SECOND QUARTER / 2020

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y @Hardlinesnews ● www.hardlines.ca

PRESIDENT Michael McLarney mike@hardlines.ca

EDITOR Sigrid Forberg sigrid@hardlines.ca

#### ASSISTANT EDITOR

Geoffrey McLarney geoff@hardlines.ca

CONTRIBUTING WRITERS Barbara Bowes John Caulfield Lyndon Madden VICE PRESIDENT & PUBLISHER David Chestnut david@hardlines.ca

ACCOUNTING accounting@hardlines.ca

MARKETING & EVENTS MANAGER Michelle Porter michelle@hardlines.ca

> ART DIRECTION Shawn Samson TwoCreative.ca

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> Michelle Gerrard Neepawa, MB



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SIGRID FORBERG, EDITOR

# FRICTION-FREE PHILOSOPHY

According to experts, the best way to refine your customer's experience is to analyze your failures.



o many retailers fear the power of a negative review. Some even scour their online mentions and respond to try to make problem experiences right.

But, as it turns out, the bad reviews you should be worrying about are not the ones being shouted from the rooftops (or Yelp) they're the quiet friend-to-friend warnings to avoid your store that will end up costing your business the most in the long run.

In this issue's feature, "It's all about the experience," on page 22, we explore how consumer expectations and evolving technologies have shifted the power dynamic between retailer and customer. Equipped with more knowledge than ever before, through the omnichannel model, customers now dictate how they want to shop.

"Customers still want what they wanted 30 years ago—the difference, in my opinion, is how they want it," says Christine Hand, the owner of two stores in Newfoundland, and Chairman of the Board for Home Hardware Stores Ltd. "You need to constantly reinvest in improvements and never become complacent."

It's the retailer's job to remove hurdles that may disrupt a customer's experience, or even worse, waste their time. If the experience you offer has any friction or pain points, that may be the last time you ever see that customer—and an untold number of their friends and family. On the topic of conflict, our feature on page 28 addresses an HR issue rampant in this industry—figuring out how to manage your relatives. Bringing family members into your business can get messy, but it can also be immensely rewarding. In this story, And at the end of the day, you can tie that back to your customer experience. Engaged and proud employees undeniably make for a better customer service experience in your store—proving there are no wasted efforts in this arena.

# It's the retailer's job to remove hurdles that may disrupt a customer's experience, or even worse, waste their time.

we outline some best practices for retailers trying to find a compromise between what's fair and what's equal. You might think it's all relative, but this issue could be stirring up more in your ranks than you realize.

And on a lighter note, our regular contributor John Caulfield examines the good business sense of philanthropy. The retailers who participate find a huge return on their investments across all aspects of their business. Companies that engage charitably tend to see an increase in their employee engagement. And highlighting their philanthropic engagement is a great way for businesses to recruit new employees as well.

"The next generation of workers wants to be with a company that's engaged socially," says Susan O'Brien, Canadian Tire's senior vice president of marketing. If you want to keep up with the competition, how everything feeds back into your customers' experience should always be top of mind. Your problem experiences become opportunities for your competitors. Just ask Paula Courtney of WisePlum, a company that has been providing retail insights for two decades: "How do you think Uber came about? Problem experiences are the bedrock of innovation."

Don't leave room for anyone to innovate you out of your place in the market.





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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.



# **SOCIAL MEDIA** CORNER







Did you know that you can find our store inventory online? Viait homehandware ca and select our store (Chemong Home Hardware Building Centre) and it will show you our stock count in near real-time. Shop online and pick-up in store?



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Copp's Buildall hits the nail on the head with its messaging here. #getyourgun

RONA stores pull together to raise funds for cancer research. **#thinkpink** 

Knowles Building has the knowledge to help its customers! #kernelsfromknowles



Country Building

Removing popcom ceilings can be a very messy and time-consuming job but it's worth the effort. Here's how: bit.ly/2060ctN





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heir makeovers ? and visit a participating AB store by Feb. 16 to donate: tona ca/en/find-a-store

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Jamie from store 7222 received a #HomerAward from SM Brandy and I for his passion around safety and how

AP-16

values Jamie. #For(Sask

he supports the entire store. Thanks for living our

# **BMR GROUP REFINES OFFERINGS** FOR GROWING RANKS OF DEALERS

FILE

The banner is committed to improving its dealer loyalty and offering better customer experiences, while making itself appealing for growth outside of its traditional market of Quebec.



t its latest trade show, held in Quebec City, BMR Group unveiled a new service for its dealers. Called the IMAGINE Program, it was developed by Laval-based merchandising and detailing company RDTS to optimize marketing, sales and store traffic. In its ongoing efforts to improve the customer experience, BMR began implementing the merchandising program in January.

"We are really pleased to present this brand-new program to our dealers, which, in addition to offering more tools for powerful merchandising, is free of charge for them," says Martin Ménard, BMR's vicepresident of hardware and imports.

The program will be applied initially to the hardware, plumbing, electrical and paint departments. BMR plans to roll out the IMAGINE program to other departments in 2021. Vendors will contribute to the cost of executing the service.

One aim of the new program is to improve dealer loyalty to the BMR banner, while improving customer service. IMAGINE will also be used to standardize offerings in the stores across the BMR network, while increasing the visibility and availability of products through both national and regional planograms.



"This initiative reiterates our commitment to provide impeccable in-store service while continuing to help and support our dealers in their development," Ménard adds. "We firmly believe that IMAGINE is a winning choice for both our vendors and the members of our network."

In addition to refining its merchandising strategy, BMR is also channeling its efforts towards expansion of the banner, both within its home province and beyond.

At a time when the subject of banner conversions is in the air throughout Quebec, Ménard is philosophical. It's a "long process to convert a store," he says. While the co-op is always open to new recruits, "there's no point for us to gain a store in a market where we have [an existing] store." That means that growth will be focused outside of Quebec, particularly in the Ontario market.

In 2019, BMR managed to sign three dealers in Ontario, including Richmond Building Centre in Ottawa, under owner Doug Kazda. The first, at the beginning of the year, was Griffith Building Supply in Griffith, owned by John Lacourse and Derek McGrimmon. That store also ended up becoming the first dealer to adopt the BMR Pro banner, catering to the pro market. Just a month later, BMR hired Jason Hamburger to the newly created position of business development manager, Ontario, reinforcing the company's commitment to that market. Then, last summer, BMR announced the signing of Feldman Lumber, a family-owned business headed by Lorne Feldman, in Timmins.

The flexibility of its banners goes a long way to tailoring the BMR offer for potential dealers. "It's a matter of making sure the product mix is tweaked to the local community," says Ménard. "What will sell in Lac-Saint-Jean might not sell in Montreal."

With its deep roots in Quebec's regions, he explains, BMR has no choice but to be flexible to meet its dealers' varied needs. "That's what BMR is all about."



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# **NEWS**ROUNDUP of the home improvement industry

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# AMERICAN NAMED TO RUN LOWE'S CANADA

nthony T. (Tony) Hurst has been appointed president at Lowe's Canada. Based in Boucherville, Que., Hurst reports to President and CEO Marvin Ellison at Lowe's head office in Mooresville, N.C. He replaces Sylvain Prud'homme, who held the CEO title in addition to president of Lowe's Canada until his departure in the fall of 2019.

Tony Cioffi, who served as interim president until Hurst was settled, has resumed his previous role as group financial officer and leader of the affiliated dealers, real estate and Dick's Lumber businesses.

Hurst joined Lowe's Cos. one year ago as division president for the West region. Then, in November 2019, he was appointed senior vice president of enterprise and strategy transformation. Once Hurst was in that role, the Canadian division began reporting to him. His background also includes time with J.C. Penney and Home Depot in the U.S.

"With more than 25 years of retail and home improvement experience, Tony Hurst is a knowledgeable and effective leader who was already working closely with the Canadian leadership team in his former role," said Ellison.

Hurst's working relationship with Ellison dates back to their days at The Home Depot. Ellison joined in 2002, while Hurst was working as a store manager in California, before moving to head office in Atlanta in 2009. When Ellison moved to J.C. Penney in 2014, Hurst followed six months later, working as senior vice president of stores and operations. Ellison became chairman and CEO of Lowe's Cos. in 2018 and Hurst moved over at the beginning of 2019.



Anthony T. Hurst has been appointed president at Lowe's Canada.

# KEY EXECUTIVES STEP BACK AT WSB TITAN AS COMPANY READIES FOR FUTURE

Following a flurry of changes, WSB Titan is preparing for its next steps as two senior members of the national drywall, steel framing and insulation supplier network move into retirement.

Doug Skrepnek, president of WSB Titan and president of the Canadian division of parent company GMS Building Supplies, had been actively building Titan's presence in Canada when it got a takeover offer of its own.

GMS, a giant commercial drywall operation out of the U.S., acquired WSB

Titan in June 2018 for US\$627 million (\$800 million). But WSB Titan had already been making acquisitions of its own prior to the GMS takeover. That included the takeover in 2015 of Slegg Building Materials, with a dozen locations on Vancouver Island, and BC Ceilings in the Lower Mainland and Alberta.

Now Skrepnek says he's stepping back to assume a consulting role at WSB Titan. Travis Hendron, formerly EVP of Watson, has taken over Skrepnek's role. Hendron was a VP with GMS in the U.S., heading up that company's mergers and acquisitions group. He came up to Canada from Atlanta last June. Skrepnek's son Evan has stepped in as VP of Watson.

