

CASE STUDY



Germantown Hardware

Solving real-world retail challenges with the best Orgill has to offer

ORGILL

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0 days closed because of remodel



38% sales increase after project completion



58% increase in salesfloor square footage

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Executive Summary

In 2020, Germantown Hardware, in Germantown, Tennessee, was acquired by Central Network Retail Group (CNRG), a wholly owned Orgill subsidiary and multi-format, multi-brand retailer operating more than 140 hardware stores, home centers and lumberyards in 16 states.

With the acquisition of Germantown Hardware, located only 10 miles from its headquarters, Orgill saw the opportunity to operate a nearby store and showcase its retail programs and Tyndale Advisors' services. It could act as yet another real-world laboratory for testing and developing retail concepts and best practices for Orgill customers to use in their own businesses.

Germantown Hardware is a fixture of the community and the only independent home improvement retailer in the area. It was previously owned by the Wagner family, who were longtime Orgill customers. They approached Orgill about selling their business in 2020. While popular among local residents, the store had been underperforming for a variety of reasons, primarily centered around a lack of complete assortments and a limited selection within core hardware categories, such as electrical, plumbing and builders hardware.

Once CNRG's acquisition was complete, the company brought all of its resources to bear on improving the operation. The goal was to build a high-performance hardware store that not only offered customers dominant presentations in paint, outdoor power equipment and lawn and garden, but also offered a complete resource for all their home improvement needs.

The Orgill team, including CNRG, Orgill and Tyndale Advisors (another wholly-owned Orgill subsidiary) worked together to completely transform Germantown Hardware. This transformation showcased the efforts of a wide range of the three companies' internal teams to work on the acquisition plan, store redesign and remodel, remerchandising, and marketing and rebranding plan—along with the events surrounding the store's grand reopening in the community in 2022.

The Orgill team tackled different challenges during the Germantown Hardware project, from a changing project scope to rehabbing a store that had not seen significant improvements in almost 20 years. But the final result brought together the best of Orgill, CNRG and Tyndale Advisors' services and offerings and is a true showcase for Orgill customers of what Orgill can do for them.

The Orgill team was also able to accomplish all of this without shutting down the store for even a single day. Not only did customers continue to shop, but the business posted double-digit sales increases during the construction phase and saw a 38% increase in year-over-year sales following project completion.

The work to transform Germantown Hardware into a living laboratory for Orgill—where store successes can translate into helping Orgill customers—is only just beginning.



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Germantown, Tennessee
Photo by Brandon Bartoszek

01

Market and Project History

MARKET AND PROJECT HISTORY

Germantown, Tennessee, is an affluent suburb east of Memphis, located near the Mississippi River in Shelby County. The community is known for its historic features, charming neighborhoods and quaint blend of rural and suburban lifestyles. Located 22 miles, or about 30 minutes away, from downtown Memphis, Germantown is one of the safest and most desirable communities to live in the Memphis area. It also offers highly regarded education, housing and cultural and recreational amenities.

The city of Germantown takes up about 20 square miles and has a population of about 41,000 residents. Key business sectors in Germantown include medical, life sciences, manufacturing, education and information technology. It is also home to five commercial districts, with a wide range of retail offerings.

The housing stock in Germantown ranges from upscale new-build communities to a variety of historic homes. The community is very particular about the standard of living and looks to ensure that businesses adhere to the community aesthetic and overall appeal.

Like many such areas, the household income level in Germantown is among the highest in the region. Because there is a large amount of disposable income available to Germantown residents and a great deal of pride in homeownership, the community is ideally suited for a strong home improvement market.

Even with these opportunities in the community, home improvement stores aren't plentiful in the city itself. While there are a number of hardware and home improvement stores in the greater Memphis area, in Germantown, the options are primarily limited to big-box retailer Lowe's and longtime independently operated Germantown Hardware.

Germantown Hardware also sits less than 10 miles from Orgill's headquarters in Collierville, Tennessee.

A Legacy in the Community

Since 1998, Germantown Hardware (located at 2083 South Germantown Road, near the corner of South Germantown Road and Poplar Avenue), has been a fixture in the community for hardware and home improvement supplies.

The location is in an ideal spot for a retail outlet as Poplar Avenue is a primary artery between downtown Memphis, the freeway and the suburbs. Thousands of affluent consumers pass by the location on a daily basis to and from their places of employment.

John and Marcia Wagner, along with their son Justin, owned and operated Germantown Hardware for the last two decades, originally purchasing the roughly 14,000-square-foot former Ace Hardware location in 2001.

John worked for many years in finance, and upon his retirement, he and his son Justin acquired Germantown Hardware. The Wagners also owned the entire shopping complex where the hardware store was located. Along with Germantown Hardware, the complex contained a pool supply retailer and a drive-through car wash, also operated by the Wagner family.



In addition to Germantown Hardware and Germantown Car Wash, the Wagners also owned and operated another business, Memphis Paints.

John was very involved in the community of Germantown. He served on boards and committees at the Germantown United Methodist Church and was active with the City of Germantown and served the City's Economic Development Commission, Financial Advisory Commission and the Great Hall Committee.

