

FIRST QUARTER / 2018

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HOME IMPROVEMENT QUARTERLY

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COVER STORY

THE ORA WINNERS

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SUCCESSION PLANNING

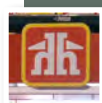
THERE'S NO SUCCESS WITHOUT A PLAN FOR SUCCESSION

34 With baby boomers looking to retire in the next few years, the time to think about succession planning is now

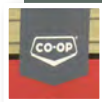


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Home Hardware launches commercial maintenance program at latest market



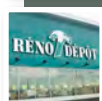
Paint, agro products, patio furniture get spotlight at Federated Co-op's Buymart



RONA and Ace dealers front and centre at latest Lowe's Buying Show



Spancan announces new purchasing director



Reno-Depot introduces Canada-wide delivery for online purchases



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SEARCHING FOR THE RIGHT FIT

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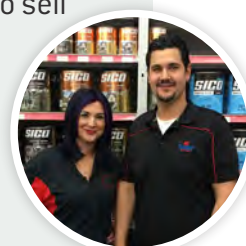
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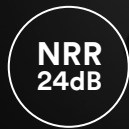
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SIGRID FORBERG, EDITOR

RETAIL IS A ONE-PERSON RACE

It's not a competition, but you do have competitors.



In this issue, we celebrate the 2017 Outstanding Retailer Award winners. If there's one thing that all the ORA applicants have in common, it's that they have a deep respect for the value of good service. Going above and beyond to make customers happy comes naturally.


Part of it is a strategic choice. Any dealer who wants to stay competitive can't afford to give surly, or even perfunctory, service. But every year, we're blown away by the stories of dealers like David Sayer of Sayer Home Hardware in Hagersville, Ont., who

Going through the applications every year, there's no shortage of stories like David's. Every store has managed to find its place in its respective community and a way to meet its specific needs. Bill Wilson, our regular columnist and an ORA judge, outlines some examples of how this year's retailers make their stores outstanding and what lessons you can learn from their approaches.

In our regional spotlight on Ontario on page 42, we hear from dealers across Canada's most populous province. While

as well. We have a feature on succession planning on page 34. And our Selling to Pros column in this issue focuses on finding and retaining staff in departments that require a little more knowledge or experience. Some dealers have found creative ways to attract new employees and to incentivize them to stay on long-term.

Finally, our show report on page 38 highlights some of the most interesting retail trends we saw at spoga+gafa last summer. The show, the world's largest garden fair, held in Cologne, Germany, offered a lot of great examples of the innovative products we can expect to see in this growing category.

Leading edge products, customer service, the business end of things—it's a lot to manage. But it helps to know everyone's facing the same challenges. And we're here to support you with the information you need to help you best position your business for the year to come. 

“Every store has managed to find its place in its respective community and a way to meet its specific needs.”

provides free deliveries and installation for one of his elderly customers. While she's not the only customer he does this for, David and his wife Cheryl will also practice yoga with her and she's known for sharing her delicious homemade baked goods.

It's a culture of caring embedded in the store's philosophy. It's the difference between making your customers happy and making them feel like family.

it's a market that steadily experiences healthy growth year after year, dealers must balance growing their businesses and staying true to the quality of service their customers have come to expect. As Carlo Guido, co-owner of Lakeview RONA in North Bay, Ont., puts it, there's no sleeping on the job in this industry.

The beginning of the year is a good time to review your policies on the business end,

sigrid@hardlines.ca

QUARTERLY BUSINESS CONDITIONS

THIRD QUARTER 2017

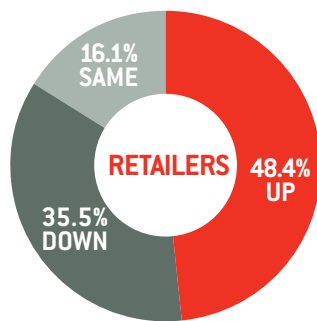
Mild summer weather that continued well into fall has resulted in good business for many retailers across the country. But some vendors who sell seasonal products have expressed concern that it's begun to impact their winter sales.

With unpredictable weather, the increasing scarcity of lumber, and general uncertainty hanging over the political sphere, both retailers and vendors were far less optimistic about what the

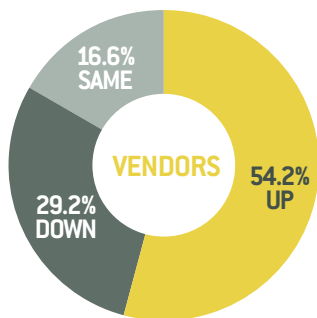
future holds for the home improvement industry at the end of Q3 2017. In fact, just over half the retailers and vendors surveyed expected sales to be up compared to the previous year.

The top issues right now for retailers are staffing, customer retention, and e-commerce challenges, while suppliers are concerned with retail consolidation, higher raw material and shipping costs, and the exchange rate with the U.S. dollar.

HOW DID YOUR BUSINESS COMPARE WITH THE SAME TIME LAST YEAR?

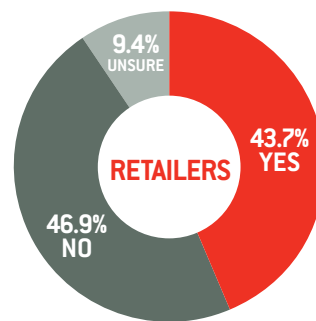


Year over year, the percentage of retailers experiencing better sales than last year has increased more than 11 percentage points from 37.0 percent to 48.4 percent in Q3 2017.

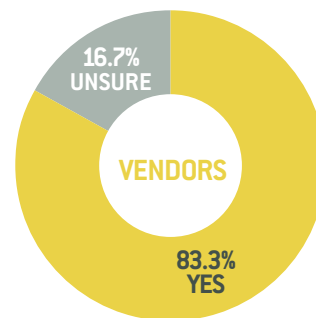


Compared to the same quarter the year before, fewer vendors reported sales were up than the 61.7 percent in Q3 2016. And the number who reported business was down increased nearly 18 percentage points from 11.8 percent in Q3 2016.

DO YOU EXPECT YOUR SALES TO INCREASE OVER THE NEXT SIX MONTHS?

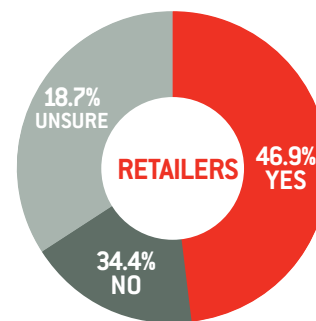


The percentage of retailers expecting sales to decrease in the next six months has gone up slightly from 37.0 percent in Q3 2016.

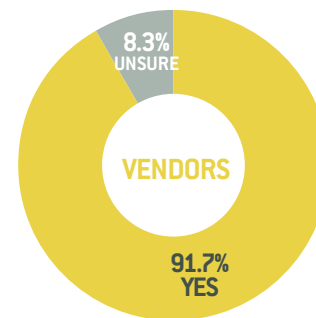


The percentage of vendors anticipating sales increases in the next six months remained fairly consistent with Q3 2016's 82.4 percent.

DO YOU EXPECT YOUR SALES TO INCREASE OVER THE NEXT 12 MONTHS?

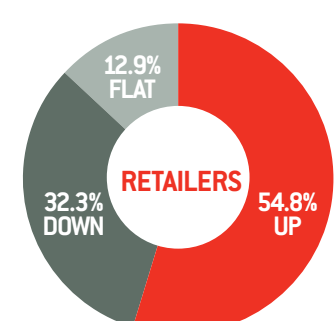


Retailers' negative outlook for the year ahead is significantly less optimistic than the same quarter the year before, when only 22.2 percent didn't expect sales to increase over the next 12 months.

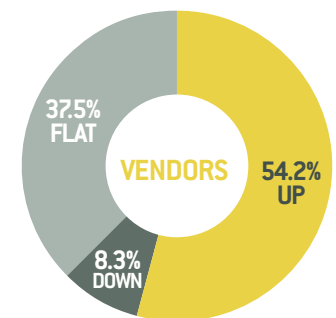


Year over year, the percentage of vendors predicting an increase in sales has gone up slightly, compared to 88.2 percent of vendors who predicted increases in Q3 2016.

AT YEAR-END 2017, HOW DO YOU EXPECT SALES FOR THIS YEAR TO HAVE GONE?



Looking ahead to the end of the year, the percentage of retailers that predict sales will go up has increased slightly, compared to 48.2 percent in Q3 2016.



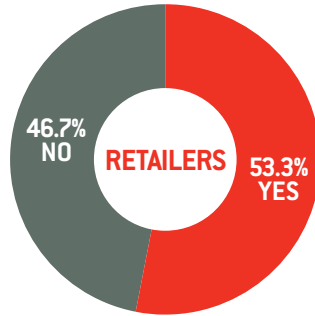
Looking ahead to the end of the year, the percentage of vendors who predict sales will go up decreased from 67.6 percent in Q3 2016, while the percentage expecting sales to remain flat increased from 26.5 percent in Q3 2016.

IN Q3, HAVE THERE BEEN ANY CHANGES FROM THE PREVIOUS QUARTER TO YOUR NUMBER OF EMPLOYEES?



The percentage of retailers whose employee count fluctuated compared with Q3 2016's numbers experienced an increase, from 7.4 percent last year to 15.6 percent in Q3 2017.

DO YOU FEEL THE EFFECTS OF "SHOWROOMING" IN YOUR STORE?



Year over year, the percentage of retailers who reported experiencing the effects of "showrooming" in their stores decreased nearly eight percentage points from 61.5 percent in Q3 2016.

THIRD QUARTER TOP ISSUES

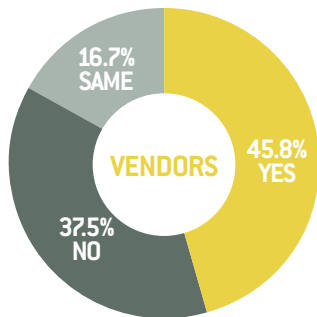
RETAILERS

1. Staffing
2. Customer retention
3. E-commerce challenges
4. Increased competition
5. Training
5. Decreasing margins
7. Supplier consolidation
8. Succession
8. Adding new services

VENDORS

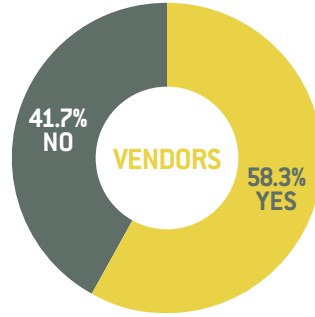
1. Retail consolidation
2. Higher raw material/shipping costs
3. Exchange rate with U.S. dollar
4. Competition from Asian sourcing
5. E-commerce challenges
5. In-store merchandising and replenishment
7. Increased presence of U.S. retailers
8. Housing market
9. Cross-border shopping

DID YOU RECEIVE MORE ORDERS IN Q3 2017 COMPARED TO Q3 2016?



Year over year, the number of vendors who had fewer orders placed in Q3 2017 than in Q3 2016 dramatically increased nearly 23 percentage points, from 14.7 percent in 2016 to 37.5 percent in 2017.

DO YOU INTEND TO INVEST IN BUILDINGS, MACHINERY, OR EQUIPMENT IN THE NEXT 12 MONTHS?



Over the next 12 months, more than half of vendors polled indicated that they plan to invest in buildings, machinery, or equipment. That number (58.3 percent) is a nine-percentage point increase from the same quarter in 2016.

