



The Home Depot: Digital Strategy Transformation

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Presentation Overview



HISTORY AND
BACKGROUND



CURRENT
TECHNOLOGIES



ASSESSMENT OF
CURRENT
DIGITAL STATE



BUSINESS
OUTCOMES



BUSINESS
PROCESS
REIMAGINATION

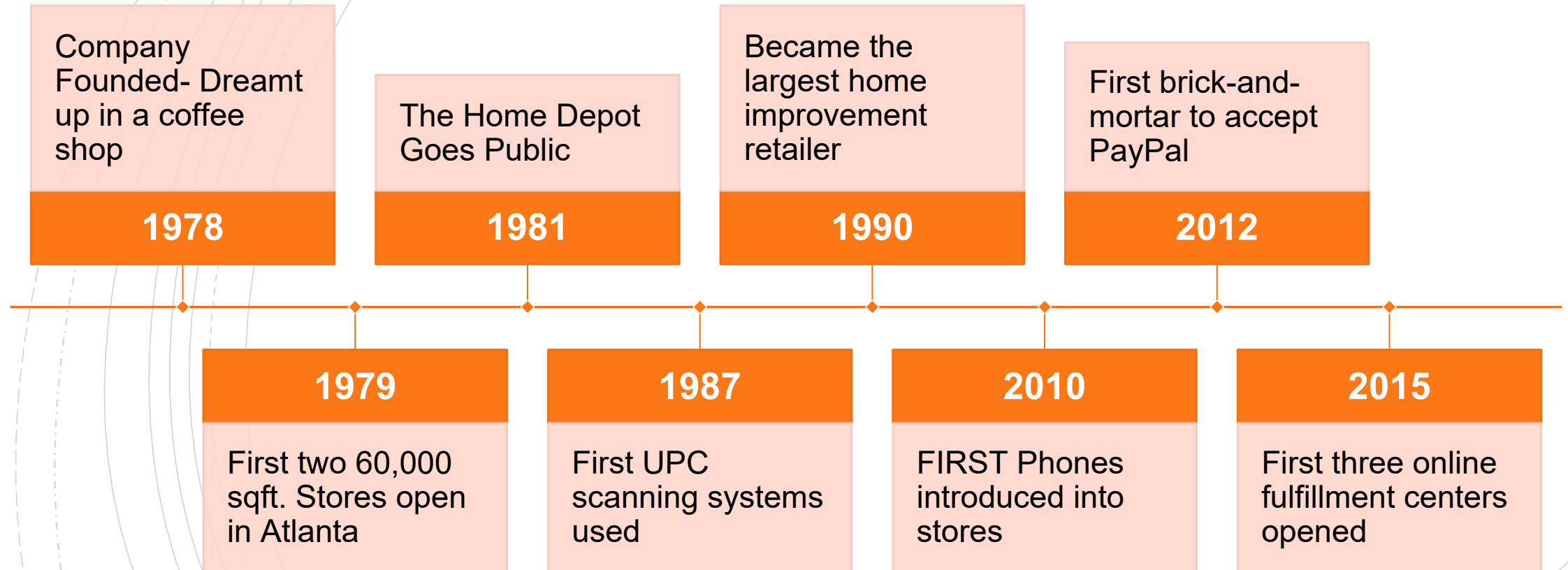


TECHNOLOGY
ARCHITECTURE
REQUIRED



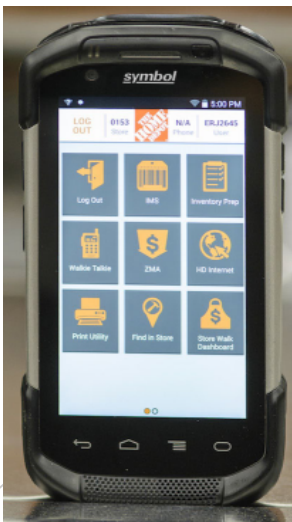
ADOPTION
ROADMAP

History



Current Technologies

- FIRST Phone- Introduced in 2010 and built by Motorola
- Deployed to all 1970 stores in operation at the time
- Replaced the Mobile Cart in-store inventory system
- Second-generation devices introduced in 2015
- Serves as:
 - A phone, Walkie-Talkie
 - Inventory Management and product-lookup device
 - Business analytics
 - Inclusion of the Home Depot mobile app