Another arm of WSB Titan, Shoemaker Drywall Supplies in Alberta, is also going through some succession changes. Ryan Shoemaker has been stepping back in recent months as Greg Holunga, formerly VP of sales, has moved into the leadership role there. His title is now president of Shoemaker Drywall and WSB Titan for the Lower Mainland.

# GAGNON GROUP OF STORES LEAVES BMR, ALIGNS WITH OCTO

Four proupe Yves Gagnon, a chain of home centres in Quebec, has left BMR Group to go out on its own. The retailer also announced that the distribution company that serves it has joined Octo Purchasing Group, another buying group that aggregates purchases for retail and wholesale companies in core categories such as plumbing and electrical.

Groupe Yves Gagnon operates five stores in smaller communities in Quebec. It also has a truss and wall panel manufacturing division called Évolution Structures. Yves Gagnon established the retail business in 1973. Today, these businesses are managed by Gagnon's daughter, CEO Geneviève Gagnon, while he serves as president of Groupe Yves Gagnon.

Geneviève Gagnon also owns Évolution Distribution, based in St-Jérôme, Que. This distributor, which supplies both Groupe Yves Gagnon and Évolution Structures as well as one other dealer, has officially joined Octo.

According to Geneviève Gagnon, her company's departure from BMR was in response to what she called differing goals. The move will enable her stores to better focus on their local communities and manage their involvement in those communities.

While BMR offers distribution, as well as retail support, including a banner and branding, Montreal-based Octo operates behind the scenes to aggregate purchases among its members.

Although the Gagnon stores represented significant volume for BMR, that group says this volume has been more than made up for with the addition of new stores over the past year. They include new members in Ontario, where BMR is actively expanding, as well as an investment in Lefebvre & Benoit, which sells to commercial contractors and builders.



# BRIEFLY

# IKEA CANADA CLOSES Ontario Pick up points

IKEA Canada has shuttered its pick-up points across Ontario. The decision affected five locations and about 150 jobs. IKEA launched the Pick-up and Order Point pilot in 2015.

# HOME DEPOT ADOPTS NEW TAGLINE TO MARKET ITS OMNICHANNEL VISION

Home Depot has unveiled a new tagline to capture its evolving vision for a seamless customer experience. "How doers get more done" is meant to reflect the DIY can-do spirit of its customers. Besides providing an empowering mantra for its customers, the new slogan reflects Home Depot's own progress on its "One Home Depot" strategy. Launched in 2017, the plan has focused on streamlining the shopping experience across its store network and online channel. That has included investments in store enhancements, new e-commerce capabilities and improved delivery options to customers.

# LOWE'S CLOSES 34 MORE STORES IN CANADA

Lowe's Canada made the news late last year with its announcement that it would shutter 34 stores across the country. Most of the closings were effective January 31, 2020, with some, including three in Nova Scotia, taking place mid-February. The move followed what the company called in a release "a detailed strategic review of its operations to improve performance and better position itself for the future." The closings include Lowe's and RONA stores across the country, plus a Reno-Depot in Trois- Rivières, Que.

# TORBSA'S BOB HOLMES: EXPECT MODEST GROWTH, MORE CONSOLIDATION THIS YEAR

ealers are facing a mixed outlook for 2020, but for one buying group, some parts of the industry will maintain last year's modest momentum.

NEWSROUNDUP

The majority of TORBSA dealers are commercial, or contractor-oriented, so their fortunes rely heavily on housing starts. Bob Holmes, general manager of TORBSA, expects single-family housing starts to "struggle until the second quarter or even into the third quarter." To make matters worse, says Holmes, "People are still not buying."

However, he remains optimistic overall. "I expect it to be okay in 2020."

Holmes recognizes that issues such as amalgamation among independents will only continue in the future. That's being spurred by factors such as the increasing age of dealer-owners and their need for succession, which can be exacerbated by the lack of younger family members willing to take over the business.

TORBSA saw a couple of defections near the end of 2019. They included Rigney Building Supplies in Kingston, Ont., which was bought by WSB Titan, itself owned by U.S. dealer chain GMS. "However, I take pride in helping those businesses to be strong and profitable—and these are the ones being acquired."

And while U.S. interests like GMS and Foundation Building Supplies expand their reach here, Holmes notes that domestic companies like BMR have deep pockets and are making moves to pick up dealers as well.

Amidst these changes, Holmes still sees a role for the buying groups, and not just for rebates. Members have access to best practices and shared knowledge. For vendors, a buying group provides central billing and a ready conduit for new products.



Bob Holmes, general manager of TORBSA, expects single-family housing starts to "struggle until the second quarter or even into the third quarter."

"I think the independent will always be around, but they will need the support of their larger group."

# ORGILL PRESIDENT BOYDEN MOORE ASSUMES CEO ROLE, RON BEAL REMAINS CHAIRMAN

**Orgill has made changes to the roles of its top-level executive team.** President Boyden Moore has added the position of CEO to his current responsibilities. Ron Beal, who had been both CEO and chairman, will remain in the latter post, with Byrne Whitehead continuing as vice-chairman.

"Ron and Byrne have led Orgill through our most dynamic growth, from a small regional distributor to the fastest growing, most successful distributor in the industry," said Moore. "And while they are stepping away from their day-to-day management duties, we are pleased to have their continued guidance and support for years to come." Moore took over as president last year after serving as general manager of retail and president of Orgill subsidiary Tyndale Advisors. At the same time, Orgill also announced the retirements of two long-time team members, Grady Gennings and Mike Ferrell, at the end of 2019. Gennings led Orgill's corporate accounts team and had been with the company for 31 years, while Ferrell managed Orgill's LBM category and was with Orgill for 26 years.

Orgill executive team: (I-r) Eric Divelbiss, Boyden Moore and Brett Hammers; (seated) Ron Beal



# SEXTON GROUP ANNOUNCES A SERIES OF CHANGES



Sexton Group executive team: (I-r) Tom Bell, Brian Kusisto, Steve Buckle and Eric Palmer.

exton Group has made a number of changes to its executive team, all of which reflect the company's efforts to stay well-positioned in the marketplace. Brian Kusisto, formerly CEO, has assumed the role of chairman of the Sexton parent company. Steve Buckle has taken over as CEO of the Sexton parent company. He was previously president of the Sexton Group.

A significant passage for the company was the death in July 2019 of Sexton founder Ken Sexton. He had been chairman of the overall business, and Kusisto's move into that role was a natural next step. But, says Buckle, the changes had been planned even before Sexton's passing.

Buckle's assumption of the CEO role puts him in charge of not just Sexton Group, but also the other holdings that are related to that business, all created by Ken Sexton. Now, Buckle oversees the entire Sexton family of companies. These consist of Sexton Group Ltd., the buying group based in Winnipeg with 400 members across the country; Kenroc Building Materials, a gypsum specialty dealer serving contractors in Western Canada; Builders Choice, a wholesale distributor supplying materials to drywall specialists and lumber yards across Canada; and Sexton Transport, a North American trucking company.

Stepping in to manage the day-to-day operations of the Sexton Group is Eric Palmer. Formerly senior manager, purchasing, he has been named vice president and general manager and reports to Buckle.

Under Buckle's leadership, the company had focused on three areas: obtaining the best pricing for members, working on their behalf to sort out issues with vendors and ensuring that rebates and payments back to members occur in a timely fashion.

With those fundamentals in place, he says the group went to market with "a solid business proposition" for dealers—and leaves a solid legacy for Palmer to step into.

One area that remains important to the group is growing its ranks. To that end, Tom Bell is being promoted to vice president of business development. In this role, he will continue to focus on the needs of the members, as well as recruitment activities. He now reports to Palmer.

#### BRIEFLY

# RICHELIEU ACQUIRES MIBRO, STRENGTHENS PRESENCE WITH RETAILERS

Richelieu Hardware has added another strong Canadian company to its roster with the acquisition of The MIBRO Group. MIBRO is a supplier of hardware, hand tools and power tool accessories. MIBRO joins Richelieu's existing lineup of retail brands: Onward, Reliable, Madico, Feltac, Cedan and Nystrom. Richelieu offers more than 110.000 SKUs and boasts that it sells to more than 80,000 customers in North America through 78 facilities, including 42 DCs in Canada. Company sales exceeded \$1 billion in 2018. MIBRO's offices and warehouse in Scarborough, in Toronto's east end, will remain in place, with management and operations remaining intact.

# LOWE'S ROLLS OUT CLOUD TECHNOLOGY

Lowe's Cos. and Google Cloud are expanding their partnership to modernize the home improvement retailer's e-commerce, merchandising, supply chain management and pricing systems. As part of the initiative, Lowe's is using Android devices and Google Cloud technology to enable employees to view and update pricing and inventory on the fly. The retailer has deployed 88,000 mobile devices to allow its associates to access real-time data without leaving the sales floor or interrupting a customer interaction. ealers came from across the West to attend the WRLA Buying Show in Calgary in January. Timing for the show was good, as it was held just a week after the city experienced some of its coldest weather in more than a decade.

NEWSROUNDUP

But with temperatures during the show hovering around a relatively balmy zero degrees, banners from across the West were out in full force, with all the major buying group head offices exhibiting as their members walked the aisles.

Dealers sporting Castle jackets were seen throughout the show, while Home Hardware and TIMBER MART stores were well represented as well. Sexton Group was on hand to support its dealers, as were representatives from TORBSA and Delroc. Dealers from other groups, including RONA, Ace, Windsor Plywood, ILDC and some of the co-ops, were also in attendance.

