## Faced with Disruption? Play to Your Strengths, Invest in Your People

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Mind Over Matter

Companies like Wal-Mart face stiff competition. To succeed they must develop new skills and approaches along with the people who made them who they are.

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## by Bravetta Hassell

In Wal-Mart's fairly new "Great Training" TV ad, Lee, a sales associate, helps customers in the hardware section. He also participates in various learning activities in a formal classroom and in the company's physical retail space.

"Great training leads to excellent customer service," a narrator tells us before announcing that 200 Wal-Mart Academy locations will train 140,000 associates like Lee annually. "It's all part of our commitment to take care of the people who take care of you," the voice-over says.

As the commercial interrupted my "Law & Order" watching recently, I sprang into analyst mode. Wal-Mart, no stranger to controversy over the past decade or so, has been scrutinized for a variety of issues including its wages and how well it treats its people. The company showing what it's doing to invest in its employees may be helpful in strengthening its brand reputation. The commercial was Wal-Mart's way of marketing part of its value proposition to prospective employees.

We know learning and development plays a pivotal role in attracting, engaging and retaining employees, and of course driving business performance. By highlighting learning and development, the ad said two additional things to me:



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- 1. This race for talent is real. Heck! Companies are moving beyond defined recruiting spaces like their career sites and laying their goodies out in plain view. Future Wal-Mart employees needn't go looking for information (although they should) about what the company is offering them. They need only turn on the TV.
- 2. As digitally-driven as our economy is, people remain a central part of that equation. Our creativity, critical thinking skills, social nature and ability to innovate distinguish us from robots. But more important, these qualities help drive companies' competitive advantage. With advances in technology paving the way for disruptive startups, employee access to strategic and ongoing learning and development is an imperative.

A recent *Harvard Business Review* article reminds us of this as writer Denise Lee Yohn questioned Wal-Mart's hustle to beat the e-commerce giant Amazon. The Bentonville, Arkansas-based retailer lowered its free, two-day shipping order minimum from \$50 to \$35 or more this January. And for months now, it has been gobbling up e-businesses left and right. This March, Wal-Mart added online apparel store ModCloth to its list of recent digital acquisitions. In addition to Jet.com, which Wal-Mart purchased last September, the company has also bought

Zappos competitor ShoeBuy.com and Moosejaw.com, an outdoor gear retailer. Yohn writes that the company has also purchased digital tech companies Adchemy and OneOps.

Possibly good moves, guys, you can almost just hear Yohn saying. "Wal-Mart does need to shore up its e-commerce capabilities, but its attempts to out-Amazon Amazon aren't a winning strategy," she wrote.

While Wal-Mart's 2016 annual report, released last spring, raised some concerns about its strength online, Quartz reported this February that more recent numbers showed improvement. But is beating Amazon at its own game a possibility for the brand? Probably not.

For one thing, Wal-Mart's updated shipping promotion pales when compared with Amazon Prime's \$99-per-year membership that among other things includes free two-day shipping on orders. Then there are other member perks like free, same-day delivery of some products in select areas, Yohn wrote. That's on top of the millions of products Amazon offers customers in comparison with what's available on Walmart.com.

Wal-Mart has been wise to beef up its online commerce chops, but that shouldn't come at the expense of its core strengths — namely in its brick-and-mortar, Yohn rightly stated. The company topped Deloitte's Top 250 Global Powers of Retailing list in its report, "Global Powers of Retailing 2016: Navigating the new digital divide." With more than 50 years of delivering in-store experiences under its belt, it shouldn't be too quick to forsake that. Instead, the company should focus on doing things like "promoting omnichannel shopping and fulfillment options" and improving its in-store experience, Yohn wrote.

And this brings us right back to Lee, the Wal-Mart sales associate from the commercial. Wal-Mart and other disrupted companies can't forget their roots. In the midst of what might feel like scramble-mode as smaller, more nimble upstarts that seemingly come out of nowhere (not really) to threaten business, disrupted organizations shouldn't neglect the core competencies that got them far. If people helped deliver on those, then businesses can't and shouldn't neglect them.

Adapting to the new is always a must but so is playing to your strengths. People are the hands, brains and faces that shape that strength. They drive innovation. They need to feel like they're growing and doing something meaningful to be engaged, and they need to be engaged to innovate.

Ongoing learning and development is the critical lever to help them do these things. In the short- and long-term, it will help the business, and it will help their people. "People," like the man says in the Wal-Mart ad, "like Lee."

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Tags: Amazon, brick-and-mortar, competition, disruption, e-commerce, training and development, Wal-Mart