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HOME IMPROVEMENT QUARTERLY

FIRST QUARTER / 2021

2019 YOUNG RETAILER
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Castle platform connects pros and homeowners



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HARDLINES

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DAVID CHESTNUT, VICE PRESIDENT & PUBLISHER

IT'S GOING TO TAKE MORE THAN A PIVOT THIS TIME ROUND

In the midst of a time of momentous change, we focus in this issue on the whole notion of change.

Never in our lifetime have we been so challenged, on an almost daily basis, to chart our lives and our businesses according to such erratic, changing times. The most overwhelming change agent, of course, has been the worldwide COVID-19 pandemic. The restrictions this crisis has placed on all of us have affected our approach to business, to customers and to relationships, both professionally and at home.


Add to this reality the further challenges of inequities in policy that have hammered independent business, while big players have worked to make sure their workers, customers—and assortments—have been addressed to meet the changes.

Issues of diversity and inclusion have taken an important role in our conversation, and this spreads right into how your customers are treated, and how your workers are evaluated. Diversity will only grow as a reality as immigration continues to be the growth driver of our population and economies across the country.

The many ways we have all had to adapt to new habits in recent months keeps adding new layers of stress and challenge. The changes have become so fundamental to how we live our lives and run our businesses that the idea of pivoting, once considered so hip and proactive, is now

an essential part of our business. It's now the time to cultivate our ability to completely pirouette—to reinvent how we think and act.

The future of this industry, and the whole country, rests in the hands of a new generation of store owners and managers. This generation is best equipped to adapt to those new ways of thinking and acting. We will continue to do our part to help promote and share the successes of these individuals through the pages of *HHIQ*, and through our Outstanding Retailer Awards, which identify and celebrate great retail in our industry.

Like you, we have been re-evaluating how we go to business, what we stand for and how to communicate that. This magazine will continue to be dedicated to helping retailers and managers operate their businesses better. But as the challenges to your business change, our direction must evolve and adapt as well. I invite you to join us in embracing those changes. 



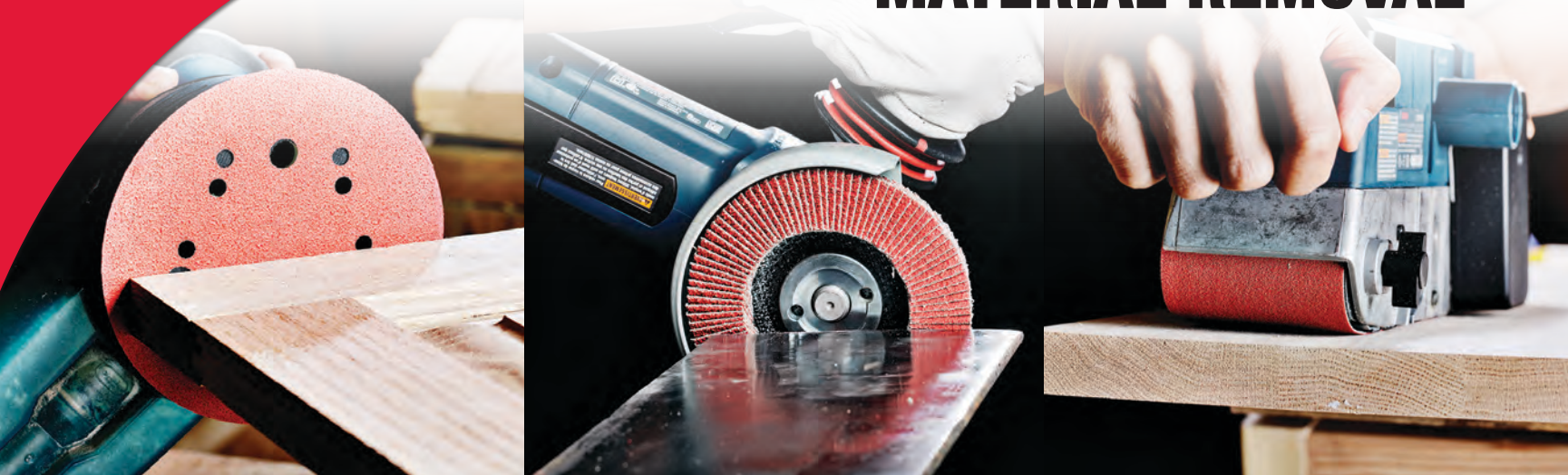
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“The changes have become so fundamental to how we live our lives and run our businesses that the idea of pivoting, once considered so hip and proactive, is now an essential part of our business.”



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WHAT'S TRENDING IN HOME IMPROVEMENT

ONE CLICK AWAY FROM YOUR COMMUNITY

In this department, we're highlighting a few fun and innovative ways dealers across the country are using social media to engage their communities. The best posts combine selling products with humorous and informative content.

Castle Building Centres Group
@CastleBldgGroup

On this Remembrance Day, Castle would like to express our sincere gratitude and respect to the men and women who have served and continue to serve our great country. Lest we forget their bravery and sacrifice.

#castlebuildingcentres #castle #remembranceday #canada



Canadian Tire
@CanadianTire

They say it takes a village to raise a child – and if ever there was a time for the village to step up, this is it. At least that's what Ranjit Soman, Associate Dealer of Flin Flon's Canadian Tire, believes. One way this small but mighty store felt it could help was to make sure free sanitizer was in healthy supply at every school in the area, including those in First Nations communities and in remote locations of Manitoba and Saskatchewan. A total of 440 litres of sanitizer has been distributed among eleven schools. Ranjit hopes this donation can support teachers, janitorial staff, and give parents peace of mind as kids attend class this year.



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We're working #TogetherWithKindness to donate \$500K to organizations that support those who need it most as part of our #COVID19 relief effort. Learn more: [ikea.com/ca/en/this-is-... #IKEACanada](#)



The Home Depot Canada
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29 · 📍

As part of our ongoing commitment to give back to the communities we serve, this year, we have made a donation of \$250,000 to The Royal Canadian Legion Dominion Command Poppy Trust Fund. These funds will support the 182 local Legions within the communities that we operate. We honour past sacrifices and acknowledge the courage of those who served and still serve our country today.



Schools are going to need that hand sanitizer. #covidcare

Home Depot is keeping communities clean. #scrubadubdub

Honouring past and present military personal. #lestweforget

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@InfoWestrum


Regardless of how you choose to spend Halloween this year, we hope it's a "spook"tacular one! Enjoy time with your friends and family dressing up, carving pumpkins, baking treats and watching scary movies. 🍁 🎃 🦇

Let us know how you plan on spending Halloween in the comments!



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@HomeDepotCanada

Looking for a last-minute #Halloween DIY? Some painted pumpkins are perfect for quick and custom décor.
@RustOleumCA



Home improvement has never looked so scary. #HappyHalloween

Stay safe this winter, keep your face covered and pathways salted. #staysafe

These axes look great for chopping down Christmas trees. #MerryChristmas

wienershomehardware

Adult masks now available in store in blue, grey and pink
#staysafe #masks #annextoronto #familybusiness



Home Hardware Stores
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RETAILERS ENJOY A CHAOTIC REBOUND UNDER COVID

Thanks to the positive impacts of the COVID-19 pandemic on the industry, 2020 has shaped up to be a strong year.

While life before the arrival of COVID-19 was certainly much less stressful and disruptive than now, it was not as vibrant a selling environment for dealers. Before the pandemic, sales by the retail home improvement industry overall were facing negative growth at the end of 2019, for the first time since 2009.

However, impacts varied from region to region and by store format. Big box retailers fared best during the uncertainty of 2019. In fact, these large-surface stores did well last year, growing in real terms and securing a larger portion of the entire market in Canada than ever before. At the other end of the retail spectrum, hardware stores showed great resilience, providing convenience offerings and maintaining their role as an important part of the local communities they serve.

All these conditions set the stage for the industry's response to a world crisis by the second quarter of 2020. As people were forced to stay home during lockdown, uncertainty was the overriding sentiment for dealers. Initial concerns about the health of the economy and the potential rise in unemployment gave way to a unique boom in home repairs and renovations. The result, much like in the rest of North America, was a huge surge in sales for dealers of all sizes.

A number of retailers stood out in 2020, and while pandemic conditions certainly added to operational challenges, they did not diminish the overall buoyancy of the sector. The DIY boom that persisted to the end of last year started with paint and decorating projects, with retailers enjoying

Canadian retail hardware and home improvement industry sales growth

Year	2019	2020 (fc)	2021 (fc)	2022 (fc)
Sales (CD\$billions)	\$50.21	\$52.60	\$54.28	\$56.26
y-o-y change	0.3%	4.8%	3.2%	3.6%

record increases —and vendors reporting empty warehouses. When people moved outdoors, they turned their sights and their pocketbooks to outdoor living products. Decking and fencing materials were quickly followed by lifestyle products. People trying to adapt their homes to include office spaces, homeschooling and recreation meant sales of everything from furniture and kitchenware to swing sets and pools.

CONTINUED CONSOLIDATION OF RETAIL POWER

Along with Home Depot Canada, Lowe's Canada, Home Hardware and Canadian Tire Retail comprise more than half of all sales by Canada's home improvement retailers.

On a regional basis, the lion's share of the market is generated by Ontario, with about 34 percent of all sales, followed by Quebec with slightly more than one-fifth. However, when examined by store type, about 43 percent of the market is represented by building centres and home centers, which are largely in the hands of independent dealers. For example, Castle Building Centres is second only to Home Hardware for the share of the market in Newfoundland and Labrador. While Home Hardware has just over 50 dealers


in the province, Castle's 37 member dealers there provide solid competition in the number-two spot.

SURVIVING COVID-19

Big box stores have done exceptionally well in recent years, gaining a record amount of market share. But independents have managed to fare well during the pandemic too. One reason for independents' successes during the pandemic has been their ability to pivot. For example, as many provinces ordered retailers to move to curbside pickup, smaller local stores were often in the best position to execute that turnaround quickly.

On the other hand, forward-looking statements are a trickier proposition in the current climate. Dealers in every part of the country are concerned about just how long this boom can last.

There are key trends to watch for guidance, such as an increased push by some major banners to woo pro customers, but plenty of uncertainty will continue before the Canadian market sees a new normal. In the meantime, a much anticipated recovery is not expected to happen quickly, as both dealers and vendors in Canada prepare for several more months of disruption.

A man with a beard and short hair, wearing a dark blue RONA zip-up jacket and khaki pants, stands in a hardware store aisle. He is holding a small box of screws in his hands. The background shows tall shelves stocked with various hardware items.

“Ever since we expanded into hardware and retail, without limiting ourselves to contractor business, we have seen our sales and profitability grow.”

Patrick Willis
Multi-store owner
RONA Vermilion, Alberta
RONA Goodsoil, Saskatchewan
RONA dealer since 2018

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A photograph of the exterior of a RONA store. The building has blue horizontal siding and a large white RONA logo with a stylized 'A' that has three vertical bars. Below the logo are large glass entrance doors.

RONA

TSC STORES SWITCHING TO PEAVEY MART ACROSS ONTARIO

Peavey Industries has converted the first TSC stores in Ontario to the Peavey Mart banner.

Red Deer, Alta.-based Peavey completed its acquisition of the TSC chain at the end of 2017, adding more than 50 stores in Ontario to its existing network of 36 Peavey Marts in Western Canada.