Exhibiting vendors were largely positive about the show. Paul Faulkner, marketing and trade sales manager for Dural, a division of Multibond, called it "the best opportunity for suppliers to connect with their dealers." Monte Christensen, owner of Mountain Bark Inc., is a regional supplier of cedar fence rails, mulch and chips. He's been attending the show for eight years. "It's not just about sales," he says. "It's about reconnecting with your customers. It's a good way to see what's going on in the industry."

Shawn Hoagland represents Kinco Gloves out of Portland, Oregon. He came up to the show for the second year in a row and says the response from Canadian dealers to his products has been very positive. When he exhibited last year for the first time, he says the show was "beyond his expectations." This year has been no different, he adds. "It's been a good show. We'll be here again."

Liz Kovach, president of the Western Retail Lumber Association, which hosts the show, was pleased with the turnout, especially as the show will relocate next year. "We're very excited. Since this is our last time in Calgary, we're trying really hard to make it something special," she said.

"And next year we'll be moving to Winnipeg, so we're very excited about that."

#### BRIEFLY

# STANLEY BLACK & DECKER EMBRACES AI

Stanley Black & Decker is moving to train workers to collaborate with artificial intelligence. According to Pradheepa Raman, chief talent innovation officer for the tool maker, Stanley Black & Decker is committed to overcoming a skills deficit by training 10 million factory workers, or "makers" in company parlance, by 2030. As part of that training push, machine engineers and operators will learn how to work alongside automated devices.

# LOBLAWS LAUNCHES NEW ONLINE MARKETPLACE

Loblaw Cos. Ltd. has launched a "curated marketplace" online, featuring brands and products not previously available through its retail banners, in a move to eat into Amazon's Canadian market share. Building on the existing PC Express platform, which offers buy online, pick up in-store and home delivery options, the new marketplace is open to customers of the Loblaws, Real Canadian Super Store and Atlantic Super Store banners, but is not yet offered in Quebec.

# HOME HARDWARE SEES OPPORTUNITY IN QUEBEC

Home Hardware welcomed two new members in Quebec in February— Quincaillerie Limoilou in Quebec City and Matériaux Manic in Baie-Comeau. And Réno Mat St-Etienne in St-Etienne-de-Lauzon is rejoining the banner in April after being sold to another group under a previous owner.

The wave of new dealer-owners is a significant gain for Home Hardware in Quebec, where Lowe's Canada's banners dominate the market, trailed by Canadian Tire and BMR. It

also fits with the Canadian franchise's efforts to respond to Quebec consumers' support of domestic businesses.

Duncan Wilson, senior director of sales for Home Hardware Stores, says the business is ripe for expansion in Quebec. "We consider the province of Quebec a very, very strong growth potential for us," he says. "We've grown substantially in the last five years.

"It's underexposed as far as I'm concerned," he adds, contrasting the situation with Home's 400-plus stores in Ontario. "Quebec is 25 percent of the whole [Canadian] industry, so we've got room to grow. The Quebec market is important to us: we're planning to grow and looking forward to introducing new dealers there."

The banner reached its 100-store milestone in Quebec 10 years ago with the addition of a store in Ste-Brigitte-de-Laval outside Quebec City. Today, it has more than 130 stores across *la belle province.* 



# First Alert Fire Spray 🕨

Now available in Canada, First Alert Fire Spray contains a powerful liquid firefighting agent that is effective on common household fires including paper, fabric, wood, cooking oil and electrical fires. Designed specifically to put out fires as they occur, the point-and-spray technology provides users with more control, with no pins to pull or levers to squeeze. Designed for one-time use, the product's patented discharge technology features an internal pouch that isolates the contents from the pressure. When the spray nozzle is pressed, only the contents are released and the propellant stays inside the can so that the fire is not agitated.





# Dewalt Xtreme Subcompact Series

Dewalt's Xtreme Subcompact Series tools are a line of five compact and performance-packed brushless 12V MAX tools. The new line offers powerful, ergonomic solutions for a variety of applications including electrical, drywall, remodelling, automotive, metalworking, woodworking and masonry applications. The line consists of the Brushless 12V MAX Drill/Driver, the Brushless 12V MAX Impact Driver, the Brushless 12V MAX Screwdriver, the Brushless 12V MAX 3/8-inch Impact Wrench and the Brushless 12V MAX Hammerdrill. Each tool kit includes a lithium-ion battery featuring a fuel gauge charge indicator. www.dewalt.ca

# Napoleon Elevation X series fireplaces 🕨

The Elevation X series of fireplaces features Napoleon's characteristically solid line logic. With a firebox that is either 36-inches or 42-inches deep, it creates a full view of the Endless Embers electric ember bed and UHD log sets. Elevation X Series fireplaces have a custom-shaped burner that fills the entire firebox—front to back and side to side—with flames. Flexible installation of any unit is possible due to the low enclosure height of the fireplace, fully versatile gas installation options and adjustable venting. An adjustable finishing flange allows for installation at various depths. www.napoleonhomecomfort.ca



# **PRODUCT SPOTLIGHT**



# American Standard Studio S Kitchen Faucet Collection

The simple, clean lines of the Studio S Kitchen Faucet Collection from American Standard create a subtle, uncomplicated and easy-to-use form in the kitchen. An extension of the line's bathroom collection, Studio S combines elements of Scandinavian design with today's trending colour palette, including matte black, polished chrome and stainless steel. Studio S faucets offer multipurpose functionality to homeowners, depending on their preference. Faucets from the updated collection also feature a 1.5 gallon-per-minute flow rate, while the contemporary wall-mount pot filler fills at four gallons per minute. Ceramic disc valves within the faucets deliver a drip-free experience without aesthetic compromise.

# Bona Luxury Vinyl Floor Cleaner 🕨

The Bona Professional Series Luxury Vinyl Floor Cleaner is a pH-neutral formula that dries fast with no streaking or residue and is specifically designed to clean all variations of luxury vinyl floors. It's non-flammable and safe to use around children and pets on all types of residential and commercial LVT, LVP and WPC flooring. The product is available in a 32-ounce spray bottle and 128-ounce refillable jug. www.bona.ca



# Crescent EX6 Layout Square

Crescent's EX6 Layout Square provides the functionality of a seven-inch square and a 12-inch square in one package with a patent-pending foldout extension arm, extending the straight edge from six to 12 inches. An easy-to-access thumb lock makes it easy to swing the extension arm out and then lock it back into place. Made from solid, lightweight aluminum, the laser-etched markings and corrosionresistant finish provide greater visibility that won't fade over time.

www.crescenttool.com

# Garaga Village Collection 🕨

Garaga's Village Collection of garage doors is distinguished by the inside of its embossed patterns, which are either grooved (plank) or plain (flat). The doors' inlays, made of the same steel as the door, are embedded in the embossed base. The doors in the Village Collection are available in three construction choices: polystyrene insulation bonded between steel layers, a single layer consisting of steel and vinyl-protected polystyrene or a non-insulated steel-only variety. Two styles, traditional and carriage house, are available in 10 designs and nine colours.

www.garaga.com



# **PEAVEY ACQUIRES LICENCE, DISTRIBUTION** RIGHTS TO ACE BRAND FROM LOWE'S CANADA

Lowe's Canada has announced the sale, through RONA Inc., of the assets of the Ace Canada business to Peavey Industries.

FILE

owe's Canada continues to streamline its business with the announced sale of the Ace Canada business to Peavey Industries. As part of the transaction, RONA, which is part of the Lowe's Canada group, will assign to Peavey the licence and distribution agreements between RONA and Ace Hardware International Holdings, Ltd., which is in turn a subsidiary of Ace Hardware Corp.

Peavey, which is headquartered in Red Deer, Alta., with 92 farm and hardware stores from Ontario to British Columbia, will take over the Ace Hardware brand in Canada, plus a corporate Ace Hardware store in The Pas, Man. The agreement also transfers to Peavey the agreements with 104 independent Ace Hardware stores in Canada, which have been supplied through the wholesale business of RONA. Peavey will gradually assume responsibility for those stores over a six-month transition period to ensure no interruption of service. In addition, Peavey will take over the Ace Canada retail operating systems and the Ace Canada website.

Lowe's Canada, which inherited the Ace licence when it acquired RONA in 2016, will continue to act as a wholesaler of lumber and building materials for the Ace dealers that carry those products.

Despite the number of stores involved in the deal, the Ace business represents less than 10 percent of the total sales volume of Lowe's Canada's affiliated dealer division, says Tony Cioffi, executive vice-president, finance, affiliate dealers, Dick's and real estate for Lowe's Canada. Those stores tend to be smaller, with a different product mix than RONA stores. He admits that the Ace stores will make a better fit with Peavey.



"The sale will also help the company focus more directly on the RONA-affiliated dealer base," Cioffi added. "This transaction is in line with our plan that was announced last November to simplify our multiple store banners in order to drive efficiency and reduce operational complexity."

Jean-Sébastien Lamoureux, senior vice-president of communications, public affairs and compliance at Lowe's Canada, reinforced that message. "We believe in the RONA dealer network and will continue supporting it."

He adds that the six-month transition will give Peavey time to take over the new business effectively, "to allow for a smooth transition so dealers will see no difference in the service they're getting, whether from RONA or Peavey."

The acquisition of the license and distribution business for Ace Hardware in and makes a lot of sense for Peavey and for Ace Hardware, quite frankly," says Doug Anderson, president and CEO of Peavey Industries.

Peavey's head office and distribution centre is in Red Deer, Alta., with a second distribution centre and regional office in London, Ont., that had been the head office for the TSC business.

