I'm Carol Tomé. Who am I? Well, I'm a wife. I'm a daughter. I'm a sister. I'm an aunt. I'm a friend. For more than 50% of my adult life, and more than 50% of my working life, I served the Home Depot in senior financial officer roles, including 18 years as Executive Vice President and Chief Financial Officer. I'm here to tell my story, and to share with you the lessons I learned along the way.

In 1957, I was born in a log cabin hospital in Jackson, Wyoming. Jackson is a beautiful part of Wyoming. It's nestled at the base of the Tetons, and it's fantastic. The town was only 3,000 people when I was born. I was the oldest of four kids. My dad was an independent banker, and my mom, until I was born, was a schoolteacher.

I had the most amazing childhood, because my parents taught me to basically live off the land. I was taught to hunt, and fish, and cook, and sew, and do everything possible in the outdoor world. It's also a great skiing community, and my dad put me on skis when I was two years old. I have been skiing most of my life. In fact, I was a downhill racer for a number of years, and I'll talk more about that later.

But it was an incredible childhood. We lived in a town, in the town of Jackson, which, again, was about 3,000 people, but we spent a lot of time out on ranch country. I would go on cattle rides, and when the calves were born in the spring, we would brand the calves, and dehorn the calves, and do other things to calves. It was an amazing, amazing childhood.

The best part of it, actually, was what my parents and my grandmothers taught me. They told me that I could do anything, and be anything, that I wanted, and I believed them. Pretty amazing. Town of 3,000 people. Do anything and be anything, and I believed them. So I did.

We were all, my sisters and my brother and I, were involved in every activity in school. Every extracurricular activity that we could take on. We were given those opportunities. It was an amazing, amazing way to grow up, and I loved, loved, loved growing up in Wyoming.

When I got to my senior year in high school, we were thinking about college. I really didn't know what I wanted to be. At one point, I thought I wanted to be a spy. I can read upside-down, so I thought I wanted to go into the CIA. But I'm like, "Ah, I may be too short to do that, so I'm not sure I want to be a spy."

Then I thought, "Well, maybe I want to be a botanist." I could type every wildflower that grew in Wyoming, so I thought I'd be a botanist, and end up working for the EPA, and save the world. I was thinking about that. I didn't really know what I wanted to do. All I knew was that I wanted to ski. I wanted to race, and I wanted to be outside. That's what I knew, but I didn't know what I wanted to study.

I was talking to my girlfriends about where they were going to college, and one of my friends said, "Well, I'm going to go to Colorado State University." I'm like, "Okay. That sounds like a good idea, Colorado State University." I had no idea. I had no idea where I wanted to go to school. I had no idea what I wanted to study, but I followed her to Colorado State.

Now, when I was in high school, things came pretty easily to me. Studies became, it was pretty easy for me. My first year in college, I had junior-level classes in genetics, and biology, and botany, and I didn't do very well. I did very poorly, actually. I had no business being in junior-level classes.

My grades weren't so good, and I wasn't having so much fun, and I wasn't able to ski as much as I wanted to do, and so I was like, "Okay. This isn't working so well." After the first year, I went back home to my parents, and I'm like, "You're paying for out-of-state tuition, and I'm not doing very well. I'm not actually having any fun. I don't think I want to do this anymore."

Now, in 2019, a lot of kids coming out of high school who don't do well in college take time off, but in the '70s, that wasn't really acceptable. You were expected to go to college. I told my parents, "Well, don't pay for out-of-state tuition. I'll go to the University of Wyoming." Which, by the way, my parents had both gone to the University of Wyoming.

I transferred to Laramie, Wyoming, and started my sophomore year. Again, I really wasn't very good student. In fact, I spent most of my time skiing. I loved to downhill race. I was a great racer. You learn a lot, when you're on a pair of skis going 60 miles an hour down a hill, you learn a lot about fear, and how to conquer fear, and just life in general.

I spent a lot of time skiing, not so much time studying. In fact, I had one class, it was a Wyoming history class, where the grade was based on your test scores as well as your attendance. Now, most people would be smart enough to go to class, knowing that the grade was based on attendance, but I didn't. I'm like, "Ah, I don't really care."

I really didn't care, so I ended up getting a D in that class, if you can imagine. I kind of scratched it out on the report card, and kind of made it look like a C, so when I sent it to my parents, they wouldn't freak out. I really wasn't a very good student.

But the end of my sophomore year, though, something happened to me. A couple of things happened, actually. The first thing is I was dating a guy who was a member of the Acacia fraternity. Every spring, they have something called a Toga Party. You dress up, you take your sheet off your bed, and you wrap it up in a toga, and go to the Toga Party. They would drink this stuff called Jones Juice, if you remember that. It was just rotgut poisonous stuff, but that was in big garbage cans. That was the punch that was served, Jones Juice. Then we were in togas.

I went to the party. It was fine. The party was fine. We were having a good time. I looked across the room, and there was this man. He wasn't in a toga. There was a man. I looked at him. I'm like, "Who is that?" He must have looked at me and said, "Who is that?"

We walked across the room, and we met each other. Well, that man was Ramon Tomé. The man that I left the party with. I dumped my date. I left the party with him, and we have been together ever since. We've been married now for over 35 years. The love of my life. When they say there's such a thing as "love at first sight," I am proof-positive that there is.

That was a very cool thing that happened to me. Another cool thing that happened to me is I was given an opportunity to work for my dad. He's like, "Carol, you're here in Wyoming. I'd like for you to actually think about working in the bank." I'm the oldest of four kids. I was the only one who was interested in finance. I thought I was interested in finance, so I was starting to get my act together about what was interesting me and what wasn't interesting me. So he said, "I want you to work for me." I'm like, "Okay."

I went home that summer and worked for my dad in the bank and started to learn about banking from a grassroots level, and I really was having a pretty good time at that. I enjoyed my summer, so when I went back to my junior year of school, I was starting to feel like, "Well, maybe I need to focus a little bit more on my scholastics, because there's a potential that I could end up working for my dad. Maybe."

I was in class, and I had a professor who was amazing. He came up to me in the middle of the class and said, "You are smarter, you are better, than you're letting us see." He shamed me in the middle of the class. I looked at him, and I'm like, "Yeah, you know what? I am." It totally turned me around in terms of how I focused on my schooling. From that point on, I was all into schooling. It was all As. It was all good.

Everything totally turned around, because he challenged me to be better, because he knew that I was. To be better. To show the head content that I had. That, coupled with the working for my dad in the summers, really started to focus me on what I wanted to do. It was really exciting. It was thrilling. I had the love of my life, and I was getting my act together, finally. My parents were very grateful for that, too.

I'm like, "Okay, now that I'm graduating," fast forward to senior year of college, graduating from the University of Wyoming. Now on the Dean's List. All good things are happening. I'm like, "I really need to get a finance ... I need an MBA. I need an MBA. If I'm going to be a banker, I need an MBA."

Once again, I didn't send out resumes to all the leading business schools. I'm like, if I'm going to stay in Wyoming, I'm going to stay close to Wyoming. I knew the chancellor at the University of Denver. Oh, by the way, he had been the graduation speaker at my high school graduation. I knew him, so I sent off my application to the University of Denver, and was accepted.

I was starting my MBA program at the University of Denver. When I got there, they were like, "We need some student teachers." I'm like, "I can teach." I ended up teaching freshman students. I taught them basic computer programming, calculus. My job, as a GTA, or a graduate teaching assistant, was to flunk out the freshmen, so we had these huge classes, and I was supposed to get the classes down by half. I did. I had no problem at that.

