



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.

### Technology and Retail - Matt Carey



ARLETTE: Matt Carey is The Home Depot's executive vice president and chief information officer.

He is responsible for all aspects of our IT infrastructure and software development. Matt is also responsible for our IT strategy, including the development and execution of technologies used in stores, online and in our supply chain.

Technology is a critical component of a successful modern retailer, and The Home Depot is building the next generation of home improvement retail tools with a growing team of technology professionals across the country. I sat down with Matt Carey to talk about how his team is developing innovative solutions that continually enhance the experience of our associates and our customers.

So, Matt Carey, you joined The Home Depot in 2008. You were fresh off technology stints at Walmart and then, subsequently, eBay.

Why'd you join The Home Depot?

MATT: Well, I really had my hands full at eBay at the time, but retail's in my blood. You know, my dad owned a retail store.

ARLETTE: Really?

MATT: Yeah, and my mom was actually in Technology.

ARLETTE: So that's the perfect blend.

MATT: Yeah, yeah.

ARLETTE: [Laughs]

MATT: [Chuckling] And, you know, in 2008 it was a great opportunity - at a point in time where I could help a retailer that's been well established...

ARLETTE: Sure.

MATT: ...to really kind of bring them into, you know, the latest technology-powered enterprise.

ARLETTE: Right. Well, you think about 2008 - I mean, the economy was in a very difficult state at that time. I'm sure a lot of companies were calling, but you chose The Home Depot.

MATT: Yeah, Frank Blake was a great person to interview with.

ARLETTE: Yes, I imagine. So, Frank Blake is our former CEO.

MATT: And very convincing. Very convincing.

ARLETTE: [Laughs]

MATT: And I sat down with him. Was supposed to be an hour-long meeting that turned into two and a half hours. [Laughs] And we talked about my observations of The Home Depot. And I thought the challenges were really huge.

ARLETTE: Yeah.

MATT: We talked about, really, what I saw in the stores as it relates to how we could help those associates and how we could really improve the customer experience. We talked about online and what that was going to mean to the company down the road.

ARLETTE: Right, 'cause we were early in the days of online at that time, and now it's such a significant part of our business.

MATT: Yeah, it was. You know, when I got here, I think we were doing somewhere north of \$100 million a year. But, honestly, the first interview I had was with Craig Menear.

ARLETTE: Okay.

MATT: And he only had a slot at 7:00 in the morning, which was 4:00 in the morning my time. [Laughs] But I got up. My wife thought I was crazy. I got up, went into my office, and we had a great chat.

ARLETTE: What's the biggest change that you've seen that you didn't see back in 2008?

MATT: Oh, man. The whole wave of technology advancements in artificial intelligence have really come a long way.

They've actually improved those to the point where a computer can actually read a book and have a better comprehension than a human being now.

But if you apply it to our business, think about some of those things that we struggle over time to find. And that's a store with an out-of-stock or a customer that comes in to find something that we may not have available at the time, or helping us understand or predict the time that spring breaks in a certain area.

ARLETTE: And so, what I hear you saying is that this artificial intelligence will allow us to be more predictive, allow us to be faster in our modeling, so that we can better serve our customers.

MATT: That's one. And think about scheduling, too. Scheduling our associates, right?

ARLETTE: Our associates.

MATT: Most people don't know - we develop approximately 90% of our own software, right?

ARLETTE: Wow.

MATT: So, we don't buy it. We have engineers that write the software, that work with user experience experts and product managers to help kind of design from the customer back or from the associate back.

For the most part, we think our special sauce is, how do we go help provide a set of software that is customer-focused to our customers, and to our associates and to our business problems? And we use the latest techniques, Arlette.

ARLETTE: Mm-hmm.

MATT: I mean, we use -- some people call it "Agile Development." We use balanced teams approach.

ARLETTE: You've mentioned Agile Development. What is Agile?

