



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.

A Love for Retail & Customer Service — Craig Menear



ARLETTE: In January 2022, I had the honor of interviewing our chairman and CEO, Craig Menear. A few weeks later, we made an announcement that Ted Decker would become our next CEO on March 1st. Craig will remain Chairman of the Board and will work closely with Ted on guiding the company strategy. Now, Craig has been an exceptional CEO, and we're so grateful for his tremendous leadership during his 7 years as CEO. Among his many accomplishments, he built a world-class leadership team, drove a bold strategic vision to further our interconnected retail experience and delivered outstanding results for our shareholders, all while fostering Home Depot's secret weapon, our values-driven culture. Craig started at The Home Depot in 1997 as a divisional merchant in the southwest, and in 2007 he was named EVP of Merchandising before becoming CEO in 2014 and Chairman of the Board in 2015. He is known as an entrepreneur with a relentless work ethic and a passion for giving back. We're so thankful for all his many contributions to The Home Depot and are excited to share more of his story with you today. With that, let's jump in. Hi, Craig. Welcome to "Give Me an H."

CRAIG: Thanks for having me, Arlette. I appreciate it.

ARLETTE: Now, I always like to start with the very beginning of the story, you know, where you were born, where you were raised, what things you remember. Now, I understand that you are from Flint, Michigan, and your father worked for many years at General Motors which, of course, is still one of the largest employers in the area. So, when you think back to that time, you know, what stands out for you? What was your childhood like?

CRAIG: Well, you're taking me back further than my memory can remember. So, Flint was actually a great place to grow up. It was an automotive town, as you can imagine. There were nine different plants in Flint. So, it was a thriving environment. All the family was there, so it was very, you know, family-oriented and very strong church background with my parents and just great friends. Flint very much an industrious town, if you will, where people worked really hard, and the work ethic was established in my family from a very early age, and I think that has been something that's been part of me my whole life.

ARLETTE: So that sounds like good memories as well.

CRAIG: Absolutely.

ARLETTE: So, okay, you said, "Work ethic."

CRAIG: Mm-hmm.

ARLETTE: Now I recall reading that your father used to draft you into projects when you were a little younger. I think that's probably where you got your start or your focus on home improvement. Tell me a little bit about being pulled into those projects and what your recollections were of that time and maybe what you were most proud of as you and your dad worked together.

CRAIG: Sure. So maybe it would help to understand my dad was a tool and die-maker for General Motors. They basically built the dies that were used in the production. My dad was very, very handy and could do almost anything, and so he enlisted me in all kinds of projects. So, if there was something to be done, I was with my dad doing that. You know, we changed our own oil in the cars. You did all that stuff, right? I think the most memorable thing for me, though, was when we made a decision as a family to actually remodel the basement. My dad worked incredibly hard, and, you know, many, many years 7 days a week, and so he made a decision that he was going to hire somebody to do that job.

ARLETTE: Uh-oh.

CRAIG: Yeah, lasted about 3 days, and so every night he'd come home from work, we'd go downstairs, and he'd point out all the stuff that this guy didn't do right. Three days later, he fired him, and then my dad and I built out the basement.

ARLETTE: So hence the work ethic. You learned from scratch how to get it done.

CRAIG: Absolutely.

ARLETTE: Wow.

CRAIG: So that memory sticks with me to this day.

ARLETTE: I can see that. So, when I think about how you approach your role today, it seems very connected to how your father modeled what you do today.

CRAIG: For sure.

ARLETTE: Now I remember reading that you said he would say to you, "If you're going to do something, do it 110 percent or don't do it at all."

CRAIG: Yeah, that was his philosophy for sure, and my dad, he always pushed because he wanted us, my sister and I, too, you know, do as much as we could, right?

ARLETTE: Mm-hmm, sure.

CRAIG: But that was kind of his philosophy. If you're going to do something, do it right, don't do it at all, and do it 110 percent, give it your all, and I would tell you, Arlette, that that has been my guiding light. Whether it's career or, you know, doing things in my personal life, that has been a pretty strong focus for me.

ARLETTE: And I know you have daughters.

CRAIG: Mm-hmm.

ARLETTE: And did you pass that same philosophy on to them?

CRAIG: Yeah, they might have received that maybe slightly different.

ARLETTE: Very interesting. Now, you attended Michigan State University.

CRAIG: I did.

ARLETTE: Go, Spartans!

CRAIG: Yes.

ARLETTE: What was your college experience like, and what did you study?

CRAIG: So first of all, one of my good friends that I went to school with from kindergarten, we ended up rooming together and had so much fun, quite candidly, that we stayed in the dorms all 4 years. We never moved off campus.