The deal was something Anderson began working on nearly a year ago. He stresses that Peavey approached Lowe's Canada about this deal. "Lowe's wasn't out shopping this around to dump it," he says. "This is something we see real value in."

He adds both sides spent about six months making sure the fit was a good one. "RONA and Peavey spent a lot of time making sure this transaction would have the best interests of the Ace dealers in mind."



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# **IT'S ALL ABOUT THE EXPERIMENTATION OF A STATE OF A S**

Reducing friction in your customers' experience with your store doesn't just put out fires—it prevents them in the first place.

22 SECOND QUARTER / 2020 Hardlines Home Improvement Quarterly

www.hardlines.ca

n a survey of customers who had recently shopped at a home improvement store, 46 percent reported having a problem in the experience. Of that number, nearly half then went on to tell friends and family about their negative encounter. And, according to Paula Courtney of WisePlum, half of those individuals who hear negative stories about a retailer will actively choose not to frequent that store going forward.

What's killing your business isn't the bad reviews you're seeing online and trying to address—it's the negative word of mouth happening behind the scenes.

"If you don't know how much a problem is costing you, how could you possibly know how much you should invest in fixing it?" asks Courtney, whose software-as-a-service company has been providing retail insights for more than two decades.

So how do retailers approach effectively reducing those negative impressions? Addressing the theme of "It's all about the experience," late last year at the annual Hardlines Conference, a number of home improvement retail leaders, store owners and analysts weighed in on the best and worst ways dealers tackle this aspect of their business.

#### WHAT DO YOUR CUSTOMERS WANT?

BMR Group has invested a great deal of time over the last few years thinking about what their customers want from BMR stores.

"What do consumers want? That's the question that always drives my decisions as a marketing director," says Claudie Gervais, BMR's marketing director-promotional strategy and business intelligence. Gervais's team has found that the best way to find the answer is to simply ask their customers.

In 2016, after conducting a large customer survey, focus groups with contractors, interviews with dealers and analyzing store sales, the company announced a new banner strategy for its members. BMR's



Paula Courtney, founder of WisePlum, in conversation with Shawn Stewart from Canadian Tire, says problem experiences impact your business more than any other factor.

stores are now segmented into three banners, with an aim to "better serve customers" and "position dealers to reflect their specific expertise." The new format was developed with one thing in mind: how best to serve those dealers' marketplaces.

"I always keep one statistic in mind: 85 percent of consumers still want to see and handle a home product before they buy it," says Gervais.

Additionally, she says research shows consumers will visit an average of three stores before making a final decision on a home improvement purchase.

Tanbir Grover, formerly Lowe's Canada's vice-president of e-commerce and omnichannel, says this level of research isn't exclusive to home improvement retail—he offers the example that it would be unlikely for someone to buy car insurance these days without reviewing a few options, let alone choose a new car without doing an online search first.

"There's a shift that has happened where the retailer once had all the power and all the control—it had the pricing and it had the knowledge and it could keep it a big secret from what others were having," says Grover. "It's no longer a secret. The secret is out."



BMR's Claudie Gervais says the best way to find out what your customers want is to simply ask them.

#### AND WHAT DO THEY NOT WANT?

While retailers spend countless hours and invest considerable sums in finding out what their customers want, a good starting place would be figuring out what your customers don't want from you.

One of the biggest turn-offs for home improvement shoppers is product unavailability. If they go into your store to find a specific item and you're out of stock, you risk losing all their future business. And in a similar vein, if your store is messy or cluttered and items are difficult to find, it may also create the impression that you don't have what they're looking for—even if you do.

# CUSTOMER EXPERIENCE

Tanbir Grover, formerly of Lowe's Canada, says customers no longer distinguish between your online and in-store platforms.



Joe Franquinha, owner of Crest Hardware & Urban Garden Centre in Brooklyn, New York, says home improvement retailers need to ask themselves a difficult question: what products or services do your customers not want from you?

"For hardware stores, that's a really hard pill to swallow, knowing that your customer doesn't want something from you," he says. "Hardware stores and their owners love to be known as the place that has everything. But listening to what your customers don't want from you is equally as important as listening to what they do want from you."

When he took over Crest from his father, Franquinha looked around the store with a critical eye and took note of what was collecting dust or simply taking up valuable space he could dedicate to other, more indemand products. He ended up eliminating or significantly streamlining his pet, automotive and commercial plumbing products because those needs were already being met—and more fully—by other retailers in the area.

"Less can mean more, especially for urban stores like mine where shelf space is limited," says Franquinha. "But no matter where you are, you should be constantly evaluating how much an item or department is grossing you per linear foot or per square foot."

Curating your offerings is inextricably linked to the experience your customers

have with your business. To understand the type of experience they want—or explicitly don't—from you, it's first crucial to understand your demographic.

FEATURE

#### **KNOW YOUR CUSTOMER**

Hardware store owners have prided themselves for decades on being the hearts of the communities they serve. But every year, online and omnichannel retailers have been expanding their traditional consumer base and demographics. The ability to research and prepare in advance has also made DIY more accessible to less traditional home improvement shoppers.

So who's perusing your aisles, both online and in store? Digging deeper into your customer profile can help you focus your efforts strategically.

When it came to the design for their new store formats, BMR asked for input and then listened to what their customers told them. For the DIY consumer, proximity is a priority. But for the pro shopper, size makes a difference—they tend to prefer smaller stores where they'll be recognized the moment they walk in and be offered a VIP level of service.

Once the company had sorted out how the stores would look, they had to determine what to fill them with. Gervais explains that BMR has broken up its product offering into two categories: fixed and flex. The fixed can be found at all BMR stores, while



Independent retailer Joe Franquinha encourages dealers to ask themselves what their customers don't want from them.

members determine which flex items suit their customers' needs best. This means dealers, who intimately know their communities, can decide on the products their customer base wants and needs.

Franquinha has also found that, as a retailer, he needed to shift his thinking around how he buys and stocks his shelves.

"You don't want to find customers for your products, you want to find products for your customer," he says.

#### WHAT OMNICHANNEL REALLY LOOKS LIKE

Between online research, e-commerce and social media, when it comes to the retail experience, it often begins long before a customer walks through the door of your store. These days, it's all about the omnichannel experience. Franquinha says while there may be some confusion about what an omnichannel experience is, it's simply the blending of online and offline shopping for consumers who prioritize convenience and choice.

In an effort to provide more context, Franquinha offered up a hypothetical example of an average day for him: it starts with brushing his teeth in the bathroom

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# CUSTOMER EXPERIENCE

and noticing he's short on toilet paper. He orders it from Amazon on his phone, then heads to work, spends his lunch hour reviewing different laptops and making his way to the local electronics store after work to pick up his selection, stopping at the grocery store to pick up the basics and ordering a meal from a food-delivery app on his way home.

"That's omnichannel living," says Franquinha. "And it's not the future—it's the present."

Grover says he frequently raised the example of his mother when he was encouraging his team to think about the omnichannel customer. At 70 years old, she took an interest in researching home improvement projects through social media platforms, especially Instagram, where she gathered inspiration for a basement renovation.

In relaying her plans, Grover's mother made it clear that she doesn't distinguish between a store's online and in-store platforms. She simply views herself as "shopping", through whatever means are most convenient to her at the time.

Christine Hand, owner of two Home Hardwares in the St. John's area in Newfoundland, and Chairman of the Board for Home Hardware Stores, adds that retailers shouldn't be discouraged by this seemingly complicated new standard if they're committed to being adaptable.

"Customers still want what they wanted 30 years ago—the difference, in my opinion, is how they want it," says Hand. "You need to constantly reinvest in improvements and never become complacent."

#### **MEASURING YOUR FAILURES**

Courtney, founder of WisePlum, has spent years studying retail customer satisfaction and developing tools to help retailers measure their success. She says one of the most common misperceptions is that satisfied customers remain loyal to brands. In fact, satisfaction is not a predictor of loyalty.

Courtney reiterates that the best predictor of market action is a problem experience.



"Why is that?" she asks. "Because when bad things happen, people either fight and tell the company how bad our experience was, or they fly away. And they won't come back. But not only that, they will tell other people about their problem."

**FEATURE** 

Those negative experiences could cost retailers thousands of dollars a year. And not just that, they could cost your brand immensely down the road. Your problem experiences are opportunities for your competitors. "How do you think Uber came about? Problem experiences are the bedrock of innovation," she adds.

Shawn Stewart, vice president of loyalty and customer insights for Canadian Tire, says one factor his company has been working on is "trip assurance." Stewart says 70 percent of Canadian Tire's in-store visits are influenced by its digital side in some way. What customers value most is their time. If they go online to double-check that a Canadian Tire location has the item they're looking for and the numbers are wrong, that impacts the company's overall brand.

Before companies get caught up in the latest online fads, they should prioritize investing in the basics of what their customers are really looking for from them. Stewart reiterates that there's no better source for that information than the customers themselves.

"It feels like there's a lot to do here and we often get distracted by these wonderful customer experience stories we hear with all these in-store displays. But first, you've got to listen," says Stewart. "It sounds really obvious, but you've got to get the fundamentals right first."

#### GETTING YOUR EMPLOYEES ON BOARD

Another thing that gets in the way of a customer's experience, according to Fred Pennell, is the dreaded asterisk. Pennell, vice president of merchandising operations for Princess Auto, defines that as the conditions and restrictions that businesses put into place that limit what their employees on the floor, at call centres or even distribution centres can do. He adds they're widespread in flyers and advertisements—everything is on sale, until a consumer reads the fine print to uncover what the exceptions are.

