

The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

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Jacob: Hello everyone! Welcome to another episode of The Future of Work Podcast. My guests today are Jacqui Canney, Executive Vice President and Chief People Officer of Walmart and Clay Johnson, Executive Vice President and Chief Information Officer at Walmart. This is the first time on the podcast where I've been able to get a Chief People Officer and a Chief Information Officer together. So Jacqui and Clay, thank you both for agreeing to be guests.

Jacqui: Thank you for having us.

Clay: Thank you, Jacob.

Jacob: So much to talk about, so many questions that I have for you guys and I'm sure listeners do as well. But before we jump into all of that fun stuff, why don't we start with a bit of background information about each of you, and maybe you can start with just kind of what you guys are responsible for at Walmart and what does a typical day look like for you there?

Jacqui: I'd be happy to start, Clay. I've been with Walmart three and a half years and it's been an amazing experience every day. I learn every day here. But what I'm most focused on is the development, the retention, the rewarding of our associates and we have over 2 million of them globally. So you can imagine every day how much of a challenge and how much excitement we have to focus on our people.

Jacob: Just to repeat that, you said you have 2 million associates?

Jacqui: We do.

Jacob: Okay. Just so people can get some context on the size of Walmart. I believe by revenue you guys are the world's largest employer, and as far as headcount, I think the only organization out there that is larger than yours is the People's Republic of China, from what I recall, if I read correctly on Wikipedia.

Jacqui: I think you're right.

Jacob: Yeah. You guys are dealing with a scale that probably no other organization on planet earth has to deal with.

Jacqui: Yes, I agree. That's why it's great to have a partner with Clay.

Jacob: Exactly. So Clay, maybe a little bit of background about you.

Clay: My name is Clay Johnson. I joined Walmart about 18 months ago and it's a neat combination in my roll. So I have the technology but also the shared services for the company. So the idea is to put those two together to create a lot more productivity and automation, and then obviously partnering with Jacqui through a lot of the transformation that we're doing across the people space and really across the company. She was talking about the 2 million associates we have around the globe. We're really creating a lot more productivity in a digital workforce across the world.

Jacob: Very cool. Then maybe you guys can talk about how Walmart as an organization is evolving. So when you think about how Walmart was created with Sam Walton he used to walk around with that little yellow notepad to take notes and implement those ideas and talk to customers, and here we are several decades later. How is Walmart as an organization evolving?

Jacqui: Our CEO Doug McMillon just had an analyst day a couple weeks ago where we talked a little bit about this with our analysts. The thing that is important to our company is that we have our purpose and that came from Sam. Sam absolutely said save people money so we can live better and that is no matter where you are in the world, all of our associates are dedicated and focused to that. We also have our four core values that we also believe to be timeless. What Doug and the executive team plus the board do with our values and our purpose is then create pillars of focus. Right now a very key focus is making life easier for busy families. So you can imagine offerings like online grocery.

So people want to shop however they want to shop. It could be online, it could be on the store, it could be both in a couple of days and we have to be the retailer that the customers choose for that. You can see how starting as a brick-and-mortar we had to evolve so that we could be viewed as the omni retailer. There's other pillars that Doug's created, but another one that my team and Clay's team [inaudible]. But we also know that multiply our effect as a company and for our associates and for our customers, we need to double down on that strong culture that Sam created and our leaders created but also become more digital. To get more productive, to have a better associate experience, to have a better customer experience. I think that's how I see the evolution happening of our company. I don't know Clay what you think.

Clay: Yeah. I had a little bit of that kind of attack on what you were saying is it's interesting. If you look at the pace of change over the last 30-40 years since the inception Walmart, if you look at it, it started as a small five-and-dime and then it started to evolve and it started to change. It went from where you had the supply chain, the distribution centers, then you had the super centers. Then if you look over the last probably five to six years, the pace of change has tripled. I think it's not just within Walmart but it's indicative of all the society it's probably from the technology changes. But you can see recently we bought the e-commerce companies, we've announced pick-up store online groceries and we're continually to evolved and the pace of change I think will continue

to pick up and we're right at the forefront of that from the competitive standpoint and also changing how we work internally.

Jacob: I definitely want to talk about some of the interesting technologies that you guys are exploring and focusing on. But maybe before we jump to the technology we can touch on the people side. So Jacqui, I'm really curious to hear your perspective and Clay yours as well on how the way that you think about people and skills and training is evolving. Because with 2 million associates, you guys have more employees than any other company on planet earth. I mean, how do you think about skilling and training and retraining and up skilling? I would imagine it's quite a daunting task. So how are you tackling some of those challenges?

Jacqui: I mean, we talk all the time about how we are people led and tech enabled. So investing in our people and our humanity is what Walmart is rooted and is our competitive advantage. So we have been investing in our people in particular the last few years around salaries, training and education. Recently, we have been moving wages, we've announced new education benefits that our associates have been asking for and we are excited to deliver. One of them is a dollar a day college opportunity. So associates who want to get associate degrees or bachelor degrees can now for a dollar a day and get credit for work be able to enroll and be conferred those degrees and it's so exciting.

