

**DIY**international.com

# DIY International Magazine

Regional report | USA/Canada - Jim Inglis

Back

**Empathy with their stores, people, and customers**



The US-American chain Home Depot has been the global market leader since 1988.

**Jim Inglis, who worked for decades on Home Depot's senior management team and is now a sought-after consultant to home improvement chains worldwide, has summarized his knowledge in a book. DIY International talked to him about it – and a lot more**

**"How a bleeding orange culture can change everything" is the subtitle of your book, and "culture" is the key word of your, let's say: retail philosophy. What exactly is culture?**

*Jim Inglis:* Culture is the feeling that the entire people of the company feel about the leadership of the company, but also about their relationship within the company. The culture derives from a certain leadership that exhibits behavior, that creates culture, and that culture defines a mission. And when people buy into that mission, ordinary people are able to perform in an extraordinary level.

**Independently owned company versus stock exchange listed company: Which one has an advantage when it comes to implementing a company culture?**

I have worked for both, for big public companies like Home Depot, and I had the pleasure of working with companies like Hornbach that are family controlled. The biggest difference, of course, is in terms of long range planning and long range thinking. The public company is very driven by quarterly results, and it can be very easily tend to an investor centric viewpoint as opposed to a customer centric view point. You certainly learn the discipline of optimizing those numbers. They can often lead to profitable growth opportunities. One of the advantages of a privately owned company is that it is easier to continue and to keep focused on being customer centric and thinking in long term phases. Another advantage is the tendency of private companies to have a more cohesive long term management team over time.

**Can you identify any typical difference between countries when it comes to adopting a culture approach? Do American companies typically act in a different way than retailers in Chile, Germany, Australia, or Japan? You know these countries very well from your activities in the industry.**

Yes, they do, they are very different. They all have the same needs; they have the same principles: What do the customers want? And what do you have to do to satisfy them? But the tactics change a lot. In the United States, we have a saying: You should measure twice and cut once. What I found in Germany, is: you measure five times and cut once. There is a lot more preparation before expediting a plan, but once the plan is in place, it will work.

If you present the same idea to the people in South America, they will say: wow, what a great idea. Why didn't we think of that? We'll do it tomorrow. And there will be a lot less evaluation.

My experience with the Japanese is that their culture is one of resistance to change. It's very difficult to initiate change because they tend to follow the other competitors, whereas it's very important to differentiate your business.

So in every culture there is a different attitude towards change and a different level of expertise in implementing change.

**"Everything hinges on people," that's the last sentence in your book. In this regard, what is the core competence of a leader in the retail industry? And did you meet a lot of retailers representing this type of leaders or are they a rather rare species?**

At Home Depot we did have a servant leadership. That leadership exhibited certain behaviors that would actually define the culture. Part of that was developing a culture of decentralization and delegation of decisions. You have to have a mission that the whole company can embrace. And then you have to empower the people at early level to take ownership for fulfilling that mission.

Every company is the shadow of the personnel at the top. In my book I explain how Home Depot's CEO Bernie Marcus was involved in actual decision making at the operational level. He really delegated that to Arthur Blank and the C-suit. What he spent his time doing was listening to the employees. He would go out to the vendors and listen to the vendors. He would go to the financial community and listen to the investors. He would visit the stores and listen to the customers. And he became the ombudsman who would bring those ideas back to the management team. Sometimes it was painful to hear the truth. But it helped us to become better managers. So in that case you had a manager who didn't take the decisions, who wasn't the dictator of the company. No, he was the ombudsman who helped us all achieve higher productivity.

And I would say, that kind of leadership is probably unusual, not the common, not the norm.

**Wouldn't be great news for the industry...**

I have worked with great people at all my clients. This includes the people of Hornbach, Sodimac and Bunnings. All these CEOs have a hands-on awareness of what happens in the stores, they are not in an ivory tower. They really listen and communicate with their people. They know what's happening in their stores. They have empathy with their stores. They have empathy with their people. They have empathy with their customers. And I think what makes all of these companies' real leaders at each of their markets, is that they have leaders that are really, really ground engaged with their stores.

---