

SECRETS OF ALDI THE SUPERMARKET August 2011

Have you ever attended an “Aldi” party ? It’s a party where all the food and beverages must be purchased from an Aldi supermarket. Forget the expensive bottle of red, all that is allowed is an award winning drop that can be purchased for under \$10.00. Though the party is a novel idea, it’s the company’s founders that really do have something to celebrate – both making it onto Forbe’s list of the world’s richest people.

The company was founded in 1946 by brothers Theo and Karl Albrecht and has become an institution in its home country of Germany. The word “Aldi” is an amalgamation of the Brothers’ surname, **AL**brecht with the word **DI**scount. Aldi today operates across 15 countries and has over 7,200 locations worldwide.

So what business lessons can we learn from the phenomenally successful Albrecht Brother’s? Business analysts have noted the Aldi success has been built on a number of principles, including:

- Keep it simple, (eg look at the lower number of product lines Aldi has compared to other Supermarkets).
- Strive to earn your customers' trust.
- Set clear goals and follow them rigorously.
- Improve small details daily.
- Know where you stand financially.
- Test now, perfect later.
- Be fair to your suppliers and help them improve their business.
- Practice management by trust and control.
- Talk in terms that people can understand.
- No matter how successful you are, keep on top of things.

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