



ARLETTE: Hi, I'm Arlette, your host, and welcome to "Give Me an H."

Together we'll explore the culture of The Home Depot through the eyes and experiences of our associates who live it every day.

Let's get started.

### Merchandising & Product Innovation - Ted Decker



ARLETTE: Ted Decker is president and chief operating officer of The Home Depot, the world's largest home improvement retailer.

He is responsible for global store operations, global supply chain, outside sales and service, real estate, as well as merchandising, marketing and online strategy, serving Pro and DIY customers across more than 2,200 stores and online.

Over the past 20 years, he has held a number of strategic positions across the company including senior director of business valuation, vice president and senior vice president of strategic business development and senior vice president of retail finance.

So Ted, you've lived in London and Sydney Australia?

Ted: Yes.

ARLETTE: Wow. So, that's pretty exciting. But then, you come to The Home Depot in Atlanta, Georgia?

TED: Yeah.

ARLETTE: Tell us a little bit about that journey.

TED: Well I'd say, "It all started with a phone call," and it was my luckiest and most fortunate phone call I've ever received. I was

living in London and was actually traveling to Atlanta. On the way to the airport, I stopped in to get reading material. As you know, I like paper.

ARLETTE: Yes.

TED: So I went to get my eight-hour-flight worth of paper off my desk. Now, I probably have about 100 hours of paper on my desk, and while I was there the phone rang, and it was headhunter and Carol Tome was looking for someone to join her team. I came to Atlanta and came in and interviewed and loved the people, and 17 years later, here I am.

ARLETTE: Wow. So, Carol Tome (our CFO), was looking for someone just like you. We're always looking for great talent.

Then, you'd never been in a Home Depot before, but now, it's 17 years later. What are the things that stand out for you when you think about why you've stayed in this orange family?

TED: What struck me almost immediately at Home Depot is, "This company is driven by its culture." It is the "special sauce" at Home Depot. I think it's the type of people align to that and why 400-plus thousand of us all have that "special sauce."

ARLETTE: Now, that's a great point. We always hear those stories about people starting in the lot, starting as a cashier. What was your first job at The Home Depot?

TED: So, I started in the Finance Organization. So again, Carol hired me into Finance. I mean, you wouldn't think like, "Hey. Home Depot, big retailer."

The culture I was talking about, you wouldn't think, "Well, God. This is like the Finance guy. He's like into hard core numbers and spreadsheets." But again, I think that speaks to how strong that culture is, because even in that sort of role, for example, when we joined back 17 years ago—we still do this today—when you start at The Home Depot, you will spend time in the stores.

ARLETTE: That's right.

TED: But, back then, the first two weeks, it was in the stores. And there wasn't really an introduction. You came here for your first day of orientation, and the second day you went off into the stores.

ARLETTE: I remember that for myself as well.

TED: I still have that first apron that I got that second day at work in the store, and you just immediately got into the groove of the place and learned from, sort of day one, "The store is the most important thing," and that's why it's not a Headquarters here or a Head Office. It's the Store Support Center.

ARLETTE: That's right.

TED: From your first day here, you appreciate that our customers are primary. Our store associates, you know, follow. The folks here at the Store Support Center, we're the base of the pyramid holding them all up.

ARLETTE: "The pyramid." So, we talk about our inverted pyramid.

TED: Right.

ARLETTE: The fact that we put our associates and our customers first. Give an example of when you've seen us live the inverted pyramid and how we actually embody servant leadership as an organization.

TED: Well I think the way this place responds to any sort of crisis or emergency speaks to just how strong our culture is, because there really isn't a Playbook or a Manual.

But it's in our DNA to respond, and that response always starts with customers and associates. What we want to do is take care of our customers, but Bernie Marcus (our founder) always said, "If you take care of our customers and take care of our associates, the rest will take care of itself."

ARLETTE: So now, you're responsible for 40,000 SKU's in our stores. So, all of our products.

TED: Yeah.

ARLETTE: More than 1 million online. So, that's pretty exciting stuff. We like to say, "Product is king." Would you agree with that?

TED: Yeah. Absolutely. It all starts with product, because we've got to have the stuff in the store that our customers want. It's got to be priced right, at the right value.