We've had over 2,000 associates sign up in three months for our four-year degree program and I expect that we'll just continue to see that accelerate. So there's one formal education that happens outside of the company that we're enabling. The second is, as Clay was saying, the industry is changing, we're changing and our associates need to know how to do their jobs, the new jobs in these more productive ways. We have created in-house training called academies and we have about 200 of them in the United States, we have some others outside of the United States where we're teaching our associates retail fundamentals, leadership skills. Frankly, they're gaining a lot more confidence so that when they go back to the store or are working and practicing on the floor, they are serving customers better.

So we're seeing our results go up, our company results go up too. So investing in our associates in education has been something we've spent a lot of time on and I'm really proud of the work we're doing. The other area that we've invested in is benefits. So we've moved frontline associate maternity, paternity and an adoption offering just this past fiscal year and again receiving some pretty amazing feedback from our associates about how much they appreciate that. It's an exciting time.

Clay: Jacob, I add to that a little bit is one of the partnerships me and Jacqui have is like, how do you continue to deliver the learning with the right platform. So if you look at how the workforce has changed over the last few years is people are going from less classroom led to more let me learn on demand and we're providing that through a lot of mobile technology and things. I mean, you just look at the kids and I think about mine in particular, they're 18 years old, everything's watched in short video clips. It's YouTube or short video clips and that's how they learn and I think we're starting to make sure that's infused in our workforce too, is providing all those avenues so people can really continue with the digital up-scaling that we're doing across the company.

Jacqui: That actually reminded me, when I think about the academies where they're all wired so that we can change content really quickly. So those academies can pivot if it's a new way of working or a new process or a new tool that we want to introduce and it's really impactful. There's no down time to shift the content and we've had over 600,000 associates participate in it.

Clay: It's all mobile.

Jacqui: Yeah.

Jacob: Yes. I love that you guys are sort of evolving the way that we learn in our personal lives and kind of bringing that inside of Walmart. I think that's great. You talked a little bit about new jobs and skills. So I'm kind of curious, what are some of the new jobs or skills that you guys are identifying as being important at Walmart? Like, do you already have some new jobs that you're starting to create or are thinking about? Are there any new skills that you identified that will be important for employees at Walmart in the future?

Jacqui: Yeah. We have been creating new jobs that we've been training and working with our current associates to take on and those jobs are around the strategy. So when Clay talked about online grocery, we didn't have personal shoppers or associates focused on that offering just about 18 to 24 months ago, and now we have over 60,000 associates in these new jobs that didn't exist before. It's just continuing to see how the offerings for customers could develop and how we're having our associates learn those jobs and get excited about it because our customers love those offerings. It's a really fun thing to see.

The thing we do talk about some skills that we need across the company that are not necessarily tied to specific jobs and there are five of them that we talk a lot about. One is digital literacy, the second is data-driven decision making, the third is a growth mindset, the fourth is a flexibility and adaptability and then the fifth is empathy. Empathy is something I know lots of companies are talking about but one of the things we believe is that especially in retail where it's deeply personal, having empathy for a customer situation is important. We're using VR to have associates experience moments in virtual reality so that they can be confident and know how to handle them in actual reality.

What I like to think is and what I believe we're seeing is not only are they showing empathy but they're showing compassion for our customers. There's so many examples. One of them is around this grocery pickup where on Mother's Day our associates put Mother's Day cards into the grocery bags of the moms who were picking up their groceries that day. That was something that was initiated from the grassroots, thinking about what a mom might like. We've gotten feedback from customer saying from many of them that, that might have been the only Mother's Day card that they got. So it's the humanity in those five capabilities that I think are separating us too.

Jacob: I love those capabilities in there. I mean, growth mindset, empathy, these are all fantastic things that I keep hearing from executives that I interview are also very

important. So I'm glad that you guys are implementing those. Clay sorry, you were gonna say something.

Clay: I was going to add, I mean, the things Jacqui highlighted was key and I think it's also the digital literacy piece that's important there. I remember sitting in a meeting, I think Jacqui was in there too and a lot of the business leaders in there and Doug was there. We started talking about a lot of the technology terminology like Cloud, DevOps and all that and I remember somebody saying, well, you probably need to put that in business terms so the rest that company can understand it. I remember Doug stopping looking around and says, "No, we need to make sure people understand these terms across the company because these are the things that are changing the way we work and changing how the company operates." Everybody needs to have that digital literacy across the company. I think Jacqui and her team are driving that across our whole company. It's really important.

