

Comments to *BusinessWeek* Cover Story: "Renovating Home Depot," March 27, 2006

Cover Story, "Renovating Home Depot," took a close look at the corporate culture that Chief L. Nardelli is trying to build—one that's based in part on military concepts and personnel. The command-and-control discipline Nardelli has imposed is getting financial results. But a online posts, and message board responses—nearly 300 in all—indicates the overhaul has any readers connected the military-style ethic promoted by Nardelli to a decline in customer depot stores. In a startlingly similar refrain, they complained of indifferent workers, long lines, pres. Only two correspondents praised America's largest home supply store. What follows is a reaction, with a reply from Home Depot

CUSTOMER VIEWS

I am a Navy veteran, as well as a General Electric (GE) veteran (Heavy Military Electronics), I can see the Depot's military-style management and Robert Nardelli. What's missing is focus on the customer. I am a veteran home improver. I've watched Home Depot under Nardelli follow in the footsteps of a now-defunct Hechinger stores, while Lowe's (LOW) eats Home Depot's lunch.

Home Depot may be soaring, but the customer service is, well, just gross. For example, Home Depot has lots of checkout lanes, but often most of them are closed, and they attempt to push customers into the checkout area. I wrote a letter to Home Depot corporate and told them I did not wish to become a customer, even for five minutes.

"Renovating Home Depot (HD)" in vain for some reference to military veterans' value as a result of their maturity, discipline, and a willingness to relocate to unsavory locales.

The employee's ability to "think on his feet" was praised, but the critical plans are now being made by central management. I read no reference to how the plans are developed—for example, how the numbers (nervously tracked by store managers on their BlackBerrys) are defined. What is an employee empowered to do?

Home Depot has responded to its "strategic" needs by replacing its seasoned, well-compensated employees with a vast crew of business personnel who will be willing to accept more demands and lower pay. It seems that decisions are being made strictly on the basis of numbers, often without a regard for the use or interconnected nature.

Maintenance Technician First Class, U.S. Navy), Greene, Me.

at Home Depot after Nardelli's arrival was extensive violation of Carl Liebert's "Customers

Many of us now find broader and more complete stock, along with better staff availability and knowledge, at Lowe's. I go more than an extra mile to shop accordingly. Home Depot would do well to change its focus from command-and-control to customers.

George F. Steeg
Potomac Falls, Va.

I applaud CEO Bob Nardelli's efforts to make the shopping experience consistent throughout each store. He has brought order to what was at times an experience in futility trying to find a particular item. Unfortunately, it provides me the speed and efficiency I crave for all the wrong reasons—to get in and out of the place as quickly as I can so that I don't have to hear the workers gripe about yet another change being implemented by senior management.

Scott Haines
Foster City, Calif.

I recently visited Home Depot to buy a simple polyvinyl chloride (PVC) elbow for my sprinkler system, something that probably would cost less than a dollar. After spending an inordinate amount of time just looking for the item, I went to the front of the store only to be greeted by one clerk and two checkout lines, 10 to 12 people deep. It wasn't worth the wait. Shop again at Home Depot? Never.

Larry Paquette
Fresno, Calif.

After reading the Cover Story, I have to say I am a Nardelli supporter. Having experience in the Marine Corps during Vietnam and also as a manager of 1,000 people in business, I see great parallels for success. Most successful businesses require balanced performance—financial, operational (or process improvement), customer focus, and developing people. To deem this militaristic when it is just good business is a bit naive. In today's all-volunteer military, there is much more focus on balanced performance and people skills, as opposed to the blood-and-guts perception created by Hollywood. To keep the volunteers, the military has actually improved more quickly than some U.S. businesses. To hire people who are well-trained is an excellent strategic advantage for which I commend Mr. Nardelli.

Richard Jozwiakowski
Round Rock, Tex.

* * * * *

HOME DEPOT RESPONDS

With 1.3 billion transactions a year, we're bound to make mistakes, but nothing disappoints us more than letting down a customer. We're making continuous improvements in our customer service levels and are working harder than ever to make sure that our service delivery meets the expectations our customers have of Home Depot.