Nearly two-thirds of Walmart stores will be serviced by automated warehouses by 2026

Article



The news: Walmart is leaning on automation as a key pillar of its growth strategy.





• The company expects around 65% of its stores will be serviced via automation by 2026, while 55% of fulfillment center volumes will travel through automated facilities, per a company release.

The benefits of automation: Automation is one component of Walmart's push to make its supply chain more connected, efficient, and responsive to consumer demand.

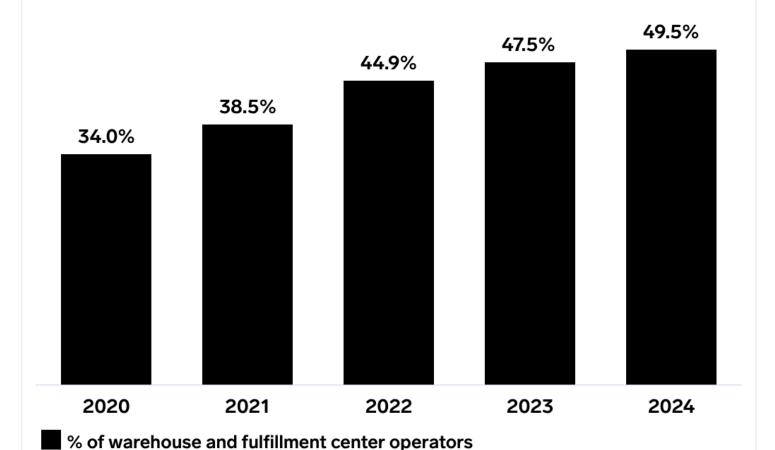
- The retailer is reengineering its supply chain to be more flexible and data-centric in order to get a clearer sense of where items are and where they're needed, which in turn allows the company to optimize the cost and speed of fulfillment.
- For example, Walmart is using robots and scanners at its <u>automated warehouses</u> to keep track of goods as they arrive and where they're stored within the facility, enabling quicker retrieval once an order comes through.
- The ability to drive supply chain efficiencies is central to Walmart's ability to keep prices low, Walmart US president and CEO John Furner told investors.

The impact on employees: While the company acknowledges that automation will change the way employees work, executives have taken pains to note that the expanded use of robots and other technologies will not impact the number of associates on Walmart's payroll.

- Furner emphasized automation's role in improving productivity and reducing the amount of manual labor employees have to perform, as well as creating new, more fulfilling jobs.
- But those statements are not exactly reassuring in the wake of Walmart's decision to lay off thousands of employees at <u>several ecommerce warehouses</u> around the country just prior to announcing its automation push.

Warehouse and Fulfillment Center Robots

US, 2020-2024



Note: autonomous units and systems operating in locations where companies' goods are stored, including warehouses, distribution centers, and fulfillment centers, by an operator with more than \$10 million in annual revenues

Source: eMarketer, August 2022

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