

# Walmart Labs —

## Changing The World's Largest Retailer

**Industry:Retail**

**Contributed by Rohit Bhargava**



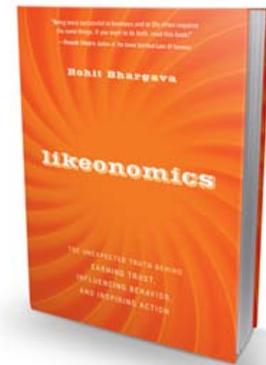
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## The Story:



Anand Rajaraman describes the first call he got from Walmart as an example of “Silicon Valley karma.” It’s not an uncommon way for an Indian to describe how business works, but his experience is one that more and more entrepreneurs would easily relate to. Rajaraman’s story starts several years ago when he helped an entrepreneur friend by introducing him to a Venture Capital firm. In a perfect example of the “small world” cliché, that person eventually joined Walmart 5 years later and was in a position to return the favor.

Walmart had been interested for some time in how mobile technology could be used within retail stores for everything from customizing products in local stores to offering more proactive customer service. It turned out there was more synergy than you might expect between a social media startup and the mega-retailer’s long term plans. In April of 2011, looking for good potential partners, they heard about Rajaraman’s company called Kosmix.

Kosmix was the latest venture between Rajaraman and his longtime business partner Venky Harinarayan. Between the two of them, they had been the brains behind some of the most innovative technology at Amazon over the past several years, including creating the technology behind Amazon’s Mechanical Turk and their huge third party retailer marketplace. In short, the pair were bona fide superstar geeks.

But when Walmart finally did call, Rajaraman didn’t call back right away. As he shared in a presentation on stage at the Ad Age Digital event several months later, “for a long time, I didn’t return the call because I didn’t think they were serious. I mean if they tweeted me, maybe. But this was a phone call.”



Eventually, though, he did call back – and soon after Kosmix sold to Walmart for an estimated \$300 million. Today, along with Harinarayan, Rajaraman now runs a new

group known as WalmartLabs which has the ambitious mission of figuring out how to offer value for consumers at the intersection of mobile, social and retail.

More interestingly, the group is charged with bringing a more entrepreneurial culture into Walmart. Time will tell if WalmartLabs can deliver on that mission, but the story offers multiple lessons about the power of personal connections. Not only can they lead to multi-million dollar deals ... but one of the largest retailers in the world may be counting on them to change their entire business culture as well.

## Why Is It An Example of Likeonomics?

*It was Anand Rajaraman's choice to **unselfishly** connect a friend that later led to his big opportunity. The **timing** of the eventual introduction led to the sale and the **relevance** of their work make their group a critical part of helping Walmart prepare for the future.*