MATT: The best way to describe it is that you start with the end customer in mind. And the experience that you create is really grounded in how someone will use or interact with whatever you're building.

ARLETTE: Okay, so, you're basically testing throughout the process.

MATT: Absolutely.

ARLETTE: They give you feedback. You test it.

MATT: Immediately. They're actually sitting next to you in some cases, right?

ARLETTE: So, it's a side-by-side process?

MATT: Absolutely. Yeah, in the same room, most certainly.

ARLETTE: What's an example of Agile Development?

MATT: Our mobile experience is the first thing that comes to mind.

Our mobile app, you know, has won several awards. It's exactly what you'd say is what someone who is trying to interact with our company would like to have on their phone or their mobile device, in their pocket. And a lot of it was really done in that way. It was really created with the end customer in mind and with the feedback from the customer.

ARLETTE: Got it. So, we take that customer feedback in order to figure out what their pain points are with the process.

MATT: Absolutely.

ARLETTE: But, also, too, just to get their feedback, just in terms of additional enhancements that might make the process more seamless.

MATT: I'll give you an example of a feature that most people love in our mobile app, and that is the ability to search for something, whether it be voice or keyboard, and then it actually tells you where in the store it's

located to go find it.

ARLETTE: Oh, wow. So, if I get to the store, I can actually use the mobile app with voice recognition, and it'll tell me where to find paint, for example?

MATT: Right. Or some fastener in the hardware aisle.

ARLETTE: So, as detailed as a fastener - it will give me that information?

MATT: Yeah, absolutely. It'll tell you what shelf it's on and which bay it's in, and that's not all done by magic, either. I mean, that's all data that we collection.

ARLETTE: So, now, you mention software engineers. What other types of jobs might be available as you think about this investment that we're making?

The company has gone out and said, "We're making more than an \$11 billion investment in the future of our company." And, certainly, technology is at the forefront of it. So, who else will you be looking for in terms of other positions, beyond software engineers?

MATT: Well, the company's looking for user-experience design and research folks. You know, data-analytics folks.

We're also looking for product managers that, honestly, are going to be working on really intriguing and unique problems as it relates to helping out our customers and associates. Again, we talked about this balanced team where you have an engineer, you have a user-experience person and you have a product manager all sitting together.

In fact, our work environment would mirror a lot of the work environments that you would see in any startup, or any technology company out in Silicon Valley, and, oh, by the way, we don't just do it in Atlanta -- we do it in Austin. We've got other locations throughout the U.S. where we are in the process of hiring talent.

ARLETTE: That's pretty cool that we have locations outside of where our Store Support Center is in Austin and Dallas, and in San Mateo, in order to make sure that we are in the right space where the talent is.

MATT: Right.

ARLETTE: Now, when you talk about talent, is it those that have years of experience that you're looking for? Are you looking for college grads? Who are you looking for? What's the right profile?

MATT: Well, there's not a right profile -- I'll start there. When I joined the company in 2008, I asked how many interns we were going to have for the summer.

ARLETTE: Mm-hmm.

MATT: And the answer was zero. And I said, "That's not a good answer."

ARLETTE: That was definitely a different time than where we are today.

MATT: It was. It was a different time than where we are today, but still, you've got to have...

ARLETTE: That pipeline.

MATT: The pipeline of folks coming from the schools to help you be fresh and stay current on what's going on.

ARLETTE: Sure.

MATT: And so, one of our key strategies has always been to recruit from colleges, right? And, in fact, you know, we have partnerships with a growing list of colleges between the top 30 to 40 universities around the country. We actually are so cool...

ARLETTE: [Laughs]

MATT: ...we've hosted nearly 20 code-a-thons, or development-games activities.

ARLETTE: Now, what happens at a code-a-thon?

MATT: Listen, we get in a room, in a hotel room, generally in a ballroom somewhere. And we go attack a problem. We give folks the ability to solve what we call real problems at Home Depot in this, you know, 8 or 12 or 24-hour time frame. Our largest event was 300 folks.

