

WHAT WOULD YOU DO?

If I Had a Hammer...

Bob Nardelli's recent departure from Home Depot, complete with a princely \$210 million severance package, left customers, shareholders, and employees of the Atlanta-based retail chain wondering whether it will ever recapture the entrepreneurial zeal that co-founders Bernie Marcus and Arthur Blank worked so hard to develop. How can the company go about refurbishing its good name? We asked some entrepreneurs what they would do if all those wearers of orange aprons reported to them.

—Sarah Goldstein

Focus on what your employees know

Jason Brown, CEO of Organic to Go, a natural foods company based in Seattle

"Home Depot used to be the place you went for information and quality products. Today I find that there's no depth of information in terms of the salesclerks' knowledge. I think that if the company spent more on employee education, its reputation would be restored. Stores need to have enough staff on the floor so that the associates can spend ample time with customers. If Home Depot does this, its labor costs will undoubtedly increase in the short term, but eventually the labor-cost-to-sales ratio will go back down—and Home Depot will be a healthier company."

Celebrate the founders

Tom Stemberg, the founder and former CEO of Staples and a partner at Highland Capital in Boston

"First thing the company has to do is hang Bernie Marcus's and Arthur Blank's pictures in the lobby. They're the two greatest entrepreneurs in American business history. They built the single best culture of any business that I'm familiar with, and they built an extremely people-focused business in regard to both Home Depot's customers and, even more important, its employees. Now you have Nardelli, this brash, abrasive egomaniac who destroyed the terrific culture in the name of efficiency, and that's going to take decades to fix. I would try to hire back many of the phenomenal business leaders that Home Depot lost because of Nardelli. These are the folks who made Home Depot such a unique brand. I'd ask them to help put back in place the people-focused culture in order to get the company back to its prior standard of operating excellence."



Reconnect with consumers

Siva Manning, managing director of Igor, a branding agency in San Francisco

"The stores Home Depot opens today seem like they have been created to appeal to contractors. They have this warehouse sensibility that's intimidating. The shelves go up to the ceiling, so when you're in the aisles, you can't tell where you are and you have no sense of where the next section might be.

Understand that pay's the thing

Cast a wide net for ideas

Dr. Charles Holland, CEO of QualPro, a quality-management consulting firm in Knoxville, Tennessee

"If your major competitor has beaten the socks off you in terms of stock price over the past few years, as Lowe's has with Home Depot, then you need to try a lot of new things to get yourself back into the game. I would begin to solicit suggestions from everybody—associates, store managers, customers—and set about testing them to see which ones pay off. The key is to broaden the base of people feeding you ideas, so that you are not beholden to supposed experts who clearly don't know what they're doing in this case."

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