The first three TSC sites got the new signs in November of last year, all of them in London. The stores are close to the original TSC headquarters, based in this city in Southwestern Ontario. That location now serves as an additional office and second distribution centre for the network of stores under the Peavey umbrella, which consists of Peavey Mart, MainStreet Hardware and Ace.

Consumers in the province have had to get used to the new name. Jest Sidloski, vice president of marketing, customer

Peavey's first TSC conversion was in London, Ont., on High Park Road.



experience and e-commerce for Peavey Industries, says social media has lit up with curiosity about Peavey Mart. Some even think it's a U.S. brand. But, Sidloski notes, the Peavey Mart name is very strong in the West and he's confident that it will catch on in Central Canada. "People in Ontario are

not aware of us, but we are as Canadian as you can get."

The company planned to have three-quarters of the TSC locations converted by the end of 2020. The remaining sites, mainly in areas of Northern Ontario, will be switched early this year.

MICHAEL ROWE HEADS HOME DEPOT CANADA

Michael Rowe has been promoted to replace Jeff Kinnaid as president of The Home Depot Canada following Kinnaid's move to its U.S. parent The Home Depot Inc., where he serves as executive vice president of merchandising.

Kinnaid joined The Home Depot in 1996, starting in the lumber yard at the Richmond, B.C., store. He worked his way through a series of roles including store manager and district manager to become regional VP of operations in 2005. After that, he oversaw divisional product assortment and innovation as the VP of merchandising for five years

until he was appointed president of the Canadian business in 2016. The new role moves him from Home Depot Canada's head office in Toronto to the parent company's headquarters in Atlanta.

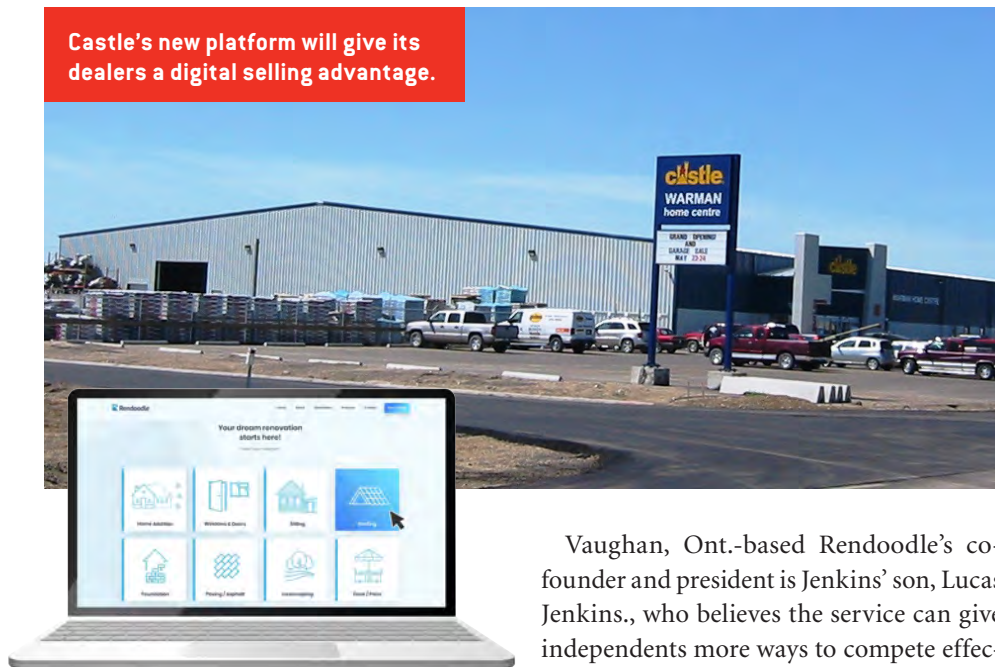
Rowe, who joined the company in 2006, was most recently vice president of e-commerce, marketing and contractor services. In that role, he led all marketing and advertising efforts across Canada, as well as e-commerce, installation services, contractor services and strategy. Prior to that, he served as CFO for The Home Depot Canada.



Michael Rowe brings years of merchandising experience to his new role as president.

CASTLE PLATFORM CONNECTS PROS AND HOMEOWNERS

Castle's new platform will give its dealers a digital selling advantage.



Castle Building Centres Group Ltd. has forged an exclusive partnership with an online platform for homeowners to source renovations and repairs. Rendoodle is a virtual marketplace that connects retailers and industry experts with consumers to help them plan and execute their home improvement projects.

Under President Ken Jenkins, Castle represents independent lumber, building materials and hardware dealers in more than 300 locations across Canada, so this partnership will give Rendoodle access to a national network of local businesses. The platform provides consumers with tools to turn their home renovation concepts, or “doodles,” into reality by connecting them to contractors and to products through a local Castle location.

Vaughan, Ont.-based Rendoodle’s co-founder and president is Jenkins’ son, Lucas Jenkins., who believes the service can give independents more ways to compete effectively. “We see Rendoodle as a way to really level the playing field with the big box retailers and create a stronger competitive advantage,” he says.

Castle’s partnership with Rendoodle gives Castle members the opportunity to be home improvement retailers of choice for the platform. Together with Rendoodle, Castle intends to build a sustainable online community of Castle retailers, leading manufacturers and reputable certified contractors. The marketplace offers member benefits such as access to project leads, increased sales potential and access to a certified installer listing.

“Our deal with Castle as a whole will allow for all of their retail locations across Canada to be a part of the program,” Lucas Jenkins notes. “The onboarding process is one that is simple and efficient.”

BRIEFLY

BMR ADDS SUPPLY CHAIN EXEC

At BMR Group, Antonio Di Pasquale has been appointed VP, supply chain and operational excellence. Di Pasquale brings more than 20 years of experience in the field. In his new role, he will lead the development and optimization of BMR Group’s processes and strategies relating to procurement and demand planning.

TAIGA LAUNCHES DIGITAL B2B PLATFORM

Taiga Building Products announced it has developed an online B2B ordering, catalogue and administrative platform. Branded as TaigaNow, it allows for the placement of orders anytime, anywhere with internet access. Users can browse the complete Taiga Building Products catalogue available from their local Taiga branch, retrieve and research product specifications, warranty information and installation information. The company is in the process of launching the program nationally.

HOME HARDWARE RECOGNIZES STORES

Chemong Home Hardware Building Centre has been recognized by Home Hardware Stores Ltd. with the annual Walter J. Hachborn Store of the Year Award. The award was presented to Terry Jenkins, Randy Kingdon, Mike Kingdon and Fred Sweeting, dealer-owners of the Selwyn, Ont., store. The store also took the category of Best Home Hardware Building Centre Over 15,000 square feet. Other honourees included Parry Sound Home Hardware in Parry Sound, Ont., for Best Home Hardware Store Over 6,000 square feet; and Ryan Buck of Buck’s Home Building Centre in Bridgewater, N.S., for Best Young Retailer.

ORGILL TO REPRISE VIRTUAL SHOW, ROLL OUT HYBRID EVENTS

Orgill Inc. plans to replace its in-person 2021 Spring Dealer Market with what it describes as a more dynamic and flexible approach to how it connects with its dealer customers and vendor partners. The show usually takes place in the third week of February.

Orgill will offer a combination of events, including physical shows like its traditional Dealer Markets, plus online-only buying events like its recent Orgill e-Volution event that was held Aug. 24 to Sept. 4. In future, the giant hardware wholesaler plans to round these out with virtual educational events and blended shows that merge online technology with a physical event.

“Just like the retailers we serve, this year taught us a lot about how to be agile and how to push outside our comfort zones to meet the needs of our customers,” says Boyden Moore, Orgill president and CEO. “We believe that live shows, online buying events and educational conferences should

not exist in a vacuum—they should all work together in how we do business in the future.”

“The days of a stand-alone physical event are a thing of the past,” says Greg Stine, Orgill’s executive vice president of marketing and communications. “We believe that this expanded strategy will provide a platform of support for our dealers, allowing them to efficiently buy products and gain knowledge that will help them grow and strengthen their businesses.”

The company’s virtual event last summer attracted nearly 10,000 retailers and helped his team realize that, with technology, Orgill could reach more customers than even a live event, “and offer unique and richer experiences to everyone who participates in them.”

In addition to harnessing the best elements online and live shows offer, Orgill also looks to create a consistent cadence for these events throughout the year that



Boyden Moore, Orgill's president and CEO.

allows more retailers to participate and is also more conducive to buying cycles.

Orgill plans to hold its first Online Buying Event of 2021 from Feb. 8 to 19, with a pre-event planning period from Feb. 1 to 7. The company still has its sights set on a live Fall Dealer Market in Chicago in August 2021.

NEW HEAD OF TORBSA HAS FOCUSED ON GROWING MEMBERSHIP

It's been barely six months since Paul Williams took over as president at TORBSA. He replaced general manager Bob Holmes, who stepped down at the end of 2020 after working with Williams on the transition.

The Ontario-based buying group works to combine purchases for two dozen member dealers that represent about 45 stores, mostly in its home province. Williams says the group is able to keep its costs low because it operates without the kind of supports provided by other groups. These can include marketing, branding and even distribution.

“There’s an inherent value in that approach,” he says, “especially for dealers with a DIY focus or those that cater to walk-in business. But we’re not strictly targeting those types of dealers.”

In fact, the majority of TORBSA’s members are focused on commercial sales, with sales teams on the road selling to all facets of the construction industry. For those kinds of dealers too, Williams sees a fit with the group.

Adding members will be one of his priorities. “Moving forward, there will be a major emphasis on solidifying our core of



Paul Williams, TORBSA's new president.

shareholders and building our purchases with our vendor partners. I’ve been given carte blanche to spread the TORBSA message and talk to prospective members.”

CANAC PLANS MORE STORES, EXPANDED DISTRIBUTION CENTRE



One of Quebec's fastest growing retail chains has more expansion planned. Canac has 30 stores, of which 13 are in the Quebec City area. The company has been adding stores over the past decade at a rate of about one per year on average, moving farther east and south with each new site.

The retailer's latest focus of growth has been the Montreal area, where it set up stores in May 2019 in Notre-Dame-des-Prairies and in Prévost, in the Laurentides region, in February of this year. Now, says president and general manager Pierre Laberge, more are in the works.

The next store will open in La Prairie, on the south shore of Montreal, in February 2021. That location will consist of just over 40,000 square feet of retail space, with a 23,792-square-foot warehouse. It will also be Canac's 31st location, making the firm one of the largest privately-owned home improvement chains, not just in Quebec, but in the country.

That opening will be followed by another store before the end of 2021. Laberge says there are other sites in the works, but the exact location will be determined by how quickly permits can be secured for each site.

Canac still has its sights set on expansion into neighbouring Ontario. Land has been purchased in the Eastern Ontario town of Hawkesbury and is awaiting development.



Canac President Pierre Laberge is focused on low prices and more stores.

The planned store is part of a major redevelopment of a former Amoco oil plant. Laberge expects it to be up and running there within two years at most.

To support this growth, another expansion is planned for the company's distribution centre in Drummondville, Que. This latest construction represents phase three for the site, which was acquired in 2015 and now holds a 500,000-square-foot hardware DC.

Laberge says the new LBM facility will replace two existing warehouses that can no longer handle the volume. One is in Beauport, serving Canac stores in the Quebec City market, while the other is part of a store in Rock Forest. He expects the new addition to be completed by the beginning of next year.

Laberge attributes much of the company's success to its people. "We have great people in the stores. We have a great team and a fair price—and people like that," he says. "It's not that complicated."

