

case 1-429-013
March 4, 2010

Circuit City

Company Background

Circuit City was once the leading consumer electronics retailer in the United States, battling major competitors in electronics, like Best Buy and RadioShack, as well as superstore discount chains with large electronics departments, like Costco and Wal-Mart. The company was headquartered in Richmond (VA) and, at its peak, had more than 700 stores¹ and over 50,000 employees.² Founded in 1949 and bankrupt by 2008, Circuit City had a long and turbulent history of both successes and blunders that ultimately caused the firm's demise.

Circuit City was launched after New York importer-exporter Samuel S. Wurtzel discovered a business opportunity while vacationing in Richmond, Virginia, in 1949. He learned from a local barber that the first local TV station in the South was soon to go on the air in Richmond. In response, Wurtzel moved his family to Virginia and opened Richmond's first retail television store, Wards Company, an acronym of the founding family's names—Wurtzel (surname), Alan (son), Ruth (wife), David (son), and Samuel. Wards initially sold only televisions but soon grew to four stores in the Richmond area selling televisions as well as other home appliances. By 1959, annual sales had reached \$1 million.³ **Table 1** reports notable milestones during the company's early expansion.

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