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STAND IN LINE

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FOURTH QUARTER / 2021



DEPARTMENTS





PRODUCT SPOTLIGHT 18 A brushless cut off tool, wall receptacle with dual type-C USB chargers and more!





52 ENDCAP The second time's the charm for Steve and Jenn Wilchuk.

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These retailers don't just sell building materials, they sell entire homes.







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CHRISTINA MANOCCHIO, EDITOR

SOURCING WOES

Getting product on shelves has been a bit tough lately. Finding staff to stock that product can be an even greater challenge.



t seems like there's a light at the end of the pandemic tunnel. Events are starting back up, activities are returning, but we can't get too excited yet.

Depending on what province you are in, restrictions can be minimal right now but that can all change in a heartbeat.

I have noticed some odd supply chain challenges occurring. Just the other day I was browsing Ikea's website and noticed a banner at the top warning about a limited product availability due to the challenging global supply chain.

If Ikea is having a tough time sourcing products, I bet every other business is as well.

Shortages in the industry are examined on page 20. Many dealers and businesses are calling in favours just to keep items on the shelves. You can't run a store without any products to stock.

Sourcing staff has been a challenge throughout these times as well. On page 32, HR professionals discuss hiring challenges they have faced recently.

At this point, does anything surprise us anymore?

By now, our annual Hardlines Conference, with the Outstanding Retailer Awards, has happened. Hosting these events was a tough decision to make due to the current situation. Throughout this issue, we have spoken to ORA winners and nominees about their work or business. You can still gain their perspective without attending the conference.

In our Endcap on page 57, HHIQ talked with Sorrento Building Centre in Sorrento, B.C. This small store has had a big impact on their community. The story will remind you of the importance of community and small town success.

If we have to take anything away from this year, it's that anything can happen. Rely on your community and keep your head up!

Madel

christina@hardlines.ca

"

Depending on what province you are in, restrictions can be minimal right now, but that can all change in a heartbeat.

NEWSROUNDUP of the home improvement industry

Visit Hardlines.ca for breaking news in the Home Improvement Industry

PEAVEY INDUSTRIES SECURES NAMING RIGHTS FOR RED DEER SPORTS COMPLEX

eavey Industries has entered into a five-year agreement with Westerner Park, central Alberta's largest convention, agricultural, sports, and entertainment facility. Under the deal, Peavey secures the naming rights to Red Deer's landmark Westerner Park Centrium as its official agricultural supply partner. The complex is now known as the Peavey Mart Centrium.

"Peavey Industries' head office has been located here for decades, making Peavey Mart truly 'Red Deer' at its very core," said CEO and president Doug Anderson. The company owns the Peavey Mart and MainStreet Hardware banners, as well as the licence for the Ace Hardware brand in Canada.

Peavey's marketing efforts are part of a long tradition of big retailers buying up naming rights to sports complexes—though it's more common in the U.S. There, Lowe's was a loyal supporter of NASCAR racing dating back as far as 1960. In 1999, the retailer bought up naming rights to a popular racetrack in Charlotte, N.C., renaming it the Lowe's Motor Speedway for the next 11 years. It also sponsored racing superstar Jimmie Johnson from 2001 until 2018. Home Depot also got involved in NASCAR in 1999, ending its sponsorships in 2014.

In Canada, Canadian Tire drew a lot of attention in 2013 when it secured naming rights for the Scotiabank Arena in Kanata, Ont., which is the home ice for the Ottawa Senators. To this day, it is known as the Canadian Tire Centre.

As Peavey establishes itself as a national





retail presence, the renaming of the Westerner Park Centrium gives the company a valuable boost to its brand at home.

"We are thrilled to partner with Westerner

Park and further our local connection while showcasing the overarching dedication we have for a city we are also very proud to call our hometown," Anderson said.

CANWEL OWNER AMAR DOMAN PURCHASES B.C. FOOTBALL TEAM

utura Corp. owner Amar Doman, whose holdings include CanWel Building Materials, is the new owner of the CFL's BC Lions.

Doman acquired the team from the estate of David Braley, who was also the former owner of the Toronto Argonauts and the Hamilton Tiger-Cats. Braley lived in Burlington, Ont. He died in October 2020, in the middle of negotiations. However, Doman was able to continue discussions with Braley's estate and completed the deal in early August. "I'm very, very happy about this," he says.

He agrees that the team is strong, and the fans loyal. But the Lions have seen attendance at games drop by 30 percent from the highs it enjoyed 15 years ago. Doman says the team needs a boost by the attention of a local owner. "For British Columbia, having a local owner here for the team was important."

Both the Lions and the Canadian Football League are great brands, he says. Now, he has the chance to revitalize the Lions as a brand. He would like to see the team actively involved in personal appearances and signings to connect with and inspire youth.

"If we can also make a difference to use sports where children choose the right path in life, that's really important to me and that's what this is about." Doman wants to get as many families as possible involved in the excitement of the game. That includes working with underprivileged kids and charities and trying to get the ticket prices down.

"We really need to promote getting the families to the game. That is so important to me."