BRIEFLY

TIMBER MART BACKS VIRTUAL PLATFORMS

TIMBER MART's buying show has joined the ranks of events shifting to remote participation. The show will take place Feb. 8 to 11, 2021 via an online trade show platform. The buying group is expecting a healthier turnout at the TIMBER MART Virtual Buying Show than it has had at in-person events. "Without barriers to entry like cost of travel and time out of the store, we expect that more of our members will attend this show than ever before," TIMBER MART CEO and president Bernie Owens said.

CANADIAN TIRE GROWS PRIVATE BRANDS

Canadian Tire saw strong growth in its private-label products in its third quarter. Its so-called "owned brands" accounted for an incredible 36 percent of its retail sales in the quarter, delivering impressive 23 percent growth over last year. At CTR, owned brands grew 28 percent, thanks to big names such as Mastercraft, MotoMaster, NOMA, Woods and Canvas.

TIMBER MART ADDS MORE QUEBEC MEMBERS

Quincaillerie J.P. & F. Larochelle in Dunham, Que., has become a member of TIMBER MART. Founded in 1975 by Jean-Paul and Cécile Larochelle as an army surplus store, it has branched out into hunting and fishing gear, hardware and garden supplies. It is now owned by Yvon and Sylvain Larochelle. TIMBER MART has also welcomed Matériaux Audet. Owners Mario Audet and Marie-Claire Audet have one location in Quebec City and another in Saint-Marc-des-Carrières. The business has operated for more than 70 years and is today supported by more than 80 staff and a fleet of 15 trucks.

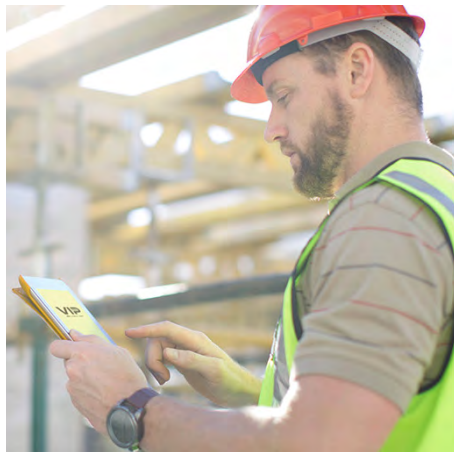
LOWE'S CANADA LAUNCHES CONTRACTOR LOYALTY PROGRAM

Lowe's Canada has introduced a program for professionals and contractors that is supported by a new app. Unique to Lowe's Canada, the VIPpro program will apply to all its Lowe's, RONA and Reno-Depot corporate stores.

The program is designed to offer Lowe's Canada's pro customers an improved and integrated purchasing experience. Contractors will have access to the same discounts and advantages throughout the Lowe's Canada corporate store network, plus a range of features on a new VIPpro mobile application.

In addition to a five percent discount on all purchases—and 10 percent off paint—the VIPpro program provides pro customers with services including dedicated customer service, bulk discounts and price-match guarantees.

The VIPpro app was developed by Toronto-based Kinetic Commerce. Users



A new loyalty program will help pros connect easily with corporate Lowe's Canada stores.

can view their purchasing data, special offers and profile information on their mobile device, in addition to their complete purchasing history from Lowe's, RONA and Reno-Depot corporate stores.

BRIEFLY

SEXTON GROUP ADDS MEMBERS

Sexton Group has announced the addition of three new members. Urban Windows & Doors in Sudbury, Ont., was founded in 2006. Midwest Island Woodworking Inc. is located in Nanaimo, B.C., and offers environmentally friendly flooring. Rounding out the new recruits is 16 Lumber, located in Russell, Man., near the Saskatchewan border.

HOME DEPOT BOOSTS COMMERCIAL BUSINESS WITH ACQUISITION

The Home Depot has reached a deal to acquire HD Supply Holdings, a distributor of maintenance, repair and operations (MRO) products in the multi-family and hospitality markets. The deal is valued at about \$8 billion.

NRHA EXPANDS MEMBERSHIP, CHANGES NAME TO INCLUDE PAINT RETAILERS

The North American Retail Hardware Association (NRHA) is broadening the reach of its membership to include independent paint and decorating store operators. And it's changing its name to reflect this evolution.

The association is now known as the North American Hardware and Paint Association (NHPA) and will represent the interests of all independently operated hardware stores and home centres, plus paint and decorating outlets, throughout North America. The change comes following the closure of the Paint and Decorating Retailers Association, an organization that NRHA had worked with for many years.

"Independent hardware stores and home centres share so much common DNA with independent paint and decorating retailers that this expansion of our membership can only benefit the industry as a whole," says NHPA President and CEO Bob Cutter.

As part of this expansion, independent paint and decorating store owners and operators have access to all of the free programs and services already available through the newly named NHPA.

"We want to make sure paint and decorating retailers have access to the programs and information they have come to rely on to run their businesses better and more efficiently,



Bob Cutter, NHPA president and CEO.

but also have them realize they are now part of a larger community with a broader range of resources and programs available to them," Cutter says.

Working for our members every day.



There's no doubt that consolidation has cut down on the number of product manufacturers. For independent dealers like me, that means less competition between suppliers for my business and less leverage for me to get more competitive pricing for my customers. That's where I rely on Sexton's strength to negotiate programs that keep me competitive."

—**Charlie Hotham**, Owner, Hotham Building Materials



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ProductSPOTLIGHT

BY GEOFFREY McLARNEY

GSW Spacesaver's tankless hot water installation ▶

The GSW Spacesaver series allows users to install hot water solutions where needed, making it a great option for the garage, pool house, wet bar, small office space or other small load applications. Now featuring GSW's 9KW and 18KW Electric tankless series, it is perfect for single-use applications. The 18KW model will provide almost two GPM at a 70 F temperature rise.

It also features scale reduction technology and a digital user interface for ease of use.

www.gsw-wh.com



◀ Chamberlain Secure View Smart Garage Opener

The Chamberlain Secure View Smart Garage Opener is equipped with a built-in wide-angle camera connected by myQ technology. Its 1080p glare-resistant night vision lens auto-adjusts to the lighting levels of the garage. Users can download the myQ App to see what's happening in the garage anytime from anywhere. Two-way communication allows the user to hear what's happening inside. This intuitive device comes with superior lighting and battery backup.

www.chamberlain.com

Baldwin Spyglass Collection ▶

Baldwin Hardware's Spyglass Collection of handle sets, levers and deadbolts are now available in a rich, bold and dramatic matte black finish. Complementing any home, the flat texture and charcoal colour comes with additional peace of mind thanks to a layer of Microban antimicrobial product protection built into the coating. The collection also features SmartKey Security re-key technology, allowing users to re-key locks whenever needed, without replacing the entire lock.

www.baldwinhardware.com





◀ My Tando Home Creator app

Tando's My Tando Home Creator operates on iPad, iPhone, Android and desktop/laptop. It now integrates with Google Street View as an option for a user to complete their free home visualization instead of having to upload their own photo. Once an image has been uploaded or selected, users personalize their home with Tando products to create their new exterior look. A user can request to have a professional designer complete their home visualization within two to three business days. Users can also order accurate, full-property measurements including a 3D rendering of roof, walls, windows and doors.

www.tandobp.com

Pfister's minimalist Stellen collection ▶

Pfister's Stellen collection is made for small spaces and lovers of minimalism. The simplicity of its modern spout, which forms one continuous line, belies the triple-function, pull-down spray head hidden within, and is both aesthetic and practical. Choose from three water settings: spray, stream and pause. Stellen faucets are designed for touch-free use and feature advanced spray head docking technology to secure a tight connection to the spout.

www.pfisterfaucets.com



◀ Viaggio knob and lever collections

The new Viaggio Hardware brand from Regal Brands consists of three collections which include three crystal knobs, two brass knobs and six levers. Their simple yet sophisticated silhouettes are versatile enough to complement nearly any décor. The brand offers interior sets and entry sets with deadbolts. Each piece is forged from solid brass and equipped with the company's Concealed Screw Mechanism (CSM) for a streamlined look without exposed screws. All are covered by a Lifetime Warranty.

www.viaggiohardware.com



Owens Corning Foamular extruded polystyrene ▶

Owens Corning's Foamular NGX is a line of extruded polystyrene foam products featuring a proprietary blowing agent that delivers a 90 percent reduction in global warming potential without sacrificing product performance. The new product line will feature the signature Owens Corning Pink colour and is designed to meet new environmental regulations going into effect this year in Canada and some U.S. states.

www.owenscorning.ca



MARIANNE THOMPSON LEADS CHANGE ON HOME HARDWARE'S MERCHANDISING TEAM

Major changes have occurred within Home Hardware's merchandising department in recent months. But it started with the hiring of Marianne Thompson two years ago.

Unlike many competing retailers, Home Hardware was historically known for maintaining relative stability within its buying teams. Vendors could pretty much count on seeing familiar faces year over year—and enjoy long-standing relationships with those merchants. But a lot has been changing at the company since the appointment of Kevin Macnab as president and CEO. And one of those big changes was the hiring of Marianne Thompson, who now leads the merchandise teams for the company.

Thompson came from the vendor side—she spent almost nine years at Alexandria Moulding before joining Jeld-Wen in 2017. At Home Hardware, as senior vice president, merchandising, she has overseen a major overhaul of her buying teams.

Thompson was hired in January 2019 and put in charge of LBM purchases, working alongside Joel Marks, then VP merchandise hardlines. When he retired in June, Thompson was named SVP, merchandise for the entire merchandising team, and handed the portfolio for hardlines in addition to her LBM duties.

Thompson is aware that dealers and vendors alike have been watching carefully all the changes within the company. She notes that what underlies them is the company's shift from operating as a wholesaler, whose customers are primarily the dealers, to being “an integrated retailer.” That means the focus is on the end customer walking into those dealers' stores.

“It's really invaluable, as we build out the customer-focused assortment, how to buy for category management assortments is different than the wholesaler model,”

Home Hardware is evolving with the hiring of Marianne Thompson as merchandise lead.



says Thompson, adding that the new faces on her team from other retailers bring real expertise.

“In a wholesale model, we had our dealers at the centre of the business model. And moving forward, it's about having consumer-centric assortments.” That means putting the customer at the centre of that model. “It's a significant, fundamental shift. It's about understanding consumer insights, how consumers shop categories and making sure our dealers have the best-in-class assortments—and obviously having that selection in our distribution centre to support them.”

She admits that, with more than 1,000 dealers to serve, each of them striving to provide a product mix that suits their respective community, managing that assortment “brings complexity” to her team. “We have to be flexible with that and carry more SKUs in our assortment because we believe

in our dealers having that localization of their assortment. It's what makes them win in their market and makes a customer go to their store in their community.”

Looking internally, a number of the new hires on Thompson's team have been drawn from other large retailers, including Canadian Tire, Lowe's Canada and Sobeys.

One thing Thompson's team has responded to in recent months is the growth in online sales. “What we learned or changed under COVID has been to double down on the e-commerce side of the business,” she says. “Through the pandemic we've learned a lot about consumer behaviour. For us, it's about providing the customers what they want, when they want it and how they want it. So obviously we're investing heavily in e-commerce. We're investing in making sure that we have the best assortment online that reflects what our dealers have in their stores.”

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BY SONYA RUFF JARVIS

RACISM IN RETAIL: MY PERSONAL SHOPPING EXPERIENCES

Amid growing public recognition that bias affects not only personal attitudes, but also broader and subtler social dynamics, the term systematic racism has become a watchword in both Canada and the U.S.

