

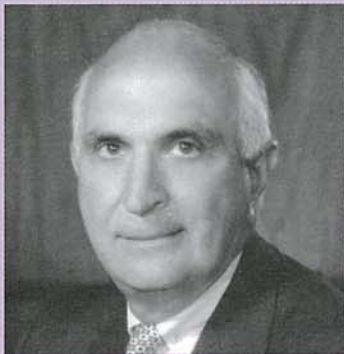
Ken Langone

Ken Langone is truly at home when he's inside a Home Depot store.

The home improvement retail giant

"He's like a Pied Piper, boosting employee morale and making sure things go smoothly."

—Bonnie Hill, Director, Home Depot



has a rare policy of requiring its directors to visit about 20 stores per year. Langone, though, visits about 60—where he speaks, and perhaps more importantly, listens to associates and managers about any concerns they might have.

Langone's dedication and extremely hands-on approach has been a major contributor to Home Depot's success, consistently listed by major publications as one of America's most admired companies. Also a co-founder, Langone has played a pivotal role in guiding the firm from its inception,

helping engineer some major policy changes.

The original idea for Home Depot came from **Bernie Marcus**, the former chief executive of **Handy Dan's Home Improvement Centers**. The California-based home improvement retailer laid off Marcus in the late 70s and gave him the freedom to pursue a new idea. Langone was a large Handy Dan's investor, and he was willing to place a bet on Marcus and his new retailing company. It was Langone who was responsible for Home Depot's original financing. After he took the company public, the first Home Depot store opened in Atlanta in 1979.

Today Langone serves as a Home Depot director and executive committee member. Recently, he was instrumental in locating and tapping **GE** executive **Robert Nardelli** as the Depot's new CEO. It wasn't easy replacing then-CEO Blank, a company co-founder who had successfully shaped the firm since its creation. Langone, part of the search committee, "played a major role in identifying candidates who would fit in with the Home Depot culture," says **Bonnie Hill**, a Los Angeles-based entrepreneur who also sits on the Home Depot board. "We worked long nights and weekends," she attests.

The many hours that Langone spends at Home Depot do not, amazingly, detract too much from the high energy he devotes to his other boards and causes. Langone, 65, who is founder and president of New York-based investment banking firm **Invemed Associates**, sits on seven other corporate boards. He's also a major contributor to charities and he has a lifelong devotion to education.

Home Depot's policy that directors visit five stores per quarter was actual-

BORN

Sept. 16, 1935; Roslyn Heights, NY.

EDUCATION

M.B.A., NYU Stern, 1960;
BA, Bucknell University, 1957.

CAREER HISTORY

Founder and managing director,
Invemed Associates, Inc.
Co-founded Home Depot.

FAMILY

Wife Elaine and three sons, Kenny,
Bruce and Stephen.

HOME

Sands Point, NY.

FAVORITE BOOK

Truman.

FAVORITE MOVIE

Finding Forrester.

FAVORITE MUSIC

Frank Sinatra.

FAVORITE RESTAURANT

Rao's.

I DON'T LEAVE HOME WITHOUT...

My energy.

CURRENT BOARDS

Salem Nationallease Corp.,
Unifi, Inc., The Home Depot, Inc.,
ChoicePoint, Inc., Tricon Global
Restaurants, Inc., General
Electric Corp.

ly Langone's brainchild. Back in 1982, shortly after the company went public, Langone was talking with then President **Arthur Blank** and Chair **Bernie Marcus**. Langone offered some impressive policy suggestions and the two co-chairs asked him how he acquired such detailed company knowledge. "I said I go to stores and introduce myself, maybe have a Coke with an associate and talk about how things are going. I mentioned it wouldn't be a bad idea if every director did this." Directors and managers can accomplish quite a lot when they look at a company from the bottom up, Langone insists.

The policy of directors dropping in on branches goes to the heart of Home Depot's policies and values. "Our associates and managers are the basis of the company," Langone says. "Otherwise it's just a box with inexpensive home items." And those conversations have paid off over the years. Langone's careful listening has led to major changes in how associates are hired and trained and some reshuffling at the managerial level.

But do employees actually enjoy frequent visits from higher-ups like Langone? Critics question if such "ground engagement" leads to micro-management. Is Langone overstepping the fine line dividing the duties of a director with those of a CEO or other company manager?

No, say those familiar with the company and Langone's style. "Ken instills trust and confidence in the employees he speaks with," says Marcus. Hill notes that Langone is quick to give associates his home or work number, telling them to call him any time. And, she adds, "they really appreciate this kind of open door policy."

Marcus adds that Home Depot has

1,200 stores nationwide. "Visiting 50 of them a year is not micromanaging. If there are problems, Ken simply points them out, which I appreciate. He's like a Pied Piper, boosting employee morale and making sure things go smoothly. He's just about as good as it gets when it comes to a director." The talent of working well with others also holds true during board meetings. "Ken has a fabulously analytical mind," says Hill. "He doesn't always tell managers what they want to hear. But he's always collaborative and collegial with his colleagues."

Langone's colleagues are particularly impressed with his financial acumen. While officially an investment banker, Langone has considerable venture capital experience. Langone also sits on the **New York Stock Exchange** Board, where he heads the human resources policy committee.

"He's a long-time leader in financial services, and the insight he brings to our board is incredibly valuable," gushes **Richard Grasso**, NYSE chairman. "He's extremely focused and reads every scrap of paper that he's asked to read. He asks all the predictable and unpredictable questions."

Langone, who graduated from New York University's Stern School of Business in 1960, has come a long way since his modest upbringing in Queens, New York. Says Grasso: "Ken is like me in that he comes from a line of Italian American immigrants who were fortunate enough to have the chance to live and work in this country."

Langone has a deep sense of patriotism, says Grasso, which was clearly evident during Veterans Day 1999. Each Veterans Day, the NYSE halts the market briefly to remember U.S. veterans. "Since 1999 was the last year of the millennium, we wanted to have

a special ceremony," explains Grasso. The NYSE invited Medal of Honor recipients for some special events. "Ken was extremely active in helping prepare and run the day. We all rang the bell that day and you could tell how proud Ken was because he is someone who's lived the American Dream. There was almost a tear in his eye."

And Langone has always made a point of giving back. One example is his work serving on the board of the **Robin Hood Foundation** and the **Children's Oncology Society of New York**. Langone has also made major contributions to **New York University Medical Center**, where he is chairman of the board. "His many contributions in both dollars and time have helped make NYU Medical a truly world class school and teaching facility," says Grasso. Adds fellow director Hill, "He's a man with a heart the size of New York City."

Ken on a recent cross-country trip with his son and friends.

