

Are you buying new shoes from Macy's...or from Zappo's? Well, for decades that choice for American consumers was Macy's. Not so anymore. Now many are going online to Zappos.com...a part of Amazon.

The fact is, succeeding in the retail business is really, really difficult. The evidence of that is voluminous. Toys "R" Us, that go-to store for the kids' toys? Gone from the retail landscape...but trying to make a comeback. Lifeway Christian Stores meeting your spiritual needs? Store locations no longer for this world, sad to say. Dress Barn and Payless Shoes? Thousands of stores closing or already closed. You can search and find a website that actually details several dozen retail chains that are closing stores like crazy. There are many, many stores being closed every year in the US.

Do you remember the Great Atlantic and Pacific Tea Company—commonly called "A&P"...? Well, maybe you don't. But A&P had over 15,000 grocery stores in America at one point, the largest chain until 1975. For comparison, there are currently 14,000 Starbucks in America today. But where are A&P's 15,000 now? Gone, kaput, finished. A&P was a dominant name in retailing then...completely gone now! Many retail experts would tell you that A&P's problem was lack of customer focus. And that's probably a pretty good point. At any rate, it got overtaken by the likes of Walmart...one of the most successful retailers in history.

Well, what about customer focus at Walmart? Yes, with price leading the way! Walmart, with a relentless focus on price and by developing a sophisticated supply chain, became one of the most valuable companies in history, routinely serving tens of millions of customers via a couple million employees. In so doing, many general merchandise competitors had to improve their game or close their doors.

This is the ever-ongoing transformation of retail in a nation of free markets and consumer choice. Robust free markets allow companies to compete to be the best steward for consumers...and free markets leave that choice of just who is the best steward up to those consumers. And we know consumer preferences can quickly change with new products, new processes, new technology, and freshly motivated people. This free-market structure for the betterment of those who are served by competing enterprises is exactly what creates great prosperity across a very wide swath of a nation's population.

Now, we all know that there's a more recent player in the US that is working to alter the retail landscape pretty substantially once more. And that's Amazon, of course. Starting just as an online bookseller, Amazon patiently put together a digital platform now routinely connecting tens of thousands of sellers with many millions of consumers. This maturing version of Amazon is the hub for the sale and purchase of many millions of product items, totally dwarfing the number of product items available at the very largest Walmart physical retail store.

So, are Amazon's retail operations simple? Absolutely not! Amazon's e-commerce arm is substantially in the logistics business, ensuring that consumers can get whatever they desire on a fast schedule...and all that from a very large number of sellers who can't or won't afford the physical stores of traditional retail.

What Amazon did was rewrite some key practices of supply chain, right under the nose of the one of the best companies in the world at supply chain—Walmart! You see, the stopping point for Walmart's supply chain was the shelf at their thousands of stores. But Amazon's supply chain went all the way to whatever address the customer wanted—in short, Amazon dramatically expanded the supply chain in America for large retail volume from thousands of fixed store destinations to millions of flexible destinations!

Now, for sure, delivery directly to customer addresses was not invented by Amazon. Mail order specialty houses have served very happy customers for decades, sending goods directly to consumers' homes. But Amazon's incredible mix of the large scale, the low cost, and the fast timing of a massive customer-service machine significantly broke new ground.

For years, the *Financial Times* business publication headquartered in London has tracked what it calls the Global 500—those are the most valuable publicly-traded companies in the world. Being on that list simply means that the executives for the companies on the Global 500 list are, at the time of appearing on that list, clearly being a good steward for their stockholders.

Now, here's some interesting history. Looking at quarterly data adapted from the *Financial Times* lists for recent years, the very last year that Walmart appeared in the top ten companies on that worldwide list was 2014. Got that? 2014. Amazon made the top ten worldwide list the very next year—2015—listed at #6 worldwide. And, at the time of this podcast episode, Amazon has almost tripled its market capitalization value since it broke into the top ten less than four years earlier.

Now, don't cry any tears for Walmart and its stockholders—Walmart still earns a spot as a very valuable company by serving its customers and supply chain partners well. And in fact, if there's a company in America that is positioned to compete with Amazon with regard to effectively delivering mass products to personalized destinations, it *is* Walmart! But will Walmart fully succeed in challenging Amazon, all the way to vast online product selection and full delivery to your home? Time will tell.

Now, let's get to you! This broad retail narrative of A&P grocery stores, then Walmart, then Amazon—why is that relevant to you in your business or nonprofit enterprise? Well, for several reasons.

The first reason—your competitive status. Just like retail, the competitive status of your business or nonprofit is never static. No matter what type of enterprise sector you occupy, there is always a Walmart coming for the A&Ps and there is always an Amazon coming for the Walmarts. Which status is your enterprise in? More like A&P...really vulnerable? More like Walmart...solid but strongly being challenged?

The second reason—your enterprise's mindset. Remember, your enterprise's status is only the first part of the story. What is your enterprise's mindset? The Bible emphasizes the renewing of our minds...is your enterprise's mindset healthy? Mindset is key to your success! Are you hungry and competitive every day?

The third reason—your enterprise's strategy. Status and mindset alone won't get you where you need to go. What is your strategy...a strategy relevant to the current landscape being changed by many pressures?

Just like in the retail sector, the success of both your leadership and your enterprise depends on all three: accurately knowing your status, creating a thriving mindset, and advancing a relevant strategy.

Always focus on getting to the next level. For a deep dive on the uniqueness of Amazon and the amazing story of how the Kingdom of God uniquely preceded and surpasses Amazon, Google and Facebook, go to whitestone.org to watch the seminar on that: it's called Match Made: The Power of Platforms.

Both the story of Amazon and the story of the Kingdom of God are foundationally worthy of our study in order to learn important lessons...vital lessons...and create our own enterprise successes. Good luck and many blessings as you pursue greatness for your enterprise!

A&A: Application & Action

1. Digital issues have profoundly impacted the retail sector. Has your enterprise grappled sufficiently with the coming inevitable, relentless technological progress such as digital issues? How?
2. How does this topic apply specifically to your local church? Be specific and detailed.
3. Competitors are coming against your enterprise, often from multiple directions. What is your current status, your vulnerability?

What is your mindset? Is it appropriate?

What is your relevant strategy? Is it appropriate?