Evidence of Excellence in Education

From bag boy to CEO: How alumnus Robert Nardelli worked his way up the ladder

## By Brad Bainter '79 MS '83 & Darcie Dyer-Shinberger '89 MS '98

His Italian roots, and the love of a father and mother wanting a better life for their children, set the tone for one Western Illinois University alumnus, whose parents moved their family from a small coal-mining town in Pennsylvania to Rockford, IL, for a brighter future. That future included eventually serving as CEO and president for some of the biggest corporations in North America.

Robert Nardelli '71 was born in 1948, in Old Forge, PA, to Raymond and Clelia. His father, a World War II veteran, held a few jobs, including one at GE, which proved to be a bit of a prophecy for the youngest Nardelli son. Nardelli's parents'-the children of Italian immigrants-work ethic and desire for a better life were impressed upon Bob at an early age.

"Thank goodness to my mom and dad for relocating our family, first to Louisville, KY, and then to Rockford. If it wasn't for their perseverance and us moving, I wouldn't have had the life I've had," Nardelli said. "We were a close-knit Italian family and my dad worked so hard to advance his career and to care for us and my mother was the ultimate housekeeper. She was adamant about a spotless home, always having clean and pressed clothes and about me having the whitest and cleanest uniform on the field."

When the family of four— Nardelli's parents, Bob and his older brother, Raymond Jr.—settled in Rockford, Bob was sent to St. Patrick's Grade School in his neighborhood. His staunch Catholic

faith, which continues today, kept him active in St. Patrick parish as an altar boy and supreme grand knight of the altar boys. Like many of his peers, he was part of Cub Scouts and Boy Scouts and had a paper route. He recalled his first job, along with the paper route, was as a bag boy at the local Piggly Wiggly. Following his eighth grade graduation from St. Patrick's. Nardelli went on to public high school at Rockford's Auburn High School.

"Ninth through 12th grades for me were wonderful experiences. I participated in so many activitieseditor of the yearbook, ROTC, all sports," he recalled.

If working an after school job, doing chores around the house, and participating in school sports and clubs weren't enough to keep Nardelli busy, he also was part of a rock and roll band in high school, which he declined, with a laugh, to divulge too many details about the band's name.

"The Beatles were big then, and we parlayed their popularity into plaving weekend fests at Lake Louise in Rockford and other places in the area," he laughed.

Rock and roll aside, the all-sport athlete was also considered an "all-ROTC cadet." as he was a member of the corps' rifle team and drill team, and he was a company commander. As the GE prophecy before him with his father's earlier employment at the company, his father's WWII status, along with Nardelli's involvement with ROTC, set the stage for something near and dear to his heart

later in life. He was even considering West Point following high school, and was named a first alternate.

"The opportunity to attend Western turned out to be one of the most formative parts of my life. I learned about myself, I learned about my team, I learned my core curriculum," he said. "I would not be where I am today if not for the good, solid Midwestern environment, the faculty, coaches and teammates I experienced at WIU."

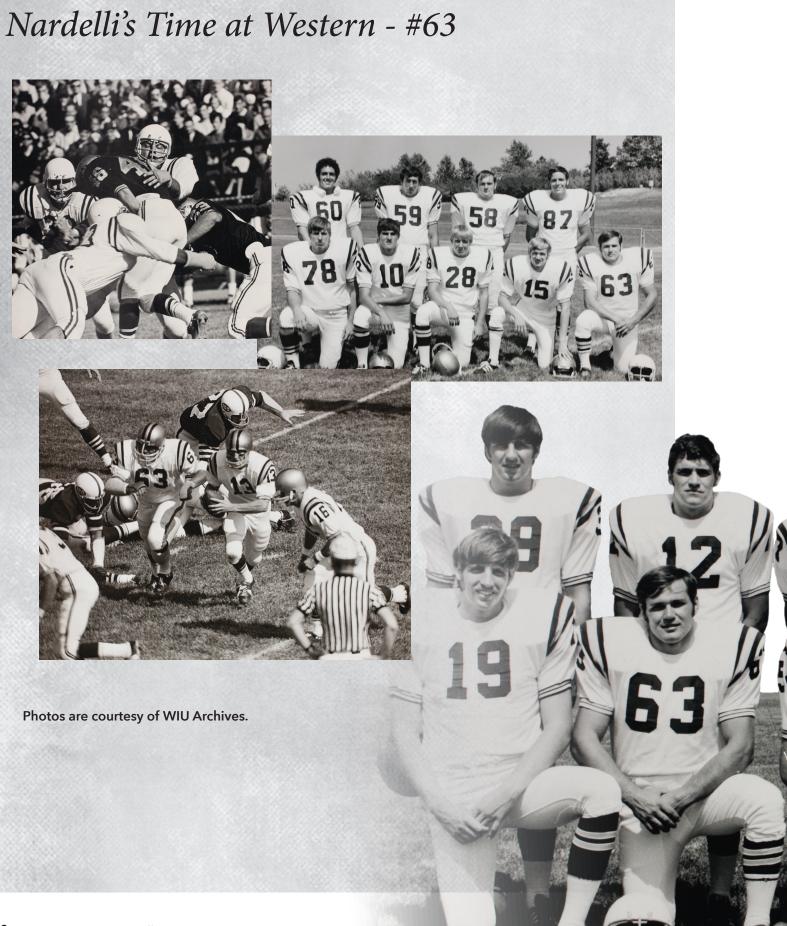
Nardelli fondly recalls his Leatherneck football teammates —Mike Wagner '71, Bob Majka '72, Larry Mortier '70 MS '71, Ron Wilson '82, Ronnie Comm '72, Tom Schmulbach '70 MS '84. Steve Mills '71, Steve Tresemer '75, Mike Kelly '70, among others-and his coaches- Darrell Mudra, Danny Waskevich and Bob McMahan-and what their support and friendship meant to him and helped him on his road to success.