I was teaching. I was going to school. I was having fun. I was working for dad in the summer. Things were going really well. My husband, now, is a naturalized U.S. citizen, but he was born and raised in Honduras. He had some family issues. He had to go back home. He left school to go back home for awhile.

I'm by myself in Colorado, getting my MBA. He's back in Honduras. But we're still, we're communicating. Things are good. It's my last year of school, and I'm really excited, because I'm going to graduate. I'm going to have my MBA, and I'm going to go back and work for my dad. At some point, the plan was to take over the bank, because he owned the bank. The plan was to take over the bank from him, just like he had taken over the bank from his father. I was excited. Things were going well.

Then I got a call from my dad. He said, "Well, Carol, after 27 years of marriage, I'm divorcing your mother." I was horrified. I'm like, "Oh, no. That's awful. That's just the worst news ever." He said, "And I'm selling the bank." Then all of a sudden, it was all about me. I'm like, "You're selling the bank?"

My whole world came crashing down, because what I planned to do, go back, work for him, take over the bank, wasn't happening anymore. The love of my life is in Honduras, dealing with family things. Not sure when he's going to come back to this country. My world came crashing down.

But my parents and my grandmothers told me that I could do anything, and be anything, that I wanted, and I believed them. I'm like, "All right. I'm going to be a banker." I took one interview when I was in graduate school. One. Which is not good advice for anyone, but I took one interview, and it was with the largest bank in Colorado.

The interview was really crazy, because there were two men sitting in chairs smoking, blowing smoke in my face. I think it was one of those stress interviews. It was just crazy. But I passed, and they offered me a job. I started my career as a banker in 1981.

It was a commercial lending training program, which was really unique at that time. There were 12 of us in the program, and we knew going in that we needed to work together. We also knew going in that only six of us were going to make it. That at the end of the program, it was a two-year program, only six of us would pass.

I learned early days about the importance of collaboration, the importance of teamwork, but also the importance of showing your own unique, individual talents, and your own unique, individual characteristics and personality. Those things that you need to pull out of yourself, your superpowers, so people can see how you shine amongst your peers.

I now say, "leader among leaders," while still working together in a collaborative way, forming really strong friendships, because we wouldn't have survived without doing so. We shared a cube with each other. We were working side-by-side. You had to work together, understanding that only half of us were going to make it.

It was also interesting for me, because my boss was a woman. Here, we had a senior woman in banking in the early '80s. This was a time for women where we had to wear pinstripe suits. No pants, of course. Skirts, but they had to be pinstriped. We had to wear cotton broadcloth shirts, button-down collars, and then silk bow-ties. We needed, or thought we needed to look like men. So we dressed like men, only with skirts.

My boss, her name was Mary Louise, but she certainly didn't want to be known as Mary Louise. She went by ML, so you didn't know who she was, and what her gender was, until you actually met her, because she wanted to be ML. She was extraordinarily tough. But she did a great job of mentoring me in those early years.

Now, she would take me out, and she was a chain-smoking, scotch-drinking woman. I'd go out with her, I didn't want to do any of that, but I'd go out with her, because she would talk to me about how actually to navigate in an environment that's predominantly men. Because banking at that time, and sadly, even today, is predominantly men.

She really talked about being unique, and not assimilating, even though our dress code was one thing, not assimilating, but showing your own unique, authentic self. I really appreciated the support and the guidance that she gave me.

Also, there were behaviors that she exhibited that I didn't want to exhibit. I've learned a lot over the years about how to copy behaviors that you want to copy, and really avoid those behaviors that you you want to avoid. She had some behaviors that I certainly didn't want to copy. She was a pretty tough person.

But I graduated. I passed. I went into a commercial lending program, and it was awesome. I was lending to savings and loan, at the height of the savings and loan industry, if you will, and I was there when it crashed. I was involved in a deposition when one of the loans went bad. I'll never forget. I was at home, and the FBI knocked on my door wanting to talk to me.

At a very early age, I was doing some very interesting things. I was also made aware of something about my father that I didn't know. Because I had idolized my father. Idolized him. Even though he had divorced my mother, selling the bank. I idolized my father.

I moved into a commercial lending program that supported not just savings and loan institutions, but commercial banks. This group was actually working on a loan to the purchaser of my father's bank. As they were working on the loan to the purchaser of my father's bank, they had to open up the loans in my father's bank, to determine the quality of those loans.

Well, many of those loans were very poorly underwritten. My dad was all about taking care of people. Taking care of the community. Turned out not to be a very good banker, in all candor. And it was so interesting for me to experience that, because I had idolized him. He wasn't a very good banker. He was a wonderful person. Not a very good banker.

It was interesting for me to experience that because the way that people walked gingerly around me at the bank. Didn't want to talk to me about it. I'm like, "No, we're going to talk about this, because I'm going to be a good banker. I'm going to learn through this experience. We're going to talk about it."

We did. We talked about it at length, but I learned a lot through that process. And actually participated in the underwriting of the loan to the purchaser of the bank, and went to the loan closing party, and all those good things. I learned a lot.

I moved from that group into what they called national accounts, which is really working on large corporate accounts, and spent a lot of time working with money center banks, buying into large loans. This was the height of the leveraged buyout, when leveraged buyouts just started to become a very popular form of financing. I brought the very first leveraged buyout deal to the bank. The bank was United Bank of Denver. I brought the very first deal to the bank. I made my mark on working on really complicated loan transactions.

Things were going very, very well for me at the bank. I was now an officer, a vice president, large portfolio. Things were going very well. I was on a very fast track to continue to grow in the bank. But as I spent time at money center banks, in Los Angeles, or New York, or Chicago, I'm like, "Wow. If I really want to grow my corporate finance knowledge and experience base, if I really want to be a great banker, I need to move. I need to move and go work for one of these large banks. This is where it's happening. They're dealing with the most complicated, the largest companies in America. I need to move."

As I was contemplating this move, and oh, by the way, by now I'm happily married to my husband, who came back, so we're happily married. We're settled into our first home in Denver, Colorado. I'm contemplating that move. One of my clients started to talk to me.

This client was the Johns Manville Corporation. If you know anything about the Johns Manville Corporation, they were the largest manufacturer of asbestos. Now, asbestos, we all know, we see the ads on television, asbestos causes cancer. Manville was a financially very strong company, but they had so much litigation filed against them because of their asbestos exposure that they had filed Chapter 11, or bankruptcy protection.

They had been working, I was one of their bankers, in Chapter 11, and they had been working on a plan to come out of Chapter 11, basically consummate a plan of reorganization, and said to me, "Well, Carol, don't leave us. Why don't you come work for us, and help us come out of Chapter 11, and then help us grow?"

I'm like, "Wow. I could really learn a lot by working for a company in bankruptcy." And, oh, by the way, I wouldn't have to move. But I could learn a lot. I called up my dad. We were still friends. I said, "Dad, what do you think about this opportunity?" He's like, "You're nuts. You're crazy. Why would you ever leave banking to go work for a company in Chapter 11?"

I'm like, "No, I think I can really learn. I really think I can learn." So I did. I left banking and joined the Johns Manville Corporation, and we immediately started to work on the plan of reorganization, to finalize that plan, and we consummated it. We came out of bankruptcy, which is really an amazing experience. Again, at a very young age, an amazing experience for me to have participated in that.

Then we started to grow. I got to work on every deal that we did. We were very acquisitive. We were buying companies around the world. Sweden, Japan, England, Australia. I spent so much of my time outside of the United States, traveling, working on acquisitions, raising the financing that's necessary to pay for all these acquisitions. It was a blast! Having a great time.

It was in manufacturing, too, and what you learn is once you get from being on a service side of the business, i.e., a banker, or an accountant, or someone who's serving, to actually running the business? It's very different. Because you own it. You own the end result. It's not that you just advise and move on to the next client. It's yours.