Jacob: Yeah, that's very cool. I love that you guys are using VR for empathy trainings. I wanted to talk about that just for another minute because from a lot of the companies that I interview, it seems like VR is sort of kind of maybe being tested out a little bit and explored but it doesn't seem like it's actually being used in many organizations. So maybe you can talk a little bit about how the empathy training works for VR. Do the employees just kind of go through that scenario and kind of act it out and see it so that they know what it feels like?

Jacqui: We recently announced we're putting 17,000 devices in the stores in the US. So using VR pretty deeply. I think it's an amazing tool for training that more companies I believe likely will pick up too. But when you think about the interaction you have with customers and one other thing to note in a week, we have 216 million transactions. They can be online or in-store. So there's a lot of activity happening. And if you can give the associate the experience of interacting with a customer before they have to, it really does provide confidence and builds up the acumen.

So we have VR classes or modules on how to work in the back room or how to work behind the deli counter or how to help when you're delivering groceries to a car. What it feels like when a customer's impatient or their kids are impatient and have that moment happen before you have to manage that in the reality. We're going to continue to add those modules of Education and our associates really do love it.

Jacob: That's super cool. I love that example. I think that makes a lot of sense especially for the employees who are working on the retail side.

Jacqui: There's one other Jacob in the home office too where you don't think maybe that we have a lot of associates who work in our home office too that we have a VR that does courageous conversations. So if Clay's got to give me feedback, that can be hard to do if it's hard feedback to give. But Clay could practice that with virtual reality and then there's an avatar that gives him a score about how well he communicated or not communicated so that he can practice on making that better. I think that VR can ... We're just scratching the surface on where I think that could go.

Jacob: That is so cool. You guys are blowing my mind with the VR stuff. I haven't actually heard any companies using VR for their employees to kind of practice those hard conversations. I love that. I think that's also a fantastic example of how to make that stuff work. So to kind of follow up questions because you mentioned home office and retail. So I thought maybe we could take a look at the difference between those two segments of employees. Obviously, if you're working in retail, you're working in a Walmart location, but what about for the back office employees? How many back office employees do you have and what does that kind of corporate environment look like? Is it open, is it cubicles, is it like free food every day and alcohol and all the stuff that you keep hearing about in the Bay Area?

Jacqui: It depends on the location actually Jacob. Clay and I are laughing a little bit about this. We have locations all over the world where we have associates who are in HR or finance or technology or merchandising or central operations that ... Our footprint is very much global. You can imagine that in each talent market we have to respond for what that market really wants. So we have associates all over the world that do these home office jobs. There are people in Bentonville, there are people in Silicon Valley, D.C., Hoboken, in every market that we operate. And their roles like HR, finance, technology, merchandising, central operations, you name it, we have meteorologists, and pilots. It's a very vast array of careers. So tailoring what those markets are demanding for talent is what I spend my time on thinking. So in Silicon Valley, the free food thing it means a little more than it does here in Bentonville, and here in Bentonville having a great quality of life and the ability to have a community that young families in particular love living in is a huge talent magnet for us too.

So it's hard to say ... there isn't one answer across each one of those home offices, I don't know. And Clay, you do a lot of recruiting around the world too.

Clay: Yeah I would say the same thing, it's kind of indicative of the area you're in. If you are in Silicon Valley or for example we have some offices in Austin and Dallas and then in Hoboken with our jet. Those are very open facilities where you know it's a very open environment where people are working together and co located together. I would say the home office used to not be like that but it's changing very, very quickly where you're starting to see a lot more of those type of open environments. And as we build a new campus, you'll start to see a lot more of that infused across the whole company.

Jacob: So it's basically customized to the locations. It's not going to be kind of like a template that you copy and paste from the Bay Area to Bentonville. It's different in each location which I think makes a lot of sense.

Clay: Yes. Yep.

Jacob: Okay. Perfect. And then as far as what a typical day looks like for those types of employees, maybe you can just kind of walk us through if you work in corporate or if you work in a retail store, how does that day differ? I mean aside from kind of the obvious of serving customers versus being in the back office. Is the rest of this stuff pretty similar as far as the technology you can get access to, how you can stay connected, all that other sort of stuff.

Clay: Yeah, I would say across the company I mean one of the things we've been focused on is how you kind of take the consumer grade technology and infuse it across the company. If you look back years ago, what you had at work was a lot better than what you had at home and now it's really flip flopped where what you have at home from a consumer is a lot better than what you see at work. So we're trying to bring a lot of that across and let people experiment how they can collaborate better throughout that workplace. Me and Jacqui put that in what, a year ago?

Jacqui: Mm-hmm (affirmative).

Clay: About a year ago. So, Workplace which is the Facebook product, so allowing people to communicate across where if you're in a store, you're in the back office, home office, any part of the company you can kind of see what's going on through the rest of it and looking at these channels, and a lot more active collaboration where people can respond, they can see the pictures, the videos, they can definitely work in a different way than they have in the past.