"I was blessed with incredible coaches in high school, Bill Zavadil '61 MS-Ed '66, and in college, Coach Bob McMahan. Bob and Mrs. McMahan were so kind to me when I was a student at WIU. I was invited to their home for meals, and I just really felt like he and the other coaches looked out for me and the other players," Nardelli said.

Nardelli's friends, teammates and Tau Kappa Epsilon fraternity brothers have often stated while he (Nardelli) was a student-athlete, he was a student first and foremost and he was committed to his studies.



One of the greatest honors in my life happened at WIU when my teammates voted for me as cocaptain my senior year along with Mike Wagner. Coach McMahan said I was the best lineman he ever coached. I came away truly enriched by WIU.



"My studies and my time on the football field framed my life at WIU perfectly," he said. "I was offered numerous opportunities to continually improve myself. One of the greatest honors in my life happened at WIU when my teammates voted for me as co-captain my senior year along with Mike Wagner. Coach McMahan said I was the best lineman he ever coached. I came away truly enriched by WIU."

However, to Nardelli, one of his biggest accomplishments in life—and there are many successes from which he could choose—was meeting his wife of 45 years, Sue (Schmulbach), at WIU.

"We have four great children and three wonderful grandchildren. I give so much credit to Sue for her support and dedication to our family. We have a wonderful partnership, and we couldn't have accomplished what we have without her love and commitment to our marriage," Nardelli said. "I'm so proud of my family."

With Sue by his side following graduation in 1971, Nardelli said he was "pounding the pavement" at a time when the job market was terrible. He was set to take a management trainee position with Ponderosa Steak House or to sell insurance when he was given a life-changing opportunity with GE as a manufacturing engineer, making \$9,600 a year and working alongside co-workers who hailed from Harvard, Yale and other Ivy League schools.

"I was thrilled with getting hired by GE. For someone from very humble beginnings, without the Ivy League diploma that so many of my co-workers had, I knew I would have to commit myself to continuous improvement just like I had to do on the playing field," he remembered. Because of his drive and desire to succeed, Nardelli completed a two-year manufacturing engineering program to get "steeped into the GE culture" and then enrolled at the University of Louisville, attending classes on nights and weekends for two years, where he earned his MBA, while continuing to grow his career with GE.

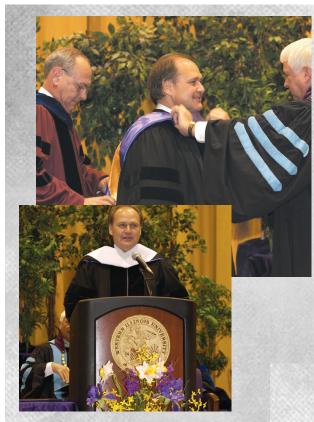
"When I first joined GE, I was asked to make a list of all the individuals between the Chair and CEO of GE Reg Jones and me. It took me over two sheets of paper at the time. I remember Sue and I talking about how great it would be it I could reach the position of a unit manager some day earning \$100,000. We'd be in heaven, and it would be a "Leatherneck makes good' story," Nardelli said.

While his co-workers and peers scoffed at Nardelli's willingness to take what he calls "lateral promotions" within GE, Nardelli



had a reason behind accepting every lateral promotion: to build as broad a base as he could and learn about every unit and division within the corporation. His willingness to learn allowed him to move quickly up the ladder within GE. Nardelli did leave GE in 1988 for a short stint to work for Case Construction Equipment as senior vice president, a move he said gave him a great opportunity to test his skills elsewhere.

GE Chair and CEO Jack Welch lured Nardelli back to the company in 1992, and again, Nardelli moved quickly through the ranks, finally being named president and CEO of



In September 2001, The Western **Illinois University Board of Trustees** approved a recommendation to name Robert Nardelli, then-CEO of The Home Depot, as a recipient of an Honorary Doctorate of Humane Letters, which was awarded at the May 2002 commencement excercises.