BRIEFLY

ACE CANADA RE-ENTERS ATLANTIC IN NEWFOUNDLAND

Ace Canada and the Sexton Group have announced that Pike's Building Centre in Burin, N.L., will rebrand as Pike's Ace Building Centre, taking advantage of the strategic alliance between Ace and Sexton to supply building centres. Brothers Harvey and Jerry Pike got their start in 1984, joining Sexton Group in 2010. They recently opened a 2,400-square-foot showroom addition to display furniture and appliances.

TIMBER MART NAMES ATLANTIC REGIONAL DIRECTOR

TIMBER MART has appointed Kevin Guest as regional director of member services for Atlantic Canada. Guest began his career in the building materials industry in 1983 at Builders Market and then went to Reynolds Metals Company. By 1989, he joined Alcan Building Products as a sales representative and has worked with a variety of suppliers since then. Guest will work out of TIMBER MART's Dartmouth, N.S.

HOME HARDWARE ADDS NEW MARKETING DIRECTOR

Laura Baker has been appointed VP, marketing, at Home Hardware Stores Ltd. Baker is a retail marketing expert with over 20 years of experience growing brands like Tim Hortons and Sleep Country. In her new role, she is responsible for Home Hardware's brand identity and marketing strategy. She reports to Home Hardware president Kevin Macnab.

TORBSA NAMES BUSINESS DEVELOPMENT VP

TORBSA has appointed Emmanuel Robitaille as VP, business development. He will report to the group president and board of directors. Robitaille was most recently Quebec VP with On Side Restoration Services Ltd.

HOME HARDWARE REPRISES ITS SUPPORT OF NATIONAL TREE DAY

ome Hardware Stores Ltd. joined Tree Canada again this fall to plant hundreds of trees and shrubs at different locations across Canada. The campaign ties in with National Tree Day, which fell this year on Sept. 22.

NEWSROUNDUP

Tree Canada is a national non-profit organization dedicated to planting and caring for trees in both rural and urban environments. Since 1992, Home Hardware dealers have planted over 28,000 trees, valued at over \$1.6 million, in green spaces from coast to coast.

The initiative has endured for almost three decades because it resonates with the dealers. "As a supplier of lumber and building materials, this is an important initiative that we support corporately, and our dealers continue to be passionate about," said a spokesperson for Home Hardware Stores.

"Our stores and their local communities face a variety of challenges, whether it be



natural disasters or environmental events, leading to the loss of trees. Tree plants are a great opportunity to engage the local community, regreen or beautify areas in need, and, above all, create a long-lasting, positive environmental impact."

RETAILERS STRUGGLE TO UPDATE THEIR IT TEAMS TO CAPTURE E-COMMERCE SALES

The surge in online sales over the past two years has represented a huge shift in consumer habits—and a huge concern for dealers and managers. Through the pandemic, the shift to online sales has grown exponentially.

Retailers with established platforms, such as Canadian Tire, Lowe's Canada, and Home Depot Canada, fared well as their online sales soared. But the move was often a difficult one for independents, especially as this trend continues even after the worst of the pandemic is behind us. However, the big groups are wellpositioned to ramp up their online sales game. According to ITBusiness.ca, Rajat Khanna, vice-president of information technology at Lowe's Canada, saw the retailer's website traffic increase by 200 percent and digital volume was up 400 percent. Initially, one of the big sellers was paint. In response, Lowe's Canada introduced an online paint selector, which lets customers transform the room they want to paint virtually.

At Home Hardware Stores Ltd., Chris Parsons, director of e-commerce, was quoted as saying

the banner's website traffic more than doubled during the past year under COVID. Parsons noted that his company rolled out a platform to help its dealers track and process online orders.

Even as more customers moved online, the company's call centre experienced a huge surge in use as well, rising by 350 percent. At Lowe's Canada, that number went up by 800 percent, said Khanna.

For both companies, as well as companies like Canadian Tire, the focus has been on hiring more IT staff and beefing up the tech sides of their businesses.

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NEWSROUNDUP

CANADIAN TIRE TAKES TIGHTER CONTROL OF SUPPLY WITH PORT PURCHASE



he worldwide restrictions on supply chains have put the squeeze on everything from finished products to raw materials. The constraints have some companies taking matters into their own hands, including one of Canada's largest retailers.

Canadian Tire Corp. has bought 25 percent interest in an inland port facility in British Columbia. For \$40 million, the company acquired a stake in Ashcroft Terminal Ltd., which operates east of Vancouver near CP and CN rail lines. "Our retail supply chain is a monster machine that needs to do its job before the customer order gets fulfilled," CEO and president Greg Hicks said.

"This \$40 million investment will enhance the flexibility of our supply chain and drive longer-term savings and lower carbon emissions by allowing us to stage more inventory in B.C., rather than shipping it back and forth across the country."

Canadian Tire is not alone in attempting to control its worldwide shipping. Out-of-stocks have become too common among retailers as the surge in e-commerce selling continues. In June, Home Depot attempted to solve its supply chain headaches by investing in a ship of its own. Walmart too recently made a similar announcement.

The trend to taking shipping matters in hand is not a new one, however. In Sweden, Ikea has, since 2012, owned its railroad system, which gets product to key European markets. Ikea Transport runs between Almhult, Sweden, and Duisburg, Germany.