Retail and racism go hand-and-hand. It is an unfortunate truth. I can attest to it. I have experienced racism while shopping throughout my entire life. Even now, because I am a middle-aged African-American woman living in the U.S., it still happens.

As a shopper, I am treated “less than” in stores. Not all stores, not at all times; but enough that the stories would make you frown in disbelief. I can share countless times when I have been followed around the store by sales associates who watch me as if I am going to shoplift. I have a college degree, a master’s degree and my own business, but these aspects of me aren’t physically visible. I can’t wear those accomplishments or status for everyone to see. Many retailers see only the colour of my skin and bring their racial biases to the situation.

I am not talking about raw in-your-face individual racism, the kind that is blatant and violent. I am talking about the subconscious bias type of racism. These are biases that we may not be aware of or may not want to acknowledge, but our resulting actions sometimes disqualify others because of their differences or because someone doesn’t look like us. We all do it. If brought to our attention, we can recognize what we are doing; admit that it is wrong and make adjustments, knowing that we can change how we negatively interact with others due to those biases.

There are several phrases being used during this time in our history, such as structural racism, institutional racism, and systematic racism. In fact, they all mean the same thing. They describe the awful feeling of inequality that results because of inappropriate treatment on account of

one’s race. When an individual or a group of people is considered inferior because of their skin colour, we all lose. We lose because inequality denies our communities of opportunities for our friends, neighbours and businesses—and that includes retailers.


In light of the current state of affairs in the U.S., it’s important that we take time to exhale and examine our hearts and values to determine if they align with our actions, and specifically, with our daily contributions to our society. When considering the presence of racism in retail, a recent Gallup survey revealed that 22 percent of African-Americans felt that they were extended less courtesy in stores. Another 20 percent felt that they received less respect during their shopping experiences.

There is no mistake that retail and racism are connected and many incidents are being called out through smartphone videos that capture bad behaviours. Have they occurred in the past? Yes, they just may not have been captured for the world to see via social media. Do you remember the Starbucks video that went viral where police were called to arrest two African-American men waiting for another person to show before starting a meeting? These men were targeted because of their race while others were not approached for sitting in a Starbucks without making a purchase. It was a public relations nightmare resulting in Starbucks shutting down all its U.S. stores to conduct mandatory training around diversity, equity and inclusion (which is another buzz phrase now too).

I believe that most people exhibiting racist behaviours do not realize the implications of their conduct. They probably are



“When an individual or a group of people is considered inferior because of their skin colour, we all lose.” — Sonya Ruff Jarvis

not racist, but their conduct is racist and produces the same negative results. Many non-minorities may only experience contact with minorities in the retail setting. That fact is powerful. While racism in retail is an unfortunate reality, I hope that retail leads the way in knocking out racism. This period in history has given us a chance to exhale, to examine our hearts and our values to ensure that our actions contribute positively to our communities and the world. 

Sonya Ruff Jarvis is an entrepreneur and founder of Jarvis Consultants, LLC, a marketing, events and branding firm that helps businesses create innovative approaches to navigate the world of marketing. Sonya has been a part of the B2B retail industry for more than 20 years and is the founder of the Home Improvement eRetailer Summit. Follow Sonya on Twitter @jarvisconsult and @eretilersummit or contact her directly at sonya@jarvisconsultants.com.



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BY HEATHER BEAUMONT

WINNING ISN'T EVERYTHING. THERE'S SO MUCH MORE



Over almost three decades, retailers across Canada have been awarded for their ability to operate their businesses in a way that sets them apart from their peers. We went back and asked some of them just what that win meant for them. The answers were nothing less than inspiring.

Evergreen Co-op's Jeff Lelond recognizes the value in being part of an award-winning team.

"We were the first Co-op to win an award," says the Home and Building Solutions Division manager for Federated Co-operatives Ltd., at the Rocky Mountain House and Rimbey, Alta., locations. "The impact was fantastic. A team mentality got us there and after that, we began thinking more out of the box. It felt pretty much like the sky was the limit."

Since 1992, nearly 200 of Canada's best stores and individuals in retail hardware and home improvement have been honoured with Outstanding Retailer Awards (ORAs). In an ordinary year, the winners are all flown into the Toronto area to participate in the Gala Awards Dinner, which is held during the annual Hardlines Conference. There, over two days, they get to meet retailers and vendors from every part of Canada and network with their fellow winners.

Award winners demonstrate first-rate leadership, business acumen, customer connections and contributions to their communities. As Hardlines marks its 25th anniversary, we look back at the achievements of several award winners to gain some insight into their successes.

After a major renovation, the Rocky Mountain House store received the 2014 Best Building Supply Store award. The



Launched in 1992, the Outstanding Retailer Awards are the industry's only national awards program dedicated to celebrating the achievements of hardware, home improvement, and building supply dealers in Canada.



Jeff Lelond, manager of FCL's Home and Building Solutions Division in Alberta.



brand-new fixtures, flooring, banners and signage at the 24,000 square-foot space “showed we were serious about the business and taking it in a new direction,” says Evergreen Co-op’s Lelond. “Everything started going up from there.”

THE IMPACT OF WINNING IS WIDESPREAD

In a community of 8,000, with competition from Peavey Mart, Canadian Tire and Home Hardware, the award attracted welcome attention from home offices, colleagues and visitors from other cities.

“Our staff was elated. We were in the local papers. After that, all the hires were modelled around the award and our values of teamwork, integrity and excellence,” explains Lelond. These days, he’s particularly proud of the stores’ stellar staff of 35 and the exceptional merchandising of the paint, seasonal and lumber departments. “These three categories have exploded with their presentation displays,” he says.

In 2014, Cindy Caron and her husband, Raphaël D’Amours, took over the management of her parents’ business, Quincaillerie Palmarolle, a member of TIMBER MART.

Just two short years later, their efforts to streamline and modernize the store, in the small town of Palmarolle, Que., were recognized with a Young Retailer Award. “We were surprised,” admits Caron.

Some of the things they did to prompt the ORA judges’ decision included clarifying roles within the store’s organizational structure and creating a website and Facebook page to market the store. An email account helped younger customers gain faster access to the store and its team. “They’re in the instant moment,” explained Caron, who had not yet reached 30 years old herself at the time of the award. “They send us an email with questions, and we answer back. It’s easier for them than calling.”

The ORA win appeared in “the local news and people talked about us more. It gave us more credibility. It gave us confidence and



Cindy Caron and her husband, Raphaël D’Amours, modernized the family business.

even more motivation,” Caron explains. “When we started, it was difficult to get money from bankers to continue the business without my parents. Not everybody believed in us.”

At the ORAs, Caron met people working in different aspects of the industry. “I was impressed and happy to talk to people with a different vision. It gave us a lot of ideas to bring back home.”

Quincaillerie Palmarolle employs 20 people and the couple is expanding their retail and lumber business to add a grocery store to serve their community even more fully.

IT’S ABOUT MORE THAN BUSINESS

Several years ago, Hardlines established an Outstanding Retailer Award for community leadership and named it for Nova Scotia TIMBER MART dealer and industry



Orillia Home Hardware Building Centre’s success comes from being the gateway to cottage country.

pioneer Marc Robichaud. Although he died at only 36, Robichaud left his mark through innovative thinking—and his strong commitment to community engagement.

The Marc Robichaud Community Leader Award celebrates the outstanding contributions, charitable donations and events created by store staff, managers and owners who make an enduring impact on the communities they serve.

“It certainly impacted the staff,” says Chris Locke of the Orillia Home Hardware Building Centre’s own 2016 Marc Robichaud Community Leader award. The 25,000-square-foot store, which is owned by his father and uncle, sits in the downtown core of Orillia, Ont., a gateway to cottage country in Central Ontario. “That’s part of the success we’ve had. We’ve built a culture where people care about the success of the business and take it to heart,” he says of the store’s 85 employees, reduced from 100 due to the COVID pandemic.

Management and staff take pride in their commitment to community initiatives, including donating funds to build a shelter and provide for the city’s vulnerable. Through the years, they’ve launched many initiatives to support the community, including contributing garden centre produce to the local food bank and supporting local youth.

“It was a culmination of all the things we do. We have a lot of philanthropic ventures



RONA Plateau’s Christian Leduc accepts the 2019 Marc Robichaud Community Leader award with wife Jacynthe Matteau.

with local charities and we’re well known for that,” says Locke. “We’re connected to our community and people know who we are and what we do. And I think people, if they’re looking for somewhere to spend their money, they’d rather do it with somebody that’s connected to and a part of the community.”

In 2019, RONA Plateau received the Marc Robichaud Community Leader award. The 140 staff at the 105,000-square-foot Gatineau, Que., store distinguished themselves with an innovative commitment to support members of their community.

In a community where one out of every 27 residents requires support, RONA Plateau created a lottery to help. Ticket sales have

benefited a local food bank, assisted women and children seeking respite from domestic violence and supported athletic teams and community events.

General Manager Christian Leduc says the ORA win led to increased awareness of his community’s challenges and provided the store and its staff with greater industry recognition.

“I’ve been running the store for more than 11 years and at every opportunity to make a difference, my team supports me unconditionally,” he noted. “We get involved to make a difference in people’s lives. We never do it for the honour. The award motivated us to continue to be involved in our community because they need us.”

ACTIONS PUT INTO WORDS

Our Outstanding Retailer Award winners provide some insight into the thoughts and ideas that guide their winning approach to their businesses.

“We are authentic for our customers, our employees and our vendors. If we’re authentic, then everything will work out right for us.”

Cindy Caron, Co-owner, Quincaillerie Palmarolle (TIMBER MART), Palmarolle, Que.

“Customer service and community service are core commitments. Fulfilling our commitment is about more than writing cheques. It’s about making an impact.”

Christian Leduc, General Manager, RONA Plateau, Gatineau, Que.



Osoyoos Home Hardware in Osoyoos, B.C., with its historic murals and tools, is a must-see destination in its own right.



Osoyoos Home Hardware owner Frances Sologuk and grandson.

WINNING CAN BE “A GAME CHANGER”

When tourists plan trips to Osoyoos, B.C., they schedule visits to wineries and the desert. But once they arrive, they often realize that Osoyoos Home Hardware, with its historic murals and tools, is a must-see destination in its own right.

In 2006, owner Frances Sologuk decided to submit an application to the Outstanding Retailer Awards on a whim—and won in the Best Hardware Store category.

“It was both a humbling experience and a game changer,” she recalls. “It gave us the confidence to be ourselves.”

The win convinced Sologuk and her now-retired husband to work more creatively with their 17,000 square-foot space, with its five sets of stairs and basement. “We decided to use every nook and cranny to our advantage,” she says. This meant placing displays under the stairwell and selling by the cubic square foot—a trick she learned about at the ORA gala event itself. At Osoyoos Home Hardware, toilet seats hang from ceiling grates and Sologuk says customers know they need to look up for merchandise.

A staff of 23 that includes Sologuk’s son, daughter and son-in-law provides customer

service in a store that stocks more than 140,000 items year-round. “We are not a cookie-cutter type store,” admits Sologuk of the store’s old-fashioned approach to merchandising.

“We just expanded the toy department and people drive down from all over,” she says. “Online shopping is so extensive that they’re just not going to come to your store if you’ve only got 20 items in a toy department. They need a reason to stop by.”