"I always ask what is stopping people from having a good customer interaction? Your staff could be the nicest people in the world, but if they're got all these rules and standard operating procedures behind them, not allowing them to do things, that's when it becomes difficult for the customer," says Fennell.

Fennell adds that Princess Auto ensures its employees understand management have confidence in them to make the right decision when it comes to addressing customer needs.

"I guarantee every single team member knows, and you could ask them, but nobody will be knocking down their doors to give them heck because they took care of a customer," says Fennell. "It's like my grandfather used to say, if you take care of those pennies, then the dollars will take care of themselves."

Gervais at BMR says dealer buy-in is a crucial factor for the group's head office when developing policies. She thinks of their dealers as the company's greatest strength.

"I've visited a lot of stores in the past three years and we really take the time to listen to them and I think that's the best way to do things," says Gervais. "Because sometimes it might seem like a great idea at head office, but if the dealers don't like it, it won't work."

#### EMBRACING DIFFERENT PERSPECTIVES

Hand, from Home Hardware, had been successfully running her first location for two decades before her daughter, Michelle, moved home to work for the business.

"As the mother of five millennials, I believe they get a bad rap when we generalize about their expectations and their difference in work style," says Hand. "My experience is that they're smarter than us boomers in so many ways."

Hand offers the example that when Michelle was first back, management at the store was struggling to keep cellphones off the floor. But Hand's daughter argued that each employee essentially had a computer in their pocket, which they were willing to use for good if they were given permission. They now refer to them as "sellphones" and staff are connected to WiFi and can help customers by searching online for product availability, checking flyer prices and consulting Google to answer any tough questions.

Michelle also initiated a project to reassess how the store was approaching sales. Hand had always prided herself on offering excellent customer service training, but it wasn't until her daughter pointed it out that she realized that training had neglected to tie service to sales.

"We've now given staff the tools to upsell, close the sale and include addons—all while maintaining our reputation for service that goes above and beyond," says Hand.

As a fellow retailer, Franquinha emphasizes that diverse hiring practices should be a major goal for every company.

"It's not just about your reputation, although that is important," he says. "And it's not about some lofty social goals of inclusion, either. Although that's important, too. A diverse workforce and people from all walks and backgrounds has immediate and tangible benefits to you and your bottom line."

When you have employees who reflect and understand your diverse communities, they have insights into more than just how to sell, but recommendations on products,



displays and how to communicate best with different communities.

#### **THE STAKES ARE HIGH**

With all the power shifting in the consumer-retailer dynamic, the stakes for getting experience right are higher than they've ever been. Grover says for home improvement retail, the opportunities for redeeming yourself are even fewer than in other industries due to the nature of how frequently customers actually come to your store to make a purchase.

"When you think about it, we really only serve a customer four to six times a year," says Grover. "You only have one time to make a kickass experience happen. If you can't deliver that kickass experience, they will go somewhere else."

And while retailers are facing more challenges than ever to make their in-store, online and omnichannel experiences all as seamless and friction-free as possible, customers simply don't care about your issues.

"Customers don't distinguish between your in-store and online shopping," says Grover. "So retailers who can't merge their information from online and in-store profiles, or have different prices for the two channels... your customers are sitting there going, 'I don't care about your challenges, these are my expectations and you're not delivering. Fix that.' "

Looking ahead, that's likely to only intensify. According to Courtney's research, the unhappiest customer demographics are the millennials and Gen Z. As they continue to age into the housing market, Courtney says they're the groups that pose the highest risk to both your reputation and revenue. She adds that retailers simply need to get comfortable with asking themselves the uncomfortable question of what they're doing wrong and how best to prioritize and invest in improving their customer experience.

"The last best experience your customer had anywhere is the minimum expectation they want everywhere," says Courtney.

# FEATURE

# IT'S ALL RELATIVE BY SIGRID FORBERG

Managing your family and co-workers when they're the same individuals can be a difficult balancing act.

he biggest mistake Diane Taylor sees small business owners making when managing their family members is simply doing nothing—hiring them and assuming things will just work themselves out. Taylor, an HR consultant and leadership coach with Glow Leadership, works with all kinds of retailers and she sees the same issue repeatedly.

Family dynamics can be messy. And employers sometimes think they can bring a family member into the workplace like any other employee—but they're not just any other employee. "If there's one word that summarizes it up, it would be expectations," says Taylor. "We have conflict in our families because we expect things from people and then they don't happen. They were never communicated and then we feel let down and discouraged." She adds that while not communicating expectations isn't exclusive to family dynamics, it's often exacerbated by the larger context and backgrounds of these relationships.

To head off any issues, strategies should be put in place and clearly communicated to all parties so that when conflict does arise—as it inevitably will—everyone is on the same page.

"People need to be fully aware that when it comes to family, they carry some emotional resonance into the workplace," says Taylor. "It's about planning that safety path in advance. You can't do it like you would at home where people just blow up and get into it."

## COMMUNICATION AND COMMON GROUND

At BMR Group, HR VP Marc Gingras says his team is careful not to tell dealers how to run their business, but they're happy to provide advice in the human resources category. Gingras and his team developed a program to help retiring dealers transfer their businesses to relatives. But he emphasizes that the transition process isn't something that can be wrapped up in six months—it's something that dealers should be thinking about and preparing for over many years in advance for it to go smoothly.

"The key here is communication. We can't say it enough," says Gingras. "And transparency helps a lot."

Yves Cnudde, BMR's training and organizational development director, says one tool their team suggests when advising dealers is to develop a family council. By opening up and formalizing the lines of communication within the business, Cnudde says retailers can give everyone the chance to be heard and thus avoid some common conflicts.

"When they have issues, they have a big impact," says Cnudde.

One of the first steps of the succession program is to have all the participants take a personality test. This information, Cnudde says, helps both parties first understand one another's strengths and weaknesses and then find their common ground.

Tom Bell, Sexton Group's vice president of business development, also believes one of the most important things in a family business is seeing one another for who they really are.

"One of the biggest questions we always struggle with is that you have to understand everybody. You can't try and make someone into something they aren't," says Bell. "Especially within a family, you have to find what best fits everyone in the business."

# People need to be fully aware that when it comes to family, they carry some emotional resonance into the workplace.

Before he worked for Sexton, Bell ran his own family business, where he worked with his father, brother and his two daughters. That has given him great insights into how important it is to pull together for what's in the interest of both the business and the family.

He hopes dealers continue to collaborate and work to understand one another for the benefit of the industry overall.

"I think we could be so much stronger, a more powerful industry if we could actually get everybody working together," says Bell.

## **BRIDGING THE DIFFERENCES**

When it comes to working styles, the generational divide can be jarring. Taylor works with a group of emerging leaders and she says a major issue she's noticed is that entrepreneurs never check to ensure they're on the same page with their younger counterparts.

"There's a lot of 'build it and hope it will succeed' mentality out there," says Taylor. "But people will do what you want them to do if you just tell them what that is." She says she deals with so many frustrated retailers who can't understand why their employees didn't anticipate what was expected of them. And "Well, it's common sense" is just not a productive argument. "There is no such thing as common sense because everybody doesn't have a common experience," says Taylor.

And in her work with young leaders, Taylor says the biggest difference she's noticed in work philosophies is that the younger generation is looking for a stricter work-life balance. They don't want to talk about work when they're at home; they need their down time.

She recognizes this can be difficult to accept for some entrepreneurs who eat, breathe, sleep, live their work. But she says it's crucial dealers honour their original relationship and connection with their young relatives—whether they be their children, nephews, nieces or whoever. So it's important to continue to support and grow that relationship you had before you worked together.

Working with the younger generation, Taylor also suggests that it's never too late to improve how you communicate with each other. In fact, as a fairly collaborative generation, your young employees will likely respond well to being encouraged to get more involved.

As much as he learned from working with his father, Bell says he learned an equal amount from his daughters. He adds it's important to get away from the philosophy that things should be done a certain way simply because that's how they'vealwaysbeen done. "Communication is by far the biggest thing," says Bell. "Being prepared to look at new ideas and new situations as we move forward is so important."

BMR's approach, Cnudde says, is to encourage its dealers to get a neutral thirdparty consultant involved. Not only does it help ease some of the emotions in tense situations, it helps everyone speak more

### HUMAN RESOURCES

### FEATURE

openly. And this is where the practice of having a family council can come in handy.

"Everyone has a better idea of how the business is going, they're more informed, they talk and work through things together and it separates the business part and the family part," says Cnudde.

## SEEKING CLARITY, ENSURING SUCCESS

One side of bringing on family members that business owners should be aware of is how it will impact the dynamic of the rest of your workforce. While Taylor doesn't believe it's anyone else's business what your expectations of your individual employees are, she does agree that it's important not to try to hide the fact that you're hiring a relative. Be upfront and make it clear that this employee won't be getting special treatment.

You should strive to treat everyone fairly, but it's also ok to recognize that not everyone is equal.

"Even if you don't have kids in the workplace, you have different people who perform on different levels," says Taylor.

That's why Cnudde says the personality tests BMR gives their succession planning groups can be so helpful—they illuminate the strengths parents sometimes didn't know their children possess and highlight weaknesses that can help them focus their efforts on areas that need growth.

"People can see their differences and manage around that," says Cnudde.

These processes also provide clarity for all parties—the manager, the employee in question and everyone else on staff. And they help everyone understand what they bring to the business and how that contributes to its overall success.

