Home Depot Report

Introduction

Home Depot, is the world’s largest home improvement center. It was founded in Atlanta in 1978 by two friends who worked together at one place. Bernie Marcus and Arthur Blank were both working at Handy Dan Home Improvement Center. They were fired from their executive jobs on same day in the year 1978. They planned to open home improvement warehouse centers throughout the country with enough resources to meet all ends. Next year, in 1979 they opened two stores in Atlanta and since then these stores have been growing. By the year 2003, starting with only three stores and two hundred employees Home Depot rose to 1700 stores with 300,000 employees working with them. Home Depot become the first company to reach a figure of $60 billion in sales being the youngest company by the year 2004. Now, Home Depot is the fourth largest retailer in the United States of America. They have stores in all 52 states including stores in Canada, Mexico and Chile.

It is a revolutionizing idea in home improvement service. Home Depot offers low prices, and excellent customer care service on a wide variety of products. Before Home Depot, some small local business owners have store of home improvement products and customer care services with limited resources. But Home depot offers a wide variety of products and services with its 130,000 square feet long warehouse. The warehouse is stocked with 40,000 to 50,000 products piled from floor to ceiling. This volume of stock allows Home Depot to sell every product on low price and smooth negotiation with merchandise (Forrest).

Background

Company`s business statement and vision statement specifies the strategic directions and activities of the company. If we talk about revenue, Home Depot is the leading home improvement store chain in the United States since it was founded in 1978. The company emphasizes on quality product and competitive pricing which is the main agenda and mission of the company. This mission makes the whole company attractive and at the same time, it shows the vision statement of the company. The company is not working on official vision statement but they are using two objectives as their main vision statement. Based on the idea of its founders, the company is working on its first objective which is to provide a one stop shopping for customers and the second objective is to create value that would keep the company alive. Values like excellent customer service, respect among people and giving something back to society. To achieve this vision the company need to do a lot of work. First of all, the company wanted to facilitate their customers in every way. At first there was no use of technology in the company. Even CEO of the company do not use email service for delivering important message or communication. The main purpose of management was to facilitate customers and they also felt the need of technology to run operations smoothly (Ferguson). A CEO of the company, Robert Nardelli felt that the decentralized structure of work is very much expensive and he introduced centralized operating structure which reduced jobs. Robert spend $1 billion to rectify company`s infrastructure and much of this money was going in enterprising software. After Robert, Frank Blake took his place in 2007. He put most of his time in cultivating customers and investing in new software. In 2008, Matt Carey came and he improved automated inventory system. The store makes new developments in technical fields and draw some software to complete smooth inventory system, Information of employees, price and information of products. The company felt the need of technology in improving sale and communication through investing in tech department. Management took the stores online for better business prospects. As stores went online, it makes noticeable change in sales. By year 2015, Home Depot`s sales were up to 6.6%. The company made $5 billion investment on stress. Out of which $2 billion were invested in stores and $1.8 billion were invested in technology and online stores. Other investments were new stores, international expansion and improved supply chain methods. These investments took Home Depot`s sales up to $26.5 billion. Online customers can also use Dynamic ETA which will provide better delivery based on location. Besides company also invested in the project called Sync that provides better coordinates of company`s distribution centers (Forrest).

Customer Order Management System

Although, improved inventory system and investment in technology were good for company`s reputation. But the company need more investments and new plans to further improve their service. Recently, the company has introduced customer ordered management (COM) system in all of its stores in the United States. The company is hoping that this system will provide better inventory methods and better sale management with its algorithm. COM system will also be useful in a way that if a customer wants to buy a product from company`s online store. He can order that product trough COM and that product will be delivered to the customer from a local store. It will improve productivity, establish excellent customer care and will decrease the delivery time. This system is now available in more than 700 stores in the United States (Smithson).

These investments company made trough years 2014-2017 and these investments increase the sales and improved communication between customers and employees. With its online stores, Home Depot has made a new wave of customers and took the market to another level. According to Internet Retailers, Home Depot has made their position strong on internet market by using their existing assets (Smithson).

Conclusion

Home Depot has become the largest retailer in the United States by self-reliance, resilience and tireless optimism. Two people who were fired from their job develop an idea of making home improvement store and took this store to next level by just doing competent work. The vision of the Home Depot is simple that they want to serve their customers by providing them home improvement products. They have fueled their online expansion by suing their existing stores. We all know that technology is making rapid advancement in every field of life. People rely on technology on almost everything in their daily chores. Technology has facilitated human beings in every way. Investing in tech field made a huge profit to Home Depot. The company can also use other means and invest in new approach online so they can also move into other continents of the world.

Work Cited

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