But I would say the difference in the way people work is we're trying to make it where it's really, really frictionless across all these different areas so if you're working in a store, you're working in corporate, you're using the same type of technology and right now it's really focused on mobile, a lot more mobile apps. So pushing a lot more of that into the associates hands in the stores and doing stuff like Jacqui was talking about around the VR and giving them access to a lot more data and insights so they can make decisions real time or using a lot more AI or ML to let them help make decisions based on some of the computer algorithms.

Jacqui: One other thing to know is that over 90 percent of our associates are in the field. So what we do in the corporate office is all in service of those associates who are in the field serving our front line customers every day. Making their lives easier so that they can serve our customers better and reminding us every day whether in Bentonville or Reston, or Toronto, that we're thinking about how to be in service to those associates.

Jacob: What trends are you both paying attention to?

Jacqui: I mean I feel like we can't learn enough about AI and machine learning and how to continue to use those tools, those technology ... those emerging techs and I guess they're not so emerging anymore right? They're here to make our work easier, more productive, and that way delivering more for our customers. That I spent a lot of my time reading about that ... and Clay and I often share lots of articles on this.

Clay: Yep. And I always think about the ... Jacob, the trends and I put them in kind of some buckets like ... I always think about the people and how you look it from an organization location strategy standpoint. And that's where me and Jacqui partner a lot together. Then you think about the technology right? Every year, there's some kind of new trend that pops up. And sometimes you've got to separate hype from reality and making sure that the trends you're looking at are the right ones but keeping close on those. And obviously the customers what Jacqui talked about earlier is very, very important.

And then obviously, one of the things we look at from the company is obvious competition. And making sure that we're out pacing the competition and changing as the consumer habits change out there too.

Jacob: Yeah, which is definitely not an easy thing to keep pace with. Because things as you mentioned at the beginning of the podcast, the pace of change is just enormous. So it's not easy to keep up.

Clay: Yep.

Jacob: So you talked about a couple different technologies you mentioned, machine learning, AI, so that's probably a good segue for us to talk a little bit about how Walmart is using technology. I'm sure people have read different articles. The scan and go technology, IOT, the pickup towers, even want to talk about the store number 8 incubator that you guys had. But maybe very high level. Can you talk about which emerging technologies you guys are using and any examples or stories you can share about how they apply to either employees or customers. So VR was a fantastic one. So same sort of idea, but maybe we can look at some other technologies you guys are exploration.

Clay: Yeah. Some of the things, I mean obviously we're trying to infuse technology pretty pervasively across the company. And IOT is a big one. And if you take a look at our stores we'll just take the U.S. for example, we have 5,000 stores in the U.S. 10,000 globally. And one of the things we're doing is putting IOT in there. And we started with some very simple use cases where we started putting alarms on freezers. We started seeing where across 5,000 stores you would have a freezer go bad and it would create food spoilage. So we're trying to figure out how do you actually enable the sensor where it drops below a certain temperature, you trigger an alert, you trigger somebody to go do something.

The alert says "Okay, let me go get a dispatch to go fix it." And we were able to solve that problem. We're like "Okay. How do we expand IOT to do a lot of different stuff?" And we started tying it in to things like computer vision where we're able to see slippage; people slip in the stores based on spillage. We're also starting to look at HVAC and one of the bigger use cases is around energy. So if you look at the 5,000 stores across the U.S. We're I think the second largest consumer of energy.

So how do you actually lower that energy footprint? And things we're thinking about is you can look and take prices of the grid, you can see how many consumers were in the stores, is a certain area in the store have more people concentrated in it and then you can actually lower the temperature but other parts of the store might not so you can actually raise the temperature. Us, you're looking at all the different refrigeration areas. So you're starting to take in that whole eco system of energy and applying IOT to it.

And with IOT the key is how you take all the data off of the sensors and do something smart with it and in the past you just haven't really had the computing power to do it. So we're looking at a lot of edge devices that sit in the store that can really make those real time decisions. And then we're looking at kind of the concept around macro clouds,



how do you take regions or a group of stores and start making decisions based on that region or group in a lot more intelligent manner. So IOT's a big push for us. Obviously taking the data and insights is another piece but I think the data and insights really pervasive across the company but IOT is a great use case.

Jacqui: Yeah, the other thing that Clay and the team are doing is they think about the business problems that they're trying to solve and then apply the technology and one of the other pillars in our strategy is to be the most trusted retailer. And that means having the right quality of food that we're selling. The value our customer's are getting for the products they're buying. And what Clay and the team have done is applied block chain to food safety. And having block chain be able to say the source of the food to the actual point of when a customer buys it so that the customer can have confidence of the product that they're buying is exactly what they expect it to be. And I think that's one example that people probably wouldn't think of Walmart using block chain and how it would happy to food and then thinking about the other applications of block chain that I think will just emerge out of this is pretty amazing.

Clay: Yep and then ... go ahead Jacob.