A lot of great lessons learned during that time. A lot of great lessons learned at that time. Because we had been so acquisitive outside of the United States, as well as in existing business, even before we started the acquisitions, we decided to create a treasury function in Paris. I was asked to run the treasury function.

I'm like, "Awesome. We can go to Paris." They're like, "Yeah, you get to go to Paris. It'll be a couple of year gig." I'm like, "This is great! I studied French in school. I'm so excited about this." So my husband, Ramon, and I, we went back to Jackson, Wyoming for Christmas, to visit with the family. Told everybody, "This is awesome! We're going to pack up our bags. We're going to Paris for two years," and everybody was like, "Fun! Fun. We can't wait. We'll come visit you." We're like, "Yeah, this is going to be great."

I went back after the Christmas holiday, and this must have been, golly, the early '90s. '91. They're like, "Well, Carol, we actually think we want to make this really big acquisition, and it's going to take some unique financing. In fact, we're going to need to take one of Manville's subsidiary companies, we're going to need to IPO it. We're going to need to sell some stock, because we just can't raise enough debt financing to fund this. So you have a choice. You can go to Paris and run the treasury office for us, or you can be on the IPO."

I'm like, "Oh, whoa." What amazing choices for a finance person. I'm like, "IPO." IPO all day long. What a great experience to actually take a company public. I was on the IPO team, and it was a great experience. Part of that was arranging for some assumption of existing debt on the target. It was a very complicated deal. It was a deal between banks and insurance companies, and I became a shuttle diplomat.

I tell these stories because it really helped me later on in my career. I was a shuttle diplomat, and learned how to work between different groups who had very different interests, and how to bring people together in a collaborative function to make things happen.

I got that deal done, and went on the IPO. It was an IPO led by JP Morgan. This was the first IPO that JP Morgan had underwritten since they were regranted their underwriting powers. Those underwriting powers had been removed from them in the '30s. They had just gotten them back. We were the first deal that they took public. That was pretty cool.

Now, the company we were taking public was at the time called Manville Forest Products. It was a paper and packaging company headquartered in Monroe, Louisiana. Now, Monroe is actually the headquarters of Delta Airlines. Who knew? I spent a ton of time in Monroe. Some of my vivid memories of Monroe were just the smell of the paper mills, because there's a unique smell with paper mills, and just how wet everything is.

It's very humid in Monroe, and you'd stay at this hotel where the carpet was so soggy. It was just, "Ah!" It was a crazy place. They have drive-through liquor stores. On the Friday nights, we would drive through and ask for a margarita, and they would give it to us in a cup, and we would drive on. Seriously. I'm not kidding you.

It was just quite an interesting experience. It's me. It's me and the guys. It's me and the guys working on the IPO, and it was a lot of fun. Actually went on the road. Actually met with investors, sold the story. I was the treasurer. There was a CFO at the time. We split it up. We split up the country, and sold the company. The IPO was very successful, and it concluded in 1992.

Now, we renamed the company Riverwood International. There's just a funny story associated with that, in that, oh, and I'll tell this story. We had hired a company. We had hired a company to come up with some really amazing names. They came forward with this terrific name. We all loved it. I'm not going to tell you what it is, because you can look it up. But we were like, "Yeah, this is right. This is awesome. We're going to use this name."

Well, we had a big operation in Brazil, and our CEO in Brazil said, "Well, if you use that name, I think it's problematic, because it means 'penis' in Portuguese." So we're like, "But we can't use that name! So what are we going to use? What are we going to use?" Well, there was a doormat on the building where we were relocating to in Atlanta, Georgia, and the doormat said Riverwood on it. So the CEO at the time, Tom Johnson, said, "We're going to call it Riverwood International." And there we did.

We are done with the IPO. It's 1992. I was asked to relocate to Atlanta to actually join Riverwood as its treasurer here in Atlanta. I'm like, "Well, that sounds like a great opportunity. I effectively just birthed a company. I really would like to do this."

I talked to my husband, Ramon, I'm like, "Well, what do you think?" He said, "Well, what about me?" Because he was working at the time. I'm like, "Well, can you work it out?" He said, "I can work it out." So we moved to Atlanta. Well, I moved to Atlanta. I commuted between Atlanta and Denver for six months, until he worked it out and was able to relocate.

In the times when I couldn't go home, because it's a long commute between Atlanta and Denver, Colorado, in the times I couldn't go home, I would drive around my new home, Atlanta, Georgia. I knew nothing about Atlanta. I knew nothing about the South. I knew nothing, so I would drive around.

I would never forget one day, driving down the street, and out of the corner of my eye, I saw a parking lot filled with cars. There was a store with an orange awning. I'm like, "What's that?" But the parking lot was full of cars, and I love to shop. So I pulled into my first Home Depot store parking lot, and walked into my first Home Depot store.

I had never heard of Home Depot. There were no Home Depots in Colorado at the time. Never heard of it. Walked into my store, and I'm like, "Whoa! This place is cool." The merchandise was packed high. There were people that had aprons on. There was a vibe in the store. It was high energy. People were having fun in the store.

I walked the store for two hours. Walked the store for two hours, and went home that night to my hotel, called Ramon and said, "There's this company called the Home Depot, and I don't know much about it, but we should buy stock." So we did. 1992.

He relocated, and we moved into our first house in Atlanta, and we become Home Depot junkies. We are in the store every weekend. We are do-it-yourself enthusiasts. In fact, in our first house in Colorado that we moved into after we were married, we took it down to the studs and remodeled it ourselves. We are do-it-yourself enthusiasts.

We're in the store every weekend. I'm loving my new life. I'm loving my job at Riverwood International. We're having a lot of fun. We're in the stores. Ramon's settled into his new career. Things are going well. Pretty well. But Riverwood was an interesting company, in that it was highly leveraged. It had a lot of debt in its capital structure. It had exposures to currency, because we operated in so many countries, and exposure to commodity prices, right? Manufactured paper and packaging materials.

Cash was king. Or, as I say, "Cash is queen." We were having some issues generating enough cash. We really were. It was getting challenging, actually. I put together some cash-flow forecasts that suggested it was going to be problematic. Our leadership didn't want to accept those cash-flow forecasts.

They didn't want to accept that. I'm like, "This is going to be problematic." Like, "Nope. I think we can do this, and that, and the other thing." I'm like, "I think this is going to be a problem. Really, this is going to be a problem, and I'm pretty good at this, and I think we've got a challenge here." "Nope, nope, nope. I certainly don't want to share that with the board. We're going to take a different forecast to the board."

That was the first time, ethically, I'm like, "Huh. I don't really feel right about that." Now, clearly there are levers a company can turn to generate cash. You can slow down payments. You can slow down capital expenditures. You can eliminate expenses. You can eliminate staffing. But I would prefer to show what the forecast is, and then talk about the levers and how it could be, rather than just show a different forecast.

I wasn't feeling all that good about how we were progressing. I had a bit of cognitive dissonance happening, as a result. Then, I got a call. It was a call from a headhunter. They said, "The Home Depot is thinking about going to Mexico. They don't know anything about doing business outside of the United States, and they'd like to talk to you." This was 1995.

I'm like, "Whoa. They want to talk to me? I'm a shareholder. I'm a customer, and they want to talk to me? I love the Home Depot." I had a situation at a company that I had birthed through an IPO that I was a little bit uncomfortable with where we were. A little bit. I'm like, "Here's a company that I really admire, that I really love, at least from a customer perspective, from a shareholder perspective. I think I should go to talk to them."