ARLETTE: Really?

CRAIG: Yeah, it was great.

ARLETTE: Okay, that sounds like a party.

CRAIG: It was fun, but I'll just say it was fun because there was so much happening. We were fortunate enough to be there when Magic Johnson played, and we won the National Championship in basketball.

ARLETTE: Oh, wow!

CRAIG: Kurt Gibson played football and baseball. We had a great hockey team. So, the college experience, from an overall experience, was just... It was a ton of fun. What did I study? I studied business, actually, with a specialization in human resources. I hated math.

ARLETTE: Hated math?

CRAIG: I hated math.

ARLETTE: Wait a minute, you deal with numbers, facts, figures all day, every day, and you hated it?

CRAIG: I did.

ARLETTE: How did you turn that into something that you do every day?

CRAIG: Well, it's funny because, because I hated it so much, I tried to jam two semesters into one which probably wasn't the smartest thing on my part, but, you know, once you got past that, and I actually got into my business stuff, you know, didn't mind the accounting. Really,

it's funny because Ted and Richard tease me all the time about the fact that I hated math, but I never miss a number.

ARLETTE: Wait, so... Wait, wait, our COO Ted Decker and our CFO Richard McPhail have looked at you like, "There's no way you could hate math."

CRAIG: Yeah, yeah. I've learned my way around a P&L.

ARLETTE: And so, you mentioned school a bit. Now tell me a little bit about graduating and your first job. So, I know retail has been in your blood for a long, long time. First big retailer Montgomery Ward?

CRAIG: Yeah, it's kind of a funny story about that. When I was graduating, I said, "All right. I'm going to pick three companies that I know I will never, ever go to work for, and I'll use them as practice interviews," right? So, I did that.

ARLETTE: Yes.

CRAIG: The very first company that I interviewed with was Montgomery Ward's, and I'm like, "Aw, this is great. I'll never go to work for a retailer, not going to happen." They convinced me to go to work for them. They had a...

ARLETTE: What was it? What convinced you?

CRAIG: ...phenomenal training program, and I became part of that, you know, started in the stores, and really worked in several different departments and then was, like, an area manager over several departments before I moved on into the sales office in Chicago, and it was just an unbelievable experience. And I really believe that, in retail, you either love it or you hate it.

ARLETTE: Sure.

CRAIG: I fell in love with it. I mean, my dad thought I was out of my mind, by the way. I think he almost had a heart attack the day that I told him I was going to go to work for Montgomery Ward's, but it was ... I mean, I just fell in love with the retail business.

ARLETTE: When you say, "Fell in love," like, what is it that connects you or creates that love for the industry and what we do every day?

CRAIG: I think it's the energy in a retail business. It's, you know, every morning you look at the sales results, and the customer is telling you how you did.

ARLETTE: Sure.

CRAIG: You know?

ARLETTE: You get a report card every day.

CRAIG: Yeah, every day you get a report card. You either satisfied them, or you didn't, and then trying to figure out why and how do you actually improve upon that, and I have always viewed business like sports. I enjoyed sports growing up. I swam competitively. So, I'm a very competitive person, my wife says to a fault, but business is the same way, and in business, it is, you know, how are you serving the customer, and your scorecard is sales and market share.

ARLETTE: Sure.

CRAIG: Right?

ARLETTE: Absolutely.

CRAIG: And if you bring the right value proposition for the customer, you win on those aspects

It's a competition. How can you better serve the customer than the people you're going against, you know? That's how, in the end of the day, your scorecard is kept in retail.

ARLETTE: Now, you talked about that energy, and certainly one of the things that drives that energy are the people.

CRAIG: Yeah, it's funny. I literally never spent an official day in a human resource role, but yet I'd tell you, Arlette, that I probably spend 30 percent of my time on people and on talent development. And, you know, people in the retail business are everything. You know, this is a people business, and you surround yourself with great people, and great things happen.

ARLETTE: You know, I think about our founders and how they said, "If you take care of the associate, the associate takes care of the customer, and the rest takes care of itself."

CRAIG: Absolutely.

ARLETTE: Now, you've been with The Home Depot now for 25 years. What made you first decide to join the company?

CRAIG: It was actually an individual that I worked with when I was in the home center industry back in Southern California, who was a Home Depot associate that was becoming the division president of the Southwest Division, and we were going up against our competitor from North Carolina with their new big box format in a major metropolitan area for the first time, and ...

ARLETTE: And we did say you're competitive, so I can see where this is going.

