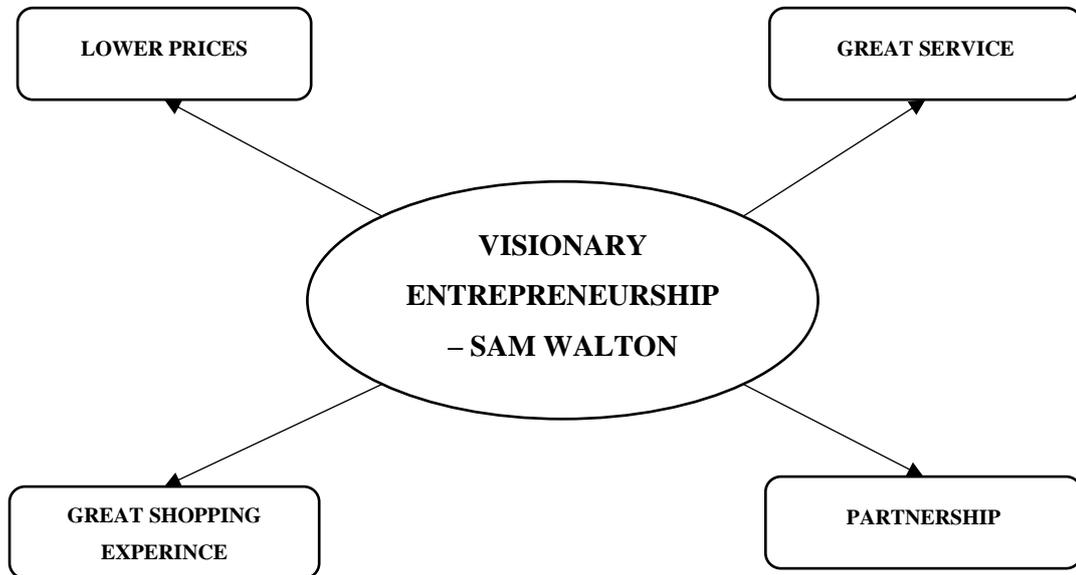


Figure no. 1
Sam Walton's vision regarding successful retailing
Source: authors' contribution