

# THE GLOBALIST

Dear Friends:

On May 20, Brandeis University celebrated its 49th Commencement and GSIEF its 7th. Seventy men and women earned degrees in GSIEF's Lemberg MA, MBA/International, Master of Science in Finance, and Ph.D. programs.

We have come a long way since the first nine Lemberg students graduated in 1989. Sachar was filled with proud parents and relatives from every corner of the world. The photographs hopefully capture a little of this special day.

The School's Commencement Address was delivered by Bernard Marcus, co-founder and Chairman of the Board of Home Depot, Inc. Mr. Marcus is a giant of the business world, a pioneer in what we now know as "category killer" retailing. He is also a man of exceptional integrity and dedication—to his employees and social causes. Mr. Marcus gave an excellent address. He spoke with humor and warm informality, and all of us were inspired by his personal story and plain advice. Mr. Marcus was introduced by last year Commencement Speaker, Mr. Richard M. Rosenberg, the former Chairman and CEO of Bank of America.

With congratulations to the new graduates and best summer wishes to all.



Peter Petri  
Dean and Carl J. Shapiro Professor  
of International Finance

## Commencement Address May 20, 2001

### Built From Scratch

By Bernie Marcus, *Chairman of the Board, Home Depot*

Today's lecture will be the best you've experienced in years. You don't have to take notes, there'll be no tests and you don't even have to pay attention.

So relax and just listen, if you will!

It's really a great time to be entering the world of business — so don't believe for one second all the doom and gloom stories you've been recently reading about. The economy may be weak presently, but there are plenty of wonderful opportunities out there *right now, and more in the future* for everybody in this audience.

I'm living proof — a child of Russian immigrants, raised in the slums of Newark, New Jersey — that anyone can make

it, even in difficult times; which those times were.

As you've heard, I'm from the retail side of business, and you know what they say — "retail is not for the faint of heart."

It's a demanding market, dominated by rapid changes in customer tastes, products and tough new competitors.

The pages of the *Wall Street Journal* are littered with failed retailers, from Bradlees to Montgomery Ward and many others. And unlike the fleeting telecoms or dotcoms — remember when Cisco was worth more than Wal-Mart, GM and Citigroup combined? — these retailers had major assets and made real money.



If you keep looking back, you'll never go forward.

I believe opportunities are out there for anybody with the courage to reach out and take a chance and work hard.

After all, even the best of men get knocked down many times — failure and problems make life interesting. As in golf, they're the hazards and sand-traps that force us to keep our minds on the game and play our very best.

My partners and I failed many times in our Home Depot careers — we picked the wrong locations, sometimes hired the wrong people, and stocked the wrong merchandise.

In fact, the creation of The Home Depot began in the spring of 1978 with two words; "you're fired."

Instead of complaining about our ouster from the Handy Dan Improvement Centers, one of my partners saw it as a "kick in the rear-end with a golden horseshoe" — that is to say, an opportunity to open the kind of stores we would run given half the chance.

And so we went out on our own and took a number of major risks — and though we sometimes failed, we gained more than we lost.

The key was we learned from our many and painful mistakes.

Just like the 12-step program from Alcoholics Anonymous, to succeed we discovered that you first have to recognize you have a problem, then you have to admit it, and finally, you have to correct it.

Seems easy but it's not. People have a hard time learning from the school of hard knocks.

Remember the character Willy Loman from the classic play, *Death of a Salesman* by Arthur Miller? Willy's glory days as a star salesman were clearly behind him. If he wanted to keep his job he needed to change. Instead, Willy blamed everyone but himself for his failures.

As the British writer Rudyard Kipling once said, "we have forty million reasons for failure, but not a single excuse."

Which brings me to my third point — having a code of ethics.

One thing there is never any excuse for is taking the easy way out — especially covering up mistakes.

The amount of energy that goes into hiding mistakes, errors and slip-ups is enormous. Just look at some of our government institutions — the bureaucratic nightmare they engage in just to cover up mistakes!

Again, at Home Depot we teach that there's no shame in honesty — in admitting the truth, correcting the problem, and moving on.

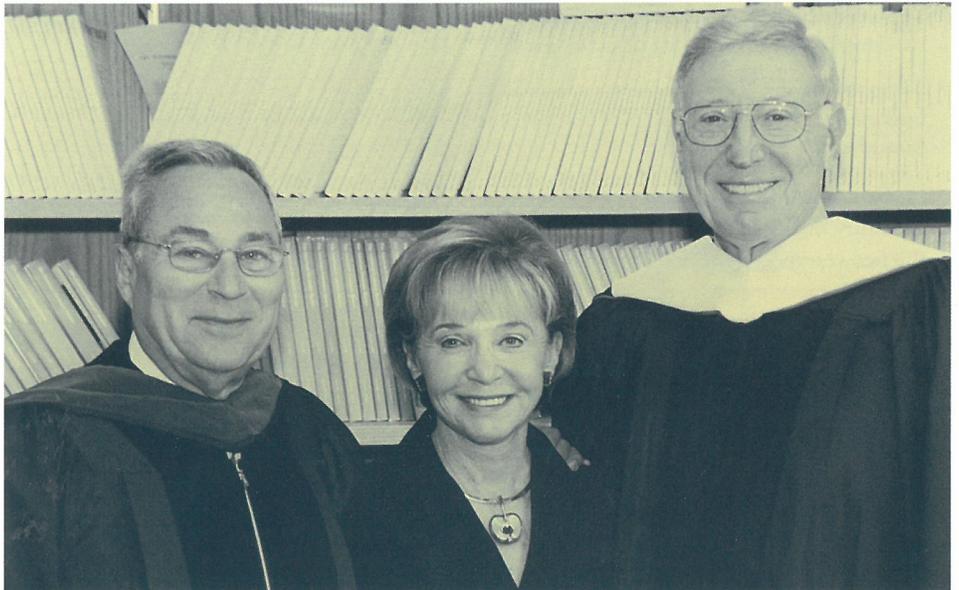
Contrary to what you see in the movies, you don't have to engage in unethical behavior to succeed.

back. You're looking at sleepless nights and a poor reputation.