CRAIG: Right, and so I had a ton of respect for Barry, and, you know, he said to Craig, he goes, "I need help. I'm building a team. We need to go after this." So, he convinced me to come to The Home Depot.

ARLETTE: Now, I know that you briefly met Bernie Marcus and Arthur, our two founders, at the beginning of your tenure as CEO, to really lead what they started so many years before. What did they say? What advice did they give you?

CRAIG: What's so great is our founders are there for us all the time, and they're willing to talk and share ideas, but, you know, some of the advice that I received from them was, "Surround yourself with great people."

ARLETTE: Mm-hmm.

CRAIG: And, you know, that is such good advice. The other things that stick out in my mind is that, you know, "Remember that it's all about our associates."

ARLETTE: Yes.

CRAIG: Those folks who are on the frontline serving the customer every single day, it's our job to make their job easier. And then Bernie had a very specific piece of advice for me, and he said, "Craig." He goes, "You're the first merchant to run this company since me." And he goes, "Don't ever forget you're a merchant because the customers come to us for product, and if we have great product, our associates will drive the daylights out of it." And so, I've always tried to make sure that I kept in mind that our job is to bring great value to the customer through outstanding product and make it easier for our associates to be able to get excited and sell that product.

ARLETTE: Okay. Now, you talk about being a great merchant, and I imagine that a number of our listeners may be trying to figure out careers that they want to pursue, and I know you've said your favorite job at The Home Depot was when you were a merchant.

CRAIG: Mm-hmm.

ARLETTE: Tell our listeners what it means to be a merchant. What do you get to do? What do you engage in, why it's such an energizing role for you?

CRAIG: Yeah, so at Home Depot -- You know, lots of companies call their merchants buyers versus merchants, and there's a very big difference. Buyers buy, right, and when you're a buyer, you have a tendency to focus on cost. Merchants sell. That's the difference.

ARLETTE: That's a very clear distinction.

CRAIG: Pat Farrah, he was our head merchant when I joined the company. Pat always talked about the fact that, you know, "You're a merchant. You sell. You have to sell the company on your idea to get the resources that you need. You have to sell the vendor on yourself, and that's the difference between a merchant and a buyer." And for me, what that meant, as a merchant, is, you have the ability to create things, to create that value for the customer, and that's what's really fun about the job. I remember Doug Dane, who was at Walmart for years, came and spoke to us as a merchant group many years back, and Doug always talked about the fact that it's a dangerous job. And he said, "You have to know what you're getting into," right, because there is certainly a lot that comes with it. But to me, it's that creative aspect of being able to create programs, to create product, to work with suppliers, to bring innovation to the market that is so fun.

ARLETTE: It allows you to get behind what the customer wants.

CRAIG: You have to understand their needs.

ARLETTE: So now you, as a merchant, you lead the business. Certainly, as a merchant, you lead a function. So, you lead merchandising and online and supply chain, and now you're leading the company. What do you live by when you think about how you lead?

CRAIG: I'd say, at the highest level, the first thing is, I've always wanted to position myself that people are working with me not for me.

ARLETTE: Mmm, okay.

CRAIG: This is a team, and I think the team wins. There's no one person that does this alone. If you want to help yourself which is part of being a leader, is continuing to develop yourself, you can shorten your learning curve by tapping the knowledge base of other folks. I have tried to do that. I have tried to learn from other people's experiences. You got to be willing to take calculated risk. It's easy to get comfortable, and people generally don't like risk. They



don't like change. If you want to grow and continue to develop, you've got to be willing to kind of step out there, take some calculated risk, and that keeps you on a learning curve, and I believe that, as leaders, we need to help push people to continue to develop themselves and grow because people want to grow. And then finally I think you have to pay it forward. We never do this by ourselves. Somebody has always helped. I've had many people along the way that have been willing to share their knowledge, to impart what they know to help me grow and develop. We owe it to those folks, and we owe it to our associates to help impart that knowledge and to bring people along.

ARLETTE: I think about our values of giving back. I think about our values of taking care of our people. We have a responsibility, as leaders, to continue to pour into others and open new doors for them and then let them run, let them fly. Now success, how do you define success for you and for the company?

CRAIG: I'd say success, for me, first of all starts with the ability to hold onto my integrity no matter what.

ARLETTE: Yeah, yeah.

CRAIG: I believe that at the end of the day, your word and your bond is everything. Success also, for me, is that the team wins. Again, go back to that competitive spirit, you know? It's we -- most people want to be on a winning team, and so that is -- That's important, but I think also, for the company, success is growth because I've been focused on growth in my mind because with growth comes opportunity. And as the company grows and achieves its financial objectives, it creates opportunity for our associates. That's what it's all about at the end of the day. How do you create opportunity for our associates to be able to do what they want to do in their careers?