I did. This is a hard thing to do, right? Because I was very loyal. But I went and talked to Home Depot. After my first interview, I'm like, "Nope. Not for me. I'm going to be bored. They don't have cash challenges." The cash pours out of the stores. This is a company whose economic engine is driven by new square footage growth, and it was a lot of opportunity for new stores. "No, I'm so sorry. I'm just going to be bored. I'm going to go back here, and we're going to deal with this situation. We're going to deal with this cashflow situation. I'm going to go back."

I told the search firm, "No, not for me." They're like, "Are you sure? Do you want to take a minute and think about it before I tell the company?" I'm like, "Well, okay." I called up some of my trusted friends, and this is one of the lessons I've learned. Don't rely on your own intuition. Get help when you're making these significant decisions about your life. I called up some of my trusted friends, and I said, "What do you think?" They're like, "You're crazy. You should go back. You should go back and talk to them again." I'm like, "You're right. I'm going to go back."

So I went back, and this time, I met with Arthur Blank, and Arthur is one of the Home Depot founders. Arthur said to me something I will never forget. He said, "Carol, we don't know how high is up for you. That's for you to show us. But we will give you every opportunity to reach your highest potential." I'm like, "Huh. 'Every opportunity to reach my highest potential?' Here's a company with 400 stores and $14 billion in revenue, and they're going to give me every opportunity to reach my highest potential? And oh, by the way, this is a company with only men officers? This is an opportunity I shouldn't turn down."

I started June 2nd of 1995. First officer hired into the company from outside. Let me tell you, that first year was living hell. Every time I opened my mouth, they would look at me like "What are you talking about? Who are you? You didn't grow up here. You don't know retail. Who are you?" Because I was talking about things like economic value added, and return on invested capital, and a whole bunch of financial terms that I thought that they wanted.

Oh, no. In fact, oh, no. I quickly realized, I'm like, "You know what, Carol? This isn't going to go well for you unless you change. They're not going to change, and they don't need to, because look, they have an incredibly successful model. You need to change. You need to change."

So I put on an apron, and I worked in the stores in my free time. I worked in the stores in the nights. I worked in the stores in the weekends. I started to learn the company through the lens of a retailer. Not through the lens of a customer, but through the lens of a retailer. I went to school. I went to Retail 101 school, and I learned the business inside and out.

No longer was I talking about economic value added or return on invested capital, but I was talking about GMROI, and I was talking about inventory turns, and I was talking about the customer experience, and I was just really, really dove deep into the company. As I dove deep into the company, some really interesting things started coming my way.

I kept getting more and more opportunities to expand my portfolio of responsibility. I'm like, "Well, this is cool. I'm getting opportunity to grow. I'm learning, and I'm starting actually to make a difference." Because while I had learned a different way of communicating, I also brought to the company a level of sophistication that the company didn't have.

We have to remember that Home Depot was started in 1981. It's a really young company. The company's only 40 years old. Actually, the first stores opened, I guess, in 1979, and then they went public in 1981. It's just 40 years old, so I brought to the company a level of sophistication they didn't have.

For example, when I was early days, when I first started, I was given a stack of checks. I said, "Well, what am I supposed to do with these checks?" "Well, you're supposed to sign them."

"Well, I have nothing to compare them to. There's no purchase order. There's no accounting records to compare these to. What am I to do with these checks?" "Well, you are to sign them, because that's how you get to know who our vendors are."

I'm like, "Oh." I said, "Did you know that you could send an electronic transmission to the bank, and they would issue the payment, and we wouldn't have to do any of this?" "Really?" "Yes, really." So I started to bring in just a little sophistication they didn't have.

We started talking about productivity when we would build budgets. I'm like, "Let's talk about productivity." "Oh, we drive productivity." I'm like, "Really? How do we do it?" "Our expenses grow slower than our sales."

I'm like, "Well, that's not really the productivity I'm used to. The productivity I'm used to is investing in technology, or new processes to eliminate costs. Actually remove the costs out. Just take it out." "Really?" "Yes. We could do that." "No, no, no." I'm like, "Yes, we can."

So we started to actually drive a lot of productivity, in simple ways, and in fact, in finance, we did it in a big way. I was named the Senior Vice President of Finance in 1999, so I had been there four years. At that time, I had 1,500 people in finance. I cut it in half through productivity. There was a way to actually introduce new processes and procedures to drive productivity, to invest in the customer experience.

Along the way, though, and I should pause, because I haven't really talked about some of the leadership lessons that I've learned along the way, and I want to share a few minutes of just some leadership lessons. You heard me talk about deals. I measured my worth by the deal. I loved my deal toys, and I had them stacked up, and I had a lot. I measured my success. I called myself a Deal Queen. I loved it. Because with every deal, there's a deal dinner, and it's just so much fun. You're written up in the paper, and it's just so much fun.

I really didn't like to lead people. In fact, I thought that was just an unnecessary burden. But as you grow in your career, you start to actually have teams, because you can't do it by yourself, so you do have to lead people, and you do have to give feedback to people. You do have to coach and mentor them, and grow them. I didn't like that part.

In fact, and this is before Home Depot. This was back in the Manville Riverwood days. I had a woman on my team who, she wasn't hitting out of the park. She really needed some coaching and some feedback. I didn't want to give it to her. I just didn't want to give it to her, because I wanted to work on the deal. In fact, she was in Colorado, and I was in New York, working on the deal.

But it was performance review time. I had no choice, because there was a deadline. We needed to get our reviews done by a certain date. So I'm like, "All right. I'll take care of this." So do you know what I did? I gave her her review over the phone. You know what she did? She quit. Do you blame her? Of course not.

But what happened though was the biggest gift ever given to me, because it just came rushing towards me. She didn't quit the company. She quit me. She quit me, because I was a bad boss. I was horrified. I was horrified, but I was now so grateful to have had that experience to learn, because it was a point of real transformation for me as a leader.

I'm like, "The deals don't matter. They don't matter at all. What matters is how you lead, how you grow, how you create amazing teams that are supporting you, so you can do other things. That's what matters."

I vowed to myself, after that experience, that no one would quit me. If they left me, they would leave me because they were getting a promotion, or they would leave me because the job was no longer right for them. Or there might have been an ethical issue, if I didn't have that, but had that happened, I would have dealt with that. I'm like, "No one's going to quit me. They're not going to quit me."

That experience of giving her her performance review over the phone, was probably 1990, no one has quit me since then. I committed myself. I learned the importance of surrounding yourself with the best and the brightest people. As I grew at Home Depot, and started to expand my portfolio of responsibilities, that became very clear to me, that I was only going to be as successful as my team.

Because Home Depot, well, Home Depot is one of the nation's largest companies. We are huge. The company operates in every state. It's the largest home improvement retailer in the world. The largest home improvement retailer in Canada and Mexico. I mean, we're big. We're huge. I realized I would only be as successful as my team.

Now, I made a lot of mistakes along that journey. I really did. I would have a job open up, and I would be so quick to fill the job, because we had a lot going on. I needed to get the job filled. So I'd fill the job. I wouldn't take enough time to really understand the person, who they were as a person. What they stood for.

You see, the Home Depot is very much a values-based company. It's a really unique company. In many ways, it's a bit of a cult. It started with our founders, Bernie Marcus and Arthur Blank, who created this inverted pyramid management construct, where the leaders are at the bottom of the pyramid, because they bear the weight for the actions that they take, and the decisions that they make. They bear that weight, so that our associates, who are at the top of the pyramid, can take good care of our customers.

That's really unique. Then, the company brings that to life by living its values, and there are eight core values. If you don't fit into that, if you don't fit into that culture, it doesn't work very well. I hired some people, early days, that didn't fit, because I didn't spend enough time understanding who they were, how they ticked, what really drove them, how they were motivated. I did make some errors, but they moved on, because the job was wrong for them, and I now, I've learned the power of keeping a job open as long as it takes to fill it with the right person.