For Sologuk, and for all our ORA winners, the outstanding way they go to business is guaranteed to provide many such reasons for those customers to stop by. 🏠

“You’ve got to give people something above and beyond what your competition is doing. Give them a reason to come in your store. Keep changing and evolving to give them a reason to keep coming back.”

Chris Locke, Co-owner, Orillia Home Hardware Building Centre, Orillia, Ont.

“I’ll go by gut feeling and intuition. Sometimes you win, sometimes you lose. But if you don’t try, you’re never going to win. We’ve gotten into categories and then gotten out of them. But basically our wins exceed anything that’s been a loss.”

Frances Sologuk, Owner, Osoyoos Home Hardware, Osoyoos, B.C.

“Be humble. Empower your team because you can’t do it by yourself. It’s a total team effort.”

Jeff Lelond, Home and Building Solutions Division Manager, Evergreen Co-op, Rocky Mountain House and Rimbey, Alta. (Federated Co-operatives Ltd.)

BY REBECCA WICHERS-SCHREUR

WHAT IT MEANS TO BE A YOUNG RETAILER TODAY

Reflections on the pandemic year so far, an industry award and where young people can shine in today's business landscape. This past Outstanding Retailer Award winner is VP, HR and administrative services for Wood Works of Renfrew, Burnstown Building Supply, two Castle-member stores in Eastern Ontario.

C OVID-19 has brought many changes to our industry, some of which may be here to stay. We have had to tackle the challenge of keeping our staff and customers safe and healthy while still serving our community in a meaningful way. And now, while we have begun to adjust to our 'new normal', we are still facing record-high lumber prices and material shortages across all categories.

But, on a personal note, it has been a year since I found out that I had been awarded the Hardlines Young Retailer of the Year Award for 2019. It was such an exciting moment for me! Little did I know that the year ahead would come with so much craziness. I had such high hopes for what I was going to do with my year.

This was the only award given to an individual, and as a person under 30 and a woman in the building supply industry, I took this honour extremely seriously. I wanted to use this platform to showcase the opportunities available to young people in business. I had so many plans and ideas for how to expand our business and show more people what my team can do. One of those ideas was to start a more regular blog-style segment—hey, at least I am accomplishing one of my goals!

COVID-19 has forced a lot of businesses to abandon what they had planned for this year. It has also shown a lot of us how strong and resilient we are, and the extent of our ability to pivot quickly in a rapidly changing environment. This is where my fellow young people have a business advantage, in my opinion. We have been facing challenges and having to make quick decisions our entire lives. We grew up with technology that was changing at an astonishing rate and have learned to harness change and develop a unique skill set.

Young people today are facing extremely high expectations. They are coming out of college or university with mountains of debt, many of them working to try to mitigate that debt when they finish.

A post-secondary degree used to virtually guarantee a job, but today many graduates struggle to find jobs in their field, or at all. Permanent, full-time positions are harder to come by. Many have been forced into contract or part-time positions, only for employers to complain of lack of commitment when they don't stick around. All the while, young people face the assumption that they don't want to work. Levels of mental illness in young people are at record-high levels, and they only continue to rise.

But I see a silver lining in all this: today's youth are adept at facing struggles and adapting quickly. They're technologically savvy and willing to learn new tasks. Given the chance they will go above and

Rebecca Wichers-Schreur believes businesses should utilize youth's abilities.



beyond for their employers. For many youth, the best employment relationships are a give and take—if you are there for them, they'll be there for you. They want to feel valued and appreciated, just as everyone does. If you give your young people a chance, I think you will be pleasantly surprised.

To all employers: now is the time to harness the power of youth. Train them. Give them opportunities. As COVID-19 continues to ravage areas of the world, younger employees will be the ones to rely on. Your more experienced staff may want to retire, leave the workforce earlier than planned or take more extended absences to avoid the risk of exposing themselves.

Don't just rely on your youth to be the ones who show up. Push them to do more. To be more. Utilize their passion and determination. Ask for their opinions, hear their ideas and take heed of what they say. They may be young, but that does not mean they have not faced adversity or that they are incapable of great things.

To all the young people out there: pay attention to what is going on in the world right now and how you can make a difference. If you are fortunate enough to be employed but you're not feeling appreciated, I am confident in your ability to make yourself seen. Channel your past experiences and you can find a way to accomplish your goals.


If you're not working right now, I'm sorry. Some of you may have been using this time to try to figure out what you want to do next, some of you may be struggling just to get through the day and regardless I understand. But hey, if you're looking for a job then give me a call, 'cause I'm always looking for talented people! 

Photo: Annemarie Gruden



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BY MICHAEL McLARNEY

DOUG ANDERSON HAS BEEN MAKING BIG CHANGES AT PEAVEY MART

Peavey has been busy on two fronts: bringing on Ace dealers to its distribution network following the acquisition of the Ace licence in Canada, while consolidating its takeover of TSC Stores in Ontario. Here, Peavey's CEO shares his vision.

It's been almost 10 months since Peavey Industries announced its takeover of the licence and distribution rights to Ace Hardware stores in Canada, and a lot has happened since then. Through it all, Peavey President and CEO Doug Anderson remains confident in the viability of the move, one that he believes will bring stability supported by a truly Canadian supply chain.

"At Peavey, we understand small towns," Anderson says, referring to the fact many Ace dealers flourish in smaller communities. He notes that Peavey is an employee-owned company with the flexibility that kind of structure can bring. "We're very focused on Ace long-term as a company."

The Ace banner in Canada has had a varied history, one that dates back to the early 1990s. At that time, LBM wholesaler CanWel attempted a cross-docking arrangement for Ace products through one of its distribution centres in the Vancouver area. To this day, a handful of dealers, mainly in British Columbia, maintain an Ace affiliation from that period. Ace then came to Canada through a deal with Beaver Lumber back in the mid-1990s. That ended with Beaver's demise barely five years later. Since then, ownership passed to now-defunct hardware wholesaler Sodisco-Howden Group, back to CanWel, then TIMBER MART, RONA and finally Lowe's Canada (see sidebar). Peavey acquired the Ace business from Lowe's Canada early last year.

MAINTAINING A LEGACY

"As a counter to the past, we believe we can provide the stability that the brand needs,"



Peavey president and CEO Doug Anderson believes the change will lead to success, especially in small towns.

Anderson says. Ace's legacy of change has also had an impact on the dealers themselves. Some chose to switch banners during the disruptions. However, the brand continued to add new dealers under Lowe's Canada, offering an option that can support smaller stores.

"Our goal is to stop the churn. There's no reason why the Ace brand can't flourish in Canada. It's an amazing brand—an international brand."

Anderson points out that Peavey is big enough to provide the nearly 100 Ace dealers—plus a handful of un-bannered

stores—with the purchasing power to stay competitive and the distribution system to support them. But, he adds, Peavey is not so large as to alienate or lose sight of its newly acquired retail customers. "Those values will definitely add value to the Ace banner and Ace network."

The company has distribution centres in Red Deer and London, Ont., home of TSC Stores, which Peavey acquired three years ago. Hardware distribution from Lowe's Canada to Peavey was completed by the end of August.

For the next few months, LBM distribution for the dealers came from Lowe's Canada. Then Peavey forged a deal with Sexton Group to tap into that buying group's buying power and distribution network for lumber and building materials. Ace dealers with LBM will have access to that supply chain, while Sexton dealers have the option to take on the Ace program to build up the front end of their businesses.

Anderson expects to begin promoting the Ace banner to potential new dealers in the future. But for now he and his team will focus on the existing dealers "and prove ourselves to them and make them feel confident and comfortable."

Nevertheless, Peavey has been formulating its recruitment strategy over the past several months. It has been evaluating how to introduce the Ace program to the market. Beginning this year, the Ace dealer development teams will be knocking on the doors of potential new dealers.

MERGER OF THE TSC BANNER

Peavey has been growing on other fronts as well. In recent months, the company has been consolidating its acquisition of the TSC Stores chain. Peavey gained a controlling interest in TSC in 2016 with an option to acquire the chain outright. It exercised that option and closed the acquisition at the end of 2017, a year ahead of schedule.

The union was a natural fit between two privately held retail chains that shared a similar retail model while being distinct geographically. TSC Stores was based in London, Ont., with 51 stores. At the time of the takeover, Peavey had 36 stores ranging in size from 10,000 to 35,000 square feet. The stores feature a wide assortment of hardware, farm and pet, automotive and home improvement products. Serving Western markets, most of Peavey's stores are in Alberta and Saskatchewan.

Peavey identifies four main customers for the farm and ranch business. The first two are the farmers themselves, which the company breaks out into family farms



and company farms. The next category is equine, including both regular farmers and a more upmarket demographic of horse enthusiasts.

The TSC acquisition added 51 stores that average 16,000 square feet in size. Except for two stores in Manitoba, all of its business is based in Ontario. Those two Manitoba stores, in Brandon and Winkler, turned out to be the testing ground for Peavey's plan to switch out the TSC banner, converting to Peavey Mart soon after the initial takeover.

The first Peavey Mart signs in Ontario went up in early November of last year, with the three TSC stores in that brand's home town of London being switched over. The company had plans to convert about

three-quarters of the TSC locations by the end of 2020, with the remaining sites, mainly in areas of Northern Ontario, being switched early this year.

"We are eager to move forward with this conversion, strengthening our corporate brand while further streamlining our internal processes," Anderson said. The conversions were slated for completion by February 2021.

The entire process of the TSC takeover gave Anderson and his team a chance to dig deeper into the Peavey business. "Both companies are similar on the surface. But there are differences in how they were built up. The structure of TSC was a huge opportunity for us to really grow as a combined entity."

TAKING LEADERSHIP OF THE FARM & RANCH SECTOR

Anderson is excited about the latest step in consolidating the TSC business. He's also positive about the farm and ranch sector in general. "It's stable. It's strong. It's growing, especially in the U.S.," where, he notes, there are still lots of regional players.

Anderson sees strong growth in Canada as well, with several smaller retailers operating. "But Peavey has established itself as the country's leading farm and ranch retailer," he says. And the sector has seen strong sales over the past six months. "Both Peavey and TSC saw significant increases during COVID."

With the addition of the TSC stores, the Peavey Mart banner comprises a network of 89 stores across the country. The company also has three outlets in smaller communities under the MainStreet Hardware banner. These will remain untouched through the conversion process. "These stores are doing what we intended them to do and so we're leaving them for now," says Anderson. MainStreet Hardware has its own digital flyer and access to the Peavey website for the full range of products available at Peavey Marts.

COVID gave Peavey's online presence a huge boost. Through November of last year, year-to-date e-commerce sales grew by an impressive 184 percent over 2019. The retailer's website generated a huge lift in traffic, with a 273 percent increase in orders year to date.

After weathering that boom in online business, Peavey got serious about updating its digital capabilities. Currently, the company is overhauling its web presence and will launch a new integrated website on March 1. At that time, the TSC website will be shut down, rolled into the Peavey Mart presence.

The acquisition of TSC Stores by Peavey Industries has created a juggernaut in the farm and ranch sector, with stores that now reach from Ontario to British Columbia. The addition of the independently owned Ace stores assures Peavey's place as a truly national retailer.

ACE HARDWARE IN CANADA: WHAT A LONG, STRANGE TRIP IT'S BEEN

The takeover of the Ace license by Peavey Industries gives the Ace banner in Canada a new home. But the Ace name has had a long history in this country well before now.