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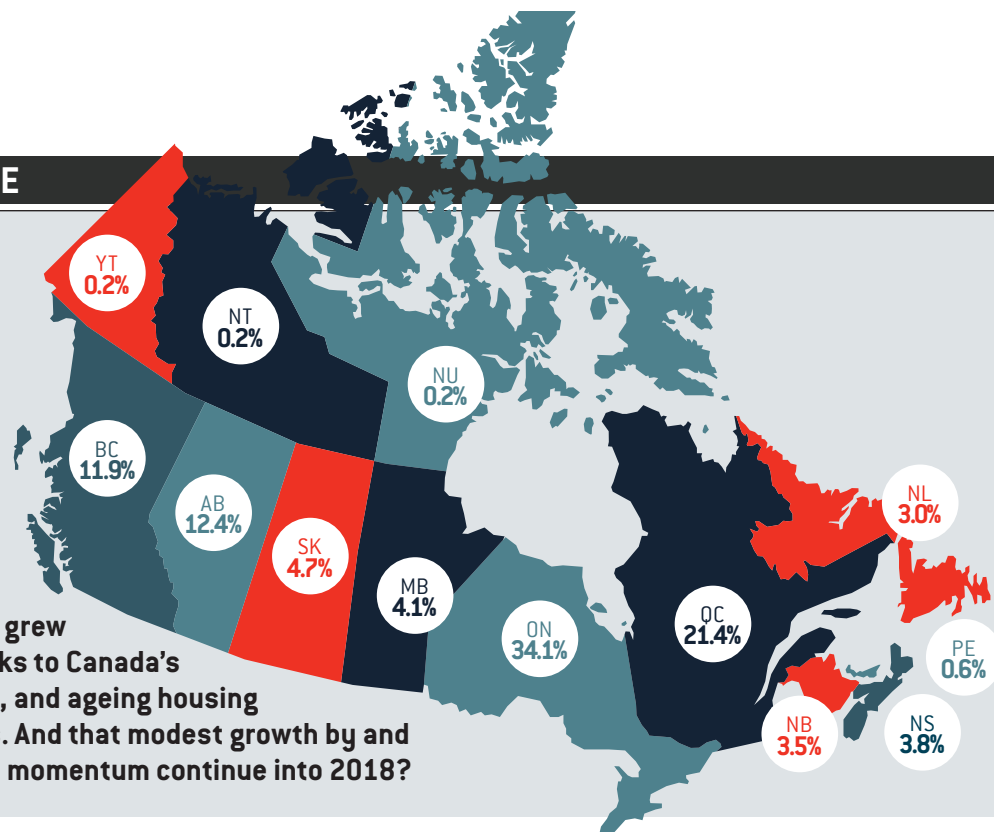
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Source: HARDLINES Quarterly Business Conditions Survey

DEALERS FACE WIDE RANGE OF CHALLENGES, OPPORTUNITIES GOING INTO 2018

Canada's retail home improvement market grew at a modest but healthy pace in 2016 thanks to Canada's red-hot housing market, low interest rates, and ageing housing stock—all factors driving renovation sales. And that modest growth by and large maintained itself in 2017. But will the momentum continue into 2018?



In 2016, the Canadian retail home improvement market grew by barely three percent, while 2017 has proven to be steady, if not exceptional, for most regions. A few exceptions persist: the Greater Toronto Area of Southwestern Ontario has seen healthy growth over the past two years, and despite changes last summer to real estate laws in British Columbia, that province's Lower Mainland also remains strong. As a result, the industry is forecast to grow by a slightly higher rate in 2017 of 3.5 percent. Sales growth for the industry over the year ahead is expected to remain at or slightly below that level.

HOW DID THE INDUSTRY MANAGE IN 2017?

Dealers are varied in their response to business conditions across the country, but the overall mood appears tentative. Flat to positive growth is being reported in some parts of the Maritimes, particularly Nova Scotia, while Newfoundland and Labra-

dor is experiencing a slump. Ontario is a mixed bag: many dealers are flat or down over last year, with the exception being in the Greater Toronto Area.

In the West, Alberta dealers report some growth and an expectation to be up, or at least flat, over last year, suggesting that market has indeed "bottomed out" finally. British Columbia is the only consistently positive story here, with dealers in that province expecting to see positive sales growth by year's end.

STORE FORMATS DUKE IT OUT

Big boxes continue to be the biggest threat to independent dealers, thanks both to strong incremental gains by Home Depot Canada and to new stores being built by Lowe's Canada. In addition, Lowe's remains committed to converting its RONA Home and Garden big boxes to the Lowe's banner.

However, buying groups and co-ops continue to represent the lion's share of the industry, both in terms of sales volume

and number of stores. Most independents are grouped within LBM buying groups such as Independent Lumber Dealers Co-operative, with collective retail sales by its members of \$3.8 billion, and TIMBER MART and Castle, with estimated sales of \$2.8 billion and \$2 billion, respectively. The co-ops, Federated Co-operatives Ltd. in Saskatoon, Montreal-based La Coop fédérée, and UFA in Calgary, maintain a powerful presence, as well.

Hardware stores as a sector continued to see their sales collectively shrink in 2016, but only by 0.4 percent. The decline is due mainly to efforts by the likes of both Home Hardware and Lowe's, through its RONA division, to support their dealers to expand from hardware stores into full-line building centres, with the addition of LBM. This format remains viable, however, and sales overall are slipping as store numbers fail to grow at the rate of other retail formats in the home improvement sector. But expansion of the Ace banner in Canada, under license to Lowe's Canada, has been focused on smaller dealers and is expected to help hardware stores keep viable. Ace Canada now has about 80 stores, most of them traditional hardware stores and some with building materials, as well.

Home Improvement Industry Sales Growth Year over Year (\$millions)

2014	2015	2016	2017 (fc)	2018 (fc)
\$43.764	\$44.620	\$45.949	\$47.535	\$49.050
3.7%	2.0%	3.0%	3.5%	3.2%



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HOME HARDWARE LAUNCHES COMMERCIAL MAINTENANCE PROGRAM AT LATEST MARKET



A corner of Home Hardware's latest Market focused on the products and tools dealers need to attract the lucrative commercial maintenance customer.



At Home Hardware's fall market, lots of attention was paid to getting dealers to go after a big, but often overlooked segment: the commercial customer. That individual may be a janitor, custodian, property manager, cleaning crew, or institutional purchasing agent. The category, sometimes called maintenance, repair, and operations (MRO), has been gaining attention as both Home Depot

and Lowe's in the U.S. have been buying up companies in recent years that are focused directly on MRO.

Home Hardware has also been wooing this segment for several years. It even has a product catalogue for commercial maintenance customers. At the co-op's latest dealer market, Home introduced a full commercial maintenance program, supported by seminars and a manual.

The handbook laid out the full range of the program's benefits, offering up an integrated marketing communications plan that is designed to reach end users across a range of promotional platforms. That includes a newly-negotiated preferred supplier status for Home Hardware with the chain of hotels that includes Best Western. It also includes a new software platform that will enable contractors and other commercial customers to order more easily online.



Is your store doing something that you think is newsworthy?

Let us know! Give us a call at 416-489-3396, ext. 3, or send us an email at sigrid@hardlines.ca.

PAINT, AGRO PRODUCTS, PATIO FURNITURE GET SPOTLIGHT AT FEDERATED CO-OP'S BUYMART

The Fall Buymart of Federated Co-operatives had the weather on its side as it kicked off at the end of October with a series of meetings for Co-op managers and staff.

The day before the show started, attendees heard from Don Ryan, FCL's marketing manager for the Home and Building Solutions business, about the importance of real customer service. He pointed out a distinction between a customer and a consumer, saying the latter requires more meaningful interaction but pays off with a bigger commitment to rely on one's store as a retail destination.

A key new offering for the Co-op stores was the expansion of its private-label paint line, under the Imagine name. The line, manufactured by General Paint, a division of Sherwin Williams, was first introduced in July 2016. At this

show, an expanded assortment of paint applicators was introduced to support the program.

A relatively new program of homes and cottages plans was also supported by the introduction of new POP. The 2017 Co-op Home and Cottage Plans Collection program, which first went live back in July, replaces an older generic one in favour of plans that have been developed by local architects and planners to better suit Prairie life, conditions, and tastes.

A large area of the show floor was devoted to outdoor living, featuring patio furniture, décor, and fire pits. This was reflective of the push by other retailers—recent dealer shows by Lowe's, Home Hardware, and Orgill had a similar emphasis on this growing segment. FCL's lines were developed by its own Asian sourcing team.

Federated Co-operatives Limited hosted its managers and staff in Saskatoon in the fall for its annual Buymart.



BRIEFLY

HOME DEPOT DONATES TO MENTAL HEALTH

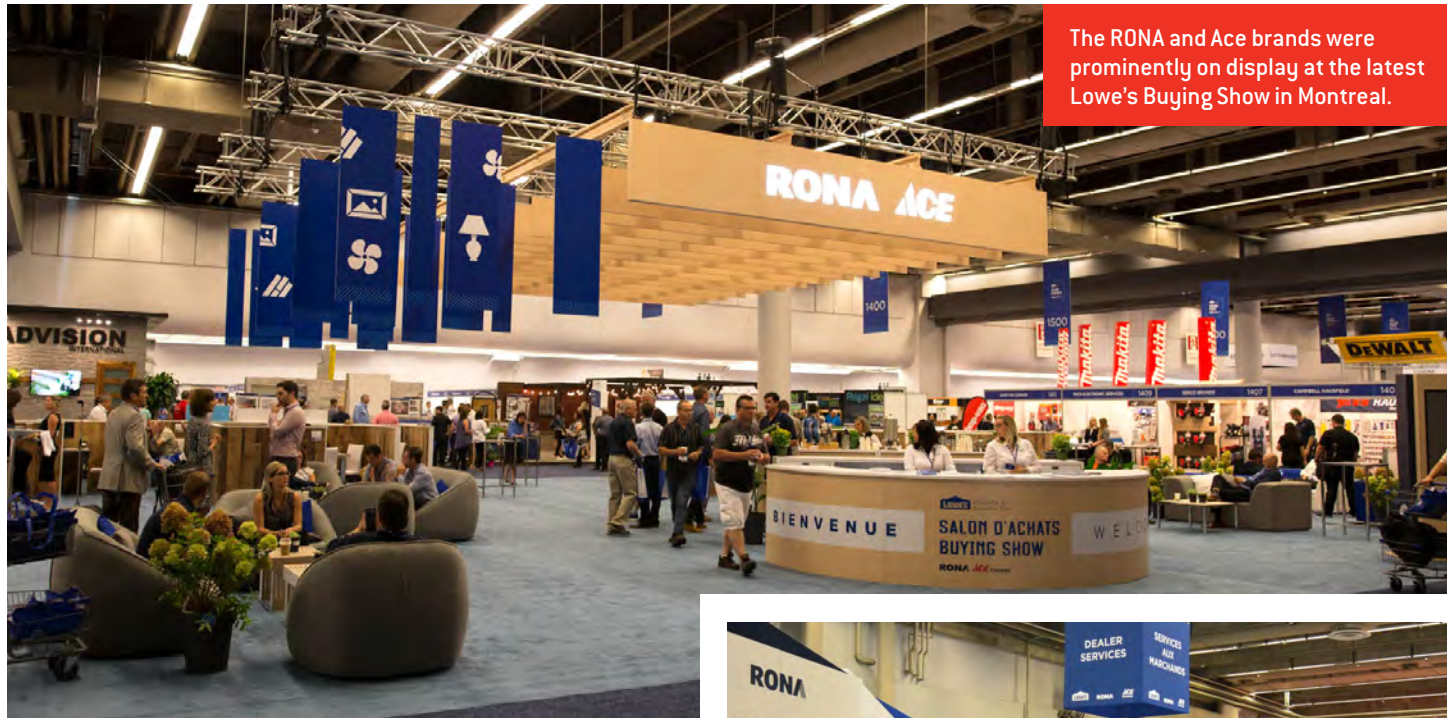
The Canadian Mental Health Association in Kelowna has received a \$50,000 grant from the Home Depot Canada Foundation. The funding, part of the foundation's Orange Door Project in support of housing and facilities for homeless youth, went toward the building of a teaching kitchen and resource room at Foundry Kelowna. The newly built centre, of which CMHA is the lead agency, helps youth find housing and teaches cooking as a skill for home and for potential employment.

REGAL IDEAS RECOGNIZED

Aluminum railing system maker Regal Ideas Inc. has been honoured with the silver Davey award for its integrated marketing and merchandising campaign called "Inspiring Homeowners." The Davey Awards recognize the best in web, design, marketing, and social media from companies around the world. Regal's winning program combined its online and social presence with in-store branding and turnkey merchandising. It was one of more than 4,000 entries in six categories. The awards are overseen by the Academy of Interactive and Visual Arts.

