

Taking Care of Business

An Interview with Steve Odland,
Chairman and Chief Executive Officer, Office Depot, Inc.



Steve Odland

EDITORS' NOTE Steve Odland came to Office Depot in 2005, and, since then, the company has grown into the \$15.5 billion office supply business that it is today. Prior to assuming his current post, Odland was Chairman, Chief Executive Officer, and President of AutoZone, the nation's largest auto parts and accessories retailer, which he joined in 2001. Previously, he was Chief Operating Officer of Abold USA, Inc., a leading supermarket retailer on the eastern seaboard; President and Chief Executive Officer for Tops Markets, Inc., one of Abold's operating companies; and President of the Foodservice Division of Sara Lee Bakery. Odland has held various other senior management positions during his 16 years at The Quaker Oats Company. In addition to his current post, he is a Director of General Mills, Inc. Odland holds a bachelor's degree from the University of Notre Dame and a master's degree from the Kellogg Graduate School of Management at Northwestern University.

COMPANY BRIEF Working in 43 countries through a network of more than 1,200 worldwide retail stores, a \$4.9 billion e-commerce operation, and a dedicated sales force, Office Depot (www.officedepot.com) has three divisions utilizing multichannel capabilities to serve businesses of any size. Office Depot has developed a number of green initiatives to help improve the company's own sustainability, as well as that of their customers, vendors, and suppliers. The company was founded in Florida in 1986.

Can you give a brief overview of the range of services and products that Office Depot offers and your outlook for growth?

Office Depot is a global provider of office products and services. We service customers in 43 countries around the globe, with a concentration in North America but also in Europe, Latin America, and Asia. Our products range from the basic kinds of pens, pencils, and paper to technology products such as computers, printers, and networking. We also have a range of services headlined by our Design, Print, and Ship Depot, where we become the back office for small businesses, providing graphic design services and print services. We also have our Tech Depot Services where we provide technical hookups, troubleshooting, and network installations for small businesses and homeowners. So Office Depot is a full-range service provider. Less than half of our sales today are in retail. The majority of customers around the globe order by sending faxes, using the Internet, or calling our call centers, and we deliver whatever they need the following day. We also are the largest office furniture provider in the country, which includes furniture sold through our stores and our direct sales force.

As we look forward to growth in the future, we see possibilities in all three of our divisions. In North American retail, we have about 1,222 stores, and we see the opportunity to add significantly to that store count to better serve our customers around the country. In our Business Solutions Division, we see an opportunity to add new services, salespeople, and specialty catalogs to meet the needs of our customers. As for our international division, we recently entered China and Eastern Europe, and we are working to put together future opportunities in large economies like India and Brazil.

You have the size and scale to be the leader in the industry, but it's a very competitive market on the surface. Is it challenging to differentiate in this space?

It is difficult to differentiate. People think of the three office superstore players as being the entire market. But together we account for less than 10 percent of the share. Our top competition is coming from Wal-Mart, Costco, and Target, but we have a lot of contract stationers and independent sales organizations that provide these kinds of products and services. So our distinction is our brand, our level of service,

our prices and value proposition, the solutions that we provide in conjunction with our products, as well as our commitment to taking care of business.

You're also a company that has been focused on women. How important is diversity with regard to your corporate culture?

The majority of our customer base is comprised of small businesses, and, today, women are creating them at extremely fast rates. So we have partnered very successfully with women's groups and with our women-owned businesses. For many years, we have sponsored the Success Strategies for Businesswomen Conference, which allows female senior executives to come together to network and to discuss women's issues. Our company is diverse. We have four women board members, and three members of our seven-person executive committee are women. It is just a reflection of who we are.

Is it important that Office Depot's culture is community focused?

Certainly. We engage extensively here in Florida with the Office Depot Foundation. We've had partnerships with local educational institutions, and have engaged in buying green, being green, and selling green. When we think about citizenship, we think about our philanthropy, but we also think about how we interact with our environment.

Looking a year or two out, do you see areas of focus that you're most interested in addressing to make sure you continue the growth you touched on?

We established a vision and a set of values for our company. Our vision is articulated as "Delivering Winning Solutions That Inspire Worklife," and we've focused on five core values: integrity, innovation, inclusion, customer focus, and accountability. In our operations around the world, the cultures of our associates are different. The cultures of our customers are different. So the thing that brings us together is a common vision and a set of values, which create a community and a language that are consistent and transcend all of the differences. All of our associates around the world carry a card that outlines our vision and values, and it's printed in many different languages. So in the next few years, we are about deepening our commitment to achieving our vision while always operating at the highest level of ethics that is consistent with our values. ●