Ace first came to Canada through a deal with LBM wholesaler CanWel, under Tom Longworth. In the mid-1980s, Longworth tried bringing Ace products up for cross-docking at one of CanWel's warehouses in the Vancouver area. The arrangement became unworkable after a couple of years when the Canadian dollar took a big tumble.

Fast-forward almost a decade to 1995. Beaver Lumber, under then-president Ralph Trott, decided to outsource its hardware supply. Rather than go with the industry's national hardware wholesaler, D.H. Howden & Co. (later to become Sodisco-Howden Group), Beaver chose to partner with Ace Hardware in the U.S.

Working out of the Beaver offices in Markham, Ont., a team was created under Ace Hardware Canada President Wolf Gruber to develop the Ace banner in parallel with the Beaver business. Over the next four years, Ace managed to recruit dozens of dealers on its own, and even hosted its own buying show in 1999. However, it lost the bulk of its business when Beaver Lumber was sold to Home Hardware Stores a year later.

Without Beaver, Ace Hardware Canada still managed to strike supply deals with some buying groups and continued until it was bought in January 2003 by Sodisco-Howden Group.

Barely two years later, Vancouver-based CanWel Building Materials bought Sodisco-Howden, renaming it CanWel Hardware, and the Ace rights came with the deal. In 2010, TIMBER MART, by then a major customer of CanWel Hardware, decided to take control of its hardware distribution business and bought CanWel Hardware, renaming it Chalifour Hardware. Part of the deal was the master license to the Ace brand in Canada. TIMBER MART promoted Ace and its products and programs with its dealers until 2014 when the two companies had a falling out. That's when RONA moved in and picked up the option for the Ace Hardware name and programs in Canada.

At the time, about 120 dealers in Canada carried the Ace banner on their stores, and nearly 100 of them were in Quebec. They carried Ace either by itself or in tandem with another banner such as TIMBER MART. (TIMBER MART later sold its hardware wholesale business to Memphis-based Orgill. The head office of Orgill in Canada is the former Sodisco-Howden offices and distribution centre in London, Ont.)

You know what happened next. Lowe's Cos., through its Lowe's Canada division, bought RONA, Inc. in 2016. Lowe's Canada put management of the Ace banner and programs under the control of its Winnipeg operations.

The latest step, and perhaps the best fit so far, finds Ace under the control of Peavey Industries. Based in Red Deer, Peavey has distribution facilities both there and in London, Ont., which have been ramped up to take care of the Ace stores across Canada.





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NAVIGATING COVID-19— WHAT NOW?

Dealers have felt the impact of the pandemic at every level of their professional—and personal—lives.



The home improvement industry has been on a roller coaster ride with COVID-19 in the control seat. When the pandemic was first declared, business as usual came to a screeching halt. Suppliers and dealers across the country swiftly shifted gears to meet changing provincial guidelines and adopted new best practices, all the while balancing the constant unknown of what tomorrow would bring.

COVID cases forced some provinces to grapple with a second wave while others have managed to keep the curve relatively stable. Through it all, the repair and reno

markets surged ahead at break-neck speed, creating a new set of opportunities and challenges. Stressed staff, record-breaking lumber prices and cancelled in-person trade shows are being met with resilience, resourcefulness and creativity.

Hardlines checked in with dealers from coast to coast to see how they're navigating the impact of this crisis.

UNPREDICTABLE SUPPLY AND SOARING PRICES

Product delays and supply chain challenges are consistent concerns across the country, with lumber at the forefront.

Ace Victory Building Centre in Mackenzie, B.C., a town founded on logging and forestry, has struggled to get lumber, says vice president Marilyne Laferriere. "We're always able to get what we need, but not able to place the big orders we would normally be doing."

She credits her business partner and husband Sylvain for being "very resourceful and not giving up." She says they ordered a lot of plywood and OSB when the price was lower and they're trying to stay ahead. But without a crystal ball, it's impossible to know what the future holds. "We're hoping that there will be more production—and naturally prices will come down."

On the other side of the country, Mike Wood, manager at RONA Stephen's Home Centre in Sydney, N.S., says ordering pressure-treated lumber, in particular, has been a "roll the dice" situation since the onset of the pandemic. "We found that a lot of products we did order we didn't get, but they substituted something else just to fill the truck and we didn't really need it."

To offset the challenge of a yard full of unnecessary product, Wood calls three or four main suppliers each week to see who has the best deals, and instead of getting a truckload of 25 lifts will opt for two or three. RONA has informed the store to expect that these conditions will continue until April.

"We literally encountered a perfect storm," explains Liz Kovach, president of the Western Retail Lumber Association (WRLA). Against the backdrop of the mountain pine beetle infestation that caused a wide-scale removal of trees from the market, delays in logging and mill productions forced by the pandemic early on collided with an unforeseen force: the DIYer. Combined with typical construction projects and the demand in housing starts, product demand surged.

"The demand was real, and people needed product. Well, lumber is a commodity and as soon as you start to realize there is a shortage, just like with anything—it's the law of supply and demand," Kovach says.

Her insights explain the historic highs, but what can dealers expect?

"We're likely going to see this continue into 2021 because we're still trying to get caught up on the supply that was required," says Kovach, adding that there is about a three-month lag time. As projects come to completion, it's possible to see prices start to plateau. "But if people want to continue to build, then there's still going to continue to be a high demand".

Denis Melanson, President of the Atlantic Builders Supply Dealers Association (ABSDA), says that if contractors can take advantage of some warm weather, it's likely

Mark Westrum, VP of operations for Westrum Lumber, is trying not to take his chances on lumber.



challenges will continue in the lumber space. "Let's hope that within the winter months they can ramp up some inventory and be prepared for spring."

Projects tend to slow down in the winter months, which might provide needed respite. But this is the first time the industry is weathering a COVID-19 winter and nothing is a given.

PLANNING, PURCHASING AND PARTNERSHIP

Of course, lumber isn't the only product that feels like a game of chance. "Our problem right now is sourcing materials," echoes Mark Westrum, VP of operations for Westrum Lumber, a Weyburn, Sask.-based TIMBER MART dealer with four stores. While the stores may receive truckloads of shingles, they don't always know what colours will be in the order, leaving customers with little choice. "It's kind of like, 'Here, do you want this? This is the truck'."

Westrum says he could probably have sourced all the wood his company needs, but with fall 2020 prices being the highest he has ever seen, he chose to exercise caution. "I could probably fill my yard up tomorrow if I wanted, but because that price is so high, I don't want to sit on it through the winter, especially if we start to see a softening. Managing cost over having

stock is a challenge. If you're looking at my yard, it's fairly bare. There's something of everything, but not a lot of any one thing."

Westrum is in constant communication with contractors to give him as much notice as possible for what they need so he can source for specific projects.

Eganville Country Depot, a Castle dealer in Eastern Ontario, had enough pressure-treated wood to meet demand through to the end of 2020, based on the bookings done in 2019. The store is affiliated with two other hardware stores, and the trifecta has been able to lean on each other to share inventory.

"We were lucky that last year [2019], when we did our booking for this year's [2020] pressure-treated, that was done well enough that we had enough during the time of COVID, because that was one of our big sellers," says store manager Linda Armstrong. The three stores regularly confer to share product and discuss how bookings should look for the year ahead on everything from lumber to seasonal products.

"You try to keep your stock up in case you have the customers come in, but you don't overbuy," she says. "It's a tough balance."

Malcolm Firkser owns three Home Hardware locations on Toronto's east end. With 40 years' experience, he has seen a

lot in the business, but nothing compares to managing through a global pandemic. Firsker spent last fall preparing for this spring and summer. He hopes the early bookings will pay off in multiple ways.

“We place orders now, which often means we’re getting additional discounts, which includes a profit margin,” he said last fall. “It comes in early, and then we’ve got time to merchandise it without the stress. That’s what helps the morale in the store ... It helps getting through the January-February-March syndrome.”

Firkser says he is “conservatively optimistic” about 2021 and is ordering accordingly. He doesn’t expect the extraordinary bump in sales in 2020 to be duplicated this year and is referencing 2019 to gauge forecasting demands.

REIMAGING TRADE SHOWS AND STAYING CONNECTED

Mike Wood was at the ABSDA buying show in Halifax in March 2020 when COVID restrictions started to ramp up in Canada. The show was held in the second week of March, just days before lockdowns began across the country. “It blindsided all of us. We knew what was happening, but we didn’t want to believe what was happening,” he says.

“Virtual trade shows are serving our short-term purpose at the moment to help continue to connect our vendors to our dealer network but I certainly sense that people are missing that human contact.”

That was the last in-person trade show Wood attended, as the industry adapted to safety protocols and moved online. He participated in RONA’s virtual show in October, and while in-person events are certainly missed, he says it’s helpful to know everyone is in the same boat. “We all share the same problems. It’s not that anybody



Malcolm Firkser, an owner of Home Hardware stores in Toronto, sees the light at the end of the COVID tunnel.

is getting any advantage over anybody. It’s kind of nice that we are all in the same position, because it’s good support too.”

“Virtual trade shows are serving our short-term purpose at the moment to help continue to connect our vendors to our dealer network,” says ABSDA’s Melanson. “But I certainly sense that people are missing that human contact.” He believes the industry could potentially see hybrids in the future, but the benefit of the face-to-face can’t be replaced.

Over on the West Coast, Marilyne Laferriere agrees. “We love the buying shows, because you can see the product and develop a relationship with vendors.

we want to do something different,” says Liz Kovach. They got creative trying to figure out how to provide the exchange of knowledge that dealers and suppliers expect. The association has even adapted its magazine, Yardstick, to serve as a product guide for the virtual event.

“We were kind of joking about the Sears catalogue. The Sears catalogue was super successful. Maybe we can adopt something from that,” Kovach says. It’s a product guide with a 21st century twist, as the guide will work hand-in-hand with a trade show app where vendors and dealers can connect, show specials can be promoted with push notifications and dealers can participate in product knowledge sessions. “January is a really good time for learning. It’s typically slower and it’s a great opportunity for folks to take a step back.”

The winter, and any slight calming, may provide the breather this industry needs. When Westrum wrapped his year-end inventory in October 2020, he could tell his staff would benefit from some time to relax. “I can see it in their faces right now that they’re happy. We’ve hit this point in the year where it’s going to be a little less stressful and a little more comfortable.”

Dealers are stoic in the face of uncertainty. They’ve weathered nearly one year of pandemic ups and downs and are strapped in to continue the ride. 🍷

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BY JOHN CAULFIELD

PURCHASING, PERSONIFIED

Contractors and remodelers crave attention from their product sources. How are dealers showing the love?



Peak Improvements, a full-service design-build firm based in Edmonton, is on track this year to complete a record 27 renovation or addition projects. But hardware and building supply retailers in Peak's market aren't benefiting as much as they might from that activity, mainly because the remodeler prefers to purchase most of what it installs directly from distributors, such as EMCO Supply for plumbing and two or three local drywall suppliers.

"We've tried them all," said Rick St. Laurent, Peak Improvement's owner, about the dealers and distributors in Peak's market. "And we go with those that offer the best pricing, delivery, and service."

Contractors and remodelers are always seeking that magical combination. How

ample a slice of pros' spending goes to home improvement dealers depends on who you're talking to, and where. But the "why" is clear: pros shop and buy where they feel wanted, and that's not always the case, they say, when stores also cater to DIYers and consumers.