LEE VALLEY FOUNDER HONOURED

The Royal Military College in Kingston, Ont., has posthumously inducted honorary colonel and former cadet Leonard Lee to its Wall of Fame. Lee entered the former Royal Roads Military College in British Columbia in 1958, but transferred to Kingston's RMC where he graduated in 1962 before studying economics at Queen's. He was named honorary colonel of 14 Air Maintenance Squadron in 14 Wing, Greenwood, N.S., in 2008. Lee, who founded Lee Valley Tools in Ottawa in 1978, died in 2016.



The RONA and Ace brands were prominently on display at the latest Lowe's Buying Show in Montreal.

RONA AND ACE DEALERS FRONT AND CENTRE AT LATEST LOWE'S BUYING SHOW



Lowe's Canada held the annual buying show in September for its independent dealers and the event benefitted from solid attendance by both RONA affiliates and the growing number of Ace dealers in Canada.

According to Annick Day, director of wholesale and dealer support for Lowe's Canada, 87 percent of the company's dealer base attended, including 71 of the company's 87 Ace dealers. For many affiliates of the burgeoning Ace banner, it was their first show. "Only a few Ace dealers from Quebec were here last year, but they're all here this year—and they're pretty excited." No corporate store

managers were in attendance, reinforcing that Lowe's wanted to focus directly on its dealer base at the show.

With some 330 vendors on hand, the show was also the largest yet by Lowe's Canada, in terms of support from suppliers.

The show featured some new assortments, including a range of Ace products

“A lot of products this year are exclusive to the dealers.”

that is now available to RONA dealers. These included workwear, toys, sports, fishing and hunting, and agro products. Another notable newcomer to the show floor was a range of large appliances, an important category for Lowe's big box stores and one that is being introduced into other parts of the Lowe's store network.

Seasonal products got a lot more space, as well. "This year, it's huge," said Day. "A lot of products this year are exclusive to the dealers." She cited patio sets as an example: while perhaps 10 sets might be featured in a Lowe's big box, about 30 sets in total are available to independents, depending on their local markets.

SPANCAN ANNOUNCES NEW PURCHASING DIRECTOR

Following Mike Daniels' announced retirement from Spancan at the end of 2017, the giant hardware buying group for co-op and independent dealers announced that Doug Bitter will be replacing him. Bitter, who started at the end of October, is overseeing vendor negotiations for the group as director of purchasing.

Daniels, who spent 18 years with the company, spent the last few months of the year working alongside Bitter as part of the transition.

Bitter comes to his new role with three decades of experience in the industry. He spent many years at Lansing Buildall, Revy, and then RONA, working as a store

manager and sales manager before taking on roles in merchandising and as a negotiator for lumber and building materials. Most recently, he spent a year at LBM wholesaler Taiga.

Spancan represents Independent Lumber Dealers Co-operative, TIMBER MART, and Federated Co-operatives at the negotiating table with hardlines suppliers on behalf of more than 1,300 stores across the country.

Doug Bitter has taken over in the role of director of purchasing at Spancan.



RENO-DEPOT INTRODUCES CANADA-WIDE DELIVERY FOR ONLINE PURCHASES

Lowe's Canada is giving its Reno-Depot banner a boost by expanding its e-commerce program ahead of schedule to offer parcel delivery in most of Canada.

It's an expansion of Reno-Depot's "Click-Buy-Renovate" program that was first rolled out early last year, followed by the addition of truck delivery in all Reno-Depot stores in May 2017. Since October 24, 2017, Canadians can buy products at renodepot.com and have them delivered almost anywhere in Canada.

"The response from consumers has been positive and we have seen good results at each phase of implementation of our e-commerce strategy, which spurred us to roll out parcel delivery earlier than planned," says Isabelle Laliberté, divisional

vice president, Reno-Depot. The website has been designed to be responsive to ordering by a desktop computer, tablet, or smartphone. Packages are delivered by either Canada Post or courier.

More than 13,000 products on the Reno-Depot website are currently eligible for delivery. Online orders are shipped within 48 hours. Products purchased online are also available in-store within two hours of the order being placed.

Another service, which has been available since May, allows customers to have their online order delivered by a Reno-Depot truck within a 35-kilometre radius for a charge of \$65. This is suitable for larger orders, as anything over 150 pounds can't be shipped as a parcel.

BRIEFLY

AMAZON ADDS ANOTHER CANADIAN FULFILLMENT CENTRE

Amazon will open its seventh Canadian fulfillment centre later this year, this one in the Nose Creek Business Park in the greater Calgary region's Rocky View community. The 600,000-square-foot centre is the first for Amazon in Alberta and will create more than 750 jobs. The new facility will join Amazon's network of current fulfillment centres in Brampton, Mississauga, and Milton, Ont.; and Delta and New Westminster, B.C.

BEN-MOR MARKS ITS QUARTER CENTURY

Ben-Mor celebrated its 25th anniversary in 2017, and the wire and cable company marked it with a big party. About 500 customers, family, and friends took a tour of the manufacturing plant in the afternoon, then reconvened at a nearby conference centre for a gala dinner. The company was founded in 1992 in Saint-Hyacinthe and has four owners: Lyne-Mireille Leduc, VP finance; Benoît Frappier, president and CEO; Richard Plante, VP sales and marketing; and Éric Rompré, VP production.

FEDERATED TOP IN SASKATCHEWAN

For the fifth year in a row, Federated Co-operatives Limited has ranked first in *SaskBusiness* magazine's list of the Top 100 largest companies in Saskatchewan. "The success of FCL and our member-owners," CEO Scott Banda said in a statement, "is the product of our diversity, our longstanding relationships with Co-op members, and our unwavering commitment to the communities we serve."

ORGANIZATIONAL CHANGES TAKING PLACE AT CANADIAN TIRE

Canadian Tire has enjoyed success in recent years through the acquisition of a number of sometimes unrelated business units, which are operated separately under the corporate umbrella. But now the company is looking for ways to organize and market those disparate divisions in a more unified fashion.

Enter the “one customer, one company” strategy. Touting a focus on the end customer, Canadian Tire is looking for ways to present itself as a solution for a customer whose needs extend into different fields, not just, say, automotive or hardware.

Behind the scenes, that means making fundamental changes to the business, including assortments, analytics, and embracing digital. It also means closer collaboration across business units.

For the hardware side of the business, the one customer, one company approach means a new title for one industry veteran. Greg Hicks has been put in charge of Canadian Tire Retail, the company’s largest division, as president of CTR. Hicks was formerly group senior vice-president, consumer products and retail experience for Canadian Tire, where he oversaw that division’s general merchandise and automotive businesses and was also responsible for managing store experience, store operations, product sourcing and quality including the management of the company’s Pacific Rim offices.



Greg Hicks has taken over heading up Canadian Tire’s largest division, Canadian Tire Retail.

With this move, Hicks replaces Allan MacDonald, who has moved into a role as executive vice-president, retail. MacDonald now oversees Canadian Tire’s nearly 1,700 retail and gasoline outlets across all of its retail banners, as well as consumer brands and marketing.

Mike Magennis has also taken on a new role as vice president, business development and operations. A 26-year veteran of the company, Magennis reports directly to Hicks, and was most recently VP merchandising for seasonal and gardening.

BRIEFLY

IKEA TRIES OUT NEW, SMALLER FORMAT

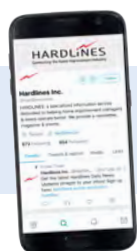
Ikea is experimenting with smaller outlets that can serve customers in city centres. These design and showrooms are part of the giant furniture maker’s efforts to become more accessible to a greater range of customers. One such trial site, a kitchen showroom, has been set up in Stockholm’s financial district. According to a report in Reuters, Ikea is looking for ways to display its entire product range digitally in these smaller spaces.

LOWE’S MAKES DEAL WITH BLACK & DECKER TO ADD CRAFTSMAN HAND TOOLS

Stanley Black & Decker has made a deal with Lowe’s for the retailer to carry the Craftsman brand in all Lowe’s and Lowe’s Canada stores. For Canada, this will consist of the RONA, Lowe’s, Reno-Depot, Ace, Marcil, Contractor First, and Dick’s Lumber banners. Craftsman will not be a proprietary brand—Lowe’s own hand tool line is sold under the Kobalt brand. But the new addition is considered a strong addition to Kobalt and Lowe’s current national brands. And Lowe’s says it will work with Craftsman to co-develop exclusive products.

ACE ROLLS OUT ONLINE PAYMENT PROGRAM

All Ace stores in Canada can now offer a “Click & Collect” service to their customers. This new service, which lets customers make purchases on the Ace Canada website and collect their orders in their local Ace store, was deployed in waves over the last few months of 2017.



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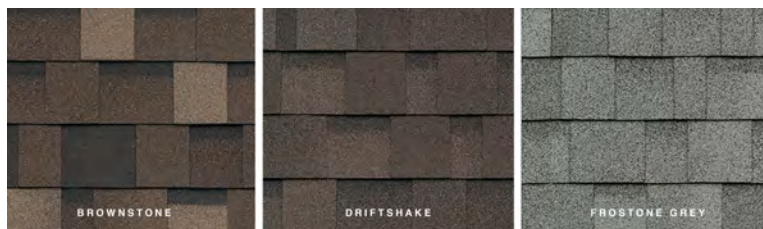
ProductSPOTLIGHT

BY GEOFFREY McLARNEY

IKO Dynasty premium shingles ▶

IKO's Dynasty premium laminated performance shingles protect the home from inclement weather. They're also designed to look great and boost curb appeal, with deep shadow bands adding contrast and dimensional profile. The shingles are manufactured with ArmourZone framework in a larger size than the standard for maximum exposure, and come in four colour blends.

www.iko.com



◀ Skilsaw 13-amp reciprocating saw

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www.skilsaw.com




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Soleno touts the SoliFlex as the only flexible corrugated drain with a smooth interior wall that facilitates cleaning and rapid evacuation. The drain minimizes sediment accumulation in the pipe for easy cleaning. Because of its flexibility, it requires fewer connections than rigid pipes, while optional type 3 perforations inhibit the accumulation of iron ochre. The SoliFlex is available with or without a filtering sheath of non-woven polypropylene with 250-micron openings.

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UFA REALIGNS COMPANY WITH NEW FOCUS

With 35 Farm & Ranch Supply stores throughout Alberta, UFA is a major player in hardware retailing in Western Canada. But it faces tough competition in a market that has been, for the past couple of years, the country's most beleaguered.

UFA has been looking at growing the company through improving its same-store sales, rather than looking for new store locations.

UFA may be largely a farm and feed co-op, but its 35 farm and hardware stores in Alberta drive enough sales to put it firmly in the top 20 of retail groups in this sector in Canada.

That division is headed up by Glenn Bingley, who spent 17 years at Home Depot Canada before joining UFA to take over its sporting goods business, Wholesale Sports. But UFA has exited that business (it had already sold its U.S. sporting goods operations in 2013) and Bingley looks forward to focusing on the hardware and home improvement side, which operates under the Farm & Ranch Supply banner. "The core of this business is agro and petroleum," he says. "Sporting goods wasn't core to UFA."

The company has already been working on updating its Farm & Ranch Supply stores, focusing on what Bingley calls "the fundamentals," all aimed at improving the store experience for customers. "We've made good strides with Farm & Ranch in the last 18 months," he adds.

RETURNING TO FUNDAMENTALS

Bingley says his team has now turned their attention to other areas of growth. One focus has been on increasing same-store sales, rather than looking for new store locations. Another big area of growth has been seasonal. "We're learning lots [in this category] and we're starting to see that improved sales performance."


The changes have come right from the customers themselves, he adds. "We did a lot of focus groups last year. We met UFA members and asked them what they look for and how we can do better."

The responses indicated a desire for more assortments that would make the Farm & Ranch Supply stores what Bingley calls a "one-stop shop." Not the extent of a big box, he points out, "But we have to meet the basic needs for repair and renovation." That means everything from fence posts and livestock supplies to something as basic as the right lightbulb.

The stores have benefited from standardized assortments, improved point-of-



Glenn Bingley, UFA's COO of Retail Operations, is heading up the team that is realigning the company's priorities to focus on "the fundamentals".

purchase, and from merchants working closely with vendors to get programs that better suit the rural customer. Categories that have been fine-tuned include feed, fencing, livestock supplies, and LBM assortments. "We're working with our vendors to change up those assortments." 