Current Technologies

- Shift to focus on customer technology post COVID-19
 - Online shopping, Online chat
 - Curbside/in-store pick-up
 - 3D augmented reality
 - Store mapping
 - Veteran Chief Information Officer position becomes a new full-time executive role overseeing customer technology to continue momentum
- One of the first companies to migrate its website to the Cloud
 - Partnership with Google Cloud
 - Use of AI/ML tools in order to provide real-time insights
 - Use of AI to power the voice search tool
 - Use of AI to power machine learning that supplies customers with project guides

Current State of Company

- Currently operates over 2,300 stores in all 50 states, 4 US territories, Canada, and Mexico
- Ranked as number 17 on the Fortune 500 List
- 2021 FY Revenue: \$157.29B
- During COVID-19, the company saw great success
 - Digital efforts helped propel sales
 - With more time and stimulus checks, more customers began DIY projects
 - 86% increase of digital sales

Digital State Assessment

- Home Depot's business direction is pointing towards more online sales and digital support throughout the company, and the current technologies support this.
 - However, if Home Depot wants to increase online sales and increase efficiency in other departments (such as the supply chain), they will need to extend their technology department and focus on utilizing the Cloud.

Digital State Assessment

- All employees and employers seem to understand the importance of the digital tools.
 - Once these become more sophisticated, another assessment will need to be conducted to make sure this is still true.
- Home Depot is ranked in the Top 16 retailers for Ecommerce sales in the US.
 - Its digital transformation surpasses that of other gardening and home improvement companies. But it can move up on this list with more focus on its technologies.

Business Outcomes

- The Vice President of the sales and marketing department will lead and achieve the gradual growth of revenue in sales to around \$200 billion over the next two years
- The Head of Global Business and External Relations will further expand the company into emerging markets like India and China to obtain at least 20% of the global share in the home improvement sector by 2025
- In the next 15 months, the e-commerce team will increase Home Depot's online sales from 6% to more than the market's average of 10%
- The Manufacturing Units will reduce the costs associated with supply chain operations by at least 30% over the next six months by replacing current legacy infrastructure systems with state-of-the-art technologies and processes

Reimagining Business Processes

- Sales and Marketing - Track Market Development, Create and Implement Strategies (Divergent Thinking), Recruiting and Training, Maintain Customer Relationships
- Distribution - Market Research, Value Proposition, Product Release, Inventory Management, Transportation
- Technology- Requirements, Design, Development, Feedback, Iterate
- Delivery Operations – Technology Integration, Inventory Management, Automated Shipping, Service Culture, Employee Engagement, Customer Satisfaction

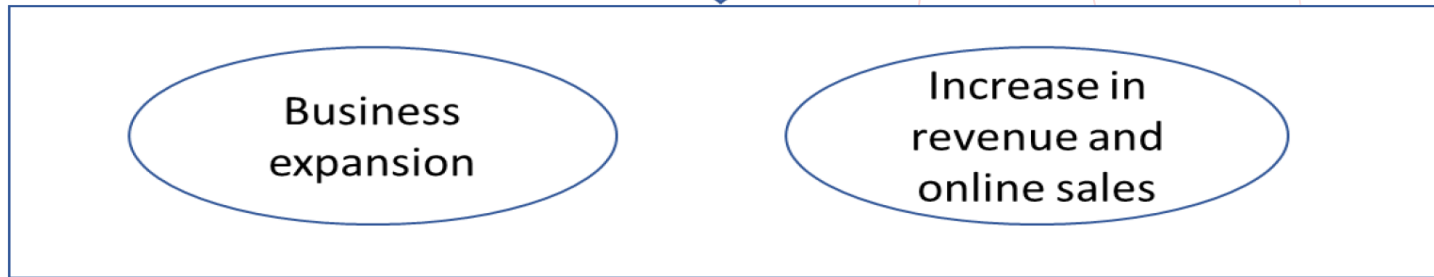
Required Technology Architecture

- Equip all store associates with a new generation FIRST phone
- Expand analysis staff and collect more in-store data via FIRST phone-equipped associates
- Improve upon existing online commerce platforms and expand the use of artificial intelligence to meet customer needs, while improving and maintaining security.
- Expand Google Cloud's [BigQuery](#) partnership to better gather, collect, and analyze store and product data