That means that you may have to take on some of the work. Okay. That's how it goes. You've got to fill the job with the right person. That was some really amazing leadership lessons along the way. And I vowed to myself, "Carol, this is not just about leading. This is about being leader among leaders. It's about being someone that people want to follow. Someone who people will respect. They may not always like you, but they will respect you." I really, really invested in my leadership journey as I was expanding my portfolio of responsibility.

Our company now, it's 1999, and I'll never forget 1999, because it was a year where we had the, well, we had the Midas touch. Everything we touched turned to gold. Our comps, our same-store sales, which is a measure of growth, were almost 10% that year. That's a lot for a retailer. Our stock was trading at a multiple of earnings of 70. That's seven-zero. That's crazy good.

We were recognized as one of the best places to work, and most admired companies. Everything was going swimmingly. But we're 20 years old at this point, and we're thinking about different ways to grow. We were spending lots of time outside of the United States looking at companies to acquire that looked like us. Because there were Home Depot knock-offs around the world.

We were spending a lot of time outside of the United States, looking for opportunities to grow. Our founders, Bernie and Arthur, were thinking about their own succession plan. Bernie, at that time, believe it or not, we're only 20 years old. Bernie was 70. He was 50 years old when the Home Depot started. Arthur wasn't that far behind him. They were thinking about their successors, bringing some people in from the outside, and we were thinking about the future of the company, and ways to grow. A lot of change is starting to happen in the company.

I became the Senior Vice President of Finance. We have a brand-new CFO who came in from outside of the company, and he really didn't want to be in finance. He wanted to do other things. He wanted to work on strategy. So I was really the principle finance person. I started my first earnings call in 2000, before I was even CFO.

Things are progressing, but guess what happened? In 2000, the United States went into a mild recession. Just a mild recession, but we didn't see it coming. In the past, we had powered through recessions by opening stores, but because our store growth was slowing, this is an important data point. At one point, the Home Depot was opening stores about every 36 hours. Our store growth was slowing a little bit, and the country went into a mild recession, and we didn't see it.

In October of 2000, just 10 months after we were the Midas touch company, just 10 months, we had our first earnings warning, and our stocks sold off 25% in one day. I'll never forget that, because I am the finance spokesperson for the company. So I'm in Arthur's office, sitting across the desk from him. I have one hand on the desk. One hand holding my head, because we are on the telephone conference with our largest shareholder, who was Fidelity at the time, and they are screaming at us. Of course, they just lost 25% of their value, don't really blame them.

But they're screaming at us. I'll never forget that day, because Arthur reached over and patted my hand that was on the desk. He took that whole responsibility onto his shoulders, although I had a big piece of the responsibility. But the fact that he patted my hand, I'll never forget that. He's one kind man.

We got through it, but there was something else that was happening during that timeframe, as well. If you go back in history, and if you study corporate America, you go back to 2000, and you'll learn that GE, which was one of the most respected companies in the country at the time, was also going through a succession planning process. So Jack Welch was the CEO at the time, and he had three internal candidates that were being considered to be CEO. We know that the candidate that was selected was Jeff Immelt.

Well, the other two candidates who were not selected, they popped up as free agents. Now, one of our founders, Ken Langone, was on the board of GE at the time. When those other two candidates at GE popped up as free agents, he said, "I have got the solution for our succession. We should bring Bob Nardelli to the Home Depot as the successor for Bernie and Arthur. I know Bob. He'll do a great job for us."

We are all called into the boardroom in December of 2000. The senior leaders. Oh, by the way, this is 2019. I am the only person who was in that room who is still in the company today. We're called in the room, and in comes this man. He's walking around the room shaking everybody's hands. We don't know who he is yet. He's shaking everyone's hands.

I'm standing on the far side of the room, as he's walking around the room, and looking at him. I'm like, "I think I know who you are. I think I've seen you. I think I know who you are." I'm straining, trying to hear, and I hear, finally I hear his name as he's coming towards me. He says, "Hello." I said, "Hello, sir. I'm Carol Tomé." He says, "I know who you are. You're the numbers person." In my head, I'm like, "I know who you are. You're the guy who didn't get Jack Welch's job." That was my immediate reaction. I'm like, "Yes, sir. It's good to meet you."

Bob joined our company, and by May of 2001, I was the new CFO. I worked for Bob as his CFO the entire time that he was the CEO of the Home Depot. Bob brought to the Home Depot a number of really good things. A number of important things. We were 20 years old. We didn't have a lot of process, or procedure. It was still a little bit like, well, kind of like cowboys. It kind of felt like home for me, actually, in many ways. But Bob brought a lot of procedures, and controls, and process into the company that was sorely needed, and invested in safety in our stores. Invested in loss prevention. Invested in IT. Did a lot of good things, for sure.

But he also had a unique perspective on culture. His perspective came from his culture. The way he was raised in corporate America, which was not the inverted pyramid. He was very much top-down. CEO at the top, and everybody at the bottom. Now, that's not wrong, it's just different. It's just different. Different doesn't really work. It doesn't really work.

What happened is people at the top, we had lots of things. We had lunch everyday. We had cars. We had lots of things. Our associates in the stores, well they were giving up things. They were giving up things like a holiday party. Holiday party, rather than being at a hotel, was in the lumber aisle. Longevity bonuses were given up. Things were just changing. Not wrong, but different, and not keeping with the culture that had been established by the founders.

That was causing just a bit of, it was tough, right? It was tough. Culture's really important. Culture's super important. It was tough for a lot of people. Then we started to grow. We started to grow outside of the retail business. Again, not wrong, but different. And started to really take our eyes on growing in wholesale distribution. Not wrong. Different.

As we're growing in wholesale distribution, and in fact, we built a $12 billion business through acquisition, we took the eye off the retail business. What happened is our largest competitor took advantage of that. There was a time when our largest competitor, who at the time was Lowe's, well, still is, from a big-box perspective. I guess Home Depot would say Amazon is now.

But at the time, Lowe's was taking market share from us. 600 basis points. That's a lot of market share. In other words, they were outperforming us in the retail business. The Home Depot business, it was really challenged. Because we were growing. We had built a big company. We were growing our earnings per share 20-25% per year. Stock price was flat. The stock price was not moving.

Why? Because in the retail business, Lowe's was taking share. Retail investors, they like share. They like it a lot. They saw Lowe's taking share. They saw our business growing, but growing in wholesale distribution. So they weren't buying into the stock. Okay. Okay, so it was a tough time, right? It was a tough time to keep people motivated, keep people engaged. Your culture is changing, and that's tough. Really tough.

Bob, at the time, had a big compensation package. This is an environment where lots of shareholders were focused on executive comp. His compensation package was related to his old pension at GE. There's nothing wrong with it, but there was focus on it. The share price was flat, and the drumbeat is drumming. It's just drumming. Shareholders are unhappy. Customers, oh, by the way, were unhappy, too. Some of our associates were unhappy. People were unhappy.

It was a tough time, right? It was a very tough time. It's a super tough time, and in fact, for me, it was really tough. Because I'm like, "I've got to try to keep my fingers in the dyke here. It's getting a little dicey here." I would go meet with investors, and they would ask me, "Is Bob the right guy for the job?" You can imagine, the CFO, how you have to respond to that question.

I would be asked, [inaudible 00:50:04], "Is he the right person for the job?" It was a very tough time, actually, but I loved the company. I loved our people. I loved our associates. I loved our customers. So just trying to do the right thing, support the business, try to figure out how we were going to get through this really tough time with the shareholders.