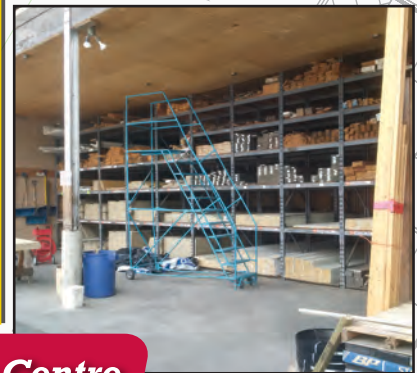


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(l-r) David Sayer, Cheryl Sayer, Amanda Fancy, Alex Yakovyshenko, Chad Mielke, Piero Palmerio, Matt Smith, Mike Nord, Camil Bouchard, Wes Poffenroth, and Chris Wolfe.

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For more information on the ORAs, or how you can apply for this year's awards, visit www.hardlines.ca/events/oras/

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2017 Outstanding Retailer Awards

WINNER

SAYER HOME HARDWARE

Marc Robichaud Community Leader

One of David Sayer's earliest memories is Christmastime when he was four years old. His family lived in a cramped apartment above their Hagersville, Ont., hardware store. He and his two brothers were confident that new bicycles awaited them under the tree, but were dismayed to find nothing there Christmas morning. Their father sat the boys down and explained that another family in town was going through a tough time—and they needed the bikes more.

David's father had impulsively purchased the store in 1953. He was an interior decorator and he had visited the store to buy varsol, and just ended up striking up a conversation with the owner that led to him buying the store on the spot.

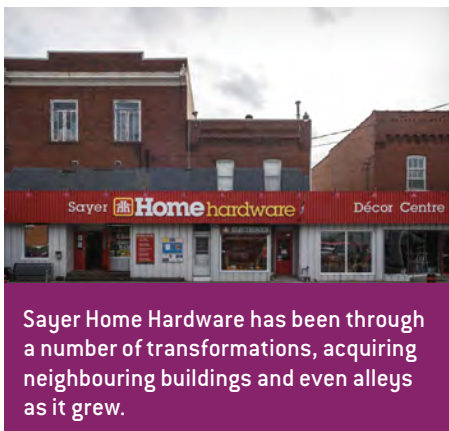
A LEGACY OF INVOLVEMENT

In 1987, David officially took over the store. He now runs it with his wife, Cheryl. They live by the same principles his parents instilled in him as a child. The couple's efforts to help the town have taken many routes. The town leaders decided to form a foundation in 1999 to raise money for the local hospital. David showed up at the first meeting and left as chairman—with a goal of raising \$1.3 million dollars in just 18 months.

The new committee developed a list of businesses to call for support, but one large manufacturer was missing, because that company's owner wasn't considered particularly pleasant to deal with. At the next meeting, David put tiny bottles of Listerine on every committee member's seat. He told them, "We're going to kiss ass. This is for afterwards, if you feel you need it!" It wasn't easy, but the committee eventually got the contribution they needed.



David and Cheryl Sayer, owners; and David Gowan of the North American Retail Hardware Association, which sponsored the award.



Sayer Home Hardware has been through a number of transformations, acquiring neighbouring buildings and even alleys as it grew.

He takes his role in the community seriously. From hiring at-risk local youth to delivering and installing products at no charge for an 86-year-old customer, he's always on the lookout for someone who might need a hand up or a little extra help.

David has been president of the Hagersville Chamber of Commerce for more than 20 years. He's also the founder and president of local BIA, as well as president of the food bank.

David has received the Queen's Golden Jubilee Medal for outstanding contributions to his community. David, Cheryl,



The Sayer family take their role in the community seriously, inside the store and out.

and the store were also honoured with the Province's Passport to Prosperity Employer Champion Award, and David has been a recipient many times over of the Hagersville Citizen of the Year Award and Business of the Year Award.

For David Sayer's unrelenting dedication to helping others, which can be traced back to a lesson learned one bitter-sweet Christmas morning, the 2017 Marc Robichaud Community Leader Award goes to Sayer Home Hardware.



2017 Outstanding Retailer Awards

WINNER

LOWE'S BARRIE

Best Large Surface Retailer

Lowe's opened its 10th big box store nine years ago in the fast-growing bedroom community of Barrie, north of Toronto.

While a solid foundation of bricks and mortar was important to getting the store off the ground, creating a strong team who shared Lowe's values was equally as important. Staff were hand-picked for the Barrie store, and received thousands of hours of training to prepare them. The result is a retail operation that has a highly motivated staff and generates double-digit sales growth year over year—all under the supervision of Store Manager Piero Palmerio.

Barrie serves up tough competition from every major banner. But despite the size of the town and the level of that competition, the staff at Lowe's Barrie are all focused on providing individual care as if this Lowe's were a local neighbourhood store.

That means paying attention to the specialized needs of every customer. Like the time, a few winters back, when an elderly shopper came in to buy salt for her walkway. But the only bags left were too heavy for her to carry. Two employees worked together to divide the bag into four smaller bags she could manage.

Barrie serves up tough competition from every major banner, but Lowe's Barrie has the large selection of a big store and the individual care of a neighbourhood shop.



STRIVING FOR SUCCESS

Lowe's Barrie is very active in the community. It donates time and money to the local women and children's shelter, Habitat for Humanity, the Barrie Food Bank, and Christmas toy drives. It has partnered with a local school to clean up a nearby park for Earth Day; and at Christmas it "adopts" a local family through the Children's Aid Society. The store's employees buy gifts and deliver them right to the family by Christmas Day.

Employees are given all the tools they need to succeed. Training opportunities at Lowe's Barrie are ongoing and staff can take advantage of everything from health and safety training to programs that will prepare them for management roles. Piero has engaged 12 employees to lead the store's Voice Team, which encourages fellow team members to take training and spearhead community initiatives of their own.

Management also holds daily huddles to keep staff informed on what's going on in the store. They even recently added an iPad for inventory control and customer assistance in each department. The tablet

is connected to the store's WiFi and allows associates to quickly scan product prices and inventories for customers.

The commitment of Piero and his team is reflected in the store's performance. Sales growth has trended consistently above 10 percent for the last four years and 21 percent year over year in 2016.

The store has won numerous awards from head office and Piero was named Lowe's store manager of the year for 2017. These are just some of the compelling reasons why Lowe's Barrie has been selected as this year's Large Surface Outstanding Retailer Award winner.



Staff were hand-picked for the Barrie store, and received thousands of hours of training to prepare them.



Piero Palmerio, Manager (centre); with Duane Oldham of Lowe's Canada; Jordan Harrington of Storesupport Canada, sponsor of the award; Malcolm Parks of Lowe's Canada; and Sara Clarkson of Storesupport Canada.



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MATÉRIAUX ARMAND DUMARESQ

Best Building Supply/Home Centre (under 15,000 square feet)



2017 Outstanding Retailer Awards

WINNER

After 24 years working in hardware retailing, Guy Samson decided to become a store owner himself in 2014. For Guy, owning his own store was a dream come true, and he viewed it as a fortuitous sign that it happened for him the same year he turned 40.

When he took over Matériaux Armand Dumaresq, in Rivière-au-Renard, Que., he wasted no time making big changes. With his business partner, Camil Bouchard, he invested \$250,000, adding a range of new products, including building materials, and expanding the warehouse.

The store itself, which weighs in at 3,500 square feet, is undergoing an expansion to add another 2,800 square feet.

SMALL-TOWN CULTURE

Rivière-au-Renard is located in Quebec's Gaspé Peninsula, and has just 2,500 inhabitants. The population is currently in decline, with unemployment on the rise, so the town economy relies heavily on tourism. Living and working in a small town, Guy and his staff of seven full-time and six part-time employees know the importance of keeping customers loyal. Says Guy: "For us, every person, every phone call, must be treated as a priority by our staff. Customer service is the very basis for our existence and the reason for us to come to work every day."

He says time is no obstacle for them. Employees will stay with customers and help them for as long as it takes to solve their problem or complete their project.

Guy works just as hard to take care of his employees. He offers competitive salaries and additional holidays when possible. And he feels strongly about training. The store relies on the wide range of online training



Camil Bouchard and his wife, Arlyne Aspireault, co-owner; flanked by Jeff McIntosh and Catherine Leko of Techniseal, sponsors of the award.



Located in a small town in the Gaspé Peninsula, Matériaux Armand Dumaresq works hard to keep customers loyal.

courses available through Ace Canada and they're offered to staff on an ongoing basis.

This focus on staff training and customer service has paid off. Guy has managed to quadruple his sales in a little over two years. At the end of 2017, sales were on track to be five times what they were when he took over the store.

Community is a big part of the store's culture. With a young family of his own, Guy and his team focus especially on supporting sports and school activities for young people. The store is also the sponsor for events such as the "Player of the Game" award at local hockey tournaments.

Last winter, the store was recognized by



Guy Samson purchased the store in 2014, fulfilling a life-long dream.

the Quebec regional association, AQMAT, with the prestigious prize, *Conquerant – Marchands*, which recognizes a company that was growing its business through acquisitions, marketing strategies, or export activities. It also received the *Commerce – Service* award from the Gala MERCI de la MRC from Cote-de-Gaspé last spring.

Its dedication to helping its customers and supporting the community is why Matériaux Armand Dumaresq is the 2017 Outstanding Retailer Award recipient for Building Supply or Home Centre (under 15,000 square feet).



2017 Outstanding Retailer Awards

WINNER

DISCOVERY CO-OP

Best Building Supply/Home Centre (over 15,000 square feet)

Under the direction of General Manager Mike Nord and Division Manager Wes Poffenroth, Discovery Co-op has established itself as a strong, locally owned and operated organization that values service excellence, teamwork, and community leadership.

Despite the hit in recent years to Saskatchewan's economy due to falling oil prices, Discovery Co-op has continued to prosper and by the middle of 2017, sales were already up 18 percent.

The store had been in its current location since 1972 and needed a facelift. So in 2015, it began extensive renovations, adding a cold storage building and custom cut shop, while the existing warehouse was converted into retail space. Square footage was almost doubled, allowing Mike's team to improve product selection and displays.

A kitchen centre was added, with its own dedicated design specialist.

As part of the renovation, the team made a commitment to sustainability and installed LED lighting throughout the entire facility. Throughout the process, which ended in the fall of 2016, Discovery's customers patiently awaited the final product.

TAKING CARE OF COMMUNITY, EMPLOYEES

Located in North Battleford, Sask., the store serves a community of 96,000 people in North Battleford and the town of Battleford. Together, they're known as "the Battlefords", a hub for economic activity in Northwest Saskatchewan.

There's a good deal of competition for the Co-op nearby, but management focuses on delivering excellent customer service and

making customers feel at home. Giving back is an important part of Discovery Co-op's culture, with two percent of profits being returned to the community. Employees volunteer at Christmas to serve turkey dinners to thousands of kids at local schools and participate in the Heart and Stroke Big Bike fundraiser.

Another crucial part of the store's success is its employees. In addition to taking care of them with fair pay and attractive benefits, safety and training are a priority. Through Federated Co-op's membership in the North American Retail Hardware Association, employees also use NRHA's online training courses.

Employee milestones are now marked publicly, which helps include customers and make them feel like they're part of the store family, as well.

The store was awarded with Federated's Home Centre Commitment to Excellence – Recognition award in 2016, which recognizes a home centre's excellence on financials, operations, guest service, community involvement, and merchandising.

Discovery Co-op's commitment to providing its community with a safe, sustainable, and friendly choice is what makes it the 2017 Outstanding Retailer Award winner for Best Building Supply/Home Centre (over 15,000 square feet).

Employees not only provide excellent customer service, but they're also important players in the store's community involvement and volunteer functions.



Chris Wolfe, Lumber Manager; Wes Poffenroth, Division Manager; Mike Nord, Store Manager; and Matt Smith, Hardware Manager; with Jonathan Lapidus of The Mibro Group, sponsor of the award.



Discovery Co-op has been in the same location since 1972, but has continued to grow, so the store underwent a major renovation in 2015.