"Everybody has to understand their role," says Bell. "There are no wrong answers or questions that shouldn't be asked. Everything should be dealt with in a proper, reasonable manner."

Having a plan for when emotions bubble up is what Taylor recommends. Conflicts will occur, but the last thing business

#### **BY BARBARA BOWES**

# Family is more than family at work!

A family business is just that—family, family, family, all day, all night. As you can imagine, it's easy to get on each other's nerves. And, while the division of labour is working, disagreements and hurt feelings rising from the kitchen table can inevitably creep into the day and create some tricky dynamics. The following tips will help you to avoid these challenging situations.

- Clarify decision making. Take time to ensure that everyone understands who is responsible for what, how decisions are made, who is to be involved and when. Build in a communication strategy to keep everyone in the loop.
- Watch your language and tone. It's easy for family members to become quickly
  immersed in colloquial, home-based language including those directive-type parental
  phrases such as "you should" or "why don't you?" Instead, focus on using a neutral and
  objective tone of voice along with business-related language.
- Create a professional culture. Leave your sloppy, relaxing outfits at home and always dress for success. A professional appearance and personal manner create a more inviting organizational culture both for potential customers and new employees. Avoid using nicknames in conversation.
- Be respectful. While you may disagree with a family member, they still need to be treated with respect. This means listening to ideas rather then immediately discounting them, collaborating and co-ordinating when appropriate and ensuring you are both working toward the same goal.
- Go private. If you need to speak to your family member about an issue, do so in private rather than in public where everyone could be listening in. Monitor your voice so that your message doesn't vibrate through the walls. If tensions get too high, take a break from the meeting and/or reschedule the discussion to a more favourable time. This also gives you an opportunity to rethink potential solutions to the issue.

Working in a family business can be a tricky task, but applying some simple guidelines will help to ensure long-term success.

Barbara J. Bowes, FCPHR, CMC, CCP, M.Ed., is president of Legacy Bowes Group, the author of eight books, a radio personality, speaker, an executive coach and workshop leader. She is also chairwoman of the Manitoba Status of Women. She can be reached at barb@legacybowes.com.

owners would want is for that to take place in the middle of the show floor or in front of other employees or customers.

Taylor says business owners should also keep in mind that the stakes are higher when it comes to managing family members because if you don't work on keeping both relationships strong, you may end up without a relationship at all.

"I had one young guy who just left his father and he hardly ever talks to him now because he was developing him to take over the business and then he would talk about work at home," says Taylor. "He became the future of the business and he lost being his son."

For Bell, figuring out how to manage one's relatives is a matter of utmost importance for the future of the home improvement industry.

"We've got such a great industry and we just need to keep that momentum moving along," he says. "We're constantly trying to figure out how to get new, young people into the industry and these family businesses are a huge part of that. We need to make sure the family aspect continues along successfully."









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### FILE

#### **BY SIGRID FORBERG**

# **COLOUR OFFERS CHANGE, CREATIVITY**

For pennies per square foot, paint is the easiest DIY investment homeowners and renters alike can make to completely transform a room. Here, we look at a few trends influencing the category.

he first place a renter looking to make a space their own or a homeowner simply setting out to update a well-lived in room will go is your paint aisle.

With countless options and trends changing all the time, how are they to make a choice? And how can dealers best help them avoid committing to the wrong colour?

#### **TAPPING INTO EMOTION**

Benjamin Moore's Colour and Design Expert in Canada, Sharon Grech, has spent her career thinking about colour and design. Heading into 2020, she says her team took a step back to look at the bigger picture.

"With paint, as much as we'd like to be the star in the room, we're often the backdrop," says Grech. "So it's really important to look at what's going on in the home overall to provide people guidance on colours."

Some words Grech and her team considered when putting together Benjamin Moore's colour choices for 2020 were: beauty, comfort, security, communication, privacy, self-expression. But ultimately, heading into a new decade, the overarching concept was optimism.

"One of the things we really tried to look at from a broader perspective, especially for 2020, was that how the home is being defined is different from 15 years ago and 20 years ago," says Grech. "Our needs are less about the material things and more about the state of mind we want to be in."

At Beauti-Tone Paint, Creative Director Bev Bell says her team has noticed the same change in consumer attitudes. Beauti-Tone, Home Hardware's house line of paint, named its colour of the year Honey, I'm Home. A rich, warm shade of honey, Bell says it radiates a feeling of warmth and protection—which



is ideal for what she says people are looking for from their paint these days.

When it comes to selling paint to the panic-stricken homeowner surveying the chip rack, Bell says many associates might initially think to ask their favourite colour. But you're more likely to help them find the right colour if you ask how they want to feel in that space.

"We find people in their homes are looking for a space that is comforting, something that they can use to escape from all the stresses of life," says Bell. "Colour can really change how you feel—it can even impact your health."

Bell says Home Hardware puts a lot of thought into how they can most effectively help consumers find the right paint to encourage that "feeling" they're looking for. Beauti-Tone's "colour mixologists" now wear black aprons to avoid the red in their shirts reflecting light onto the samples. They also insert paint chips into a brochure-type tool which allows shoppers to visualize the colour, with a white border, in the correct proportions it will appear in on their walls.

"They're just little steps that a lot of people don't know," says Bell. "But we've maybe all made the wrong colour choice once and it puts fear in your life forever."

## **STRIKING THE RIGHT NOTE**

Sue Wadden, director of colour marketing for Sherwin-Williams, says her team has noticed a major shift in the palette for 2020—moving from greys and whites to bold blues and greens, reflecting familiar nature scenes that "help anchor us as life pulls us in so many directions."

Wadden's team of colour experts spends months researching global design forecasts and rising trends and, from that, develop their annual Colormix Forecast and choose a colour of the year.

"Our research this year shows that 2020 will be an empowering year of change that







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## RETAIL TRENDS





will focus on bringing your best self into the next decade," says Wadden. "Paint and design are becoming more about what makes you feel good."

She adds that Sherwin-Williams' colours for the year reflect an enveloping effect of "balance," which can inspire mindfulness and well-being.

But at the end of the day, she adds, retailers are smart to push consumers to think beyond what's currently trendy and to settle on a shade that suits them and their home above all else. "Trends are very fluid," says Wadden. "Homeowners and professionals should look to choose colours they enjoy and will feel comfortable with as trends shift."

And as we see more people spending more time at home, individualization and personality continue to be important parts of making that experience more relaxing and comforting. "People don't really want a cookie-cutter approach to things. They want to feel more custom," says Grech.

Another important consideration Grech raises is that eco-friendly products have evolved beyond the label of "trend" and are now simply a given in the category. "It's integrated into everything," she says. "It's more of a lifestyle, whatever décor style you prefer, all the looks are considering the environment. It's like a thread that binds through all the looks we're seeing today."

At Beauti-Tone, which runs its manufacturing facility on a septic tank, Bell says being environmentally conscious has been a part of the company's ethos from the start. But, like Grech, she says considerations for our health in our homes—and that of the Earth—are now a matter of universal consideration in the paint category.

Where retailers need to help consumers most is in finding their own balance between the practical and emotional considerations that pull them in different directions. Then they can settle on both the paint and the colour that suits their needs.

"I find that people are either really concerned about the colour or really concerned about the product and the attributes," says Grech. "I think it's so important to provide people with the education to combine the two so that when they walk out of the store, they're satisfied with both parts."







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FILE

# **BY SIGRID FORBERG**

# BAD RETAIL IS DEAD

Speaking at last fall's Hardlines Conference, the NRHA's Dan Tratensek announced the demise, not of independent retailing, but of the "poor operators" who simply couldn't keep up with the rate of change.

an Tratensek, executive vice president and publisher with the North American Retail Hardware Association (NRHA), has met countless home improvement retailers over his multiple decades with the organization.

He's been hearing about the demise of retail—and especially independent home improvement retail—for years now. But he's not worried.

Drawing on consumer research and dealer surveys, the NHRA has determined consumers are looking for four things from home improvement shopping experiences: inspiration, discovery, selection and support. Tratensek sees independents as more than prepared to deliver on these desires.

"The thought that we can dismiss independent retailers and how they could possibly compete in this new paradigm of customers is really off-base," says Tratensek. "Independent retailers are really well-suited to address these new consumer needs."

#### THE RULES HAVE CHANGED

For decades, home improvement retailers have been able to rely on their reputation as anchors—or at least active participants in their communities. But there's so much competition these days that business owners need to think a little bigger to keep customers coming back.

When it comes to building a brand for themselves in today's retail market, Tratensek says the most important factor for a retailer is to determine what differentiates their business. It's hard to stand out today and he adds the modern consumer is arguably less brand loyal than they have been at any time in the past.

NRHA research shows, that in the home improvement category, the average individual shops at 3.5 different sources for their product needs. They're now choosing where they shop based on what they need from that particular outing. So while the old model of customer's needs covers convenience, price, service and selection, those are now simply consumer expectations.

"They don't want them, they expect them," says Tratensek. "These are simply the table stakes for being a retailer today."

The definition of service has evolved over the years. And it needs to be noted that the concepts of product knowledge and friendly service are not interchangeable. Tratensek says you may have an employee
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with decades of experience and professional knowledge, but if they're a difficult, old curmudgeon, they're not going to be offering your customers great service.

What is the key to good customer service? Tratensek argues it's flexibility.