Well, it was time for the annual shareholder meeting. This is now May of 2006, and it's time for the annual shareholder meeting. We know it's going to be awful, right? We know it's all going to be about exec comp, and flat stock price, and we know it's going to be bad. Bob decides that he's just going to handle it by himself, and that the directors don't need to come. We moved the meeting to Wilmington, Delaware. We're a Delaware-based company. Moved the meeting to Wilmington, Delaware. Said, "I'll take care of it."

It was me, Bob, our general counsel, and then our head of IR, and our head of PR. So five of us went to Wilmington, Delaware to handle the shareholder meeting. The room is packed. It's in an auditorium at the Hotel DuPont, and the room is packed.

As we're walking up to the stage, so it's Bob, me, and Frank walking up to the stage. This is Frank Fernandez, our general counsel. We are escorted by armed security guards. Bob turns to one of the security guards, and he said, "If anything happens, take care of Carol. I can take care of myself." I was like, "Oh. If anything happens?"

We go up to the stage, and it's tough. The shareholders were very angry. There was a lot of yelling and screaming. It was a very tough meeting. It concluded, and after the meeting was concluded, we were rushed off the stage, and thrown into a police car. It's the first time I've ever been in a police car. Hope it's the only time I'll ever be in a police car. The siren's going, and I'm like, "Oh, my Lord." We're driven back to the airport. We get on a plane to fly back to Atlanta.

The only thing that happened on that day that we thought might be helpful was that was the day that the Enron deal went down, and so we're like, "Oh, maybe the focus in the media will be on Enron and not the Home Depot." Oh, no! Oh, no. The media, they just had so much fun with it, and rightly so. I mean, you can't blame anybody for this. So, "The board that didn't show up," and the New York Times ran this huge exposé on the board. It was just a really tough time. A really tough time.

Then, we had a letter come in from an activist. The letter came in on a fax machine. I mean, yeah. I hate fax machines. It came in to a fax machine in our IR department, and it sat there. They didn't see it. It only sat there for maybe 24 hours. Maybe no more than 36 hours. They just didn't see it, because we were moving more to scan, and e-mail, and that sort of thing. They just didn't see it.

But when they saw it, they brought it to the general counsel, and this was the beginning of the end of Bob's tenure. We had meetings every night with the board, talking about how we were going to handle the activist. Frank Blake was named the vice-chair, and they were just trying to figure out how we were going to handle the activist. Every night, there's a meeting talking about this. I talked to our general counsel, and he's like, "Carol, they're setting up for change." I'm like, "Yes, they're clearly setting up for change."

Christmas came, and went, and there was an emergency board meeting called, and I actually saw Frank Blake that day. He said, "Carol, I'm going to a board meeting." I said, "Well, I'll be praying for you. Just let me know how it goes." I got violently ill. Some sort of a flu bug. I went home, and I was in bed, had my garbage can by my bed. I was violently ill, because I'm waiting for the phone call.

The phone call comes, and it's Frank. He's like, "Bob is leaving. I'm the new CEO. I would like you to take my job and stay as my CFO, but also take my existing job." Because Frank had a job at the company. I'm like, "I'll do whatever you need." Then Ken Langone called me and said, "Bob's leaving. Frank's the new CEO. I need you to stay, and I need you to take Frank's job." I said, "I'll do whatever." Ken was our lead director at the time. I'm like, "I'll do whatever you need me to do."

I'm like, "Okay. Here we go." Frank, I sat next to Frank. I didn't know him that well. He was a partner. I mean, I didn't know him that well. I'm like, "Here we go."

The next day, he was going to meet with all the officers. I'm like, "I've got to go. I've got to go. I've got to go. I've got to sit in front of the room, and I've got to smile and show everybody it's going to be okay." Because I knew a camera was going to be on me, because I've been there for a long time, right? I've got to be there. I've got to show everybody it's going to be okay. I'm still the CFO. It's going to be okay.

I'm sitting in the front of the auditorium with my paper bag, because I am really sick. But I'm sitting there, green as a ghost, smiling at him. So many lessons about leadership I have learned, but this is just a beautiful one. Frank stood up in front of that team of officers, the unexpected CEO. He had no idea he was going to be the CEO. One sleeve is rolled up. One sleeve he's not even buttoned. His hair is all disheveled. I mean, he looks like a mess, where Bob was always so buttoned up, Frank looks like a mess.

But do you know what he did? He read from Built from Scratch. Built from Scratch was the book that was penned by our founders Bernie and Arthur. He read from Built from Scratch, and he read about the inverted pyramid. He read about our culture. People were just like, "Hmm. I'm not sure."

But then, he had a whiteboard of all of the things he wanted to do, and he and I, we would get together and talk about all the things he wanted to do, and what he really focused on was culture. I was all in on that. Because up until that point, I would wear an apron every day with our values on it. I'd wear it at the office every day, with our values on it, because culture was so important to me. He said, "We're going to bring back the culture." I'm like, "I'm here to help you however you need it."

The first thing we did, he said, "We've got to sell HD Supply." I'm like, "Absolutely, we've got to, HD Supply." Ended up selling that company, and it was a very difficult time, because it was right before we were going into the worst recession since the deep depression. It was a very tough deal. Actually, it was extraordinarily tough, because there were three private equity firms involved. A whole bunch of bankers involved. A deal that had to get recut because the value wasn't going to hold, based on where the economy was going. It was a tough deal to get done.

We got it done. I'll never forget a conversation with the three CEOs of the largest financial institutions in America. Jamie Dimon at JP Morgan, Stan O'Neal of Merrill Lynch, and Dick Fuld of Lehman Brothers, Frank, and me on a conference call, trying to get this deal done. Jamie Dimon is trying to teach me how to account for it, and I'm like, "With all due respect, sir, you are not going to tell me how I'm going to account for this deal. This is how we have to account for it, and why we can't do it the way you want to do it."

The f-bombs were dropping. They are dropping left and right. I mean, this is Wall Street, right. The f-bombs are boom, boom, boom. I'm like, I said to myself in the back of my head, I said, "Oh, Mom. Please forgive me, because I've got to just join in." I'm just dropping the f-bombs, too, because there was ... It was tough. But we got it done.

We got the deal done, which was so critically important to reposition the company, so that we could focus back in the retail business. Frank was all about that, and I was all about that. The reason I took his job, he had been running strategy, and real estate and construction, and our private label credit card. He's like, "I think really strategy and finance needs to be together. Because it's all about resource allocation. How you think about capital allocation. I want you to run this for me." I'm like, "Yeah, we can do this."

We started to redefine what we were about. The culture was being restored, but now it's about what are we about strategically? We stole from Jim Collins. From Good to Great. Stole right from him. In fact, I have quoted Jim Collins so much in my life that he's personally written me a lovely letter. [inaudible 00:57:52] book signed. It's wonderful. Got this great relationship. He's awesome.

Really came out with this three-pronged approach. What are we passionate about? We declared we were passionate about customer service. What are we best in the world at? We declared that we were best in the world at product authority. Then what drives our economic engine? This is where I had a key role, because the economic engine of the company was no longer going to be driven by square footage growth. It was going to be driven by productivity, coming off of effective capital allocation.

You can imagine what a change that was for the company. Because we grew up building stores. Like, "Nope. We're not going to build many stores." In fact, to put it real, when I started with the company in 1995, there were 75,000 households per home improvement store. Now, fast-forward, this is 2007, 33,000 households per home improvement store. We weren't going to build any more stores. We were going to take that square footage growth down.