BRIEFLY

CANAC RENEWS SUPPORT OF GOOD CAUSES

Canac's latest marketing campaign is highlighting the chain's efforts to aid Quebec charities. Building on its renovation assistance last spring to a community kitchen and a foundation aiding sick children in their families, Canac worked this year with a camp for disabled children and an organization operating men's and women's shelters.

STANLEY BLACK & DECKER TO ACQUIRE THE REMAINDER OF MTD

Stanley Black & Decker has reached a deal to acquire the remaining 80 percent stake in MTD Holdings Inc. Stanley has owned a 20 percent interest in the privately held outdoor power equipment manufacturer since 2019. Under the new agreement, it will pay \$1.6 billion in cash for the remainder of MTD, whose brands include Cub Cadet and Troy-Bilt. The transaction is expected to close before the end of the year.

CASTLE REACHES DEAL WITH JRTECH

Castle Building Centres Group has signed a three-year agreement with JRTech Solutions making it Castle's exclusive provider of electronic shelf labels (ESLs). Since 2008, JRTech has been North America's largest distributor of Pricer ESLs.

PRINCESS AUTO'S 50TH STORE OPENS IN QUEBEC

Princess Auto has opened a new Quebec location, and its fourth in that province, in Lévis. It follows another opening in Saint-Hubert in the spring. The new store caters to tradespeople, hobbyists, home mechanics, and DIYers. Categories that set Princess Auto apart include hydraulics and surplus, in addition to an everexpanding farm category. The privately-owned retailer now has 50 stores employing over 3,000 workers across the country.



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ORGILL CEO MAPS OUT FUTURE DEALER SHOWS FOLLOWING LATEST VIRTUAL MARKET

y the time Orgill had concluded its 2021 Fall Online Buying Event, it had managed to bring together thousands of its retail customers and hundreds of vendors.

NEWSROUNDUP

The virtual events have been gaining traction since the Memphis-based hardware wholesaler initiated them in August 2020 to cope with the impact of COVID. According to CEO and president Boyden Moore, customers understand the platform and how to get the most out of it. "If you look at the sales figures from each of these events, they all nearly mirror each other," Moore said. "That tells us that our customers are engaging with vendors and that they are able to utilize the events to effectively buy for their businesses."

In fact, following Orgill's spring Online Buying Event, 97 percent of all warehouse orders were fulfilled and 94 percent of all promotional product orders were booked successfully. In addition, the latest buying



event was accessible on mobile devices.

"Our number-one priority is to restore the dependability of our supply chain as quickly as we can," Moore assured the virtual attendees. "We believe we will begin to see better recovery in the coming months. However, we also believe that it will take longer into 2022 before we begin to return to our historical standards."

He pointed to the success of Orgill's online buying events and the expansion of its fulfillment network as positive signs of growth. Orgill's next Online Buying Event will be held in late October and an in-person Spring Dealer Market is scheduled for Feb. 24 to 26, 2022, in Orlando, Fla.

RETAILERS CONTINUE TO FACE SUPPLY ISSUES

A shortage of shipping containers has put pressure on Dollarama's finances, CEO and president Neil Rossy has acknowledged. And those supply chain issues are putting pressure on pricing.

Continued growth is being restricted by shortages on the shelves as international shipping remains backed up. This could have an impact on results for years to come. "The pressure on container shipping costs continues to build and, as a result, will be felt more in fiscal 2023 as we renew [shipping] contracts," Rossy told analysts on a conference call.

His concerns for the future include tight supply for retailers in general as the holiday season approaches. Several forecasts, including by MasterCard and Deloitte, expect U.S. retail sales to grow by at least seven percent during the holidays.

But shortages of everything from raw materials to products and staff could complicate things. COVID outbreaks in Vietnamese factories are forcing closures there, compounding the uncertainty.



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PRODUCT SPOTLIGHT



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BY JOHN CAULFIELD

Last year's LBM shortages and price hikes have reshaped dealers' and distributors' purchasing strategies

andemic-induced shortages of lumber and other building products, and the panic buying and price gyrations that ensued, have caused dealers and distributors to rethink their supply sources and how they forecast their inventory needs. Even as the supply chain had stabilized somewhat by mid-2021, dealers and distributors were still concerned about longer-term

volatility after watching lumber prices swing wildly over the past year, plus two price hikes in 2021 alone for insulation that's been on allocation since last fall.



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Peter Gilson is the director of supply chain for Fraser Valley Building Supplies in British Columbia.

Prices are "fluctuating so much, even now," said Peter Gilson, director of supply chain for Fraser Valley Building Supplies in British Columbia, where six of its eight locations sell building materials. too much for," added Michael Sivucha, vice president-commodities for Taiga Building Products in Vancouver.

Given the likelihood that this volatility would continue, Taiga has been "taking

What's happened lately is the fear that the market would correct, and buyers would get stuck with product they paid too much for.

The lumber that Olympic Building Centre in Winnipeg bought in June was arriving in August when HHIQ interviewed Olympic's general manager Marcel Pelland.

"We play in a cash market, not the contract market, and supply there is still tight," he said. "Unfortunately, there's been no rain, so the construction season has been longer, too."