2017 Outstanding Retailer Awards

WINNER

GOW'S HOME HARDWARE

Best Hardware Store



Amanda Fancy, owner; with Dirk Driberg and Scott Parker of Allegion Canada, sponsors of the award.

Gow's Home Hardware in Bridgewater, N.S., is one of Canada's oldest hardware stores. Amanda Fancy started working there as a teenager. She left for a time to attend business school and when she returned, she worked in the accounting department and later became systems manager. When Peter Gow retired in 2012, he sold the store to Amanda. She was just 32 at the time.

Amanda is constantly looking for ways to improve her business. Her goal is to find a balance between honouring the store's long tradition and making it her own.

In 2015 and 2016, Gow's underwent a major remerchandising. Several departments were expanded, including housewares, seasonal, and storage products. The store has long been dominant in the paint section and has consistently been one of Home Hardware's top paint sales performers for the past 20 years. Amanda also added a Benjamin Moore section, which she was warned could be risky and steal business from her private-label Beauti-Tone paint sales, but it has only increased her customer count.

With the renovation, Amanda was also able to add more services that customers had been asking for, such as lottery sales, knife sharpening, water testing, and the sale of hunting licenses. Recently, she also decided after years of being closed on Sundays to go back to being open seven days a week, because customers had expressed they needed even better availability from the store.

The store also keeps active in social media, and produces monthly videos and Instagram stories to keep customers engaged.

COMMITTED TO LOCAL

As the oldest business in town, Gow's takes its role in the community seriously. The store sells local products, such as honey, maple syrup, firewood, and fishing supplies, supporting local entrepreneurs and farmers.

Manufacturing is Bridgewater's main industry. When the pulp and paper mill closed in 2012, the store made an effort to invest in local charity and non-profit organizations to help support the town of 10,000 through the economic shift. Amanda even allows local organizations to set up tables in the store to fundraise.



Gow's owner Amanda Fancy began offering lottery sales recently in response to customer demand.



The store puts an emphasis on selling local products, such as honey, and supporting community entrepreneurs.

Gow's is also one of the largest employers in town and strives to take good care of its employees. Hard work can be rewarded with a trip to one of Home Hardware's Markets in St. Jacobs, and everyone enjoys monthly barbecues, years of service pins, birthdays off with pay, and Christmas bonuses.

Amanda sums up her philosophy this way: "The truth of the matter is, the formula isn't overly complicated. It's about knowing what matters to your customers: being courteous, respectful, and, well... just truly caring."

That level of care and commitment represents just one of the many reasons why Gow's Home Hardware has been selected as the 2017 Outstanding Retailer Award winner for Best Hardware Store.



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2017 Outstanding Retailer Awards

WINNER

RONA PENTICTON

Best Contractor Specialist

RONA Pentiction in Pentiction, B.C., is owned by Rick Mielke, an industry veteran who started as a Beaver Lumber dealer almost 50 years ago. Rick's son, Chad, manages the operations with his stepmother and stepfather, his sister, nephew, and his wife Laura. The family doesn't see the store as a job, but rather as an extension of the family and a lifestyle.

The Mielke family operates on four business principles: competence to deliver exceptional results, reliability by management, openness with both customers and employees, and—perhaps most important—compassion, which requires thinking beyond sales: supporting people who need it in the community, and encouraging, rewarding, and protecting employees.

Employees are shown how important they are to the store. Entry-level wages are well above British Columbia's minimum wage rate, and training is encouraged and made available to all employees. Their efforts have paid off—staff even nominated the store for Pentiction's Chamber of Commerce Business Excellence Awards for Workplace Culture in 2016.

GROWING ITS CUSTOMER BASE

While today it excels at serving trade customers, when RONA Pentiction first opened, its primary focus was on retail. But over the past 12 years, the store has expanded its contractor offering, redesigning its service desk, leveraging the lumberyard, and increasing its fleet of delivery trucks. The store has brought on a truss and truss-joist designer, and introduced a RONA door shop.

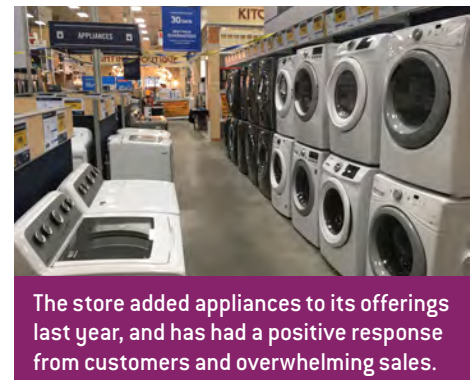
The results have had a direct impact on the bottom line. Contract sales have grown year after year. But Chad and his



Chad Mielke of RONA Pentiction, winner of the Best Contractor Specialist; with Rich Russo of the National Hardware Show, sponsor of the award.



The Mielke's Contractor First Osoyoos satellite store has surprised everyone with its rapid increases in sales and customers.



The store added appliances to its offerings last year, and has had a positive response from customers and overwhelming sales.

family didn't stop there. Last year, they opened a satellite store 60 kilometres away in Osoyoos under the Contractor First banner. This new retail concept by RONA is focused squarely on trades. The Osoyoos satellite store has surprised everyone with rapid increases in sales and customers.

The Mielkes find the best way to hear how they're doing with customers is to strike up a conversation in the parking lot. "Chewing the fat" has helped them resolve a number of problems, or proactively identify issues.

RONA Pentiction is also a leader in community involvement. Last year, it con-

tributed almost \$30,000 to local groups, partnering with agencies, charities, and churches. And in 2017, it began supporting a Syrian family. Ahmad, a refugee father of three, was hired to work in the seasonal department. Staff even pooled their money to buy him a used car.

Loving what they do and living by their principles have solidified the Mielkes' hold on the contractor market at RONA Pentiction. The store has built a winning culture and laid the foundation for continued success. That's why it has been chosen as the winner of the 2017 Outstanding Retailer Award for Best Contractor Specialist.



2017 Outstanding Retailer Awards

WINNER

ALEX YAKOVYSHENKO, HANEY BUILDERS SUPPLIES

Best Young Retailer

Haney Builders Supplies, a locally owned TIMBER MART dealer in Maple Ridge, B.C., has been around for almost 80 years. When owner Bob Stinson hired Alex Yakovysenko as general manager, the business needed fresh ideas. The store had been posting losses for three years straight. Alex had his work cut out for him.

In his own words, Alex admitted, “I knew our decisions had to be quick and considerate to save the business.” He quickly identified the areas that needed improvement, then put together an action team consisting of the controller, one of the purchasers, and a yard manager.

TRANSFORMING THE BUSINESS

He started by creating an environment of greater transparency and collaboration amongst the staff. They went from knowing nothing about the performance of the business to receiving monthly updates from Alex, with both personal and company goals clearly outlined. Alex says this move to greater inclusiveness has contributed directly to the store’s success. It now employs 57 people, and only eight of them are part time.

Alex then moved to other parts of the business. For customers, the store improved

its signage to be clearer, expanded the delivery fleet, and reorganized the yard. In addition to looping them in on the day-to-day business details, Alex also put a bigger focus on training for staff and made their work environment more accommodating, recognizing the importance of work-life balance. Armed with knowledge and positioned in departments that play on their strengths, staff now take pride in being able to help customers solve their problems.

He also maintained the store’s commitment to the community: In the first half of 2017, it raised more than \$16,000 for local organizations. And over the years, Haney’s has helped raise \$150,000 for the Ridge Meadows Hospital Foundation.

The store’s mission since it was opened in 1938 has been to treat others the way you’d want to be treated. Everything he’s done with the store has been to help align Haney Builders Supplies with that mission.

Alex’s efforts began showing results where it counts most—on the bottom line. The store has enjoyed double-digit sales increases four out of the past five years.

Since Alex took over as general manager, staff turnover is down, the store has been able to cut back on unnecessary costs, increase customer retention, and of course, drive sales through the roof.

A strong business sense combined with the qualities of a true leader are what make Alex Yakovysenko the 2017 Young Retailer in the Outstanding Retailer Awards.



When Alex Yakovysenko started at Haney Builders Supplies, he quickly identified the areas that needed improvement and put together a plan of action.

With a bigger focus on employee development and training, the team at Haney Builders Supplies now take great pride in helping customers.



Alex Yakovysenko, Manager, Haney Builders Supplies, Maple Ridge, B.C. (right); and Dene Conlon of 3M, sponsor of the award.

HARDLINES CONFERENCE FILLED WITH IDEAS, CHALLENGES, AND INSPIRATION

Powerful speakers brought key ideas to the delegates at the 22nd annual Hardlines Conference, which was held in Niagara Falls, Ont., last November.

Robert Howard of retail consultancy Kurt Salmon kicked off day one of the 22nd annual Hardlines Conference with insights into the two worlds of bricks and mortar and online selling. He said it's not enough to have one or the other; they must be utilized together to connect with consumers. Economist Peter Norman, of the Altus Group, talked about the housing and renovation markets in Canada. Based on healthy job growth and rising GDP, his outlook was largely positive for the entire country.

Retailers Doug Anderson of Peavey Industries and Daniel Lampron of Patrick Morin talked about finding niches in their respective markets. Both individuals stressed the importance of making—and maintaining—a strong connection with their respective customers. A strong corporate culture that values its employees figured in both their talks.



Sylvain Prud'homme, president and CEO of Lowe's Canada, filled delegates in on how the integration of RONA and Lowe's has gone.

Other speakers at the conference were John Herbert of the European DIY retailers' association EDRA/GHIN, Emil Cermak from FedEx Canada, Dan Tratensek of the North American Retail Hardware Association, and Denis Melanson, president

of the Building Material Council of Canada and head of the Atlantic Building Supply Dealers Association.

One of the recurring themes throughout the conference was the notion of respect. Much of the discussion centred around the

PHOTOS: CALLUM PINKNEY



Rick McNabb, VP marketing and sales for Home Hardware, spoke candidly of his plans for the company's future.



Daniel Lampron, GM of Patrick Morin, spoke of the Quebec chain's focus on finding its niche.



The RONA pub night drew nearly 100 people who were eager to network the night before the conference started.



The NRHA's Dan Tratensek presented brand-new data from independent dealers at this year's conference.



John Herbert of the European DIY retailers' association, EDRA/GHIN.




Doug Anderson of Peavey Industries won't sacrifice corporate values for growth.

importance of valuing the customer and providing great customer service to stand out from the competition. But several speakers addressed the need to maintain a strong corporate culture that respects staff, as well.

Anderson told the audience that one of his objectives, in growing Peavey, has been the need to maintain the corporate values the company was built on. Jim Thompson,

a former executive with Walmart Canada and Walmart China, stressed the need for having straightforward objectives and communicating them clearly on an ongoing and consistent basis—a theme that figured prominently in Herbert's presentation.

The event was preceded by a meet-and-greet pub night sponsored by RONA. Close to 100 people gathered at a local brew pub to network before attending the conference. 

SAVE THE DATE: THE 2018 HARDLINES CONFERENCE IS NOVEMBER 13-14, 2018 AT THE QUEEN'S LANDING IN NIAGARA-ON-THE-LAKE, ONT.

THERE'S NO SUCCESS WITHOUT A PLAN FOR SUCCESSION

BY FRANK CONDRON



In an industry mainly composed of baby boomers looking to retire in the next few years, the time to think about succession planning is now.

Joel Seibert can clearly picture the day he acquired his business, Mountain View Building Supply in Calgary. Well, the day he started to acquire it at least. Joel's father, Doug, and his stepmother, Tracy, started the business in 2006 and Joel went to work with them about four years later.

"About six months after I joined the business, my dad was basically forced to retire for health reasons," Seibert recalls. "That was when we started to seriously look at me eventually buying them out."

What followed was a long process of exploring the options available to business owners planning a succession. That involved talking to professionals about the most advantageous tax and legal strategies, and getting advice from other dealers and business acquaintances who had been through the process. Says Seibert: "There was a lot to figure out, but we knew it was going to have to be a something that came

together over time, because there was no way I could have got a loan big enough to buy them out in one shot."