GE Power Systems in 1993. In that role, he advanced Power Systems' earnings from \$5 billion to \$20 billion in just a few years. When Welch announced his retirement in 2000, Nardelli was one of three GE executives considered for the position. While Welch's decision regarding his successor wasn't the decision Nardelli had hoped for, he still considers Welch a friend and a mentor.

"He had to make a decision. And while I certainly didn't like the decision he made, I harbored no ill will. I built a broad base at GE and had the opportunities to hone my skills," Nardelli said. Within a

> week, Nardelli was named president and CEO of The Home Depot, and a year later. chairman was added to his title. He stayed at the company's helm until 2007.

"It was a challenge. Seventy percent of my knowledge base was portable, but that other 30 percent I had to be like a sponge in a bucket of water. I Chrysler.

had to learn a lot of new information, going from a heavy industrial company like GE to a retail giant like The Home Depot," he explained.

While The Home Depot job was a challenge, Nardelli said there's a lot he was proud of accomplishing. Sales soared from \$45 billion to \$91 billion, while net earnings more than doubled, from \$2.5 billion to \$5.7 billion.

"We added more than 1,000 new stores and more than 135,000 jobs and we created Home Depot Supply, an \$8 billion business. We also made it our company's mission to hire veterans. During my time with The Home Depot, we hired about 35,000 veterans and 500 junior military officers," he said.

His 2007 move to Chrysler, taking over as chair and CEO, was in the midst of the great recession. The financial meltdown had a direct impact on the automotive industry. Nardelli soon found himself testifying in front of Congress at four congressional hearings.

"Little did I know when I was a student that someday this Leatherneck would be in front of Congress," Nardelli chuckled. "But despite Chrysler's bankruptcy, what we did, in terms of restructuring Chrysler, worked. We repositioned Jeep and Ram Truck. We repositioned the entire product line." President Obama credited Nardelli for saving

Nardelli said one of his biggest accomplishments in life was meeting his wife of 45 years, Sue (Schmulbach), at WIU.

Photos are courtesy of Robert Nardelli.



Following a nearly eight-year stint as senior advisor and CEO of Cerberus Operations Advisory Company at Cerberus Capital Management, L.P., Nardelli decided to branch out on his own and open his family office. In 2012, he founded XLR-8, LLC, an investment and advisory firm. XLR-8, which takes Nardelli on the road about 200 days a year, combines his 45-plus years of experience in business with a team of skilled professionals who fix and advance growing companies. He serves on the board of directors for BWXT Technologies and as senior advisor to SAP, EY and Emigrant Bank. Nardelli serves as vice chair for the Board of Trustees of the Savannah College of Art and Design and is a member of The Business Council. He has also served on the boards of Babcock & Wilcox and Pep Boys, among others.

Nardelli has also dedicated his career to serving veterans, a mission he said he started in his days with GE.

"It was hard to attract and retain good employees. It was at GE, during my early years with the company, that I started working with the Department of Defense and Department of Labor to bring veterans into the company, starting at our plant in Erie, PA," he explained. "This concept of hiring veterans and

across GE."

Nardelli took this same concept to The Home Depot and later, Chrysler. Following 9/11, because of The Home Depot's commitment to employing service men and women, the company was a first responder to provide support tools at Ground Zero and the Pentagon.

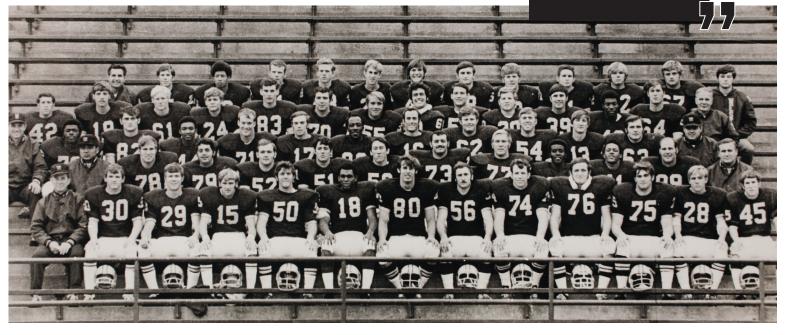
"I've made supporting our veterans Because of that support and

a part of the DNA of the companies I've worked for and led," he said. commitment, Nardelli has twice been awarded the U.S. Secretary of Defense Freedom Award (2004 and 2008). He has continued to raise awareness and enlist the public's aid for the needs of injured service members.

"We cannot do enough to support the brave men and women who put their lives on the line each and every day," Nardelli said. "They represent less than one percent of Americans protecting 99 percent of us. We need to support these men and women." When asked when he'll slow down, or perhaps retire, he simply

laughed.

"I was recently asked that same question. I am 68 years old and I have this goal out there called QTL, Quality Time Left. I have been blessed and I intend on working for as



serving those people who have served us, served their country, took off

long as the good Lord lets me. I love it, I think it's important to stay active, and it's important to stay relevant. I live by this motto of 'Infinite capacity to improve upon everything I do.""

To learn more about Nardelli and his many achievements, awards, and legacies, visit bobnardelli.com.