"What's happened lately is the fear that the market would correct, and buyers would get stuck with product they paid a closer look at managing risk," which Sivucha said comes down to "relationships with suppliers and customers we trust, to manage tougher times and more volatility. Those relationships need to be looked at with clear eyes."

"ZERO" BUYING LEVERAGE DURING TOUGH TIMES

HHIQ reached out to dealers and distributors across Canada to learn how

FILE

their supply-chain travails in 2020 have impacted their purchasing practices in 2021. This is clearly a sensitive subject that many organizations were reluctant to discuss: Lowe's Canada and Home Hardware Stores declined to comment or suggest dealer-members to interview. TIMBER MART and Independent Lumber Dealers Co-operative did not return phone calls requesting comment. Sexton Group didn't respond to written questions.

The dealers and distributors we did talk with made one thing clear: with few exceptions, their companies had little if any negotiating leverage with manufacturers when it came to buying product during periods of shortages. When "supply hit bottom, we had a vacuum," recalled Dave McNeil, Taiga's vice president of national accounts, whose product responsibilities include insulation, composite decking, and roofing.

"We were able to pull some favours, but on the whole, we struggled to secure capacity," said Gilson. "We were calling everybody, but it was definitely a seller's market."



Tim Snell, the sales manager at TimberTown Building Centre, said the industry faced "a perfect storm" that affected lumber inventories.

Snell, sales manager for the TimberTown Building Centre in southeast Calgary, said his store "could have sold significantly with the two other TimberTown operators in Calgary. "We were just trying to keep our shelves stocked."

We were able to pull some favours, but on the whole, we struggled to secure capacity. We were calling everybody, but it was definitely a seller's market.

more" lumber in 2020 were it available, if not for the "perfect storm" of mills shutting down because of the coronavirus pandemic and homeowners "stir crazy" from their enforced quarantines initiating all kinds of home improvement work.

Each of these actions cut into the lumber inventories, and the DIY binge cascaded into what Taiga's McNeil called "overzealous" buying by big box retailers and some buying groups.

During the pandemic, TimberTown "had to get creative," said Snell. If the store got an order for a cedar product in a dimension it didn't have in stock, it would cut down the product it had in its millwork shop. The store also occasionally substituted lengths to fill orders.

Olympic, said Pelland, chose to "protect our contractors," which sometimes meant not selling product to homeowners. "Everyone was scrambling, and buying on top of buying." Olympic itself turned to alternative suppliers, including some whose product quality wasn't always the best. Pelland noted, too, that when shortages were severe, some suppliers and dealers "abandoned" traditional credit terms. But even they were in the same leaky supply boat as everyone else. "It wasn't like you could find a friend; you had to stand in line."

Snell confirmed that secondary suppliers offered no preferential treatment to his store, which had somewhat better luck getting product by buying collaboratively

DID PURCHASING POWER MATTER?

Home Building Centre in Gravenhurst, Ont., with three locations, "kept ahead of the pre-purchasing curve" that carried its inventory through the summer of 2020. After that, "the roof caved in" in terms of product availability, said general manager Robert Glecoff. Glecoff said the affiliation with Home Hardware helped a bit, as "they could commit to more volume" contractually.

It's hard to gauge whether the size of the purchaser had much sway with manufacturers during shortages. Lumber was never on allocation, and in the early months of 2020 the mills "were simply following their order files," said Taiga's Sivucha. But once mills shut down that spring, "we got a very different picture about the market," with tight supply and a surge in prices.

While Sivucha doesn't think Taiga's 15 distribution centres in nine provinces gave it much of a purchasing edge, he also pointed out that "we're talking to mills every day, so we have good relationships and exposure in the market."

For McNeil, allocations, particularly in fibreglass and blow-in insulation, "are a way of life," and larger companies "will have more volume allocated to them." That doesn't mean Taiga got everything it asked for; far from it. But at least suppliers were "consistent, and on time," said McNeil.

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"WILD RIDE" ENGENDERS SUSPICION

It's worth noting that the pandemic wasn't the only market disruptor that dealers and distributors have wrestled with lately. A large pro-oriented dealer in Edmonton (who requested anonymity) noted that storms that disabled Texas's electricity grid created shortages in resin production that continues to affect supply of such building materials as oriented strand board and engineered wood products.

Wildfires in the Pacific Northwest, and the need to limit rail traffic to prevent spark, have also affected manufacturing and distribution. Increases in flooding in North America, and shortages in shipping containers and delivery trucks, haven't helped matters.

"It certainly has been a wild ride lately," the Edmonton dealer said. "Everyone is upping their bids, and that's creating a domino effect [for consumers]."

Uncertainties about higher lumber tariffs made forecasting demand and setting prices dicier. "The commodities markets have become more unpredictable and volatile," said Sivucha.

It certainly has been a wild ride lately. Everyone is upping their bids, and that's creating a domino effect [for consumers].

When markets unravel, it's human nature to blame someone. So finger-pointing about the causes and legitimacy of price hikes was inevitable. Snell of TimberTown thinks the media's vilification of lumber producers stoked what he considers a misperception that suppliers weren't forthcoming about product availability. Pelland at Olympic observed that some blame for price volatility should be placed at the doorstep of distributors that overbought and are now "selling off" excess inventories. Others accused big box retailers of dumping, too.