RELIABLE DELIVERY IS A KEY FACTOR

Amsted Design Build, based in Stittsville, Ont., engages between 55 and 60 projects a year whose construction costs average \$253,000 per job. Owner Steve Barkhouse says his company spreads its purchasing around: the Home Hardware gets "a big chunk" of its building materials and hardlines spending. Home Depot gets some. Ottawa's Preston Hardware is its primary

plumbing source. And several fabricators provide cabinets.

Barkhouse has a mental list he checks off to qualify the vendors he buys from. That list includes service, product availability, timely delivery, business longevity, warranties, and quick feedback if an order goes awry.

During the coronavirus pandemic, contractors and remodelers have had to be flexible about who they buy from just to make sure they could get products in short supply. "We prayed a lot and hoped to God that we got what we ordered," quipped Tony Fedele, co-owner of Afcon Construction in Dorval, Que., which does between 20 and 25 renovation projects a year. He pointed to one recent 40-door order whose installation was held up because Afcon couldn't get hinges.

Reliable delivery and inventory assortment are why Afcon's first choice for building materials is the distributor Lefebvre & Benoit, which operates a huge yard in Laval, Que. Last year, Groupe BMR, the buying group with over 300 retail lumber and building material locations, acquired a 55 percent stake in Lefebvre & Benoit.

For cabinets, Afcon buys from the kitchen specialist Cuisine Idéale; for plumbing PMF, Plumbing Supplies in Montreal. Fedele says he uses many sources for electrical products, including a manufacturer from which Afcon buys spotlights in bulk. Home improvement dealers aren't getting much of Afcon's business because their product quality and delivery can be spotty, said Fedele.

As the pandemic raged, Precision Contracting's owner Lindsay Haley realized that "we had to revise and adjust almost everything we do" concerning purchasing. "I told my staff we couldn't use COVID as an excuse; we had to find a way to meet our project's needs."

So the Brockville, Ont.-based Precision—which takes on about 300 interior and exterior renos a year that typically range from \$50,000 to \$75,000—has used dependability as its gauge for selecting suppliers. Its main sources include Home Hardware for construction materials, Mitten Building Products for siding, Fast Built for aluminum products, Benjamin Moore for paint, and specialty distributors for plumbing and cabinets. Haley says his hardware and tool purchases are "hit or miss," meaning he buys from multiple sources that are sometimes chosen based on convenience of location.

A few years ago, Construction ND in Terrebonne, Que., scaled back to focus on institutional millwork installation. By doing so, it became "a big hardware consumer," said owner Neil Damackine. He doesn't rely much on home improvement retailers, preferring instead the distributor Richelieu Hardware because of its selection

and services; and Lefebvre & Benoit (which, Damackine pointed out, opens at 5 a.m.) for wood panels and steel studs.

Like many contractors, Construction ND allows its field crews to replace a broken tool or defective product on their own. "That's when our guys might go to a nearby Home Depot or Reno Depot," said Damackine.

FAMILIARITY BREEDS REPEAT BUSINESS

Not surprisingly, pros said they favour supply sources with which they've established trusted relationships. "Working with a specific sales rep, knowing that our account and business matter to them," said Lisa Johnson, co-owner of Dependable Renovations Ltd., a high-end custom remodeler based in Calgary that does between 20 and 40 projects per year in the \$200,000 to \$400,000 range. Regal Building Materials is Dependable's go-to millwork source, and the company prefers to deal with "single operators, local to the area."

Mike Davis, co-owner of D&S Renovations in Halifax, buys product from between 30 and 40 suppliers that include Home Hardware for building materials, Floors Plus, EMCO and EDDY Group for plumbing and electrical, Capstone Building Supply for exteriors, and Royal Building Solutions. What these suppliers have in common, said Davis, is a "personal touch" they lend to the purchasing experience. "I like to be able to walk into a store or yard and talk to a sales manager who cares about our interests."

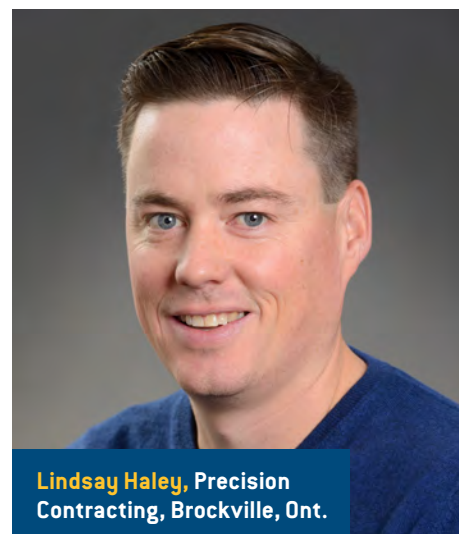
In Vancouver, Cambrie Roofing & Drainage, a commercial, industrial, and residential roofing contractor, finds the TLC it requires when buying residential shingles from a shortlist of distributors: Convoy Supply and Roof Mart, the latter being IKO's largest distributor in Canada. Paul Skujins, Cambrie's manager, added that his company purchases hardware and tools "everywhere," and acknowledged that a store's location often dictates those purchases.



Rick St. Laurent, Peak Improvement, Edmonton, Alta.



Steve Barkhouse, Amsted Design Build, Stittsville, Ont.



Lindsay Haley, Precision Contracting, Brockville, Ont.

Photos: Larry Armai

Neither D&S nor Dependable Renovations buys much from big box dealers or bulk outlets like Costco. Dependable Renovations purchases tools from Home Depot, but goes elsewhere for building materials and finishing products. “We have attempted to work through box stores, but there is little to no follow-up service, and without a specific sale rep relationship, we just become another number,” said Johnson.

Indeed, the more consumer-oriented the store, the more alienated pros seem to feel, which relegates those stores to secondary or emergency sources of supply.

There’s a psychological factor at play here, too. Michael Upshall, who owns PROBUILT, a design-build firm based in Bolton, Ont., said his company’s product suppliers include Home Hardware, Home

under the Lowe’s, RONA, and Reno Depot banners. That includes retraining its pro-dedicated staff to be more expert and helpful to contractors.

“Pros need a return on their investment in time,” said Jeff Oben, Lowe’s Canada’s senior director of Pro Sales-In Store. “I wake up every morning asking how we can make it more convenient for them to shop our stores.”

HIGHER EXPECTATIONS

Shopping preferences can be subjective, even quirky. Lauriston Maloney owns High Class Renovations and Construction in Springwater, Ont., which does about 80 projects a year that average \$50,000 in value. He said he prefers Lowe’s to Home Depot because, he explained, the latter

“I need one or two people who will pick up the phone and help me right away; we don’t have time to be put on hold.”

Depot, and RONA. But his “biggest gripe” about home improvement stores in general is that they don’t cater specifically to pros. “None of them has gotten it right, or has someone in the store who speaks our language.” Upshall, 60, doesn’t like dealing with the younger, inexperienced employees he too often encounters staffing these stores’ contractor service desks.

All of Canada’s home-improvement retail chains have pro programs, and they insist they want to increase their business with these customers. Home Depot Canada recently updated the app for its ProXTRA members to simplify how these contractors can earn and redeem loyalty points.

In September, Lowe’s Canada launched VIPpro, a program designed to offer its contractor customers an integrated purchasing experience across the retailer’s more than 235 corporate stores that operate

has too much stock outside the store. “You have to haul it into the store to pay for it, and then haul it back to your truck. That makes buying there more difficult and with long waits.”

The criteria pros will use to determine where they shop in the future also vary. For some, like Les Yochim, who owns Belvan Construction in Edmonton, it will boil down to price. “Retailers offer contractor pricing, but it’s still not as good as distributors’.” Amsted’s Barkhouse said he will continue to patronize suppliers that offer “durable and consistent” product quality (“I don’t want hockey sticks in my lumber order”), better selection, and accountable warranties. Haley of Precision Contracting thinks dealers in general “need to get a better handle on the houses” in terms of inventory and product availability, whose shortcomings the pandemic exposed.

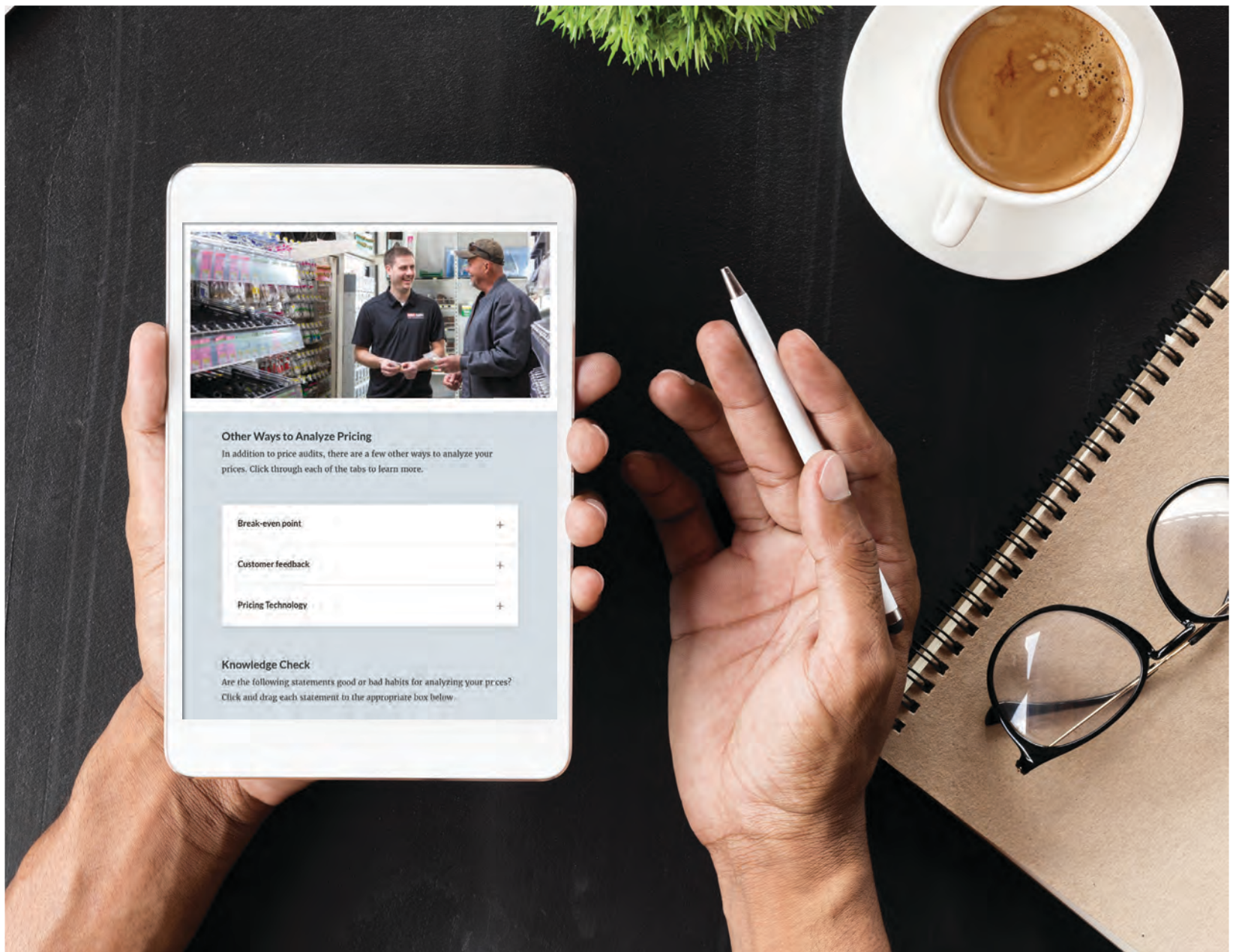


Neil Damackine, Construction
ND, Terrebonne, Que.