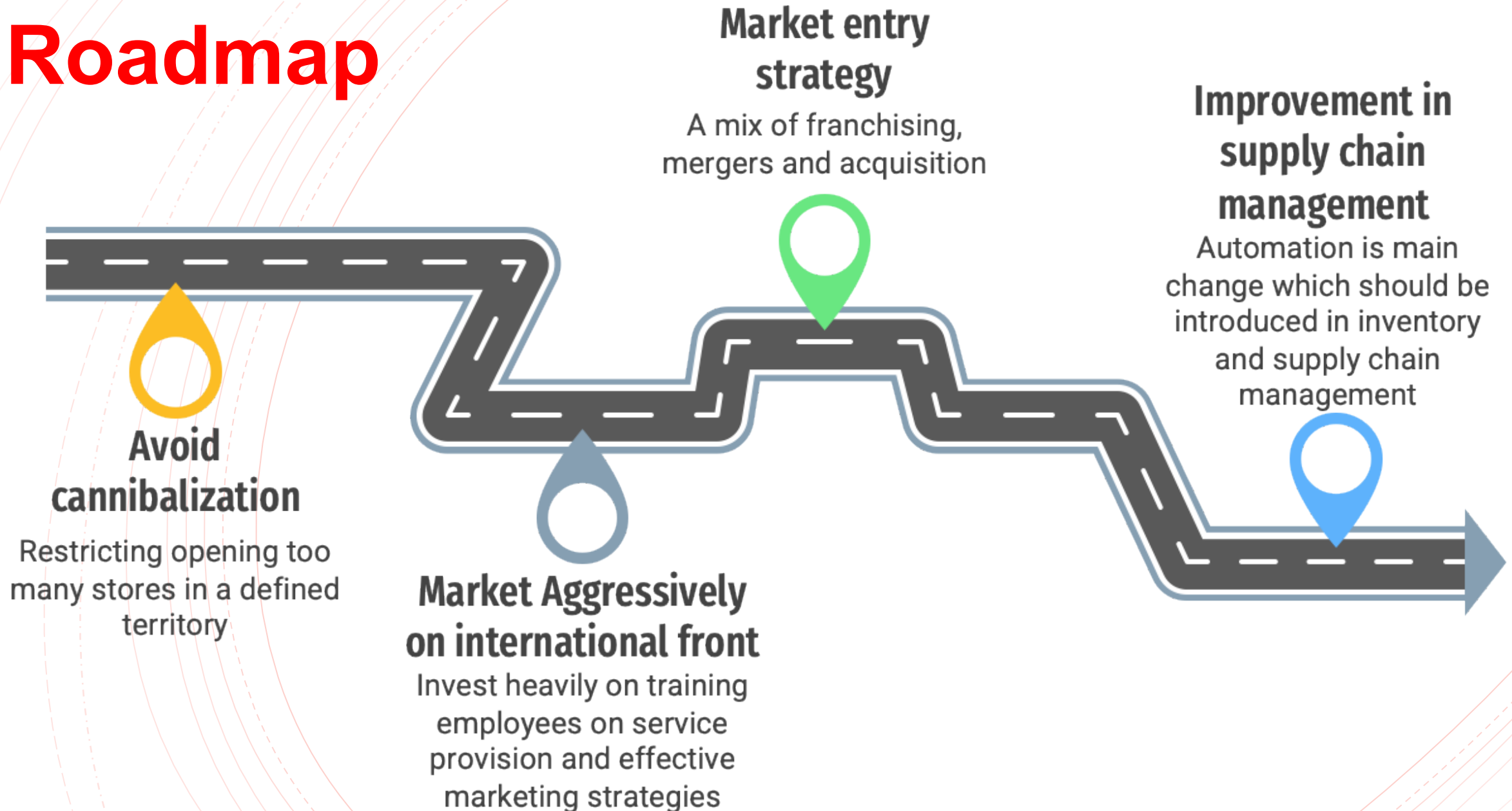
Required Technology Architecture

- Use [Datalab](#) for orchestrating analytics through Python Notebooks
- Utilize BigQuery ML for machine learning within the existing BigQuery data to avoid movement of large datasets
- Implement [AutoML](#) to help determine the best model for predictions.

Desired State – state-of-the-art digital system



Roadmap



Conclusi on

- Home Depot should build up a variety of existing strengths that are necessary to achieve desired growth metrics
- Continue to provide superior customer service across all channels, which allows it to serve customers more efficiently and effectively than its competitors.
- It should also invest in infrastructure to create a top-notch customer experience.
- Home Depot's international expansion strategy, especially leveraging emerging and existing technologies, is something worth focusing on as the company continues to expand into new markets.



THANK YOU