



Hi and welcome to “Give Me an H.” I’m Arlette Guthrie, your host. Together we’ll explore Home Depot’s unique orange-blooded culture through the eyes and experiences of our associates who live it every day. Let’s get started!

ARLETTE: Bill Lennie is Executive Vice President of Outside Sales and Service at The Home Depot. He runs a billion-dollar business with a servant’s heart and a helping hand to everyone around him.

Listen in as we talk about what makes him tick and what’s next in the Pro Business of the improvement industry.

So, Bill, let’s jump right in and really think back to those early days and what makes you, you. It all started with a paper route, right?

LENNIE: Well, there’s part of that, Arlette. I really grew up in a small town in central Wisconsin, 50,000 people. It was a blue-collar community surrounded by farm community.

So it had a tremendous work ethic, and in that community, you got up and you went to work. Being from a middle-class family if you ever wanted any spending money, you had to have jobs. So I started out young from doing yard work, shoveling snow...

I did have a paper route for a period of time, which is, really, if you think about it, it’s kind of owning your own business for the first time in your life.

ARLETTE: Yeah, so you learned entrepreneurial spirit early.

LENNIE: Oh, you do.

You learn about payroll, you learn about product because you had to pay the paper.

ARLETTE: Absolutely.

LENNIE: You had to collect from subscribers. Anything that was left over was your money. So it really was growing up in an area where work was kind of engrained into the community.

ARLETTE: Wow. And so, if I’m right, Wisconsin -- that’s where Menards is, right?

LENNIE: That’s kind of how I got started in this industry. I had a next-door neighbor that built lake homes. In the summer, I would work for him. That led into doing work for painters, picking up jobs on construction sites, working for landscape companies. That finally got me to Menards where I worked in their millwork manufacturing wholesale distribution arm, and I was there for close to 10 years. That’s how I got started in home improvement.

ARLETTE: Wow, well it sounds like you were destined to be not only in retail but specifically in home improvement. Now you’ve had many jobs since you’ve been here at The Home Depot, over 27 years of work here. One of those jobs was President of our Canadian Division. If I remember correctly, you had a lot of time to prepare, is that right?

LENNIE: That was -- Yeah. About 48 hours!

I was working as the Senior Vice President of International Merchandising, which included Brand Management and Global Sourcing, and, at that time, we had some stores in China, and Frank Blake gave me a call and said, "I'd like you to go to Canada and take over as the president of the division."

ARLETTE: Wow.

LENNIE: And so my question to him was, "When and how soon would you need an answer?"

And he said, "Well, tomorrow morning would be fine."

And I was in a great kind of personal situation where my wife and I were empty-nesters, so it was an easy decision. It was an honor to be able to go up and work with the Canadian division, and it turned out to be one of the greatest experiences in my professional career.

ARLETTE: That's outstanding. And so when I think about where you are now, leading our Outside Sales and Services business, when you think back to 1992, that business wasn't even around back then.

LENNIE: It didn't. Our approach to the Pro Business back then was very, very different, and since that time, the Pro penetration has become such an important part of our business and substantial percentage of the business that we've had to change the organization, and the pros have become much more sophisticated in the way that they run and operate their businesses, and they have a lot more requirements from us to help support them, enable them to get their work done.

ARLETTE: That's fantastic, and one of the nice things about an evolving business is certainly we have a number of great examples of career growth in that time frame.

When I think about a Pro business that didn't exist, and then today it's such a significant portion of our business today and where we are, who comes to mind as someone who's grown their career through that time frame?

LENNIE: Well, the first person that comes to mind would be Joey Gilkey.

ARLETTE: Tell me about Joey.

LENNIE: Well, Joey started with us, I think, 27 years ago. He started as a Building Materials Associate and then went through that career progression to be a department supervisor, assistant manager, store manager, and then he took a leap of faith and he moved over to the Pro side as one of our first PARs, or Pro Account Representative. Those are our outside sales associates that take care of our most complex and important customers.

ARLETTE: You know, it's so interesting to hear you talk about that because we have so many of those stories where we have an associate that started in one of our aisles or in the lot, they get the opportunity to move from their first position to a department supervisor and then to an Assistant Store Manager and then to a Store Manager. How cool is that, to think, I'm going to do a Sales Associate job, and then before you know it, you're leading people?

LENNIE: I know, and, I mean, just a final call-out to Joey -- he was just recently moved into a National Account Manager's position, and he's managing a portfolio now that's north of \$70 million.

ARLETTE: Wow!

LENNIE: It's just a great success story. But you're right, that is the story of Home Depot, where people come in, could be as an hourly associate or a lower-level sales management position. And then the career opportunities that we provide are just incredible, to work your way up through this organization and have a real long career that has multiple jobs. You can have 10 careers at Home Depot and never leave.

ARLETTE: That's a pretty compelling proposition. And speaking of long careers, tell us how you got here.

LENNIE: Well, as I said earlier, I started with Menards, and eventually found my way to Home Depot and started as a merchant in the Building Materials department back in 1992. So my career path went from merchant to divisional merchant to Merchandising Vice President. I had the opportunity to work in Global Sourcing, International Merchandise, and as the President of Home Depot Canada. And now leading our Outside Sales and Services business.

So it's just the story of Home Depot that allows you time to develop as an individual and as a professional, and it gives you just tremendous opportunities to progress.

ARLETTE: What's the biggest focus on your organization right now?

LENNIE: Well, right now, we're focused on growth. I mean, Pro is and will be the growth engine for the company.

ARLETTE: Now, what's Pro?