Plus, it's just plain bad for business.

As they say, "a dishonest man can last longer in academia, or even the clergy, than he can in the used car business."

In sales it doesn't take long for your customers to discover the truth and for you to be quickly put out of business — especially given that gossip, rumor and information now travel at the speed of light thanks to the Internet.



Left to right: Richard M. Rosenberg, former Chairman and CEO, Bank of America, Brandeis Trustee Barbara Rosenberg, and Commencement Speaker Bernard Marcus, Cofounder and Chairman of the Board of Home Depot, Inc.

I understand that in some countries it's almost mandatory to make payments or give so-called "tea money" to "facilitate" deals.

Please don't go there people — resist at all costs. The price of dishonesty is just too high.

In our early years, when we were desperate, we had plenty of opportunities to bend the rules.

We could have paid off some local officials to gain better zoning ordinances, sold inferior merchandise at high prices, or purchased products from shady dealers with no questions asked.

The honest-to-goodness truth is we didn't.

Once you fall down that long slippery slope of dishonesty, there's no climbing

Business ethics, however, go beyond simply being honest and providing your customers with wonderful products and services at low prices — though that's a great start.

There's also the moral imperative of *tzedakah*, which in Hebrew means to give back — to help those in need and to contribute to community efforts aimed at assisting the homeless, the sick, the disabled, the unfortunate.

At Home Depot, "giving back" is not a stale, meaningless corporate mantra — we follow our words with deeds.

Our involvement remains unsurpassed in the retail or corporate world. Nearly a third of our people, 80,000 associates, devote 6 million hours annually to community service — be

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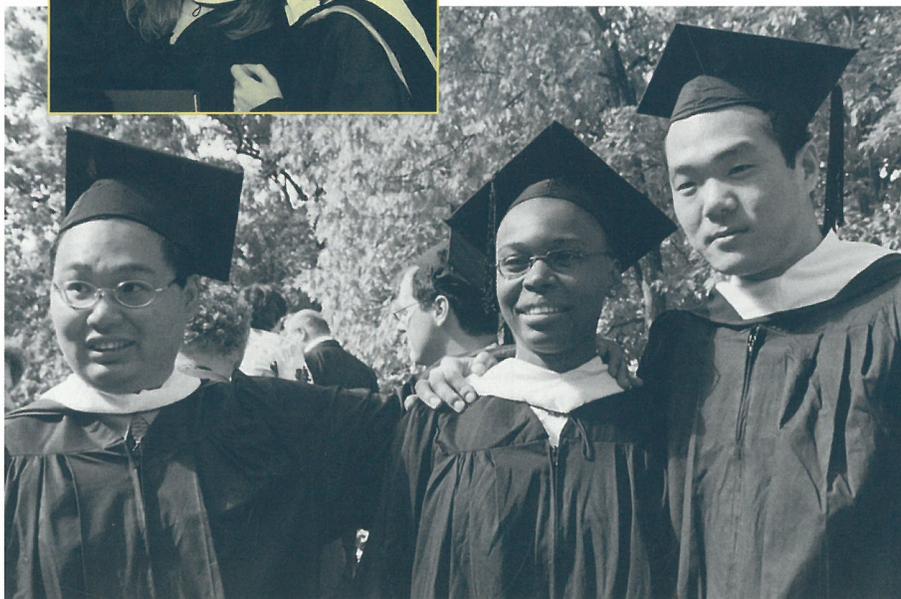
**Photographs:** John Kennard, Concord, MA

it repairing homes, building playgrounds, or teaching kids to read.

Remember, we make a living by what we create, but make a life by what we give.

So, what's the key to building a successful business — the three lessons to be learned from the Home Depot story?

First, be fortunate enough to work in a country that holds true to the tenets of the free enterprise system — which gives you the opportunity to apply your abilities, and not stunt them with false promises of easy riches.



As the great economist Milton Friedman wrote in, *Capitalism and Freedom*, "there is no such thing as a free lunch." You will succeed only through the fruits of your labor!

And if you live in a country that doesn't let you reach your potential — work for change. It may be a long, arduous task but it's worth it.

Second, perseverance — along with a positive attitude and a sense of self-worth — will keep you in the winner's circle.

Patience and confidence is everything, no matter what you do. Without them, you're lost and at the mercy of others.

Third, honesty is the best policy. The quality of your mind, along with the integrity of your soul, will decide your future — don't be found wanting in either quality.

And let me add one other piece of advice — at no extra charge.

*Chase your passion, not your pension.* Choose a career that gives you fulfillment and that provides you the opportunity to help others.

If you take anything away with you from this lecture, it's that each and every one of you can accomplish great things, if only you put your mind to it!

As Churchill once said, "the empires of the future, are the empires of the mind."

Thank you again for the invitation to join you this morning.

Congratulations and good luck!