



Home Depot Case Study

Headcount Reduction

Key Statistics	
Employee Base	275,000
Program Locations	US & Canada
Headcount Reduction	44 FTE
FTE Savings	\$1.2MM

COMPANY OVERVIEW

Home Depot is a \$45 billion retail company. Home Depot is the world's largest home improvement retailer, with stores in the United States, Canada, Puerto Rico and Mexico.

GOALS/OBJECTIVES

Home Depot's goal with the Corporate Purchasing Card (CPC) program was to streamline and automate their purchasing processes, rationalize their spend, and to reduce headcount. The purchasing program was sponsored by the Vice President of Purchasing, Expense Payable and Finance.

APPROACH

Home Depot's strategy was to identify their top vendors and apply "ghost" supplier cards with those suppliers to automate the highest number of transactions - achieving significant process savings and headcount reduction.

RESULTS

- The Expense Payables department is managed by 126 people today, without the CPC program Home Depot estimates that they would need 170 people. This demonstrates a savings in FTE's by 44.
- Since implementing the CPC program 3 years ago, Home Depot's business has grown 60%, the CPC program enabled them to expand their business with no additional headcount.
- Since the CPC program inception in 2000, Home Depot has realized FTE savings of over \$1.2 MM.
- Home Depot has realized a 60% reduction in processing costs through CPC.
- By end of 2002, roughly 3MM invoices will have been eliminated – a 40% reduction.

“The phenomenal success of the Corporate Purchasing Card program has surpassed our highest expectation – it is hard to imagine where we would be without it”

Debbie Rich Walker, Manager, Expense Payable

1 – 40,000 manual invoices = 1 FTE (per Home Depot)

2 - # of transactions multiplied by \$55 (process savings per invoice – per Home Depot)

3 - 2002 data – YTD combined with estimated for remainder of the year