ARLETTE: Oh, wow.

MATT: And it's been a great way to connect.

ARLETTE: And, also, to get students interested in not only technology, more broadly, but specifically at The Home Depot. Because I think, a lot of times, when college students hear about The Home Depot, they think the store. They think cashiers and sales associates, and there are so many more opportunities beyond that.

You know, if you look back 10 years ago, technology was behind the scenes.

MATT: Yeah.

ARETTE: Now technology is in front, just in terms of the transformation that's happening across retail. And so, it's exciting to make sure that students know what their opportunities are.

MATT: Absolutely. And, you know, part of our intern program is for them to get to know The Home Depot and the culture and the values that we have. And, you know, since 2015, we've had almost 500 interns from a technology standpoint. And over 75% of them have accepted full-time positions once they graduated.

ARLETTE: Now, that is where the rubber meets the road, because it's one thing to intern, get to know a company, but if there's not a pipeline into the organization, then we've missed the mark, and so that's a pretty high hit rate, in terms of 75% placement.

MATT: It's a great, great statistic, and we get great associates that way.

But, you know, we started something last year, a little pilot, that it feels like, to me, is going to be a big deal for us. And that is, in our industry, in the technology industry, there has been this push to create these boot camps.

And let me describe what a boot camp is.

ARLETTE: Okay.

MATT: A boot camp is taking -- I call it a nontraditional student, whether it's a person who's looking for a second career or someone who's out of work or someone coming out of the military, that is looking to get into the field of technology.

And it's a 12-week job to go sit in and get immersed in the technology.

My leadership and I sat down, and we thought, "You know, I wonder if we could do this for our store associates, and how could we create an environment where we could actually take a 12-week program and teach someone who knows everything about Home Depot and our customers and our values and really give them an opportunity to have a career in technology, and see what happens."

And so, we did a pilot last year, and it was a fantastic success. And we're going to expand it. We call it the Orange Method. It's going to be a focus in our recruiting efforts. We've got a goal to hire some store associates through that way.

ARLETTE: To take someone who's already orange-blooded -- they have an interest in technology, but no experience -- and to immerse them in 12 weeks, and then they come out as software engineers... That is game-changing. I am so excited about that program.

One of the programs that you talk a lot about is Battle of the Brains -- that particular hackathon.

MATT: Yeah. So, we sponsored the HBCU Battle of the Brains at South by Southwest. Where 300 students, comprised of nearly 30 HBCUs, competed against each other to showcase their technical talents.

ARLETTE: And HBCUs are historically black colleges and universities.

MATT: Right.

ARLETTE: So yet another diverse pipeline.

MATT: Absolutely, and proud of what we did there. In fact, we got a lot of leads for associates to come on board and it really helped us a lot.

ARLETTE: Now, I know you probably have lots of these, but pick your favorite day. What's the favorite day for the CIO of The Home Depot?

MATT: You know, Arlette, probably my favorite thing is to see people progress in their careers and responsibility and impact at Home Depot.

And one thing that comes to mind is an associate that we have who started out as a software engineer over 20 years ago and worked their way up, and now she's Vice President of Technology for the stores.

ARLETTE: Wow.

MATT: And it's folks like that who really kind of make Home Depot special. Also, the ability for her to be able to go do that is special, because that's not always the case, either. But it really doesn't matter what path you take.

Once you get in, you have unlimited opportunity, only limited by yourself.

ARLETTE: It really is one of our value propositions, and I think it's how we take care of associates directly.

MATT: Yeah, and it's our job as leaders every day to do that.

ARLETTE: Thank you, Matt.

As Matt shared, technology and retail have always run in his blood. As a leader at The Home Depot who is focused on how these two worlds go hand in hand, I'd say we have the right guy in charge.

Thank you very much for listening.

This is Arlette signing off, and hoping you'll join me again for our next episode of "Give Me an H."