Les Yochim, Belvan
Construction, Edmonton, Alta.

But the overriding demand for personalized attention is palpable in every pro’s response. In Kamloops, B.C., Meranti Developments, a builder and renovator of resort custom properties, is often working an hour or more outside of the city. So it will always favour suppliers that respond quickly to its requests. “I need one or two people who will pick up the phone and help me right away; we don’t have time to be put on hold,” said co-owner Darcy Franklin. He echoed contractors and builders across Canada when he said, “We want a relationship with a counterperson who knows our voice.”



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BY LYNDON MADDEN

GOALS — HUNTING THE NEXT BIG SALES GROWTH STEP



We all have a desire to increase our sales year over year. Yet, somehow, we don't all accomplish that. What gets in the way of the growth we all want?

There are, in fact, two major types of factors that can contribute to a sales gap: internal and external. Internal factors include problems with goal definition, team alignment to the goal and the actions to make it happen. These are all ways we get in the way of ourselves when seeking to make a big sales growth step.

Have you as a leader, or team member, worked to articulate what you want to do and what results you want to see? Does your team know what the goal is? Are the actions and plans in place to achieve the goal? You need both of these to truly make a sales growth plan work internally.

But even if you're managing these internal factors appropriately, you're not guaranteed to realize your sales growth. External factors can still stand in the way of a perfectly executed plan. These can include the marketplace itself, consumer dynamics and competition. Saying marketplace and consumer dynamics are different may seem like splitting hairs, but here I am talking about the greater marketplace. Under COVID, for example, consumers have not changed *per se*. However, outside factors have driven their behaviour to be different.

For example, the increasing shift to online purchases and more services from stores may have been accelerated by COVID, but consumers were heading that way anyway. The pandemic just accelerated the process. Outside of the marketplace and consumers, changing your competition will take action, as their goals are likely to grow, just like yours. The waltz of action and reaction has to be played well, as most of us do not have access to a playbook of our competition.

If that seems like a complicated set of hurdles to jump to realize your next sales growth step, it is. This is exactly why everyone can't do it and only a few companies truly get it right. Also, no one gets it right all the time!

ASSESSMENT AND EXECUTION

Setting a sales goal should start with a basic assessment. What is the state of your sales year over year? What does the trend demonstrate? Where do you want to get to? And based on your trend, how long should you need to achieve your goals? We'd all

love exponential growth year over year, but that is not realistic.

Gather your team of stakeholders and map out where you have been and where you want to go. If, for example, you decide that 12 percent growth is your goal, the team needs to understand where they are starting from and what it will take to get there.

It's also important to remember when involving others, you are going to hear a lot of push-back to your ideas and goals. This is, unfortunately, part of human nature, but in the end, those doubts become some of the hurdles you need to overcome to make it happen, so embrace them.

WORKING SMARTER IS KEY

Just trying harder is not always a good plan, so you need to consider what is going to change to make your sales growth step materialize. Do you need to advertise more or differently? Do you need to arrange people, product, price and position differently? The more factors you think of and the more you articulate what needs to change, the closer you get to a rock-solid plan.

So you've gathered your people and identified your issues. Step two is to create actions to take on the issues and put yourself in a better position to succeed. The goal itself is key. Make a list—and maintain that list. Keep going back to it until you have fixed every last piece you possibly can. Plan regular meetings to go back over your list, stay focused on who is doing what and where each team member stands. No one likes to be the one holding up a plan, so the regular meetings will weed out the laggards and push the team together for excellence.

STAY CLOSE TO YOUR TEAM

To maintain momentum on your efforts, communication is mandatory. Communicate with the team, provide updates at regular and predictable

intervals of where you are tracking to your sales goal and what is being done to make it happen. The clarity that is required to communicate on a regular basis will also push the process itself to keep clear goals. It will also help you attain much better buy-in.

From the inside out, the plan should be in place, people should know it and the communication should support your progress to your goal. What stands in the way now are the major external factors: marketplace, consumer dynamics and competition. All of these external pressures can derail your plan, so make sure they are factors that you adapt your plan to.

The hot buzz word to come out of the pandemic is "pivot." You have to be ready to change course and proceed with a modified plan. Your ability as an aligned team to react to market competition, changes in the consumer and the marketplace will all dictate the second half of your outcome. Don't react, or react slowly, and you stand to lose out.

Make a goal, take actions to get there and communicate that process out to the team. Then be ready to react and pivot your plan for consumers, market or competition at any time along the journey. There are lots of opportunities for the wheels to fall off here, so when things seem really complicated, go back to the basics of the plan. Since we are all trying to grow, this is easier said than done, but practice in this discipline will yield good results.

Make it happen!



Lyndon Madden is a consumer goods marketing executive who has worked with many small and large brands throughout his career. He is passionate about bringing thoughtful business strategies and building long-term brand success. He has more articles on communications and leadership available through his LinkedIn profile.

BY ROB WILBRINK

GREAT INDEPENDENTS JUST CAN'T BE BEAT

Over the past 25 years, independent dealers have shown amazing resilience. They have thrived despite dire predictions, first, about their demise due to the expansion of big box stores, and most recently by the online shopping onslaught. I thought it would be helpful to analyze some of the reasons why.



Established independents have natural advantages. They are part of the fabric of their communities. The owner might coach the local hockey team, sing in the church choir or organize community charity events. They provide much-needed summer jobs for students and may have done the same for their parents 20 years before. Locals know that profits will be re-circulated in the community, benefiting all that live there.

Employees in independent stores tend to be longer serving, more established and securer than their corporate cousins. They skew older, which means there is less turnover as well as greater stability and predictability for customers. Independents have forged strong connections with local contractors and builders that are difficult for new corporate players to break.

These advantages are strongest in smaller communities. In large urban centres, sheer traffic and relative anonymity may benefit the large-surface corporate stores. But outside large cities, retail customers and contractors put a high value on personal relationships, service regardless of market.

Strong independents have often evolved their product lines through years of trial and error. Customer preferences, competitive landscapes, vendor relationships and ongoing analysis of product turns and profitability has helped them define their business and fine-tune their category emphasis and assortments. Independents have also made choices that suit their own person-

alities and interests, which ensures their continued passion for their businesses. This contrasts with corporate stores, whose need is consistency in support of their purchasing commitments, logistics and marketing programs.


Independent dealers tend to be more cautious by nature. When making improvements to their store, they are spending their own money and make sure they are spending it on the right things. Their stores are more likely to be appropriately sized for their specific market, whereas corporate stores are often built to a fixed footprint for reasons of efficiency.

Corporate decision-makers typically have a shorter-term view than the independent dealer. Their goals may be to maximize volume through a distribution centre or to open a promised number of new locations in a tight timeframe because of commitments to shareholders. Decisions might be made to support optimistic market growth projections and best-case scenarios. Pressure to open new stores on a schedule can cause chains to settle for sub-optimal locations.

During periods of rapid expansion, corporations build robust support departments dedicated to perfecting all aspects of construction, merchandising and operations. They invest heavily in inventory and staffing at store level. This can give them a leg up on their independent competitors, but the advantage is often short lived. Once the expansion is complete, these extra resources become an unsustainable overhead expense.

Also, corporate chains tend to have less patience when new stores underperform. They start to cut staff and reduce inventory to get closer to their budgeted bottom lines. This creates a downward spiral that leads to lower service levels and out-of-stocks, which further erode sales and the store's reputation in the community. Independents don't have the same outside pressures for short-term results.

Buying groups that serve the independents have evolved and grown to neutralize the purchasing power of the large chains. They strive to keep their operating costs low by utilizing third-party support services on an as-needed basis. They also organize networking events and work with industry associations to help dealers learn from each other.

When you combine the natural advantages independents have in their communities with the neutralizing benefits of their buying group associations, it should come as no surprise that independents have survived and thrived through the many challenges of the last three decades. 

Rob Wilbrink is the president and CEO of Burlington Merchandising & Fixtures (BMF). BMF provides a full range of services for independent dealers, including category strategy development, store layout and design, project management, design, supply and installation of store fixtures, displays, merchandising accessories, service counters and signage.

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BY GEOFF McLARNEY

POWER TO THE PEOPLE

The Cree communities of the Mushkegowuk Council depended on Great North Builder's Supplies for jobs and essential goods. When its owner retired, those communities stepped in to fill the void.



The Mushkegowuk Council of Chiefs at their 2019 Annual Mamohitowin Assembly, and Partners of MDC Supply GP, operating Great North Builder's Supplies.

For 40 years, Castle dealer Jack Hood served the Cree communities surrounding Moosonee, Ont., from his store, Great North Builder's Supplies. His retirement in 2018 threatened to leave a devastating hole in the region's economy.

Behind the scenes, however, a backup plan was in the works. The Mushkegowuk Development Corporation (MDC), part of a community-owned organization that promotes the economic infrastructure of the eight member Nations making up Mushkegowuk Council, recognized the store's importance. In fact, as Hood was approaching retirement, "we had already started discussions with him," recalls MDC general manager Albalina Metatawabin. However, she added, "the timing didn't work out for us to take over the store at that time."

But MDC pursued the project, convinced the store to fit with its priorities. A big part of MDC's role is to identify and plug areas of economic "leakage" from the small region it serves.

"Just the connection to employment for any business—just creating one job makes a difference. When this store closed it was a huge impact," Metatawabin says. At

the time, they had seven or eight people on staff.

Although a seamless transition to the new ownership wasn't possible, MDC aimed to limit the store's hiatus, initially planning an opening for last February. While many businesses saw their plans disrupted by COVID-19 around that time, at Great North, "it was more a matter of being ready to open," Metatawabin recalls.

"It essentially became a startup because it had been closed for so long. We had to restock and check inventory. We had to recruit. That caused a slight delay." Ultimately, the store reopened in the first week of March 2020.

"That's a key period for us because the winter road is open at that time, which opens up access to the communities north of Moosonee. So when a lot of other stores are idle, we're busy responding to customers."

From the beginning of their discussions about the business, MDC was interested in resurrecting it under the Castle banner it had borne under Hood. "The appeal of Castle is that it's a buying group, it's non-profit, it has support for its members," says Metatawabin. "The collaboration between members in that sector was attractive."

Great North has largely taken an "if it ain't broke ..." approach to the product mix that served it so well under Hood. "We trust that because they had been in operation for 40 years, whatever they had in place is going to work."

While it's building on a solid foundation, the business is also looking to the future. The MDC has been proactive in seeking customer feedback about the direction of the store, including its merchandise, through a public survey. "The plan has always been to diversify into other areas," Metatawabin explains. "Whether it be food, which is very costly in our region, or mining, which is a huge opportunity." A revival of interest in traditional ways of living off the land has also driven sales of camp supplies, she adds.

Now those needs are met by a business that has a long history in the community and is also owned by public stakeholders.

"It's been a long journey from when we started to the grand opening. That day we had partners, political leadership in attendance," says Metatawabin. "We were able to open doors to other communities. It was full of celebration and positive vibes."





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A full-page background image of a golfer in mid-swing on a golf course. The golfer is wearing a blue polo shirt and blue trousers, captured from the back. The scene is set during sunset or sunrise, with a warm, orange glow on the horizon and scattered clouds in the sky. The golf course features green grass, a sand trap, and a line of trees in the distance.

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