

## How to do business with Wal-Mart

By Elaine Goodman

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Workers for [Reeve-Knight Construction](#) wear specially designed identification badges when they're at a Walmart job site. The badges include not just workers' names and photos, but also a bar code that is scanned whenever the worker enters or leaves the site.

Equipment to make the badges costs thousands of dollars, and is just one requirement that adds time and expense to working with WalMart, according to [John Grey](#), Reeve-Knight's vice president of estimating and pre-construction.

But the extra effort has paid off, Grey said.

Since 2007, Reeve-Knight has worked on two dozen projects for [Wal-Mart Stores Inc.](#), including new stores or remodels in Folsom, Roseville, West Sacramento, Granite Bay and Vacaville. The projects started as the recession was beginning, helping Reeve-Knight weather the downturn.

"Wal-Mart has been a good partner to be involved with," Grey said. "They kept a lot of people busy and working, so we're grateful for that."

Many business owners might dream of working with Wal-Mart, either as a contractor or as a supplier of products sold by the world's largest retailer. And while the process isn't easy, it's not impossible.

For suppliers, the key is to start local.

That strategy worked for [Christopher Johnson](#), the Sacramento entrepreneur who invented the Rapid Ramen Cooker, a tray for cooking ramen noodles in the microwave. Johnson started by selling the cooker in a single Wal-Mart store, in Natomas. He then branched out to 400 stores where Wal-Mart thought the product would do well. An expansion to 2,200 stores is planned for early next year.



Rapid Ramen Cooker inventor Chris Johnson started out by selling his product in the Natomas Wal-Mart.

The formula for getting a product into Wal-Mart stores is simple, Johnson said. First, have a product that solves a problem, even if it's a small one. Then make sure the product is something that will appeal to a large number of people — and can be sold at a reasonable price.

The Rapid Ramen Cooker fits those requirements by providing an easy way to microwave-cook the noodles, a staple of college dorm rooms, in about half the time of cooking them on the stovetop. Wal-Mart sells the cooker for \$11.

Johnson's dealings with Wal-Mart began through a meeting with a local store manager — something that WalMart also recommends as a first step to becoming a local vendor.

The meeting is not the time to be fine-tuning your product, Johnson said. Any testing should be complete and the item should be ready to sell, complete with packaging. Anything the vendor can do to hone its sales and presentation skills before the meeting will help.

"You want to be able to confidently talk about your product and the demand for your product," Johnson said.

Also helpful is having an attractive floor display so the product will stand out from the hundreds of others on Wal-Mart shelves, Johnson said. If the item sells well, the retailer may look at expanding distribution to other stores. Then it's important for a vendor to know how much they'd be able to supply.

The Wal-Mart website contains a section on how to become a supplier, either locally or nationally. For a prospective local vendor whose product has interested a store manager, the next steps are review by regional managers and ultimately a Wal-Mart buyer. There are forms to fill out along the way as well as insurance and other requirements to meet.

Johnson said his dealings with WalMart have gone smoothly, including negotiations on price.

"There's all these horror stories you hear about, but that hasn't been my experience," Johnson said.

Of course, that's coming from someone who raised \$300,000 for Rapid Ramen from investor [Mark Cuban](#) on the "Shark Tank" television show. Johnson also sells his Rapid Ramen cooker through [Target](#), [Walgreens](#), [CVS](#), [Kroger](#), and other retailers, as well as through a product website and on Amazon.

For Grey at Reeve-Knight, paperwork has been one of the biggest challenges to working as a Wal-Mart contractor. Grey said the solution has been to train staff on how to complete the forms, rather than trying to fight the requirements.

"It's a growing pain," Grey said. "It's something you have to figure out."

Wal-Mart is also stringent when it comes to safety and other certifications for workers. Construction superintendents must travel to Wal-Mart offices to receive training, Grey said, and online refresher training is required each year.

But more recently, Wal-Mart has eased some of its requirements, Grey said. The retailer is now one of Reeve-Knight's best clients when it comes to timeliness of payment.

And Wal-Mart is reaching out to local small businesses, including those owned by minorities or women. It hosted a Sacramento Stakeholder and Local Supplier Summit in July, where Reeve-Knight representatives and others talked about working with Wal-Mart. The [Greater Sacramento Urban League](#) was a co-sponsor, and participants included the California Black Chamber of Commerce, [California Farm Bureau Federation](#) and the [Sacramento Regional Builders Exchange](#).

#### **Lessons learned**

- For suppliers working with a large company, the key is starting local and then branching out
- Make sure your product is ready to sell, complete with packaging, before pitching it to potential buyers
- Don't let paperwork, insurance and other requirements get in the way

<http://www.bizjournals.com/sacramento/print-edition/2014/10/24/how-to-do-business-with-wal-mart.html?page=all>