

Where Wal-Mart and Philanthropy Mix

Suppliers get to mingle with big discounter at Northwestern Arkansas charity events



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Wal-Mart CEO Doug McMillon at the Single Parent Scholarship Fund of Benton County luncheon last month. Photo: Clifton Eoff Photography

By

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ROGERS, Ark.—On a recent Thursday night here, hundreds gathered in a hotel convention center for another chicken dinner in the name of a good cause.

At the local Boys & Girls Club's "Youth of the Year" celebration, a high school senior gave an emotional speech about the role the club played in her life. But many guests also came to hear—and be seen by—the keynote speaker: Greg Foran, the U.S. chief of [Wal-Mart Stores](http://www.walmart.com) Inc.

Donation baskets circulated through a sea of colorful banquet tables filled mostly with employees from

Wal-Mart or companies like [Clorox Co.](#), Unilever PLC and [Hershey Co.](#), those drawn to the area to do business with the retailer. About \$225,000 was raised. By 9 p.m. the crowd had cleared.

Welcome to the nonprofit world in Wal-Mart's hometown, one of the most "hyper-philanthropic" corners of the country, according to Russ Hodge, who runs a nonprofit consulting firm with clients in the area.

There are around 2,500 nonprofits located in Northwestern Arkansas. Supporting the groups, hundreds of consumer-goods companies have offices near Wal-Mart's Bentonville headquarters to pursue more space on the retailer's shelves. Tyson Foods Inc. and J.B. Hunt Transport Services Inc. are also based nearby, two companies that grew in tandem with Wal-Mart. The heirs of Wal-Mart founder Sam Walton give generously in the area. And last year Wal-Mart gave \$79 million to Arkansas causes, says a company spokeswoman.

The American Diabetes Association raised more than \$1 million in one night at its annual "Kiss a Pig Gala" here in March, making it one of the organization's top grossing events nationally, says Malorie Marrs, director of development at the local chapter.

The setup for a successful fundraiser is a well-worn formula in any city: rope in a celebrity then sell tickets or solicit donations. In this area, celebrity often means Wal-Mart brass.

Steve Bratspies, Wal-Mart's chief merchandising officer, agreed to speak at the Big Brothers Big Sisters "Insider's Business Brunch" last month. The event touted "very limited seating." Attendees, mostly suppliers, paid a minimum of \$2,000 for a package of four tickets plus event marketing, such as mentions on the program and event signage.

One attendee said Mr. Bratspies didn't share anything new about the business, but did speak "more casually" than he would in a typical supplier or investor presentation. Reporters couldn't attend.

A Wal-Mart spokeswoman says company executives stick to publicly available information at the charity events. Executives "choose whichever cause or organization they wish to support with their time and donations," she says.

At these events "I've never seen actual work get done" but most Wal-Mart suppliers aim to mix a genuine passion for a cause with a bit of networking, says Stephen Wolf, a vice president for Abbott Nutrition, maker of baby formula and other health products.

Wal-Mart has strict ethics rules that require employees to refuse gifts. "You can't take them to lunch, can't take them to dinner. This is a way to have some time" outside of usual business channels, says Mr. Wolf, who is on the board of the local chapter of the ADA. "I think [suppliers] that fail to do that are missing the big picture." His office has donated and raised around \$1 million for the ADA since 2008, he says.

“Goodness gracious, this is a thriving market for nonprofits,” says Sarah Heimer, executive director of Big Brothers Big Sisters of Northwest Arkansas. Though it’s never explicitly stated, she says, decades ago Wal-Mart started a culture of local giving. “There is this expectation that if you are going to be here you are going to contribute in some way.”

Though a wide swath of locals attend charity events, it’s especially important for suppliers. “You want Wal-Mart to know you are here,” says Cameron Smith, founder of a local recruiting firm for consumer-goods companies. “When companies move here they ask me what charities to join. I give them the rundown.”

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