"It's unsettling to talk to an independent retailer who has very rigid policies," he says. "As an independent retailer, you'll say, 'I know everybody in my community; I'm part of my community' and then you greet them with a sign above your customer service counter that says 'Absolutely no returns without a receipt'."

Tratensek says that's akin to saying you don't trust your neighbour or the parent you coach little league with. It's a striking disconnect when these retailers have been touting their connections with the community as their greatest asset. And, he adds, more than that, it's not keeping pace with the exchange or return policies of outlets like Amazon or Costco. If your loyal customers think Amazon trusts them more, they may be inclined to take their business online. Dan Tratensek, executive vice president and publisher with the NRHA, says the most important—and riskiest—move for retailers is to take a leap of faith and embrace a different way of thinking about the services you offer.



But he argues that some of these changes can prove to be just distractions. The best retailers are the ones who can tell the difference between opportunities and what will sidetrack their business.

"What change does is it hastens the departure of poor operators," says Tratensek.

He offers Amazon as an example. Retailers have been focused intently on the

As an independent retailer, you'll say, 'l know everybody in my community; l'm part of my community' and then you greet them with a sign above your customer service counter that says 'Absolutely no returns without a receipt'.

#### STAY FOCUSED ON YOUR OWN STRATEGY

Tratensek does caution that retailers shouldn't get too distracted by every change in the market. Citing Robert McKee, an American screenwriting consultant, he says, "What attracts attention is change. Sometimes we have the tendency to look at the things that are changing in this industry and all our attention swivels in that direction." online juggernaut's every move, but founder Jeff Bezos says he's obsessed with his customers, not his competition. Tratensek suggests that rather than channeling all their energy into trying to keep up with the competition, independent retailers should ask themselves what their customers want and need from them—and focus on that.

"If you have a creative physical store presence, people will go to your store to shop," says Tratensek. "It doesn't matter what's going on online; customers will still seek out unique physical stores."

According to NRHA research, the future for independents lies in identifying and serving localized niches. Tratensek says there's no limit to the opportunities independent home improvement retailers have in that area—and it's not just products, it can be services as well. Some stores that come to mind for him have invested in candles, birdseed, automotive, pet or even selling locally grown foods.

"You have to understand that if you're going to be successful, you have to be different," he asserts.

The most important—and riskiest move for retailers, Tratensek says, is to take a leap of faith and embrace a different way of thinking about the services you offer. At a certain point, retailers need to stop collecting feedback and intelligence about what their customers want and simply make a move.

"Understanding who your customers are and what they want is one thing, but then adapting it to your operation is another," Tratensek says. "You can have all the intelligence in the world but if you don't do anything with it, then you're not going to profit from it."



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#### BY JOHN CAULFIELD

## THE DOLLARS AND SENSE OF PHILANTHROPY

Community investment makes good business sense, especially for building employee esprit de corps.

t a gala held during the RONA/Ace dealer buying show in Montreal last October, Ace Victory Building Centre received the Community Award of the 2019 Ace Builder of Success program for its outstanding community involvement in addition to giving and raising funds for local charities. The store runs a 3,600-squarefoot store and 7,000 square-foot-warehouse in Mackenzie, B.C.

The award included a \$5,000 donation from Lowe's Canada to charities selected by Sylvain and Marilyne Laferriere, the store's co-owners.

Last year, Lowe's Canada contributed a total of \$4 million in support of its corporate and dealer philanthropic pursuits. In 2019, \$1.125 million went towards the Children's Miracle Network and (in Quebec) Opération Enfant Soleil and more than \$1.2 million was directed to more than 245 community organizations on behalf of its dealers in those markets through the Lowe's Canada Heroes program.

"This wouldn't be possible without the support of our 26,000 employees," says Jean-Sébastien Lamoureux, senior vice president of public affairs, asset protection and sustainable development.

ROI from community investment goes beyond dollars and cents. Employee team building is a key business benefit associated with social responsibility programs to which dealers, buying groups and co-ops contribute generously. They are opportunities to create pride among employees, says Natasha Ford, CX [customer experience] lead, local and community program development for Federated Co-operatives Limited in Saskatoon, Sask. FCL serves more than 170 co-ops and 1,500 retail locations in 580 communities across





Sylvain and Marilyne Laferriere accept their Community Award at the RONA/Ace show last year.

western Canada. Co-op's philanthropic efforts include the Communities in Full Colour program, which since its launch in 2015 has donated paint to 750 community projects in its co-ops' markets.

#### WALKING THE TALK

When home improvement companies talk about the benefits of community investment, they usually frame their comments around how such largesse burnishes their roles as corporate citizens. "We live in a value-based economy," says Ford, where customers are choosing where they shop based on their



Federated Co-op's community programs leverage the company's business and product offerings.

perceptions of the store's community service and authenticity.

These accrued benefits are mostly assumed, as none of the companies interviewed for this article measure the relationship between philanthropy and, say, increased sales. But based on dealer feedback, these companies say they're getting a reputational bounce from their investments in local markets.

"When our dealers engage with these programs, such as volunteering for their Special Olympics chapter or hosting a tree plant with Tree Canada to beautify their

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local green space or community centre, the community can see how our national program support has local impact," says Nicki Knight, consumer loyalty and sponsorship manager with Home Hardware Stores Limited. Since 1992, Home Hardware has partnered with Tree Canada to plant nearly 27,000 trees valued at \$1.5 million, and for the past two decades has supported Special Olympics Canada, which last year included providing financial support to 10 athletes training for the World Games in Abu Dhabi and Dubai. Federated Co-op initiated Communities in Full Colour as it was launching its Imagine private-label paint brand. Ford explains that FCL's social responsibility programs "try to leverage one of the co-op's business or product offerings." For example, in 2015, it started its Co-op Community Spaces program, a capital fund that helps communities build projects. To date, it has supported 115 projects with \$8.5 million in funding. Ford notes that local co-ops often supply those projects with building materials and hardlines.

# The next generation of workers wants to be with a company that's engaged socially.

Knight adds that Home's philanthropic efforts, both nationally and locally, position its dealer-members "as leaders in their communities."

While tangible business benefits are harder to quantify, most companies still see positive cause and effect.

TIMBER MART supports a charitable foundation called Timberkids that works toward improving the health and wellbeing of Canadian children. Timberkids matches a TIMBER MART dealer's annual donation up to \$4,000 in support of those dealers' related charitable endeavours. Over the past five years, Timberkids has donated \$500,000. TIMBER MART is also a national sponsor of the Heroes Challenge hosted by the Children's Wish Foundation. Last September, the buying group's Heroes Challenge hosted more than 100 corporate and individual teams and raised \$1.2 million, which is earmarked for granting around 100 wishes to children diagnosed with life-threatening illnesses.

Jon Irvin, TIMBER MART's vice president of member services, says that the group's participation in the Timberkids and Heroes Challenge programs "brings about the opportunity [for dealers] to market their own brand and connect with communities where they do business." "It's not a requirement [to receive funding] but it's an opportunity" for the co-ops and their locations.

Aside from their national programs, the companies interviewed also support their dealers' local initiatives. Lowe's Canada's province-specific campaigns include toy drives in Ontario and Quebec and Hair Massacure, where 23 stores in Alberta raise money for pediatric cancer research.

Ford says that one co-op in northern British Columbia distributes \$100,000 to the multiple communities it serves during the Christmas season; another in Lloydminster offers free cups of coffee to on-duty emergency responders.

#### **STAYING CLOSE TO ITS ROOTS**

Two years ago, Canadian Tire expanded its Jumpstart program—which the retailer established in 2005 to help disadvantaged kids get into sports programs—to include children with disabilities. Canadian Tire has committed \$50 million to this program through 2022. So far it has built seven inclusive playgrounds and plans to build others in each province. The retail giant and its partners have also distributed \$3 million in accessibility grants.

"We're a 97-year-old company whose dealer model has deep roots in the

community," says Susan O'Brien, Canadian Tire's senior vice president of marketing.

As for the business benefits from its philanthropy, O'Brien says that Canadian Tire tracks its "net promoter" scores, and consistently scores highest for the response "Cares about Canadians". The retailer also measures its employees' engagement in various programs and Jumpstart regularly tops the list. "Jumpstart bonds our company; I've never seen quite anything like this," she says.

O'Brien and Lamoureux of Lowe's Canada agree that community investment is another positive that their companies can highlight when recruiting employees. "The next generation of workers wants to be with a company that's engaged socially," says O'Brien.

#### **RECESSIONARY RELIEF**

The local economy in Mackenzie, B.C., where Ace Victory Building Centre has operated since 2005, is going through a rough patch because of lumber tariffs imposed by the U.S. "We're in survival mode right now," says co-owner Sylvain Laferriere. But the goodwill that his store has built up over the years with its neighbours has helped cushion the blow.

"It's hard to judge how our business benefits from community investment; I've thought about that myself," says Laferriere. "But I would say that it does. We have competition down the street, and I've had customers come in and say they shop us because of what we do."

That includes providing free delivery to seniors and people with diabilities. Ace Victory also donated its award money from Lowe's Canada to a youth group, the local art centre and Rotary Club, the Mackenzie branch of the Royal Canadian Legion, and an organization called AWAC, which helps the homeless in nearby St. George, B.C.

While the Laferrieres are genuinely invested in their town, these acts help ensure the community remains equally invested in them and their business.



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BY LYNDON MADDEN



s a marketer, I really enjoy public relations work. If I were to draw an analogy, it would be the slot machine of marketing tools. Do it right and you can have fantastic return on investment. Do it poorly and you will be left feeling you spent money for nothing.