I had the real estate and construction team working for me. Can you imagine? Can you imagine? They're like, "Wait a minute. This is how we are defined. This is how we are measured." Like, "We're going to change this up. We're going to change this up in a big way." Now, it was tough, tough, tough, because we didn't need as many people as we had, right? If we're not going to be opening a lot of stores, we don't need as many people. We had to downsize it, and yet take the retaining team and get them pumped up positive about what we were going to do.

We were able to do that by showing what could happen if we did. What could happen if we did. We started down this path of redefining really strategically what we were going to do. Then guess what happened? We went into the worst recession since the Great Depression, right? Boom! Oh, by the way, the activist was on the board at this time.

One thing I forgot to mention, this is part of the journey, we put the activist on the board. How smart was that? Frank becomes the CEO, and the activist goes on the board, and things are okay. The issues that they were concerned about, strategic adventurism, executive comp, that all went away. We sold HD Supply. We got rid of the executive comp matter. That all went away, so we had a happy activist. We're moving ahead strategically, and then we go into the worst recession since the Great Depression.

We had to make some really hard decisions. Some really hard decisions. As the CFO, this is where the rubber meets the road. Because you've got to decide where you're going to allocate the capital, and how you're going to do this, and how you're going to do it in the right way, so the company doesn't go off the cliff. And how you don't lose your customers, and how you don't lose your people. Whew. Tough time, right? There were lots of things to think about.

But what I learned, what I learned is if you stay true to your culture, if you make the decisions based on your culture, you'll make the right decisions. We had to make some hard ones. We had to close some stores. We had to exit some business. There was a business called Expo Design Center, it was this beautiful store. Oh, lots of people shopped. It was a beautiful store.

Well, I should say lots of people visited it. They actually didn't spend any money there. We were losing $80 million a year, right? So we had to close it. I mean, we had to close it. We had to close it. Because we wanted to be able to continue to invest in the core, so we had to close this business. But I will never forget, we announced the closing of the Expo stores, and Frank and I got on a plane, and we flew to Florida, because we had a number of stores in Florida.

We went into the stores to talk to the associates, whose lives are being impacted. I'm holding the hand of the associate who's losing their job, crying. They're crying, of course. I'm like, "This is not your fault. This is ours. We had a bad business model. This is not your fault. We will do everything we can to get you a job. If we can't, we'll help you. We'll help you transition out. We're so sorry."

That was tough. I vowed to myself on that day, I'm like, "I will never allocate another dime to another store that needs to be closed, because it's too hard." It's too hard on people. It really influenced my thinking on how you allocate capital, because you allocate it in the wrong way, people's lives are impacted. Nevermind shareholders, people's lives are impacted.

We closed stores. We exited businesses. We downsized our Store Support Center, which is, at Home Depot, that's the equivalent of a headquarters. Including 10% of the officer base. And we took title away. I had people working for me who had a senior vice president title. That got taken away from them. Taken away.

To convince those people to stay, because they were great people, we needed to show that it's not just the stores that were going to be impacted, it was also people at the Store Support Center. You really had to lean on every ounce of empathy, and leadership, and caring for people to get through this.

We did something else, and this is something that Frank drove, but it was the right thing. I'm writing the checks for all of this. Is that we set, for our hourly associates, for people like us, we didn't get merit increases or contributions into 401k plans, or anything like that. Which was the right thing to do. But for our hourly associates in the stores, we continued to pay merit increases. We continues to make contributions into 401k plans, and we continued to pay a bonus called Success Sharing. We invested in them.

We also invested in our supply-chain, and totally transformed our supply-chain. Again, I'm writing the checks for all of this, and driving the strategy behind all of this, because we believed that when we came out of the recession, we'd come out strong, and we'd be able to grow again.

This was a really interesting time to be making these decisions, because we had lost $13 billion of sales during the recession. We lost 25% of our top line during the recession. It wasn't just a financial crisis. It was a housing crisis, and we felt it. $13 billion is the size of a company like Bed, Bath, and Beyond wiped off the planet.

This was a really interesting time to be a CFO. People would look at me and say, "Are we going to be okay?" I'm like, "We're fine." Remember, I had worked for a company in Chapter 11. I knew we were going to be fine. I would put together these forecasts, and take them to the board. They were called Wheels off the Bus. Wheels off the Bus, and it got worse. It got worse than Wheels off the Bus. But I never, ever, ever lost focus on liquidity, or just safety. I would look at one thing every day. It wasn't the stock price. I would look at cash. I could tell by cash how we were doing, every single day.

I really, really tried to have a positive attitude. If I walked down the hall, and I let out a sigh, because there were lots of sighs, right? Whew. Lots of them. But if I let that out, and let somebody hear it, they were like, "What's wrong?" So I couldn't. I had to be positive. I had to really work on being positive. Interesting time, for sure.

Economies are cyclical, and the economy did turn around. When it turned around, we started to grow. I'll never forget, I went to an investor conference to show what I thought we could do, where I thought we could take our profits and our return on capital, and how we were going to get there. I had all this, it was an econometric model, with all this highline data, and I said, "We can go from 6% margin up to 9% operating margin, and we can do this, that, and the other thing." I got laughed off the stage. It was like, "There's no way possible. You'll never be able to do it. You'll never be able to do it." I'm like, "Yes, we can. This is how we're going to do it." Laid out a path. So we started these three-year plans.

Then I would go to the store manager meeting, and I wanted them to believe. I really believe "Business people first, and finance people second." I believe that if you can tell a story, you can get it across. If you're just reciting numbers, people are going to go to sleep. Boring. But if you can tell a story, and if you can make it real for people, they'll get it.

I would stand in front of the store managers. We'd get together every year, and we'd talk about where we were going. What was possible. I said, "And this is what it means to you." Because we grant equity to our assistant store managers. We're the only retailer, Home Depot's the only retailer that does that. I would say, "This is what it means to you." I would say, "You're worth this today, but if we deliver this number, you'll be worth that."

I started to predict the stock price beginning in 2009. The first year, I hit it. I predicted it for '10. We hit it. Started building financial plans in 2009 that supported those stock prices, never missed. 2019, I never missed the stock price, and we never missed a financial plan, and they believed. Because they believed, guess what they did? They delivered, because they believed. To me, this is the coolest part, because they believed it, so they delivered it. It wasn't me. They believed it, and they delivered it.

When I retired in September of 2019, I received thousands of letters from associates in our stores. Now, there are over 400,000 that work for the company. Thousands of letters. These weren't letters like, "Good luck, Carol. Wishing you all the best." These were letters about the impact on their families. People who were able to have a home for the first time. People who were able to provide a home for their parents for the first time. People who were able to send their children to college without student debt for the first time.

The stories were unbelievable. We have millionaires in our company. Millionaires in our company, because they delivered. It was so incredibly powerful and cool to be part of all that. Part of all that. While at the same time, continuing to reflect on me, as a person. Because during this whole journey, I realized a lot about myself.

There was a time during the journey, when I was working every single day. Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, Sunday, Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, Sunday. Every single day. I woke up one day, and I looked at myself in the mirror, and I asked myself a question. The question was, "Carol, what do you think your tombstone's going to read?"

It was an interesting question, because I'm going to be cremated, but it's just sort of a, like, "What's your purpose?" I asked myself the question, and I thought about it for a minute, and I looked at myself in the mirror, and I was horrified. I'm like, "Well, Carol, it's going to read, 'She worked hard.'" I'm like, "Oh, no, no, no, no, no. Nope. Nope! This cannot be. This cannot be my purpose. This cannot be what it reads."

I asked myself another question, and this time it was "What do you want it to read?" As I reflected on that, and I thought, "Well, I want it to read 'She made a difference.' She made a difference in my life." Once I declared that, yeah, it really changed me. It changed how I interacted with people at work. It changed how I interacted with my spouse. It changed how I interacted with my family. It changed how I interacted with God. It changed how I interacted with the community. It changed me.