LENNIE: Well, that's all of our professional businesses. So, in the past, our main focus was on Pros that were shopping in our stores. When we would say "pro," we would think of a middle-aged male with a tool holster and tape measure on their belt.

But we acquired a company by the name of Interline about 4 years ago based out of Jacksonville, Florida. And Interline is in the maintenance, repair, and operations business, or what we call MRO. It's expanded our reach to not just be the pros that work on single- and multi-family residential, but it includes institutional businesses like Facebook or Google, state school systems, high-use facilities like our Store Support Center. It really specifically reaches into multi-family operators, so property rental, and also into the trades, which would be plumbers, electricians, and heating-cooling and HVAC repair.

ARLETTE: That's exciting. And certainly our description of the "pro" has changed quite a bit, so certainly you can think about the various institutions that you described and that business-to-business interaction, but also, even the pro in the aisles now looks a little bit different from where our business was at the beginning.

LENNIE: Oh, they do. Pros are becoming much more sophisticated in the way that they run their business. They're much more digital-savvy.

What's interesting in our business is that we know our pros that shop with us leave our stores and they spend \$4 to \$5 somewhere else. And so we have this huge opportunity to just engage our pros more, understand their businesses, help them be successful, and, as we do that, they will give us a greater share of their spend. So that's where I say "pro" is the growth engine and will be the growth engine for the company. That's our focus.

We're also focused on building out our Outside Sales team. We have 1,200 professional sales associates in the field calling on our most valuable professional accounts.

ARLETTE: Now, why is that important for the business?

LENNIE: Well, because it's, again, a growth opportunity for us, and as you get into those larger accounts, their needs become much more complex, and so now we're assigning a specific business owner to help them manage their business and provide the right services, and we really look at them as subject matter experts that aid and assist our pros, or professional business customers.

ARLETTE: So you mentioned being more digitally savvy, and, of course, as our businesses evolve and we continue to see investments in technology, what are some of the things that we're doing for the pros?

LENNIE: Well, one of the biggest things we're doing is we're building out a specific pro experience on our website, on homedepot.com. As you come in and create an account, we understand whether you're a painter or a plumber or an electrician or a general contractor, renovator/remodeler, and as you log in and sign on, you'll land on an experience or a page that is specifically set up for your business that you can manage. Personalized directly to you as a customer.

ARLETTE: Oh, wow, so it's tailored to me as the Pro customer. That's a differentiator, okay.

LENNIE: Yeah, it is a differentiator, and it lets you set up administrators and users and take other GCs or Pros that shop on your behalf to your account. And it gives you just some real tools that make it easier to run your business, including integrating into things like QuickBooks or other business operation systems to help you track all of your purchases and managing your projects.

ARLETTE: So you'll be able to integrate into existing systems that you're already using.

LENNIE: Correct.

ARLETTE: Now, when I think about the evolution of the Pro business, that must mean that we have some great associate stories built in there. I mean, this business has changed so much. Tell me about one of your favorite career growth stories when you think about your organization.

LENNIE: Well, we have associates that have started in the aisles, became very, very good with great knowledge on building materials, ended up going to the Pro Desk and working as one of our Pro Account Sales Associates, or our PASAs.

LENNIE: In our stores, the Pro Desk is a landing area for our pros to allow them to transact quicker. We help them with their purchases, whether they're ordering a special order for a job or they're just trying to get in and out of the store with the right products for their projects. It's a specific area geared to helping our pros get in and out of our stores faster, and it's staffed by specialists who are assigned to specific accounts. And as those specialists increase their ability to sell, manage, and grow their accounts, they have the opportunity to be part of our Outside Sales team.

So we have a real career path for people to become Professional Sales Associates, manage large accounts, and a large sum of our Pro portfolios that they're managing are north of \$20 million. It's a great opportunity for our associates.

ARLETTE: I love to hear that we're focused on associates in every part of our business. How do you lead and inspire your team?

LENNIE: One of the greatest gifts we've ever been given is the culture that Bernie and Arthur, our founders, gave us. It all starts with an inverted pyramid. We put our customers and associates at the top. We all spend our career trying to work our way to the bottom of the pyramid instead of the top of the pyramid. It's always about focusing on others, whether it's the associates in our stores, the customer or the communities that we serve. It's really -- It's like a servitude leadership, where you try to provide for the customer and our front-line associates, and if you do that, the business does very, very well.

ARLETTE: You know, it is interesting, with us celebrating our 40-year anniversary this year, that the same holds true today as it did 40 years ago, where Bernie said, "If you take care of the associate, the associate takes care of the customer, and the rest takes care of itself."

I appreciate you sharing that because it gives, I think, some insight and some color into where we are and how we try to focus on the associate in order to really make a difference, not only for them but also for our customers.

LENNIE: You know, Arlette, it's a brilliant strategy, to set a company up with that type of organizational structure, but it's so simple. And it works.

ARLETTE: It does work. Now, tell me -- what is your favorite day at The Home Depot?

LENNIE: The most exciting time in my job is to either be in the field in the stores or in one of our distribution centers or maybe on a customer call with one of our Professional Sales Consultants. Interacting with customers and associates.

The engagement between our associates, customers and products is what really differentiates Home Depot from any other retailer in North America. If I had to define a perfect moment, it would be in a store with a group of associates where you engage a customer, you put the right products in their hands, and that's where all the magic begins.

ARLETTE: Well said. I do believe that it's magical. Thanks, Bill.

From paper route to President to Pro Executive -- what a career! And his commitment to values, now that's the recipe for Home Depot's magic.

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