Paul Parsons, general manager of Fraser's Pro, which operates five locations in Nova Scotia, can't help but wonder if the supply-chain pain the industry endured over the past 18 months was necessary. He doesn't dispute there were shortages. But he also thinks suppliers fabricated "spin" that the shortages would last longer than they did.

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"There was a lot of hearsay and sales pressure, and it became a big game of chicken between dealers and manufacturers that led the industry down a path of greed," he said.

LOOKING FOR BETTER FORECASTING DATA

While less jaded than Parsons, other dealers and distributors say their recent experiences have provided valuable lessons about supply and demand. "The last 18 months told us that we don't know anything," said Glecoff of Home Building Centre. The good news for his company is that its relationships with key suppliers weren't damaged, and in some cases were strengthened. Glecoff is confident enough in the market's rebound that his company will rely on pre-COVID sales history in its forecasting for future purchases.

Fraser Valley Building Supplies has been reducing its SKUs and bulking up on

There was a lot of hearsay and sales pressure, and it became a big game of chicken between dealers and manufacturers that led the industry down a path of greed.



Marcel Pelland, general manager at Olympic, questions whether some distributors overbought, creating further price volatility.

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Dave McNeil, vice president of Taiga Building Products, said the DIY reno binge cascaded into overzealous buying by some of the groups.

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better-selling items. Purchasing decisions will henceforth be based on history "and what's in the pipeline now," said Gilson. "We're going where our customers are looking, and not going 'all in' on too many items. We'll be more cautious on the [marwith categories like composite decking that have so many SKUs.

Pelland said that Olympic Building Centre is being more particular about its clientele and what its forecasts are based on. "We expect honest relationships." His company

We're going where our customers are looking, and not going 'all in' on too many items. We'll be more cautious on the [market's] upswing, and cautious after that.

ket's] upswing, and cautious after that."

Others are recalibrating their crystal balls. McNeil said that Taiga has "refined" how it reviews inventory management, "and we're applying more science to the business, end to end." He added that his company would continue to build inventories, but also conceded that can be tricky will also rely more on purchasing models so it can be "more analytical" in its buying.

By doing so, Olympic can better present itself to pro customers as a consistently reliable source of supply. "One ray of light in all this is that our customers are listening to us, instead of putting their orders up for bid," said Pelland.





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GrandErie Home Hardware in Dunnville, Ont. Left to right: Avrielle Nelson, retail analyst and HR administrator; Don Kenney store manager; and Stacey Campbell office manager. Housewares

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GrandErie Home Hardware has a multi-step hiring process.

taff can make or break a company. They are the front face of your store; they are responsible for your customer service and sales. That's why training your staff is critical to the success of the business. Making sure they are appreciated and knowledgeable is the responsibility of the company.

HIRING

There are a variety of approaches to hiring and training staff, which all depend on workplace needs. This also goes for the human resources department. Some stores conduct the hiring while others have a head office handle staffing.

For GrandErie Home Hardware in Dunnville, Ont., their multi-store business requires a human resources department to handle the staffing and training. When hiring, HR conducts the first interview and then the owner and department manager join in on the second.

"The second interview, I can greet them. I'm a familiar face, so they can be a little more at ease," said Avrielle Nelson, retail analyst and HR administrator at GrandErie Home Hardware. "I think that's really important in the interview process, that you make them as comfortable as possible because everyone is nervous."

At Payzant Home Hardware Building Centre in Sackville, N.S., the HR department operates a bit differently. HR receives the resumés and sends them out to the stores. Payzant's has one key rule though: don't take too long with the applications.

"They're typically discouraged from allowing a long period of time to lapse

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between when the resumé was received and decision's being made," said Grant Thomas, general manager for retail. "The hiring process is supposed to take place in a short amount of time. It shouldn't be any longer than two to three weeks before we have somebody enrolled, unless it's a highly technical role."

This way the company doesn't miss out on any potential hires who may find other opportunities.

PANDEMIC CHALLENGES

Throughout COVID, most provinces considered hardware stores an essential service. This led to some staff feeling uncomfortable and taking a leave of absence.

"[We were] trying to be as accommodating as possible and recognizing that everyone has different comfort levels of COVID," said Jennifer Burgin, human resources manager at Slegg Building Materials. "We really did everything that we could do to protect our staff."






Burgin also pointed out that staff appreciation, like barbecues and team building events, had to be cancelled due to the public health situation.

The pandemic has caused a shift in employment culture in society. Businesses are receiving fewer job applications, making it tough to fill empty positions. This wasn't as much of a challenge before the pandemic.

"We just don't see a lot of applications for positions," said Burgin.

Walter Pranke, vice president, human resources, at Lee Valley Tools, has faced a challenge finding staff and has altered a few of the company's terms to attract applicants.

"We opened up shifts to cater to potential parents, those who have children going to school." They did this by offering flexible work hours and shorter workdays, so parents can still do school drop-off and pick-up. With this change, they had to hire a few extra people to fill the other positions. Creativity even more, it's convenient to walk to work.' I'd even be willing to set up our own version of an Uber and go around the neighbourhood. Those are the little creative, innovative kinds of things to try and stimulate

We opened up shifts to cater to potential parents, those who have children going to school.

is key when filling roles and figuring out operations, Pranke explained.

