Bruce Peterson  
Senior Vice President, GMM of Perishables of Wal-Mart Supercenters

“The pricing of perishable goods plays a major role in our supercenter strategy. It supports the overall image of the store. For example, bananas are one of the most popular items in our supercenters. When bananas are at a great price, our customers will realize that other products in the store, like blenders and Vanilla Wafers, are also at great prices. Offering products at low prices benefits both Wal-Mart and its customers.

“Because Wal-Mart’s strategy is to sell products at the lowest prices, we need to keep our produce prices low. But if we set our prices too low, then we will not meet our gross margin goals. We are able to offer lower prices and still make money because we work closely with our produce vendors. We set up contracts specifying the prices we will pay based on the time of year, availability of products, and the competition in different markets. To reduce inventory levels and make sure we have the freshest produce, we work closely with our vendors on collaborative planning, forecasting, and replenishment (CPFR). My interest in retail, specifically produce, started early when I was working at a grocery store as a bag boy in high school. At first I worked there to save up to buy a car, but as I got older, my part-time job turned into a career. Most of my experience in produce and retail was acquired when I worked as a buyer at an independent grocery store. I would go to a produce terminal (located in Detroit) and negotiate deals with vendors. Instead of just selling produce to me, they taught be about the business, such as when certain produce come into season and what to sell them for.

“I left the company and started my own produce wholesale company. Owning my own company prepared me for the position I hold today because working for Wal-Mart is like running your own business within a business. You’re in charge of your department, making sure others are doing their job and, most important, sales goals are being reached.

“It is really a thrill when you make a great buy. One year I negotiated a great deal on apples from New Zealand. We were able to sell them for 69 cents a pound compared to $1.29 the previous year. Our sales increased from 4,000 boxes to 100,000 boxes. Not only did we have a huge increase in sales in the following year but we also helped our customers make a big saving.”