Jacob: Oh, so I was just going to dig in a little bit on that because I think that's a really cool example. So, maybe you can walk through. So block chain you're using it to basically figure out where the food is coming from and tracing it back to the source?

Jacqui: Yeah.

Clay: Yep.

Jacob: So how does that actually work. I mean not to get too technical, I'm just now very curious in how this actually applies. So are you able to walk through maybe like an example of how that works?

Clay: Yeah, if you think about some of the ... I mean you can see some of the use cases we put out there around pork, and some of the fruits but if you look at it it's really from the origin. So you think about the ... it's really like a ledger so if you think about the block chain, it's really a ledger of entries of where the food originated from and then like in this case the temperatures the food was stored at as it transported through the whole value chain and actually get delivered to the store. But each area or each event gets logged into this kind of ledger so you can really trace it back to saying "Hey, this exact piece of fruit or pork came from this actual farm. That's where it originated from."

And what's nice about the ledger is it's not really changeable so once it's put in, it's there. So people can't manipulate and stuff like that so you really can say you really trust the origin of where it came from.

Jacob: Oh, very cool. Okay that makes sense. So I suppose the rationale for using block chain as opposed to, I don't know, like an excel spreadsheet for example that just has "Here's where it came from, somebody signed off on it." I suppose the security and the trust

and knowing that it can't be changed and what's in there is kind of the truth is the reason to go with something like blockchain.

Clay: Right, so trustability. Yep.

Jacob: Very interesting. I would've never thought to use blockchain for food. That's fantastic. Any other ways that you guys are using different technologies, for example, I'm really interested in the pick-up towers you rolled out, the scan and go technology that you guys have going on for customers. I read somewhere that even, are you guys piloting using text shopping or some sort of AI bot where you can converse with that to get shopping ideas as well, I think I read?

Clay: Yeah, that's on the Jet Black piece. And I actually think you're going to see that pick up more and more, as more of the conversable type either shopping or ordering where people do it through text or through some other platform where they can actually order or get help or questions through a more of a conversation. But it's really a bot that sits on the other side doing the work.

Jacqui: We recently had an example where I was sitting with Mark Laurie who runs our e-commerce business and someone on his team had surgery so I said "Oh, we've got to send her a get well gift." And he pulled out his phone, the app and together he said we described her, we described her family, we described what happened, and the text came back with four options, price points, examples, why they recommended what they recommended and it was the easiest ... it was amazing, it was amazing. And she liked the gift.

Clay: It's even better.

Jacob: That's pretty cool. How do you guys think that's going to change in the future. So, I mean if you were to think of Walmart in another five years, ten years, I don't know, even 15 years. With all these different technologies that you guys are implementing and rolling out and thinking about, do you see or have an idea of what you would like Walmart to become? On the employee side and on the customer side in maybe the next five to ten years?

Jacqui: I think ten years is really hard to predict, or maybe it's easier to predict because you can be really crystal ball...

Jacob: Like, where is all this going?

Jacqui: Yeah. I think what we're doing right now is we're walking our way or running our way into those next ten years and that's what's been pretty cool over the last three years is to watch how much change and how much experimentation we've been doing in the stores or in the home office to change how we work to become more digital but all in service to the customer. So, I think in the next five or ten years it's going to still remain being about the customer. I know it will be a remaining about the customer. So what's their experience, what's the experience in a store? Because the store will still be there

and the store will be an amazing opportunity for us to have this vast real estate footprint where people want to go and they want to shop. But the store will also become ... Greg [Foren] talks about more, you know they'll have the fulfillment center capabilities too. So we'll pivot where the experience has to be great and then the services have to be great so that if you just want to run in go to a pick up tower, pick up your diapers and then leave, you can make that happen.

If you want to get your groceries because you're having a family gathering tomorrow and you're going to swing by after soccer, that someone will put it in your car and then you're going to have the opportunity where "I want to go into the store because I need to look around, I don't really know what I want and I enjoy that experience." And those all have to be incredibly relevant and incredibly impactful so that we still be the strong retailer that we are. And I think with that though our associates are going to continue to evolve their capabilities to deliver on all those different ways of shopping.

And as I said, we're walking our way into that right now and I expect you'll just see more of it from Walmart.

Clay: Right, and I would add Jacob, that ... I mean Jacqui said it well. It's hard to predict ten years from now because the pace of change as I mentioned earlier from technology's happening so fast where 20 years ago it was easier to predict what five years would look like. Two years ago it would be hard to predict that we're looking at with all the VR, where it is today with AI and all the analytics and the actual compute power to do it.

I think you're going to see ... we spend a lot of time with startups. Either from Silicon Valley, a lot from Israel and you can start to see a glimpse in the future when you spend some time with your startups. You're starting to see a lot more around image based search. You're starting to see a lot more around conversation. A lot more around augmented reality, virtual reality. So you're starting to see that become where today it's more of a bolt on to the product. Now, it's becoming more a part of your core product. Where all that's just built into the product going forward versus after the fact.