"I said, 'why are we not appealing to the 1,000 homes that are nearby? You can live and work in your own neighbourhood, and interest, especially for us on a seasonal basis," said Pranke.

Being unconventional sometimes can lead to success. Slegg started posting videos on TikTok and YouTube about workplace

COVER STORY

STAFF TRAINING



culture and job opportunities at the company. "We're trying to think outside of the box and try new things," said Burgin. "I'm just trying to look at it from a new perspective. What's been done in the past doesn't always work. You can try new things, but not all of them are going to work."

Even when employers get creative, staffing can be a challenge. Nelson from GrandErie Home Hardware found that "ghosting"—candidates simply not showing up or responding to communications increased during the pandemic.

"It existed before, but not to the level that it was over the past year," said Nelson.

TRAINING NEW EMPLOYEES

The right training is essential to a successful experience for the business and the employee. Different stores have different requirements for training and staff.

At Payzant Home Hardware, a portion of the training process is conducted online

through the Home Hardware Connect platform.

"Part of the Home Hardware culture is that everybody receives the same training, whether you're a part-time employee or a full-time employee," said Thomas. "There's an endless number of programs that are available on our Connect platform that can be assigned to you, depending on the department that you'd be involved in."

The initial training process can take up to three months. At the three-month mark, the employee is reviewed, and their list of training requirements is evaluated. This is also an opportunity for the employee to address any concerns or to receive more training.

Since Slegg is a member of Gypsum Management & Supply (GMS), they use a platform called GMS University, where employees are trained in health and safety, policies, and customer service. The platform also has job-specific training. The onboarding process is spread out over three months,



Walter Pranke, vice president, human resources, at Lee Valley Tools finds creativity is key when attracting talent.

so the employee doesn't get information overload.

The platform isn't just for onboarding: employees have the opportunity to upgrade skills outside of their job.

"The GMS University has hundreds, if not thousands, of different courses that are available for staff anytime," said Burgin. "We have our mandatory courses but there are also additional courses that are all free training we pay for."

Staff can take extra courses at home or when working to upgrade their skills.

"There's everything, so if we have an employee wanting to move up or move into another department, they can easily take the courses that they need in order to move into that position."

The courses foster movement within the company and help staff achieve desired promotions. A staff member may not have experience in sales, but they can learn the skills needed through GMS University.

GMS also has a program called Manager in Training (MIT) for staff in supervisory roles who want to get into management. Staff who are chosen for the program are assigned a mentor, who could be Burgin for human resources, or a regional operations manager or regional general manager.



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"Each person is assigned a mentor and they meet every month depending on where they are, either virtually or in-person, and they set goals each quarter," said Burgin. "The goals are a combination of GMS courses. If we have a replenisher whose goal is to be a retail manager, then we will tailor their training plan toward retail and customer service manager leadership."

They also go through job shadowing to ensure that the area they chose is something they have an interest in and to identify gaps in their training.

Another area that Slegg has been working on is promoting women to join the trades. Burgin noted that the industry is still male-dominated.

"We are trying to encourage our female staff to learn skills and get them excited to do submissions that we would never have thought they were capable of doing in terms of operating forklifts, working in our operations department, which is male-dominated, more so than our retail."

STAFF PERKS AND RETENTION

Finding the right staff and training them is vital, but keeping them is even more important. Going through the hiring process to replace staff is expensive and



"We offer a \$10 gift card for all valid suggestions that are given each month. I tease them and say they have an opportunity to earn \$120 additional a year for just giving their ideas," said Nelson. "Then as a management team, in our monthly managers' meeting, we review all the suggestions. Sometimes the suggestion is 'Oh wow, I never thought of that.' An example is baby change tables. We didn't have any in the customer washrooms and someone put that

If I have 100,000 people who are going to refer one or two individuals, that's way better than where I am today.

time-consuming, so making sure your staff feels supported and appreciated is key.

GrandErie Home Hardware finds communication is critical to making staff feel connected. They send out a monthly newsletter to staff that keeps them informed about seasonal changes or any other information that would be useful. They also have a suggestion box where staff can offer ideas on making the store or staff experience better. idea in and we're like, 'that's great.' So, we implemented that right away."

Lee Valley has found another monetary method to encourage staff through their referral program. Employees can refer friends to open positions and get some perks in return.

"If I have 100,000 people who are going to refer one or two individuals, that's way better than where I am today," said Pranke. "I'd rather have a whole group of individuals doing it and mobilize them to do it." They currently offer \$150 for part-time and \$300 for full-time referrals.

The pandemic has put a stop to most company functions. Since the typical staff barbecue or dinner can't happen for health and safety reasons, many companies have had to think outside the box.

Slegg also put out an anonymous survey to find out how staff were feeling during the pandemic, something the company has never done before.

"Every location has a different size and feeling to it. Every location has different needs, because our branches are quite large and some have over 100 employees while other locations are small with 20 employees," said Burgin.

"There's a different culture at a lot of our branches. What works at one branch wouldn't work at another."

Slegg adapted and offered tickets to local events to their staff and families. Parent company GMS also had a staff appreciation week in September where staff provided food, games, free items, and a chance to win some bigger items.

