

MESSAGE FROM GREG

25 Years: It's Something to be Proud Of



Sam's Club® has been in business for 25 years, and I've been a Sam's Club Associate since 1985. Since that first Club opened in Midwest City, Okla., in 1983, I can tell you that some things about our business have really changed while others are still the same.

In the early days, weekday shopping hours began at noon, while the special shopping hours for business were 10 a.m. to noon on Tuesday and Thursday.

Our Cart Rail began as a shelf in front of the cart corral that displayed single items you could find in the Club at the time. Today, the Cart Rail is a massive merchandise presentation that wows Members as they enter the Club, encouraging them from the beginning to shop.

We would usually receive goods directly from the manufacturer and have to box-cut the merchandise for display on the floor. Now most goods come from a Distribution Center, and the merchandise comes ready for sale – the “door to floor” philosophy.

Also, there were no Fresh areas in a Club. That's hard to imagine. Now we have Meat, Bakery, Produce and Floral departments in the majority of Clubs.

If you wanted to have film developed, we offered a drop-off service where pictures would be returned in one to two days. Now we offer one-hour service in our Digital Photo Centers.

We used to walk the floor and manage our business with a large stack of green-bar reports we called our “Tools of the Trade.” Now we use far less reports and utilize technology for greater accuracy and efficiency.

Our Front End processes have changed, too. When Members would check out, Associates would read aloud each item's number as they transferred them from one cart to another. I still remember certain item numbers like #5849 – Snickers! Today, there are UPC labels and register scanners that do most of the work. The old registers were similar to those in

flatbed lanes today; the majority of registers in a Club now have conveyor belts.

Our business started as a cash and carry warehouse, accepting only cash or checks for purchases. Today, in addition to cash and checks, we accept three types of credit and any debit cards.

Yes, we have changed while growing at the same time. By the end of our first year, we had three Clubs. We ended 2007 with 592 Clubs.

Some things remain the same, though. We're still a membership warehouse, and we recognize that our foundation is the small business owner. You can still buy a hot dog and a Coke for \$1.50. We still sell great items at the lowest prices. We're still very committed to giving back to our local communities. Our culture is as strong today as it was when Sam Walton began this company.

On this anniversary, we should reflect on the rich heritage on which our company was built. We should think about today and how we're improving the lives of our Associates and Members. And we should contemplate the future. What can we do to continue to offer meaningful, relevant products and services to our Members? Twenty-five years for Sam's Club is something to be proud of, but it's only the beginning. There are more Members to acquire, more great products to sell and services to offer, and more Associates to make it all happen.

With the strong foundation we've built, our next 25 years hold incredible potential, and I'm excited to be a part of our future. I hope you are, too.

Greg Johnston
EVP, Sam's Club Operations