AN URGENT NEED

The issue of succession is looming larger all the time as the population of Canada ages and baby boomer business owners start to eye the exit door. According to Statistics Canada, there are now more people aged 65 and over in this country—almost six million, accounting for just over 16 percent of the total population—than there are people aged 15 and under, and their numbers are growing fast. The number of Canadians aged 64 and older is increasing at a rate of about 3.5 percent a year, four times the annual growth rate of the population at large, and that pace of growth has increased every year since 2011. For industries with a high concentration of family-owned businesses, like retailing, the time for succession planning is now.

"Succession planning is both a growing issue and an opportunity in the building material and hardware industry," says TIMBER MART President Bernie Owens. "The majority of the industry is made up of baby boomers who will retire within the next 15 years."

Owens says dealers who plan for succession usually experience a smooth transition of ownership and business success thereafter. This is because the succession process forces them to engage in two very valuable exercises: assessing who in their organization has the necessary skills to lead the business, whether a family member or employee; then giving that person the training, guidance, and the support they'll need to succeed when they finally take ownership.

"Assessment of your employees and investment in them are two things businesses should be doing on a regular basis as is," adds Owens. "Succession planning

should just be another trigger for that to take place, and that's why it's an opportunity for organizational improvement."

ADDRESSING THE ISSUE HEAD-ON

While succession planning may represent an opportunity to reinvigorate the business, there are owners who have difficulty embracing the process for a variety of reasons. For those who lack an obvious successor, ignoring the issue is easier than finding a buyer for the business. And for owners who do have a family member willing to take over, the transition is often anything but smooth.

"If you have a family business where one child wants to take over the business and two others don't, it can lead to some difficult conversations," says Liz Kovach, president of the Western Retail Lumber Association (WRLA). "The other kids have to be made whole or it can lead to rifts in the family."

Kovach chaired a panel discussion at the annual WRLA buying show in January 2017 that identified business succession as one of the major challenges facing its members. One way to address that challenge is to bring new career-minded people into the business, and the WRLA recently partnered with Mount Royal University in Calgary to create a continuing education course specific to the LBM industry.

"The goal of working with Mount Royal is to professionalize the industry and create a career path that appeals to young people and gives them the background and skills they need," explains Kovach. "The program is still in its infancy, but we are on track to launch the first phase in January 2018; the long-term goal is to promote the program nationally and offer online components."

Similarly, the WRLA's NexGEN program was created to bring LBM dealers and students together through social and industry events. Recently, NexGEN partnered with the Southern Alberta Institute

of Technology (SAIT) to take third- and fourth-year Supply Chain and Marketing students on a day-long tour of lumber milling, manufacturing, and retailing businesses. Seibert, who chairs the WRLA's NexGEN committee, hosted the SAIT students at Mountain View Building Materials as part of the tour.

"The feedback we got from the students was really positive," says Seibert. "But we found that the majority of them had no idea how big this industry is and just how much opportunity there is."

“If you have a family business where one child wants to take over the business and two others don't, it can lead to some difficult conversations.”

Atlantic Building Supply Dealers Association (ABSDA) president Denis Melanson says his association reached a similar conclusion at its industry leadership summit meeting in Halifax last March. He says the succession issue was front and centre again in June at the national meeting of the Building Material Council of Canada (BMCC), which Melanson currently chairs.

In response, the BMCC came up with a national strategy designed to increase awareness of the industry among young people and to directly address recruitment and retention. The strategy involves the development of a national career website that will provide information and highlight career paths within the industry. Meanwhile, a social media campaign will focus on heightening industry awareness among a younger demographic.

"Once all of that is in place, the goal is to drive traffic to a free national job board which will be incorporated into the website," explains Melanson. "The job board will make it easy for dealers to post jobs and a built-in applicant tracking tool will make hiring easier."

FIND A PLAN THAT WORKS FOR YOU

Owens says TIMBER MART is addressing the succession issue through both education and direct consultation with members. The group also holds an annual, three-day event called the Emerging Leaders Summit where members from across the country engage in activities designed to help them improve their personal effectiveness as leaders and prepare their businesses for a successful future.

"Many of our members are second-, third-, and even fourth-generation business

owners where succession planning happens within the families," says Owens. "One of the subjects our Emerging Leaders Summit focused on this year was leadership in family firms, and namely three things that must be zeroed in on by family-run businesses for smooth succession: establishing a baseline of good governance, preserving 'family gravity', and identifying future leaders from within and outside the family."

After reviewing their options, the Seiberts opted to transfer ownership of their family business by means of a private annuity agreement. This approach allows Joel Seibert to buy out his father and step-mother over time through set monthly payments and a yearly dividend based on an agreed-upon valuation and the ongoing performance of the business. Doug Seibert has been happily retired for more than six years now, and Tracy is currently planning her exit from the business.

"There is no right or best way to do it; it's just whatever works for you," says Seibert. "But people facing succession need to be proactive and do their homework, because the problem won't go away on its own." ■

CANADIAN BUILDING SUPPLY COUNCIL: NEW NAME, ENHANCED MANDATE

The umbrella group that draws together most of Canada's regional LBM associations has a renewed mandate—and a new name.

One national organization brings together the Atlantic Building Supply Dealers Association (ABSDA), the Lumber and Building Materials Association of Ontario (LBMAO), the Western Retail Lumber Association (WRLA), and the Building Supply Industry Association of British Columbia (BSIA). It has a new name—the Building Material Council of Canada, which was developed to better reflect the group's aim to represent all aspects of the industry going forward, including retailers and suppliers alike.

BMCC represents four of the five regional associations. At this time, the Quebec association, AQMAT, has chosen to pursue lobbying efforts on its own, after breaking from the larger group last year.

BMCC's current president, Denis Melanson, who is also president of the ABSDA, is taking a new national strategic partnership to the market, in an effort to give a wider range of stakeholders a voice in the process of the council. He has been

“We're launching a national strategic partnership. We're not looking for sponsors; we're looking for investors.”

reaching out in recent months to buying groups and key suppliers to rally support for a new basket of initiatives that mark the group's new focus on national issues.

Melanson and his fellow regional association heads, Dave Campbell of




LBMAO, Liz Kovach of WRLA, and Thomas Foreman of BSIA, all of whom comprise the council's directors, have determined the following areas of concern: advocacy—working together with a combined voice in Ottawa, and raising awareness of the vast array of career opportunities within the home improvement industry.

BMCC is currently building a national career website with a job board that will be supported by a full social media campaign to raise awareness among a younger,

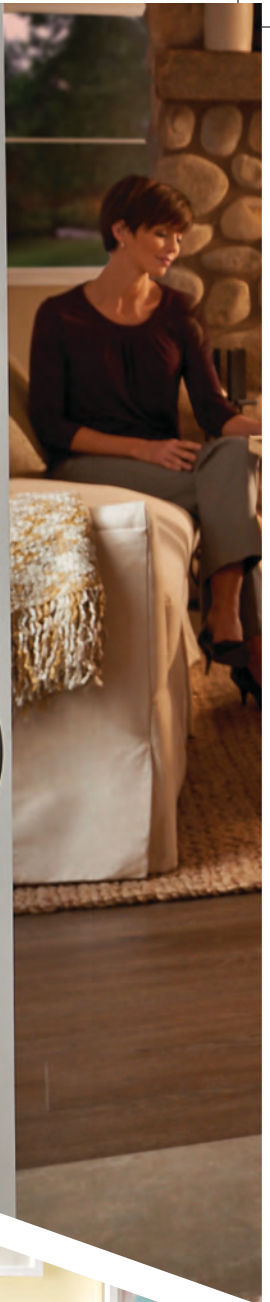
18- to 25-year-olds recently out of school; their parents; and educators and career counsellors.

To support the council, Melanson is turning to the buying groups, retail groups, and key suppliers to participate at varying levels of financial participation. “We're launching a national strategic partnership,” says Melanson. “We're not looking for sponsors; we're looking for investors.” Those investors will, he adds, become part of the dialogue about how to help the industry.

Each of the regional associations has invested to become a founding member. In addition, Jeld-Wen, Home Hardware Stores Ltd., TIMBER MART, and Castle Building Centres Ltd. have contributed as founding investors, bringing the overall investment so far to \$175,000. 

millennial workforce. The campaign will aim to change misconceptions about the home improvement industry and highlight career opportunities on both the retail and supply sides of the business. The campaign will focus on three groups:

For more on the BMCC and what they're doing for the industry, contact Denis Melanson at melanson@absda.ca or 506-858-0700.



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INTERNATIONAL GARDEN SHOW SPOGA+GAFA ATTRACTS EXHIBITORS, VISITORS FROM AROUND THE WORLD

A record number of vendors filled Cologne's exhibition hall last September for the world's largest garden fair.

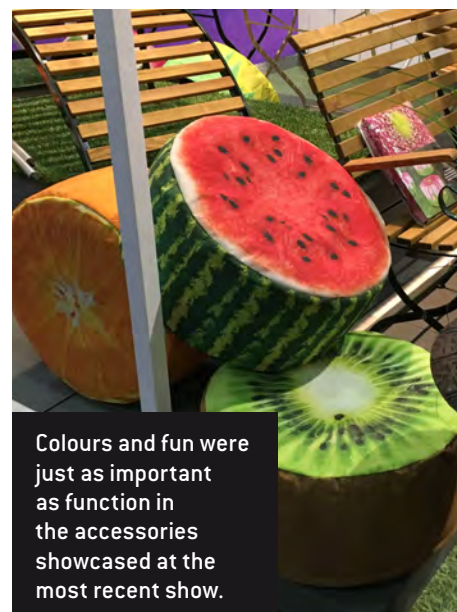
With 39,000 trade visitors from 113 countries and 2,131 exhibitors from 59 countries, the 2017 spoga+gafa show was one of its strongest yet, and it has plans to keep going.

Innovation was one of the reasons for this year's success, says Katharina Hamma, COO of Koelnmesse GmbH, which owns and operates the show. "In addition to formats such as the Outdoor Kitchen World, and due to the new concept of the Smart Gardening World and the IVG Power Place Battery, we have offered the industry important trend platforms that met with a very positive response."

Displays, such as this one, were set up in the foyers between halls to add to the overall show aesthetic.

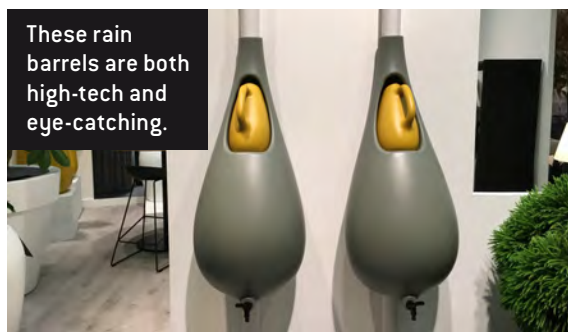


The level of quality of the patio furniture on display rivalled what can be found at the world's leading furniture shows.



Colours and fun were just as important as function in the accessories showcased at the most recent show.

These rain barrels are both high-tech and eye-catching.



The barbecue section unveiled many new products and innovative tools in line with the "outdoor living" theme.



Napoleon, a Canadian company, had a strong showing again this year.



The show presented new products and innovations in the categories of garden living, garden creation and care, garden barbecue, and garden innovation. Canadian brand Napoleon had a strong presence, and Weber barbecues had a hall to itself.

Exhibitors praised the quality of the trade visitors. John Herbert, general

secretary of the European DIY-Retail Association (EDRA), said, "We have drawn a very positive balance: This year's spoga+gafa was the best ever." He noted that the show attracted more than 200 key buyers from all over the world, including a delegation from Japan and representation from "one from the most important DIY store groups worldwide."

Besides being a forum for developing business contacts, spoga+gafa once again offered a diversified supporting program that included five POS Green Solution Islands, where the organizers presented ideas for the design of retail space for garden centres and DIY stores. The focus lay on cross-selling and on curated shopping to create appealing environments for the end user.

The next spoga+gafa will be held September 2 to 4, 2018 in Cologne. 

WHAT SHOULD WE SELL?

BY ROB WILBRINK

Deciding what to sell may be the biggest factor in determining an independent dealers' profitability and long-term success. As a dealer, you need to work extra hard to fill your customers' needs when they walk through your door—otherwise there's a good chance they won't be back.