"We definitely try and adapt."

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BY ALLAN BRITNELL

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century ago, if you were in the market for a new home, you didn't have to leave your current one. You could simply flip through a catalogue from companies such as Sears or Eaton's to pick out your favourite design from dozens of options for homes, cottages, and even barns. Once your order was completed, it would arrive as a package at your building site with everything from lumber and roofing materials to toilets, tubs, and a furnace included. There were thousands of such "mail order" structures built across North America, and many of them are still standing.

Today, retailers including Home Hardware, TIMBER MART, and Castle Building Centres offer their customers similar packages. These range from permit-ready drawings, which customers can use to start getting quotes on materials and building costs, to complete packages that include plans and all the materials required to construct and finish a home.

BUSY BEAVERS

If Richard Warren Sears and Timothy Eaton are the grandfathers of retail prefab housing offerings, Home Hardware's Beaver Homes and Cottages program is the heir to their throne. As the name suggests, the program actually has its roots in the old Beaver Lumber chain.

When Home Hardware took over the brand, they carried on offering home and cottage packages. While the origins of the program seem to have been lost to the ages, "I've seen evidence that it goes back to the 1970s or even before that," says Kyle Duguay, sales and marketing manager for Beaver Homes and Cottages at Home Hardware Stores Ltd.

Much like the old Sears and Eaton's catalogues, Beaver Homes and Cottages sells an annual design book featuring more than

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PRE-FAB HOMES

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100 readymade designs. "But nothing's set in stone," says Duguay. "We think of it as an inspiration book. Every project can be fully customized to the customer's needs." The company's in-house designers can even create a fully customized design if that's what the customer is looking for. Projects range in size from small bunkies to 5,000-squarefoot and larger homes and lakeside palaces. Once the design is finalized, construction-ready blueprints are produced.

In addition to the in-house design team, Home Hardware has design consultants many of them former contractors and project managers themselves—at more than 100 locations across the country.

"Our experts guide our customers through the whole process, from start to finish," says Duguay. This is a key selling point for city dwellers building their dream cottage that may be a couple of hours or more away. "Our design consultants are our customers' eyes and ears on the ground,"



Home Hardware's Beaver Homes and Cottages program sells an annual Design Book featuring more than 100 readymade designs.





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says Duguay. They've even overseen projects for clients building in Canada while based abroad.

After the design is chosen, the only thing the home or cottage owner has to do is select their finishing materials and hire a contractor for the actual construction. And while they won't recommend a specific builder, "our dealers know the quality contractors in their area who do good work."

Once the site is ready for building, the projects are bundled and shipped out with the precise amount of each material needed. This is particularly attractive when building in remote locations where a supply run can mean an hour-long commute. Home Hardware can even coordinate staggered deliveries so that the general contractor







only has to manage the materials needed at each stage of construction, reducing the risk of loss due to theft or weather damage.

In addition to complete design and material packages, Home Hardware has also partnered with a major financial institution and an insurance provider to offer their customers' project financing and builder's risk insurance with every project. While called "Builder's Risk," these policies in fact protect the client from fire, theft, and any liability issues arising on the jobsite.

With "well over a thousand" home and cottage packages sold each year, in terms of what hardware retailers are offering, Beaver Homes & Cottages is by far the most robust package on the market. "Our major competitors in this space are really the custom and prefab builders," says Duguay.

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PRE-FAB HOMES



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That said, other chains have taken steps into the homebuilding world to try to help their dealers sell more products. For more than 20 years, TIMBER MART Design Services has offered their customers a selection of in-house designed, permit-ready construction blueprints for homes, cottages, garages, and sheds. "The idea behind the plan program was to benefit our dealers and enable them to sell more materials," says Debbie Sobon, Ontario marketing program manager for TIMBER MART.

TIMBER MART has dozens of plans to choose from, all available to purchase, with each package including renderings, contractor grade elevations, and detailed floorplans. From a smaller 880 square-foot cottage or 1,044 square-foot three-bedroom bungalow, all the way up to a sprawling five-bedroom, two-storey home, at more than 5,000 square feet. There's something for everyone.

The online plans are intended to be somewhat inspirational. "We can customize any TIMBER MART plan," says Sobon. The



TIMBER MART has dozens of plans to choose from, with each package including renderings, contractor grade elevations, and detailed floorplans.





house plans range in cost from about \$500 to \$1,400, with additional fee options for extensive customization. TIMBER MART also provides material lists with each plan purchase, and select locations have an on-site estimator who can assist customers with material quotes, budgeting, and service recommendations needed to complete a new build.

In addition to modifying existing blueprints to meet customers' needs, the TIMBER MART in-house designer regularly adds new plans to their website. "We keep an eye on the most popular regional choices and rely on our customers and dealers for feedback on what they're looking for, from coast to coast to coast," says Sobon.

Long before "working remotely" was a thing for everyone, TIMBER MART handled its home and cottage plan program virtually, through a mix of email, phone calls, and video conferencing. TIMBER MART sales associates also welcome in-store visits to discuss building needs—whatever works best for their customers.

In addition to homes and cottages, TIMBER MART's shed and garage plan program is thriving. "Garages are our biggest seller," says Sobon.