Jacob: Yeah, I think it'll ... you're right that ten years is very hard to kind of predict but it'll be interesting I mean I'm personally very curious how you guys are going to evolve as an organization in the next five to ten years. And I'm sure a lot of people will be looking towards Walmart as the world's largest employer. And I wanted to back track a little bit to some of the things that we talked about earlier around training and rescaling and I was hoping you might be able to walk us through kind of, let's say I'm an employee at Walmart and I work in one of the retail stores here in the Bay Area. And let's say as an employee I want to learn something new. So is it a matter of just me taking out my phone, opening up a special app that you guys have and then it teaches me stuff, or how does the practical side, the logistical side of learning something new inside of Walmart work for a retail employee?

Clay: Yeah, I'll start with that Jacob but then let Jacqui chime in here. One of the things you just noticed we implemented was what we call BYOD at work. Bring your own device. So we're actually allowing all the associates across the company access to mobile. So they can bring their personal phones into work and also have access any kind of the work

content. So, if you're across the floor wherever you may be you can access all types of training content, just like you were if you were sitting at a desk. And the idea is to create more productivity and allow people to learn in a lot of different ways, we were talking earlier is how do you make sure that you're changing your training and re skilling of the associates across the globe. Making sure you're keeping up with the latest technology, the latest demands, and the latest way people learn. But you want to add some of that Jacqui, I know you're looking into a lot of that too?

Jacqui: We're very move to mobile first. So, one of the things that we recently announced is a game that it's on the Appstore it's called Spark City that anybody can actually play. Jacob, you could go download it from the Apple store or the Appstore and do it and it's the gamifying of how to run a store. And so associates or people who want to become associates can do that before even they work one day at Walmart. And then we have other trainings, the Path ways that is a very entry level experience that is also mobile. And then Academies, as I said before, is all from the Cloud, it's all streaming, basically. And available to our associates on their devices. And then the more senior you get, the more work we probably have to do in creating a mobile learning experience.

Clay: Yep.

Jacqui: But I think that that's the fun challenge that Clay and I will be working on next.

Clay: And I love Jacqui's gamify thing. It's actually hard. You get in and it's like "Wow, this is actually really hard to go do, run a store and do all this." But you get to see it first hand and you get to experience it in a different way than you would've in the past.

Jacob: I suppose, I would imagine you guys don't do company wide off site for two million people. Take over a city or an island or a state somewhere and just get all two million people on there. But I imagine you do smaller off sites right? Do you do bringing kind of people together, doing those trainings in person as well?

Jacqui: Yeah, we do. There's a lot of that. Lifelong learning is a core, I think at the heart of our company. Yeah, so we do have off-sights. There's off sights that happen, at the store manager level. There's off sights that happen at our team level, Clay and I have them together. And I can speak for my own team, I'm thinking about my own team. Our off sights are generally focused on getting what our priorities and checking in on them but what's the new learning that we want to have or what's the experiences we want to have as a team. I think that it's continuing to push us to be more innovative, to be a team too right you know there's the commodity that an offsite brings that's important as much as I think you know the day to day.

Clay: Yeah and if you look at the big businesses like Greg Franz and the U.S. and then John Furners for Sams they bring a big bit of those teams together in different venues throughout the year and they have kind of one big event. Now, for the U.S. it's not all a million people coming but they selectively choose different people every year to be able to participate in the event, but it's pretty big I mean I would say there are thousands of

people that come to get together that really focuses on the company, the commodore, and the valuing cultures of the company too.

Jacqui: We have shareholders meeting in June that if you, you can Google it and you know watch it on YouTube. I have never seen anything like it. It's part business meeting, part convention, and part rock concert, but we celebrate. It's a big celebration of our associates and Doug and our Chairman all talk and Brad our CFO to give an update and it's a rallying moment. It's a huge cultural symbol I think that if you have the opportunity to attend people just - yeah they love it.

Jacob: Well now that you're mentioning shareholders I was going to ask you how do you balance shareholder value versus doing what might be right for employees or even customers 'cause I remember a while ago, you have a huge investment in training 2.7 billion dollars and you know maybe the stock market didn't really love that you guys were investing in that. You know this is a challenge for a lot of big companies. I know Unilever is challenged with this all the time, sales force is challenged with this all the time. How do you balance making the investments in people with also trying to balance what Wall Street wants, and do you think we will ever get to a point where it won't be that kind of tension and maybe doing the right thing will be more valuable?

Jacqui: I think that Wall Street and customers are looking more at what the values of a company. So we talk a lot about shared value, which is where you can be doing good and performing well as a company and what drives us is that shared value concept and having our associates have the benefits, the training, the education, the wages that are market relevant in leading in many ways that's how we differentiate as winning. So we talk about our people make the difference that's absolutely what we believe and I think that you'll see that people talk about companies and they say our people are our asset. Our people are our company and investing in our people is investing in our company and I would say if you look back at our results, since we made that public announcement around where Wall Street kind of dinged us on the share price our results continued to climb and I do believe because we are providing a better customer proposition but that's because our people are better equipped with the tools, the education, the training that they need to serve the customers whether it's online or in the store.

