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New paper details entrepreneurial innovations of Sol Price and Sam Walton

- **As a lawyer, Sol Price took information and experiences learned from his clients to eventually create and popularize warehouse style stores such as Costco**
- **Sam Walton employed lessons from over a decade in retail to start the Walmart chain of stores, routinely one of the top companies in the Fortune 500**
- **The careers of both provide clear examples of the judgment-based approach to entrepreneurship**

With the growth of shopping behemoths such as Amazon, Walmart, Kroger, and Target in the wake of COVID-19, understanding the entrepreneurial background of, and lessons from, the founders and managers of these firms has taken on greater importance for today's entrepreneurs. Documenting some of the lessons that can be learned from two of these founders, Art Camden and Reginal Harris, of Samford University, along with ISFE Director Charles Courtemanche, of the University of Kentucky, have authored a paper that analyzes the entrepreneurial innovations and contributions of Sol Price and Sam Walton using the judgment-based approach.

The judgment-based approach describes entrepreneurship as activities that look at how to combine and recombine available resources to create different outcomes. It often leads the investigator to more closely focus on the processes that entrepreneurs use to organize, and then iterate to reorganize, different available resources. In this paper, the authors use this approach to describe how 50+ years ago Sol Price and Sam Walton were able to create companies such as Costco and Walmart.

The authors note, “in the case of entrepreneurial innovations like those launched by Sol Price at Fedmart and Sam Walton at Walmart, the entrepreneurs and managers did not know *ex ante* what kinds of consumers they were dealing with or what those consumers would be willing to pay for the goods on offer.”

The continue, “it takes the exercise of judgment for people to understand which business plans might succeed and which ones might fail. Fedmart (and later Walmart) started with the conviction that people would be willing to drive a little more and sacrifice some of the convenience of downtown shopping to save a few dollars. They reorganized the retail industry, and in so doing helped change the way people shop.”