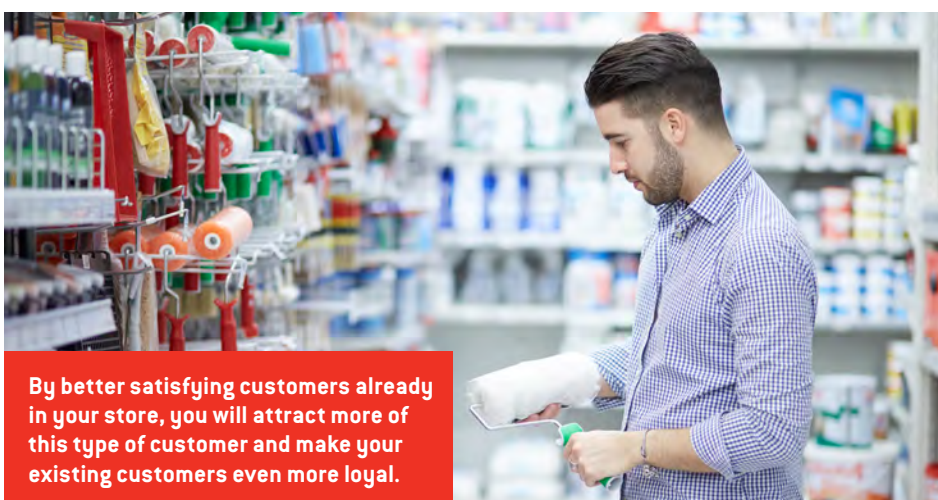
Surveys regularly show that the number one reason customers make the trip to your store is because they believe you have what they need. Yet, today, customers can sit on their couches and find pretty much anything they need online.

The right answer to what you should sell is different for every dealer and depends on many factors. Dealers in smaller communities often need to sell a broader range of product than those in larger communities. This seems counterintuitive, but in small communities, even 100 percent market share in limited categories won't generate enough sales to keep the business viable. Some of these stores need to compete in more categories than much bigger stores in larger markets just to survive.

I regularly see lumber yards in small communities get into the hardware business to generate more sales. This is hardly a new trend. Unfortunately, these dealers often decide to delegate decisions about what to sell in their front end to their vendors or distributors. They succumb to the lure of program buys, which look pretty and fill the space with no thought, analysis, or hard work required.

I recently visited a newly merchandised store in a small town. They had a beautiful display of switch plate covers in every imaginable shape and colour. The display was eight-feet wide and seven-feet tall. The next aisle over featured a display of gate hardware in multiple sizes and colours. I've never seen displays of these products even remotely this broad at Lowe's or Home Depot.

Pre-set programs of products give vendors the opportunity to maximize their own sales. By putting in a full program rather than the typical 20 percent of products which then



By better satisfying customers already in your store, you will attract more of this type of customer and make your existing customers even more loyal.

represent 80 percent of the store's sales, the vendor's selections mathematically generate 25 percent more sales. In many categories, even that 25 percent is overstated since without those extra choices, the customer would have been quite satisfied to choose from the more popular colours and sizes.


The problem then for dealers is the full program may take up twice the space or more. This kills the opportunity to display more categories or more product lines within the category.

Take control of your store and make conscious choices of what you will sell and why. If your primary business is lumber and building materials, start with the hardware needed to install these products. By better satisfying customers already in your store, you will attract more of this type of customer and make your existing customers even more loyal. You will sell more LBM products on top of your incremental hardware sales.

If space permits, add in the rough-in products such as plumbing and electrical and make sure you have enough depth and breadth of product that customers won't be forced to go elsewhere for some of the basic

components. Here it's important to find a vendor who understands local codes and can service these categories regularly to ensure products turn efficiently.

The next priority is to devote some space to displays of the broad range of building materials available through your store. Once these basics are satisfied, the factors listed above come into play in deciding what else to sell.

Once you're happy with your assortment, use your POS system to generate item movement reports to identify items that haven't sold in the past 365 days. Clear them out and purge them from your system. Then fill the hole with another product and if you have enough holes, consider adding another category that your customers will appreciate. 

Rob Wilbrink is the president and CEO of Burlington Merchandising and Fixtures (BMF). BMF provides a full range of services for independent dealers, including category strategy development, store layout and design, assortment planning, project management, design, supply, and installation of store fixturing and signage, carpentry, and merchandising.



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Mike Gregory | Vice President of Human Resources | Aubuchon Hardware

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ONTARIO DEALERS SEE STEADY, SOLID GROWTH

BY SIGRID FORBERG

With the booming communities of the Greater Toronto Area, the steady federal government jobs in Ottawa, and reliable tourism in cottage country, Ontario remains a stable marketplace. Here, a few Ontario dealers weigh in on the challenges they've faced in a year of otherwise positive growth.

Ontario accounts for nearly 40 percent of Canada's population, and it leads the country in manufacturing production. While 90 percent of its population lives in the southern part of the province, 90 percent of its land falls in the northern terrain.

Rich in natural resources and energy, Ontario's economy can be relied upon to provide steady growth. And even when housing starts have been in decline across the country, the province remains healthy.

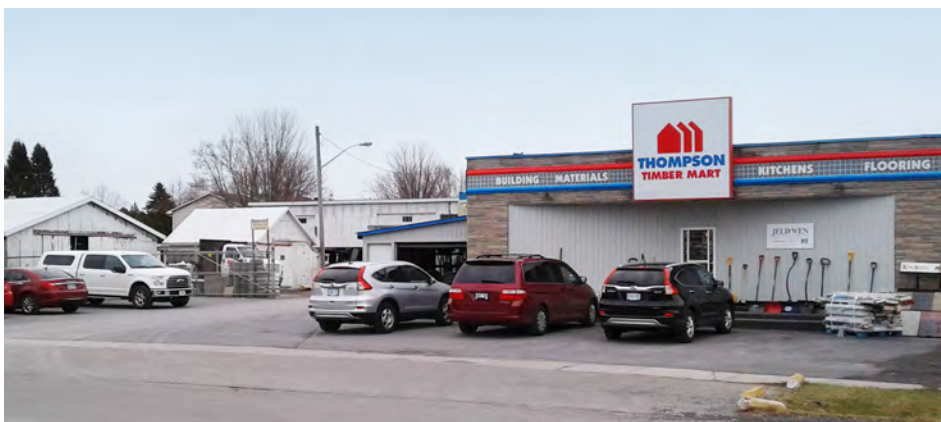
LEADING WITH THEIR STRENGTHS

In Iroquois, a small community of 1,200 that's just across the St. Lawrence from Upstate New York, Jamie Thompson's family has been in business for 153 years. As the fourth-generation owner of Thompson TIMBER MART, his store has been an integral member of the business community since pre-Confederation.

Competition is fierce in Thompson's trading area. Half-way between Cornwall and Brockville, customers don't have to drive far to find big box stores. And there's plenty of independent competition within a 30-minute radius, as well.

"I think what really sets us apart is our service," says Thompson. "We have very knowledgeable staff. We have some employees who we've had for 25 years. I think that kind of speaks for itself."

Of his 12 employees, four have celebrated a quarter century on his staff. He says customers have specifically told him that his



Thompson TIMBER MART, just across the St. Lawrence from Upstate New York, has been an integral member of the business community since pre-Confederation.

staff's knowledge and experience is what keeps them shopping at his store. With Ottawa just an hour away, the store has also turned to categories like flooring and kitchen cabinets to make sure customers have the options they want in town.

GROWING WITH THEIR MARKETS

Thompson says Iroquois has experienced gradual growth as city dwellers are building homes and moving out to the area. That's a trend Adam Busscher, of Picton Home Hardware Building Centre, has noticed, as well. His town of Picton is in Prince Edward County, a growing tourism destination located half-way between Toronto and Ottawa.

Composed of 10 towns, villages, and townships, the county's regular population is fewer than 25,000, but with a burgeoning

wine region and gastronomical scene, Busscher says Prince Edward County has been attracting as many as a million visitors each year.

"As the community has grown, we've grown, too, to offer our customers more selection," says Busscher. "I would say our customers are even loyal to a fault. They're great and they want to keep their money in town, so we do our best to be a one-stop shop for them."

Julie Austin of John Austin & Sons, in Kinmount, has also experienced some tourism growth over the past few years. Her small community of 500 permanent residents is right in the middle of cottage country and grows to nearly 40,000 people in the summertime. Close to Kawartha Lakes, cottagers have begun to shift from Muskoka to the Kinmount region.

Picton Home Hardware Building Centre is in Prince Edward County, a growing tourism destination located half-way between Toronto and Ottawa.

The major impact of this trend on Austin's store is that instead of business dying down over the winter, it remains steady as cottage owners hire contractors to work on their properties over the off season to maximize their summers at the lake.

"Only in the last number of years have we continued to stay busy throughout the winters," says Austin.

Austin's store also offers dry cleaning and is the local Purolator depot. "Because we're a smaller community with limited merchants here, we try to also keep everything here that we can. We have to add in some extra little things other stores or lumberyards don't need to have."

One challenge Austin and Thompson have noted this past year has been an increasing scarcity of lumber. Austin says she can rely on her network of Castle dealers in her region, who all support one another when they can, but everyone is facing the same problem. And the scarcity of these products, Thompson says, is resulting in higher prices for everyone—causing some builders and renovators to second guess or delay their projects.

MEETING YOUR CUSTOMERS' EXPECTATIONS

For Carlo Guido, co-owner of Lakeview RONA in North Bay, with a population of about 50,000 that grows to about 70,000 in peak season, business has been good this year. The city, in northeastern Ontario, does steady business, with a hospital and Nipissing University in town.

Guido and his business partner purchased the store in 2000. They were new to the home improvement industry, but had been looking for an investment when the




store owner made them a proposal. In the 17 years since they took over the business, he says he's learned a lot.

"It was a steep learning curve. I'm still learning," he says. "This is one of the only businesses where employees require a certain skill set."

He explains that going into a hardware store, customers expect the staff on the floor to be able to answer questions. There aren't many other industries where retail staff would have to be able to explain technical tasks such as how to wire a lightbulb to customers.

Busscher's biggest concern is his customers' expectations. He says when you establish a standard for service, if you don't meet that in every interaction with everyone, they may take it personally.

"Managing expectations is a real challenge in today's world," says Busscher. "People expect when they come in the door to be treated a certain way and sometimes things fall apart and then you have to fix it. That's a challenge for a lot of stores as they grow and become successful to still offer that good service."

Looking forward, each of the dealers *HHIQ* spoke with are optimistic about what 2018 has in store, but as Guido says, you can't rest on your laurels in this business. He adds that the most important thing he tells his employees to remember in their interactions with customers is the importance of integrity. "I always tell my staff that people do business with who they like, not who they have to. If they don't like you, you're probably only going to have their business that one time." 

BY JOHN CAULFIELD

SEARCHING FOR THE RIGHT FIT

Dealers leave no stones unturned in their search for qualified and experienced workers in a tight labour market.

Mike James had high hopes when he acquired a flooring retailer and installer in the fall of 2016. But James—who is president of Spring Valley Building Centre and O’Leary Building Centre on Prince Edward Island—says he’s been “handcuffed” by his inability to find qualified installers. “I can’t grow that business the way I thought I would be able to,” he says.

Like many home improvement dealers across Canada, James is struggling with a tight job market. With P.E.I.’s economy “booming,” James laments, “there aren’t a lot of good candidates out there.” Eighty percent of online applicants for recent job openings have been immigrants who live outside of the province. (James says he won’t hire someone based on a telephone interview alone.) As for local applicants, he says most have “zero experience.”

Dealers blame many reasons for the current labour shortage—everything from an ageing population to provincial minimum wage hikes. First and foremost, though, they cite the dearth of younger people who are interested in retailing, especially when they can go west for higher-paying jobs in the energy and high-tech sectors.

“Youth migration is a huge issue for smaller towns,” observes Carlo Guido, who owns Lakeview RONA in North Bay, Ont., population 50,000. His two sons, ages 21 and 24, have “no interest” in coming into the business, he says.

So where are they finding potential hires? Internet job boards, like Indeed and Kijiji, allow dealers to cast a wider search net. But those boards also attract a lot of unqualified resumés that dealers must wade through to find suitable candidates.