This was about making a difference. About purpose. Right? It was very freeing, actually. When I talk to people, I'm like, "Declare it." I often talk to lots of young people, and they look at me like I'm crazy. Like, "I'm too young to be thinking about that." I'm like, "You're never too young to declare it." Because when you declare it, and it will be different for each of us, because we're all unique, right? It will be different for us. But when you declare it, and you start to work towards that, it will be very powerful, actually. It will influence what you do, and what you don't do. What you do, and what you don't do.

One of the things I'm super proud of, and yet super sorry about, because I just wish that women weren't a special interest group, but we still are. But from that time when I started, when I was all by myself, the company has really changed. I started the first Associate Resource Group at the company, for women, and we called it the Velvet Hammers.

Now, we named it after a woman who was actually a mentor of mine. Her name was Faye Wilson. Faye was a member of the Home Depot board when I joined the company. She was actually a banker to the Home Depot in the early Home Depot days, and had helped the company during a tough time. After that, they had put her on the board, and she was wonderful. In that first year, when it was kind of tough for me, she reached out and put her arm around me, and it was very, very helpful, and gave me just lots of good coaching, and feedback, and mentoring.

I wanted to honor her, in a way, and I wanted to name it after her, but I didn't want to call it the Wilson Group, because I thought that sounded like a singing group. I was thinking, how can we honor her? I was reflecting on just her. She's this little itty bitty thing. She's very petite. She's from North Carolina. Her voice is very melodic. It's very smooth. It's like velvet. So I'm like, "Ooh. Velvet."

I was reflecting on the first time I was in her office. Her desk was, and her office, perfectly clean. There was nothing in sight except for a book. One book on her desk. I leaned over to look at the book, and it was The Art of War. I knew that she was tough, right? Tough. Tough. I'm like, "She's not like a nail. She's like a hammer."

So we named it Velvet Hammers in honor of Faye. We had the first meeting at my home. We didn't even fill up the living room. Didn't even fill it up. The Velvet Hammers, now, has grown enormously. It's actually transcended women. We now have Associate Resource Groups for African-Americans, for Hispanics, for disabled people, so on and so forth. Lots of different resource groups. Which are now transforming themselves actually into leadership groups. Because it's really about not just diversity, it's about inclusion. How you get everyone around the table. How every voice is heard.

When I retired from the Home Depot, the Velvet Hammer said, "We want to do something for you. We want to have a little something something." I'm like, "Oh, that's very nice." So "Meet me downstairs at a certain time." And I'm like, "Oh, that's very nice." I was blown away.

At the Store Support Center, there are three buildings that are connected by something called, basically it's sort of the main street. In Main Street, we have Starbucks. We've got a cleaners. We've got a CVS. We've got pictures of our founders. It's a cool place. They unveiled a picture of me with some very nice things about the Velvet Hammers, and it blew me away. Because I'm like, "Golly. I think actually I did make a difference here, from that perspective." How cool is that? When you think about "She made a difference in my life," I think maybe I did.

The other thing I reflect on, in terms of making a difference, is how leadership is all about somebody else, and not about yourself. When I think about legacy, I can talk about the stock price, and the value that's been created, and that's all very cool. I mean, that's very cool. That's not it. That's not it. Legacy is about people. It's all about people.

Man, it's so cool. I have ten people who worked for me who are CFOs of publicly-traded companies. That's really neat. That's super cool. Some of them are working for not-for-profits, too, as CFOs. I mean, that's cool. That's really cool. I'm so proud of them. Within the company, I was succeeded by someone who worked for me for 13 of the 14 years that he was at the Home Depot. He's going to do a bang-up job. His name is Richard McPhail. He's going to do a bang-up job as CFO. How cool is that? That's how it's supposed to be.

The other thing I've seen is people moving out of finance into other roles. Like the Executive Vice President of Merchandising, Marketing, and Online. I hired him. He worked for me for over a decade. He may run the place one day. Who knows? I mean, it's so cool to think about the impact that you have on others.

That brings me to another leadership lesson. When Frank was getting ready to retire, and he had done just such an amazing job for the company. Nobody wanted him to retire. We love him. In fact, I'd follow him over a cliff. I would follow that man over the cliff. He's an amazing, amazing leader. But it's time for him to do something else. He had served his role, and now it's time for him to do something else.

There were three of us that were being considered as potential successor to him. Craig Menear, who is the CEO now. Marvin Ellison, who is the CEO of Lowe's. That's a whole other story. And then me. When the decision was made by the board, they put Craig in a president role, which basically positioned him to be the CEO.

Typically, in situations like that, people leave. Marvin left. He left quickly, and went to become CEO at JC Penney. My friends, my family, people were like, "What are you going to do? You're leaving, right?" I'm like, "I don't know if I'm leaving. I greatly admire Craig. He's going to be a great CEO. Disappointed, for sure. If they had asked me to do that, I would have taken it. I don't know."

"Well, you should leave. You should leave. You should leave." Lots of people are telling what to do. Frank said, "Carol, this is how I would ask you to think about it." He said, "I'd ask you to think about impact. Where could you have the most impact? Home Depot has 454,000 people, more or less. Where could you have the most impact?"

I thought about that, and I thought about what I wanted my tombstone to read. It didn't say, "CEO." It said, "She made a difference in my life." I'm like, "Oh, I think I could have some impact here. I think I can make a difference. Craig is new in his job, and he doesn't have a lot of corporate finance experience, with some of this governance stuff. I could help him there. I've been doing this a long time. I could help him there. I love the company. I love our associates. I like where we're going. We've got to think about things differently because the consumer is changing. The competitive environment is changing. We've got to think about pushing the refresh button on our strategy. I think I can make a difference."

I decided to stay. It was one of the best decisions I ever made. Not to go for the title, but where I could make a difference. Pushed the refresh button on strategy, which led to some really interesting things. For example, we did war gaming exercises, where we would assume the persona of a competitor, and attack, and then we would assume the persona back of Home Depot, and respond to the attack. Then the response to the attack would lead us to growth ideas.

We looked at productivity, and the changing customer demands. We looked at, well, the competitive world, particularly Amazon, and said, "We're going to have to change. The customer wants to shop where, when, and how the customer wants to shop. We're going to have to change." Again, leading the strategic efforts of the company, and how we think about capital allocation.

In 2017 came out with a significant investing plan. In fact, announced an investing plan that was nearly double what we would have spent in a business-as-usual environment. Over $11 billion to invest back in the business in three years, to really address the customer. The customer wants to shop where, when, and how they want to shop.

We were going to redo our supply-chain yet again, investing in it, so we can get products to you, or your job site. Investing in personalized experiences. Investing in better experiences inside the stores. Make it easier to check-in, make it easier to navigate. A significant redo of what we were doing strategically. Yeah. To me, it's really about impact, and to remember that leadership is action, not position. It's action, not position.

Lot's of amazing lessons along the way. Now, as I move into the next chapter of my life, I'm calling it Retirement, I'm not entirely sure what that means, actually. But we're going to figure it out. The one thing I know it means, it means continuing to make a difference. Ramon and I are dedicating our lives to that. We're creating a new foundation called the Tomé Foundation, and we haven't quite figured out exactly what it's about, but it's going to be about changing lives. Job creation, changing lives.

Because really, if we, at the end of the day, I don't know how long we're here. That's God's plan for us. I don't know how long we're here. But if at the end of the day, if we can have a bunch of people in the room saying, "We're so sad they're gone, but we're glad to know them, and they made a difference." I think that would be great.

# # #