Clay: I've always seen every company I've worked at it's always had that friction between you know the customer and internal versus the investment actually to reward shareholders. I actually think if you take care of the customer and the associates that will obviously take care of the shareholder and if you look at any company that's done that; really spending time invested in both of those the stock price, the shareholders are actually rewarded longer term.

Jacqui: We have great leaders that believe this so Clay and I have great support from the CEO, the board, the CFO.

Clay: Everybody.

- Jacob: Yeah it's good to have that executive support. Speaking of leadership, what role do leaders at Walmart play in driving all of this transformation? So maybe we can talk about leaders at the executive level but also maybe leaders maybe just like store managers or people that are managers of different teams.
- Jacqui: A great store manager has a huge impact on the community the results are [inaudible]. Greg Forehand who you've heard us talk about he's the CO of the U.S. business, spends a lot of his time developing the store managers and selecting store managers so that the rest of the store flows from how strong that store manager is. So having the rigor there to be able to pick the right people, have them be prepared to take those jobs, have the succession planning, he spends a lot of his time there along with his people lead and then as you move out of the store we have the same thing. We do talent reviews quarterly we have constant conversation about what do our leaders need and we recognize especially right now in this time of digital disruption that's happening in the industry and in our company, giving our leaders the tools and the confidence to be able to lead through that is probably one of the most important things I think we can do. They understand merchandising, they understand store operations but leading a team through change can be hard.
- Clay: It's very hard and I love what Brett Briggs our CFO says a lot. He says everybody in the company's a leader and they all have to understand that everyone is in a position of leadership, and I actually love that if you think back about the foundations of the company or how you want the company to operate it's so true. Everybody has the chance to be a leader.
- Jacob: Yeah I love that mentality. I think that makes a lot of sense as well. Are you guys thinking differently about leadership or management because it seems like over the past few decades the role of a leader, the role of a manager has changed. Are you seeing different qualities or skills or criteria emerge for what you guys are looking for to be a successful manager and leader at Walmart?
- Jacqui: We've had particular areas that we focus on whether it's diversity and inclusion, the innovating grow, driving strategy, having vision. Those are some of the core delivering results that we expect of our officers. The one that we've recently added or I should say recently in the last two years is this digital literacy, to try to help our officers see that this is an important skill that they need to also be developing in themselves and it's something that you can learn at any point in your career.
- Clay: Yeah as me and Jacqui put a lot of, we've really pivoted a lot of the organizations to more of a product model and people run it more DevOps and agile and if you look at how those teams operate the leader or used it to be the manager is completely different. It's where they're running different teams and they're acting in more of a leadership capacity versus a management capacity where it's managing the team, where there is a lot more self management that you're providing a lot of the leadership from the product model DevOps way of working.
- Jacqui: Yeah. It's more coach than leader right?

Clay: Yeah it really is.

Jacob: Yeah kind of the meandering coach aspect which is great. Well next question for you guys is I'm curious about the relationship that you to have together. So HR and IT. I feel like in a lot of organizations often times the chief people officer, the chief information officer, they don't always communicate or collaborate very well. So maybe you can talk about How do the two of you work together? How often are you working together? Which projects do you team up on together?

Jacqui: Clay and I talk, I bet we talk every day.

Clay: Oh guaranteed. I was just thinking about yesterday and I was thinking okay how many texts did we exchange or you know different meetings we're in; it was three, four and then different meetings we were in. One could think about our relationship, it's real time. We're always cycling real time it's just how we work. Which really helps a lot but it's interesting the relationship and you're right a lot of companies are not like that but here it very much is and me and Jacqui have created a great partnership and it's nice; because it trickles down to the teams where it creates a lot more down below where they're working together and you know Jacqui initiated the work day, really changing and about people transformation you're putting in place which had the teams working together a lot and it really required us to work together and it's just really continued through that relationship. I actually think it's great in us two together can really make an impact to the company through a lot of different venues.

Jacqui: I think that Clay and the way that Clay has runned this organization too, I look at what HR has to deliver [inaudible] people team and it's you know we have some pretty strategic things we're trying to get done but the fundamentals of how you hire, develop, train, you know. How Clay can bring that to life in a digital way, he's like the magician for HR you know? It really is a partnership and when we talked about implementing work day here, we didn't want to talk about the tool of implementing work day.