Then there’s social media. Gow’s, in Bridgewater, N.S., which at 33,500 square feet is Home Hardware’s largest store in

the country, gets the word out about seasonal positions via Instagram, Twitter, and Facebook. But owner Amanda Fancy notes that social media is less effective for finding full timers.

Gravenhurst Home Hardware, located in Ontario's cottage country, has found social media to be only fitfully useful to attract seasonal help like cashiers, says owner Ian McNaughton. He prefers instead to reach out to high school counsellors for help.

GETTING IN FRONT OF YOUNG WORKERS AT JOB FAIRS

While the labour shortage has hit cities and towns across Canada, it seems less pressing in some markets.

Calgary's economy has been "turning down" of late, and TimberTown Building Centre "has a pretty stable staff," says manager Chris Dupont. His store is one of three TimberTowns in that city, and if one store was short-handed for any reason, it could temporarily "borrow" a few workers from the other stores. And if his TimberTown were hiring, Dupont says he prefers going to customers or suppliers, "people I know," for referrals.

In the 1990s, when Russ Jones was opening big box stores for Revelstoke and RONA, filling jobs wasn't much of a headache because warehouse stores "have their own ecosystems," he says.

Now he owns Coast Builders RONA, which operates building centres in Sechelt and Madeira Park, resort communities along British Columbia's Sunshine Coast. The local job market "is more challenging than at any time I can remember," says Jones.

That market has an ageing demographic, with younger people gravitating to larger urban centres. So Jones's company participates in career fairs at local high schools to find part-time and summer help. He says

he's willing to take on kids in Grade 10 and invest in their training with the hope that a few might consider working for him seasonally or full time when they're older.

Coast Builders also has an incentive program that pays college students a \$200 bonus if they come back to work for the company during the summer. That bonus increases to \$300 for the second summer and \$400 for the third.

In March 2016, Rob Lawrie conducted a job fair for his Home Hardware Building Centres in Annapolis and Meteghan, N.S.

“Youth migration is a huge issue for smaller towns.”

"We had four stations, and it was set up like speed dating," he recalls. His company was looking to hire eight seasonal workers. Fifty people showed up for the fair, and six got hired.

While he rates the job fair as "fairly successful," Lawrie doesn't think this forum can attract the kinds of skilled workers his stores need long-term.

GIVING EXISTING EMPLOYEES REASONS TO STAY

None of the dealers contacted are too optimistic about their markets' labour situation improving any time soon. Lawrie predicts that immigration "is where we as an industry are going to get the bodies from, whether we want to admit it or not."

Other retailers say they must be in perpetual recruitment mode out of necessity because their own workforces aren't getting any younger.

In mid-October, 80-year-old Leo Henderson, who had worked in Gow's tool

department since 1987, retired. Several months earlier, Fancy got wind that Sears would be closing all of its Canadian stores, and last April, Gow's started pursuing a particular person at a local Sears with experience in several departments. Gow's eventually hired that person as Henderson's replacement, "and he should help us with our cross-training efforts, too," says Fancy.

RONA stores recently started selling appliances, and Lakeview lucked out when it was able to hire a person from a local appliance store that was closing, says Guido.

Dealers are also going to greater lengths to keep their best employees from jumping ship. A number of dealers talk about making their work environments more "fun." And Lawrie says he's mulling over a remuneration package "that's better than anyone else's" that improves with tenure. That package could include profit sharing, or a tax-free savings account based on an employee's longevity.

Coast Builders, which is in the process of acquiring a third store, has a "Builders of Tomorrow" program designed to create "our next generation of managers," says Jones. The program singles out "up and comers" among its employees who, over a two-year period, are trained by a coach one day a week per month. Jones has had six employees go through this program so far.

McNaughton of Gravenhurst Home Hardware worries about losing his long-term employees' "institutional and product knowledge," which he doubts the younger generation can replace. An older seasonal employee, who came from the rail industry, recently asked McNaughton if he would take him back next season. McNaughton said yes immediately. "I told him I will roll you in your wheelchair to the job."

BY BILL WILSON, RETAIL ADVISOR, NRHA CANADA

YOU ARE YOUR STORE'S BRAND

Why does your customer do business with you? Do you have a good inventory assortment or competitive prices? Is your customer service or experience the best in the trading area? Do you stand out in the community? In today's business environment, you'll need to be outstanding in all of the above.



In judging the Outstanding Retailer Awards, an area that stands out is that the leaders were very involved in their community—this was a big part of their stores' brand. Their community involvement helped to grow and gain their customers' loyalty.

As Matthew Shay, CEO and president of the National Retail Federation, has stated, retail is about reducing friction and upping

your customer's experience. Amid great disruption, the basics should never change.

Here, we'll break down the ways a selection of this year's ORA winners have helped set themselves apart and establish their business's brand.

KNOW YOUR COMMUNITY

David Sayer, owner of Sayer Home Hardware in Hagersville, Ont., operates his

store with the philosophy of leading others in a positive direction. This approach is driven from the foundation that was built by his father.

"My wife Cheryl and I are completely on the same page. Giving back, raising our hand to volunteer, saying yes when asked and leading others in a positive direction is simply the way we do things," says Sayer. "Cheryl and I contribute to our

community through leading by example and being willing to put in the hard work.”

The Hospital Foundation in Hagersville was formed in 1999 to raise funds for mammography and diagnostic equipment. Sayer attended the first meeting and left as chairman of the foundation, with a goal to raise \$1.3 million in 18 months. He managed to meet that goal, in a community of just 2,600.

Sayer has also been on the chamber of commerce board for more than 20 years and he founded and continues to run his local business improvement association.

He’s also actively involved with other projects in the community. When the local community centre was under threat of being closed, he worked hard to save it. And when he found out that there were people in town going hungry, he helped found, arrange supporters, fund-raise for, and became president of the local Food Bank.

“You must look around at your community and see what’s lacking—my thoughts are if you can help your community they in turn will help you.”

In addition to his community involvement, Sayer works full-time running his business, and the store has had consistent sales increases each year. He knows most customers by name and if someone new comes into the store, he makes a practice of knowing their name by the time they leave.

What are the key points retailers can take away from Sayer? He makes the most of his outgoing personality and sense of humour and knows the name of most customers. He retains experienced long-term employees with ongoing training, and provides friendly small-town experience. He uses Prism retail management tools, listens to his employees for new product suggestions, and maintains heavy community

involvement that is well-known throughout the trading area.

“You must look around at your community and see what’s lacking—my thoughts are if you can help your community, they in turn will help you,” says Sayer.

IN IT FOR THE LONG TERM

When a business has been in continuous operation for almost 170 years it can be reasonably said that they are doing something right. Today, Gow’s Home Hardware, in Bridgewater, N.S., exists as the largest hardware-only banner store in Canada. All 26,500 square feet of retail space and 11,500 square feet of indoor and outdoor storage are in use. In 2012, Peter Gow retired and sold the business to Amanda Fancy.

Fancy says the people she needs in her corner the most are her staff and customers. Change is hard for people and not everyone understands that in the retail business

you need to always be changing with the times and in advance of your competition.

“Our customers come first. Without them we wouldn’t be in business,” says Fancy. “We make certain that we respond to feedback both negative and positive. Recently we have started entertaining our customers by producing monthly videos and Instagram stories. The feedback has been tremendous.”

What’s kept Gow’s in business for nearly two centuries is its focus on customer service: “With over 580 years of retail experience under one roof, we can offer our customers the knowledge and advice that they have come to expect. Our staff is the key to our continued success,” she says. They

also offer free assembly and delivery on all products. Fancy says it gives the store an edge on its competition, and keeps the business growing.

Following a major renovation, she also added new services to the store, in response to customer demand. Gow’s now offers lottery sales, knife sharpening, water testing, and the sale of fishing and hunting licenses. She puts a focus on supporting local, as well. The store sells local honey, maple syrup, kindling, firewood, civic signs, and fishing supplies.

Finally, Fancy also shares information on sales and growth with all staff members and includes them in both the celebrations when things are going well and the problem-solving when issues need to be resolved.

“Our team is known as being ethical, honest, and caring community-minded people, and in our town, that community connection goes a long way,” says Fancy.

What can retailers learn from Gow’s Home Hardware? Fancy listens to customers and employees alike and involves them in major decisions about the store’s direction. Employees are honest and caring, and there’s a positive atmosphere in store.

“Yes, product selection and pricing all have a role to play, but at the end of the day, people tend to support businesses who they know appreciate them and put them first,” says Fancy.

In our next issue, Bill will weigh in on some of the other winning attributes of the 2017 Outstanding Retailer Award winning stores.



Bill Wilson is Retail Advisor for the North American Retail Hardware Association Canada. He has a background of more than 40 years of experience in hardware and home improvement retailing and distribution and is committed to training for independents.

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IN THE NEXT ISSUE OF HHIQ:

Bricks and clicks: Navigating the omnichannel approach

PLUS: What's big in small stores; Retail trends: reporting from the front lines; Selling to pros: How important is social media?; A winning approach: What we can learn from Outstanding Retailer Award recipients.

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FAMILY STORE MAINTAINS LEGACY BY STAYING TRUE TO ITSELF

BY GEOFFREY McLARNEY

The Deane family has been active in lumber retail in Surrey, B.C., for years, but the smaller community of Delta is their home. When the local hardware store in Delta shut its doors, they seized the opportunity to put their business knowledge to work closer to home.

Kevin Deane and his siblings all grew up in the industry. There was never any doubt about where they were going to end up after school. “We all came out of school after graduation to work at the store,” he recalls.

Working for their father, Terry, in the family’s Surrey, B.C., store, they had to start out in the lumber yard before they could work inside the store. According to Deane, it was their father’s way of making sure they were familiar with all aspects of the operation. “It gave us an appreciation of what they do out there,” he says.

While their workplace was in Surrey, B.C., home was in the more intimate surroundings of Delta, which was served by a Home Hardware. Deane has fond memories of that store and the personal connections the owners had formed with their small-town customers. When the Home Hardware decided to close its doors, Terry Deane, who by that point had owned his Surrey store for about a decade, saw the opportunity to keep that legacy alive.

“We owe a lot to our dad. Without him, we’re not here doing what we’re doing,” says Deane, who also stresses that their mother “always held down the fort” and deserves credit as well. Today, Terry Deane is semi-retired after working in the industry since his teens, and the family owns and operates Southridge Hardware in their hometown alongside the Surrey store.

COMPETING ON SERVICE

The Lower Mainland region was already well-served by big boxes, and customers have no shortage of options for an impersonal shopping experience with large selection and



The Deane brothers—Jamey, Tony, and Jeremy—never had any doubt where they’d end up working after school.

bargain price points. Yet many customers continue to choose Southridge because the Deanes are serving people they’ve known all their lives. While the area is by no means rural—Delta was designated a city just this year—it still provides “a lot of small-world moments,” Deane says.

The family’s feel for the community also allows them to meet its unique needs. Deane gives the example of a local cobbler who ran a popular side business sharpening skates until his store closed. “We bought the machine and hired him to sharpen skates,” explains Deane. “People still sometimes ask him to fix their shoes, but he doesn’t do that anymore!”

Southridge is “a hardware store first,” says Deane. “I’ve tried the small appliance business but wouldn’t do it again. I’m going to be true to what I am.” He hopes that by continuing to focus on customer service and a hands-on, personal approach, the store can maintain its appeal. Still, he acknowledges that younger shoppers are



Sister and brother store managers Kristina and Kevin Deane.

often “more cost-oriented” and willing to sacrifice customer service to that end.

“It’s tough not to be dejected when you see companies like Sears going under. Retail is definitely changing. I’m just going to keep doing what I do—focusing on service and letting people know they’re appreciated. I tell people, ‘We will look after you. You’re going to leave my store with a smile: that’s my goal, even if you didn’t buy anything.’”

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Some say horseshoes are lucky because they were historically made of iron, which dispelled mischievous fairies. Or as legend has it, Saint Dunstan, a blacksmith, nailed a horseshoe to the devil's foot, and received a guarantee that Lucifer would avoid any home with a horseshoe on the door. Of course we choose to believe a horseshoe is just a shoe for a horse, and you make your own luck.

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