ARLETTE: How do you cultivate that innovation? Certainly lots of companies have products, but if you want to be the product authority, innovation is a key element in that equation. How do you cultivate that with our associates?

TED: Well, I'm fortunate in being in this role a bit over three years. I didn't have to cultivate it. I just have to help keep it going, because again, the culture of our merchants is always looking for that great product.

Every single merchant is literally scouring the world. What I like to think about is, regardless of what our merchant is buying—it could be lumber, it could be fertilizer. It could be light bulbs—that merchant is, in most every instance, the largest buyer of that product anywhere in the world.

ARLETTE: That's a great point.

TED: So, our merchants have a desire and a drive to be the number one in product authority, to be the most relevant, authentic authority in all product under a Home Depot roof. So, they have the benefit of being the largest buyer, having access to every producer around the world.

In over 38-plus years, that culture of our merchants to look for that innovation, to look for that great item, is inherent in all of them, and the manufacturing community around the world knows that. So it's sort of symbiotic, because they know if they bring us the great product, we get behind it and we have those 400,000 associates who have that great passion and that whole culture of selling and they're, on the margin, going to bring something to The Home Depot before they bring it to anybody else because they know they're going to get their biggest bang for the buck from The Home Depot.

ARLETTE: Now, that is a great point. I mean, when I think about what you're describing, you're talking about our entrepreneurial spirit?

TED: Yes.

ARLETTE: A big part of our culture is allowing our associates to do what they believe is best for the business—use their intuition, use data as well—but balancing the art and science of merchandising.

TED: Yeah.

ARLETTE: So, you've been a big proponent of that. What kinds of jobs—outside of buying, outside of being a merchant—can you do in your organization?

When you talk about this idea of being the EVP of Merchandising, it also includes Online. It also includes Marketing. Tell us what work we could do if we wanted to work for Ted Decker, EVP of Merchandising.

TED: Yeah. Well, I'd say it's even broader than merchandising, because look at my career. We have so many different things you can do. Then, within each of those disciplines, there are jobs today that you probably wouldn't think The Home Depot has.

So, we have PhD's in Mathematics. We have PhD's in Operations Research. We have Data Scientists. We have Software Developers. We have Experience Leaders. We have Merchants. We have Supply Chain Experts. We have so many. Visual Merchandising with our Private Brands Organization. Your Packaging Discipline. You have Marketing, obviously. I mean, the breadth in a type of career you can have at The Home Depot is extraordinary.

ARLETTE: Now, I think that what you described is certainly a diversity of career opportunities, very similar to yours, where you started in Finance, ultimately led you to Merchandising, and so I think about early career

folks.

TED: Yeah.

ARLETTE: So, those newcomers to the workforce. You have two daughters that are in college?

TED: Yes. Yes, I do.

ARLETTE: What would you tell them about joining The Home Depot in an internship or as a first-time jobseeker?

TED: I think it's less important about what job you do. It's more important to just get inside the door and have an openness to what's available.

I think we do a great job. You, Arlette, and the Human Resource Team. That, while you might join The Home Depot as a Marketing Intern or a Supply Chain Intern or a Merchandising Intern, there's a lot of interaction between and among the interns over the course of the summer.

You see the other parts of the organization. You interact. You might get on a cross-functional team. You really get to see what The Home Depot is about and all the different job opportunities there are. So, you can follow up the next summer and maybe work in another area. Then, we need talent.

ARLETTE: We absolutely need talent. It is key for our business. To your point earlier, Bernie talked about the importance of our associates and how it differentiates us. So, certainly talent is at the forefront of what we're doing.

TED: Yeah. I always ask my team, don't worry so much about what specifically is on the resume in prior job experience; but, if you get a talented person who is eager, who you think is a fit for this culture..

You know, there's that great book, Good To Great, that we all have read here. There's a great saying in there. It's, "Get the right people on the bus, and then worry about what specific seat they're in later." I'm all about—and I hope my team is too—just getting the right people in the door and the rest will take care of itself.

ARLETTE: Thank you, Ted.

And thank you for listening.

This is Arlette signing off.

I hope you'll join us next time for another episode of "Give Me an H."