No a great company and a great product but we wanted it to be focused on the people transformation and people modernization and Clay's team helped pick that up and drive it so that it was about transforming processes and making them more [inaudible] and making sure the associate experience was going to be consumer grade and really easy and intuitive to use and people backed off of what were the tools and all that 'cause in a legacy company you can imagine we aren't digitally native born so there's lots of legacy systems that Clay's team has to work through to make those experiences really consumer grade and I think the focus on product, making sure those products were delivered that way is why we had a really successful implementation recently.

Clay: Yup.

Jacob: I love that you talk about consumer grade. I write a lot about that, in my most recent book on employee experience I talk about consumer grade technologies so I love that you guys are, it seems like really emphasizing the employee experience inside of Walmart which is great. How big are your teams?

- Jacqui: If you count the field HR which you know you think about in the stores and in the markets it's well over ten thousand people that are serving people related functions in our global footprint.
- Clay: Yup and if you look at the piece that I have so the technology shared services piece is a little over twelve thousand but that's global view.
- Jacob: Wow. So your individual teams are bigger than actually a lot of companies that are out there. (Just so people can the size and scale [inaudible] I mean in most organizations I think if you're lucky you see maybe a couple hundred people in HR, maybe around that in IT but you guys are dealing with ten thousand twelve thousand people in your respective departments so I just want people to wrap their minds around this scale that you guys have to work with that probably no other organization does. Do you feel that? Inside of Walmart? You know if you think about the previous organizations that you were at when you came to Walmart did it all of a sudden feel like oh my god this is a totally different scale? Did you feel like things were moving slower because of the size? Or what was the kind of dynamic there for moving to such a large company?
- Jacqui: I think that big decisions move quickly and not big decisions move slowly so if I could reflect you know I think I'll take the paternity maternity example. We had been talking about that benefit a little bit you know our associates brought it to us in the fall wanting to create more of an adoption benefit and when we had the opportunity in January to review that with our executive team within basically a couple of days we made the call not to just you know extend maternity benefits but we recognized if we didn't extend paternity benefits that might not be the result we wanted because we wanted partners and spouses you know the moms that were having the babies to be able to take off too so that there would be more diversity, you know more inclusion there and with that we also said you know we know our associates are looking for adoption benefits and that decision was taken really quickly and if I think about slow decisions that you know we kick around sometimes it's probably just 'cause it's easier to push those off, that's what's on my mind.
- Clay: Yeah and I would say on the organization you know the size, I always looked at it's not necessarily the size but really the influence or impact you can have and that's how me and Jacqui approach a lot of it is how do you impact the actual company versus just the size of your organization 'cause it's really the impact across the whole environment that's important and I would say coming from other companies to here, it's really around the volume of the data in is which actually is a plus because now you have a lot more data so you can create a lot more insights and gather a lot more information out of it.
- Jacob: Yeah I would imagine. I know we have just a couple minutes left so maybe to wrap up, I'd love to touch on briefly maybe store number eight. I believe that's the name of your internal incubator program so can you touch on that briefly like, What is it? How does that work? I think people will also find that quite fascinating.
- Jacqui: Store number eight it's where we're incubating the future of retail and trying new things and not everything we can talk about because it part of our RND I would say but you



know when Clay talked about jet black as we're hiring these entrepreneurs like Jenny Flice to lead and be CEO's of these businesses; it's really not just RND it's actually these business so that we can see can we scale it? So there's a lot of testing happening and then we roll it out there and try aga- you know keep rolling it out, keep trying again and I think you'll see more of it. It's pretty awesome to have the dedication that Mark and Doug and Greg Forehand have put into store eight that I believe that when you ask that question about what's ten years look like? I think it's happening, it's incubating there.

Clay: Yeah and to add to that Jacqui the important piece that I see coming out of store eight which is starting to become infused across the companies is the fell fast model; where people are actually doing what you were saying where not everything is going to work and it's okay but the continual innovation loops of trying trying fell fell try try is really part of the culture at store eight and taking that technology learning from it, continuing to try and coming out with the right product.

Jacob: Yeah and that can be a whole other podcast discussion as well.

Clay: Yes it could.

Jacob: Well I know we are just out of time now so thank you both for joining me and working people go to connect with either of you, I know you're both on LinkedIn so anything that you want to mention as far as connecting with you or connecting with Walmart please let the listeners know.

Jacqui: We are always open to learn from others so Clay and I spend a lot of our time with our peers in other places but LinkedIn is a great spot for me. I'm on Twitter so is Clay.

Clay: Yup, we're actually me and Jacqui are actually big users of social media so you'll see us a lot out there on Twitter posting a lot of different articles or a lot of conversable type things across with other peers or customers or people across the world.

Jacob: Very cool. Well again, Jacqui and Clay thank you so much for taking time out of your day to speak with me.

Clay: Yeah thank you Jacob.

Jacqui: Thank you.

Jacob: Thanks everyone for tuning in. My guests again have been Jacqui Canney, Vice President and Chief people officer at Walmart and Clay Johnson, Executive Vice President and Chief information officer at Walmart and I will see all of you next week.