Many locations will seasonally offer packages that include plans and all the required materials to complete a garage or shed. To help finance larger projects such as garages, customers can apply for a TIMBER MART credit card, financed by Fairstone Financial Inc., which offers deferred payment options such as three-, six-, or 12-month "do not pay" programs.

BUILDING CASTLES

Independently owned Castle Building Centres locations offer a variety of homebuilding plan options for their clients. Some simply offer ePlans by U.S.-based Zonda Media, while others have worked with local designers and builders to offer customized options for their customers.



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- Curtis Lemieux, Econo TIMBER MART, Prince Albert, SK

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Renfrew Castle Building Centre in the Ottawa Valley (and its sister location in nearby Burnstown, Ont.) has developed a set of six home and six garage plans. It came about as a direct result of customers asking, "Do you have anything like the Beaver Homes & Cottages package?" says Rebecca Wichers-Schreur, vice-president of HR and administrative services for the two locations.

So, about three years ago they worked with some local independent designers to come up with plans that they could offer their customers. They range from a traditional-looking 2,060-square-foot bungalow (dubbed the "Deb") with three bedrooms, two and a half baths, and an attached twocar garage, to the modern-designed Laurie, a 3,000-square-foot two-storey home. The latter has four-bedrooms, including one on the main floor granny suite, two kitchens, three and a half bathrooms, and an attached two-car garage. They also offer detached garages ranging from the 512-square-foot Ryan (the garages get men's names) up to the 3,328-square-foot Gerritt, a combined garage-workshop with a 15 inch by 15 inch covered entranceway.

The garage plans are \$800 while the houses are in the \$2,000 range. But Wichers-Schreur says "we refund those fees if the customer buys 80 percent of the materials from us." Castle's in-house estimators can work out the price for the entire project from the ground up, including everything from the framing and exterior finishing to paint, mouldings, cabinetry, counters, appliances, and flooring.

"We have pretty much everything they need except for furniture," says Wichers-Schreur. The Castle team can also provide customers with rough estimates for pouring the foundation, installing the HVAC, and more to help them prepare a budget.

Other Castle locations offer similar plans and more, including Emmerson Lumber in Haliburton, Ont., in the heart of cottage country, which offers plans for homes, cottages, additions, garages, decks, and even bunkies.

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BY GEOFF McLARNEY

THE SECOND TIME'S THE CHARM

When Steve Wilchuk's first attempt to buy Sorrento Building Centre fell through, he persevered. When the opportunity presented itself again, he seized it—and hasn't looked back.

he first time Steve Wilchuk tried to purchase Sorrento Building Centre, it didn't pan out. A veteran of the industry since finishing high school in the mid-'70s, Wilchuk and his wife Jenn had relocated their family to the B.C. Interior area from Vancouver. When some of the investors they had lined up for the purchase pulled out late in the game, Steve kept his shoulder to the wheel.

"I worked for a year or two at the store," he recalls, "then went out on my own doing landscaping." But the postman always rings twice: when he returned to the business a few years later, he found himself faced with a new offer.

"They approached me and asked, 'are you still interested in buying?' I found one partner and by spring of 2013 we owned it."

Wilchuk took over a business that was heavily slanted toward contractors and extended its reach. "I saw the need for things like fishing and boating," he says, adding that the community is "right on the lake. I started bringing those [categories] in and we saw a big response."

While pros continue to comprise "a large percentage" of the store's customer base, the clientele has expanded under Wilchuk's eye. For example, he says customers are split "almost 50/50" between men and women. A greater selection of housewares has helped to maintain the store's unisex appeal.

"Opening up" the assortment is also meant to ensure that "people don't have to drive anywhere," says Wilchuk, adding that locals must drive 20 minutes to get to either of the nearest large chain hardware stores. (A TIMBER MART member, Sorrento



Building Centre sources hardware product through Orgill).

The Wilchuks have also found plenty of ways to connect with their neighbours in Sorrento. "I love the small-town life," says Steve. "Coming from Vancouver, it's such a switch." They have introduced store events like tailgate barbecues and a contractor appreciation celebration. "That was very successful. We underestimated the turnout."

Beyond organized events, the business tries to be there for the community however it can. "Before we owned the store, we

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We donate to any organization that comes in the door looking for a prize churches, school, clubs, barbecues, raffles.

were involved in little league and Lion's Club. We've seen the impact. They gave so much to the community and we want to give back."

"We donate to any organization that comes in the door looking for a prize—churches, school, clubs, barbecues, raffles." Last year, the total amount given came to \$25,000, a sum that took even Wilchuk by surprise.

"Small donations don't seem like much, but when I sat down and added it up at the end of the year – holy shit!"

Like all businesses, Sorrento Building Centre has had to adjust to pandemic conditions, even if the coronavirus itself has had little impact on the relatively insulated



town. Wilchuk credits the cooperation of his customers and the dedication of his staff, a multigenerational team that includes one of his and Jenn's sons.

"Customers have been really good," he says, noting that the town's largely older

population has been eager to get vaccinated. "Our employees jumped on board with masks and everything."

The staff, says Wilchuk, "are in it for the long haul. We're very fortunate in our industry."

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