ARLETTE: Mm-hmm.

CRAIG: And the only way to get that is through growth, and its growth for The Home Depot. It's got to be growth for our business partners at the same time, you know, and we have that obligation to continue to try to provide that opportunity.

ARLETTE: Yeah, we have so many great examples of associates that started in a part-time role, thinking they were just coming to earn a few extra bucks, and now they're running divisions or running functions, or look at yourself. You started as a divisional merchant, and here today you are our CEO, and so it's such a great, great lesson to be learned in terms of what opening those doors can lead to. Now, the other part of who you are is a dad, and I know you have two grown children as well as two grandchildren now. With such a demanding job

and family being so important to you, how do you bring those two together? Where is the balance?

CRAIG: So, I'd first say, there is no such thing as work-life balance. And let me clarify that. What it is, is work-life integration. You have to figure out how to bring the two together, and it's different for every individual, and it's different at different points in time. You know, you have to figure out what works for you, both professionally and personally.

ARLETTE: Yeah.

CRAIG: When I was being considered for this role, before I even told Frank that I'd be willing to be considered, I told him that I needed to go talk to my wife because I knew it would impact her as much as it would me.

ARLETTE: Smart decision.

CRAIG: Yes.

ARLETTE: Happy wife, happy life.

CRAIG: Well, I couldn't do this job without her so...

ARLETTE: Absolutely.

CRAIG: At any rate, it's, you know, you have that -- You have those conversations, and she knows that, for example, when it comes to that work-life integration, the weekend before earnings and board meeting week, don't plan anything for me, period. I may or may not be there, but then I know that there's got to be times where I need to say she comes first, right?

ARLETTE: Yeah, so that give-and-take.

CRAIG: It is. It's a give-and-take, and I haven't always done that incredibly well, to be very candid. You know, I can remember where maybe I thought I was doing a pretty good job, and, you know...

ARLETTE: Your report card didn't come back so good?

CRAIG: Yeah, maybe it wasn't so good, but I really, truly believe you've got to figure that out, and it's each individual has to determine what's right for them in their career and in their family.

ARLETTE: And it sounds like the career journey that you've had, you've gotten wiser over time in terms of how to be better at that. So, if you're thinking back to your younger early-career self, what advice would you give yourself now, looking back?

CRAIG: If I think about things that I could have done better, what I've realized over time is that not everything is as urgent as I thought it was maybe at the time earlier in my career. One of the things, when Frank stepped into the CEO role, and I worked for Frank for 8 years, I told him this years later, that I was most appreciative of in terms of one of the things that Frank did differently. I can count on one hand, over the 8 years that I worked for Frank, that I received an email from him after 8 o'clock at night.

ARLETTE: Wow, so even though Frank was our CEO, he respected your time away from work in order to allow you to integrate with your family?

CRAIG: Absolutely, and so I think, as leaders, that's something, you know, we can all learn from, and I've tried to learn from that. So, I could have done that better earlier on.

ARLETTE: Good advice, good advice. So, I imagine, as CEO, you have very busy days, meetings, strategy sessions, outside calls, but when you think about the average day, what is the best day about working here, your favorite day at The Home Depot?

CRAIG: Oh, that's an easy one.

ARLETTE: What is it?

CRAIG: Best day is any day where you can be in the field with our frontline associates, whether that's in the store, in a distribution center, you name it because their energy is contagious, and it's so cool when you're in a store or in a district, and you got a combination of this tenure because we got a long tenure group, and then you've got these young, new associates that have been with us maybe a year or 2 years, and they're growing, and they're starting their career, and you see that interaction. That is just... It's magic.

ARLETTE: Yeah. Well, that says it perfectly. It's magic. Thanks, Craig, for stopping by "Give Me an H." I've learned a ton. I definitely appreciate you for sharing your perspective as you lead The Home Depot as our CEO.

CRAIG: Thank you much for having me.

ARLETTE: Wow, what an honor it was to interview Craig and learn about the way he approaches his career and leadership. He's obviously been incredibly successful, but one of the things that stands out the most about Craig is how important his family and his team are

to him. There is so much to take away from this interview, from surrounding yourself with smarter people to doing everything with excellence. This interview is one I'll never forget. I hope you enjoyed it, too. Thank you for listening. This is Arlette signing off. I hope you will join us next time for another episode of "Give Me an H."

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