I have worked with multiple PR agencies over the years and with every one, I walk the balance between the story they want to tell the audience and the story I want to tell them. As a brand marketer, I want people to know about my brand, my products, how much and where to get them, to draw the shortest, closest line to commerce. Often agencies will come back wanting to "tell stories"—yes, stories. Something current, topical and generic about something that is vaguely to do with your brand or product. It is akin to spending hours posturing in front of the object of your affection, only to dash in something at the end, such as "I like your hair". Then promptly running away.

You're left thinking, "does the object of my affection (target audience) know who I am and what I offer?"

I am not saying agencies are bad—in fact, they're essential. Finding the right partner to hunt PR glory with is the tough part. Do they know your industry? Do they know the media outlets in your industry? Do they understand who you are and what you do? Do they want to engage in the same kind of PR that you do?

If you're a savvy marketer, you'll find the correct partner to help you find the correct balance. Sure, you can do PR yourself and the results will likely be you telling your target far too much about the technical aspects of your product. You won't be interesting, but you will think you are. You won't be effective and you will wonder why your efforts went nowhere. So find a good partner agency. In the process of evaluating partners, don't be afraid to ask them to propose a few ideas so you can see where they sit on the spectrum of stories they want to tell versus what you want to be out there.

#### **WORKING WITH THE MEDIA**

There's another factor in the mix, which I mentioned earlier. Media. For PR to work, you have to have a story, an angle, or something interesting for your target audience to learn. If you create a strong pitch in concept, it then needs to be put in front of the right media to pick up and help amplify your message. Magazines, TV, influencers, newspapers, news websites, industry newsmakers, etc. all seek material, outside of paid advertising, that their audience (your target) might be interested in. They pick it up and publish their interpretation of the story and it could drive you wonderful target audience exposure.

This all sounds rather easy, but it isn't always. The moment you get the story wrong, you could lose out on media sources picking it up, or worse yet, have people turn it against you. In my time at GE Appliances, we had a great campaign driving awareness on National Laundry Day. We chose to talk about stories of how the decor of laundry rooms was changing. A competitor of ours, at the time, chose to make a play appealing to their audience about how it would give them more time to go to the salon, shop and get their nails done. Their campaign was met with public backlash and even the retraction turned sour with consumers on social media.

#### **BE CLEAR ABOUT YOUR OBJECTIVE**

So what's the difference between informative and compelling content and the uninteresting and wasteful? When considering your topic, you need to draw out what your objective is, which you want to be clear to your audience. The next step is to find a way in which that story might be interesting. It could be as simple as tying into a periodic launch time known for your industry. Automotive has such predictable launches every fall and it's easy to get caught up in the newsmakers' recap of fall launches. So you've told your audience your vehicle has launched, but did you provide the reason why it's special? There's a gap between an interesting campaign and something that just puts news out there.

topical and puts your backflow valve right in the middle of the conversation.

Let's go back to the value proposition side. When you spend money on advertising, you generally know what your dollars will get you. Spend X and get Y frequency of ads. On the other hand, with PR, you spend X and you don't know exactly what you are going to get back. A good agency partner will provide an estimate of impressions per project, which they can also keep a running tally of. In PR, you also don't exactly have control over the time that your campaign might hit the media. You can't tell them when to publish, so this can be a key risk. A press release can be written with a publishing embargo, but besides a do not publish before date, it's up to them how and when to use it.

Let's recap how to engage this interesting and possibly high-ROI marketing tool. First, find an agency partner who can take your brand/product and make it interesting.

#### Your content must create some news and something interesting that your audience might really want to dive into.

Your content must create some news and something interesting that your audience might really want to dive into. Let's consider an example scenario.

You're a plumbing company that is releasing a new, better functioning backflow valve. Do you simply create a press release about the 99.97 percent effectiveness of the backflow valve? No, you don't. The story there may have something to do with bacteria that live in places we don't think of: bacteria in your kitchen sponge, bacteria in your refrigerator's vegetable crisper and bacteria in your water lines. This is news because your audience is going to be alarmed at these bacteria holiday spots and your product will be right in the mix. The article and subject matter is interesting,

Make sure they know the media audience and your target audience. Work with them to find the balance between factual and topical campaigns. As you go, measure your spend versus your return by project or campaign to see where you need to adjust.

I highly encourage you to dip into the PR arena. It can be really rewarding to see how a great bit of information put out into the ether can grow and flourish into something grand!  $\mathbf{x}$ 



Lyndon Madden is a consumer goods marketing executive who has worked with many small and large brands through his career. He is passionate about bringing thoughtful business strategies, and building long-term brand success.

#### **BY SIGRID FORBERG**

# STORE TRANSFORMATION A TEAM EFFORT

This B.C. store used a long-overdue renovation not only as an opportunity for a facelift, but as a chance to appeal to new customers and reinvest in employee engagement.

FLE

hen the management team of North Star Hardware & Building Supplies from Invermere, B.C., visited the RONA/Ace Buying Show last year, they saw some lumber racking options that were both useful and visually appealing.

"We saw what they had available and we thought, 'I think we can do even better.' " says Mandi Cox, the store's floor manager. "We could pay \$4,000 for these racks, or we could use materials we have on hand."

The store's owner, Tony Bukovnik, started working at North Star with his dad when he was just 9 years old and it was just a lumber mill. So, with the wood-working skills and knowledge to make the racking himself, he built them himself.

And the inspiration for the project couldn't have come at a more convenient time-the store had already been undergoing a renovation, so over the winter months while business was slow, Bukovnik assembled the racking to display some new categories the store had decided to bring in.

"We're a typical nuts-and-bolts hardware store and so we decided to add in things like fashion plumbing and upgrade paint and fashion lighting," says Cox. "It was basically a way to showcase what we do."

In addition to the new categories and SKUs, North Star's renovation also involved changing the direction of the store's aisles to increase visibility across the entire floor, while redoing the flooring, changing the gondolas and generally upgrading the store's look, lighting and paint.

"It was dim lighting, kind of grungy-a good place for a boy's club," says Cox. "It was long past overdue for a refresh."

The efforts have already paid off significantly-their long-term customers are impressed with the look of the store, and



the redesign and new offerings are drawing in new customers as well.

"We're attracting the DIYers now," says Cox. "For homeowners, their contractors always came down and bought building materials, but now they can come and pick out and feel the products they want to buy."

While it's satisfying to have their customers' approval for the changes, Cox says the best reaction has been from North Star's staff. Their involvement in the process gave them all a sense of ownership and



North Star's new racking

has made the transformation even more personal for them.

"The renovation really brought the team together," says Cox. "It was a long-talked about process and everyone got to be a part of it and have their say and do hands-on work and I think it really shows the staff's pride now. They're happy to show it off. They're excited for the future again." 2





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- An inscribed plaque
- The title of 2020 Outstanding Retailer

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#### **BY GEOFFREY McLARNEY**

## LEVERAGING THE POWER OF INDUSTRY RECOGNITION

Alex Yakovyshenko's role in a business turnaround earned him an Outstanding Retailer Award (ORA) in 2017 as the Best Young Retailer. While he welcomed the recognition by his industry peers, he's since come to see the ORAs as a tool that has helped him build his business—and his career.



are to have a local business recognized Canada-wide has been gratifying.

lex Yakovyshenko arrived in Canada from Ukraine as a teenager. He got his start in the home improvement industry as an assistant in paint sales before he was recruited by Haney Builders Supplies in Maple Ridge, B.C., where he helped turn around the struggling TIMBER MART store's performance.

Yakovyshenko acknowledges that when he first heard he had been selected as Best Young Retailer for the ORAs, he didn't fully grasp the significance of the news.

"Prior to winning the ORA, I didn't really know much about it," he says. He was in the middle of a busy Orgill buying show when Hardlines President Michael McLarney called him, and his reaction was muted.

"I was like, okay," Yakovyshenko recalls. It didn't help, perhaps, that he had earlier that day hung up on a solicitor informing him he had won a vacation in the Bahamas. "I'm happy I didn't hang up on Michael!"

The experience of his first Hardlines Conference drove home the full import of the award for Yakovyshenko. Invited back to address the 2019 winners, he encouraged them to: "Please, please recognize that this is a big deal. This is a big deal for your brand; this is a big recognition industry-wide."

The Haney store has sought to capitalize on the industry's recognition of Yakovyshenko by incorporating the award into its promotional materials. "We've publicized it and used it in a couple of different media, and it was well received," he explains, adding that a local business award also boosted the store's profile in the community.

"What we've done is we've used social media as well as traditional media like the newspaper. We've publicized it throughout the store and at local events," says Yakovyshenko, citing an annual hospital fundraiser, home and garden show and local chamber of commerce events—everywhere the business could give it exposure.

"Hearing our community talk about how proud they were to have a local business recognized Canada-wide" has been



gratifying, he says. Yet for Yakovyshenko, the rewards of the ORAs go beyond good publicity.

"The other takeaway was how welcoming the experience was," he says. He warmly remembers the hospitality and networking offered by the Hardlines Conference. "They were just fantastic. Everything was planned: they flew me there, [arranged] the hotel... I couldn't have asked for more."

Likewise, he says, the industry-wide scope of the experience was a unique opportunity to connect with people outside of his own buying group. "I think Hardlines really does a good job putting people together from different brands," Yakovyshenko explains. He found the Conference an ideal opportunity to share his experiences and knowledge.

"There's lots of value in shaking someone's hand, looking into someone's eyes, and getting to know that person's story. You never know who you're going to be talking to."



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