EMB 613 - Supply Chain Mngmt 18/12/15

Dr Abdulrahim

Case Study : Financial Statements for Walmart Stores Inc. and Macy's Inc.

The table below contains the financial results for Walmart and Macy's.

1. Evaluate the financial performance of each company based on various metrics such as ROE, ROA, profit margin, asset turns, APT, C2C, ART, INVT, and PPET.
2. Can you explain the differences you see in their performance based on their supply chain strategy and structure?
3. Which metrics does each company perform better on? What supply chain drivers and metrics might explain this difference in performance?

Year end	($ millions)	Walmart	Macy's
Net operating revenues		469,162	27,686
Cost of goods sold		352,488	16,538
Gross profit		116,674	11,148
Selling, general, and administrative expense		88,873	8,482
Operating income		27,801	2,661
Interest expense		2,251	425
Other income (loss)—net		187	(134)
Income before income taxes		25,737	2,102
Income taxes		7,981	767
Net income		17,756	1,198
Assets			
Cash and cash equivalents		7,781	1,836
Net receivables		6,768	371
Inventories		43,803	5,308
Total current assets		59,940	7,876
Property, plant, and equipment		116,681	8,196
Goodwill		20,497	3,743
Other assets		5,987	615
Total assets		203,105	20,991
Liabilities and Stockholder Equity			
Accounts payable		59,099	4,951
Short-term debt		12,719	124
Total current liability		71,818	5,075
Long-term debt		41,417	6,806
Total liabilities		126,243	14,940
Stockholder equity		76,343	6,051