Under the Wagners' ownership, Germantown Hardware offered an assortment of hardware, plumbing, electrical, outdoor power equipment and outdoor living products and lawn and garden supplies. It also featured a small engine repair shop. The store carried a variety of well-known brands including Weber, Big Green Egg, Stihl outdoor power equipment and Benjamin Moore paint.

While the business had done well since the Wagners' acquisition, there was room for improvement. The store had not been remodeled for some time and, while it had some categories it was well known for, such as lawn and garden, paint and grilling, the product selection and inventory levels made it difficult for customers to shop for complete projects.

Orgill's Involvement

The Wagners had a business relationship with Orgill spanning many years, having used the distributor as their main supplier at the hardware store as well as a resource for other business services.

In 2020 the Wagners began to discuss the possibility of selling the Germantown Hardware business. With John heading into full retirement, the Wagners were looking to transition some of their business interests. Justin, who had managed Germantown Hardware for some time, was looking to focus his attention on the family's Memphis Paints business and expansion opportunities.

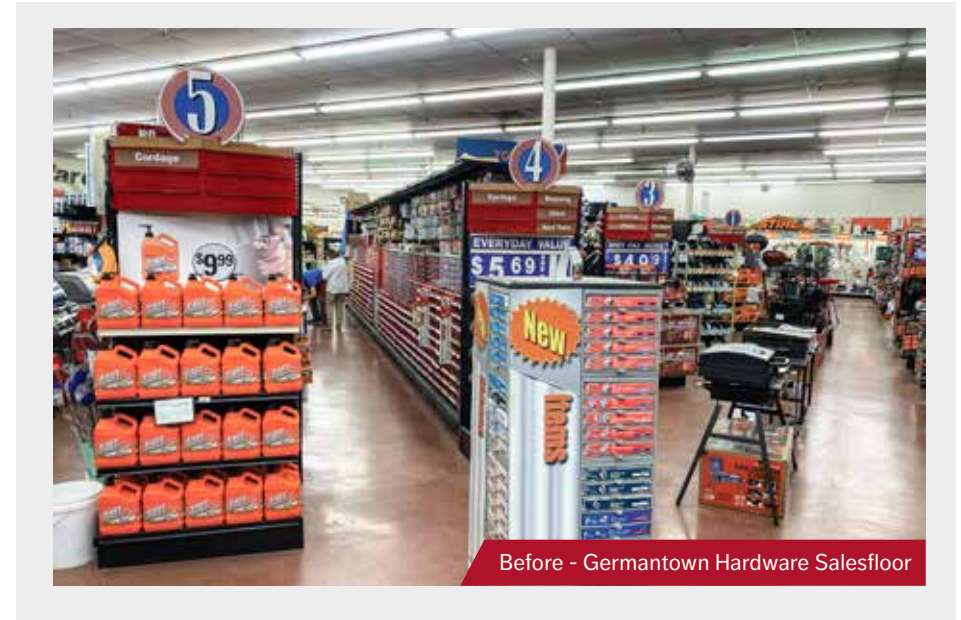
When the Wagners shared their thoughts with Orgill, the distributor immediately began to weigh the options of how they might be able to help the Wagners achieve their goals. They also began to internally discuss the opportunities this might present.

Orgill's wholly owned subsidiary, Central Network Retail Group (CNRG) has a long history of acquiring and improving retail brands. CNRG is a multi-format, multi-brand retailer operating more than 140 hardware stores, home centers and lumberyards in 16 states.

Not only was Germantown Hardware a good fit for the type of store CNRG can typically find ways to improve, but the close proximity to Orgill's headquarters less than 10 miles away, in Collierville, Tennessee, also allowed for some additional, unique opportunities.

"We had a longstanding relationship with Germantown Hardware, so we knew the business quite well," says John Sieggreen, CNRG president and executive vice president of retail at Orgill. "We knew that there was a lot we could come in and do to help the business improve right away. But we also wanted to look beyond the typical business improvements that we felt we could implement. We saw an opportunity to really embrace Germantown Hardware as a local laboratory. Not only could we use it, like we do the other CNRG brands, to test retail concepts, but because it was so close to our home office, we would have this lab store right in our own backyard."

With the potential to serve as a next-door living retail laboratory, the Orgill team, including CNRG and Tyndale Advisors, began discussing the possibility of an acquisition with the Wagners in earnest.



A Period of Transition

Representatives from the Orgill team met with John Wagner over a number of weeks to discuss the possibility of an acquisition and what that would look like—and to help the Wagners feel comfortable with the acquisition and transition.

Many of these discussions took place candidly and informally at breakfast and lunch with John at the Panera Bread in Germantown.

"With my background and Mr. Wagner's background in finance, there was a common interest in numbers. I was able to say, 'I have a better solution for you,' and helped him feel good about the numbers as we progressed down that road," says John Dorrill, Tyndale Advisors senior advisor. "It created a good comfort level, and a good level of trust between us."

Orgill worked with John Wagner to create an agreement and plan that was fair and reflected the worth of the business and also took into account the tenant holding the lease for the pool supply store. Orgill also offered to do a physical inventory of Germantown Hardware and paid for the inventory.

"Anytime somebody sells a business, especially one they've had for 20+ years and put so much of their time and effort into, it's a personal transaction as much as it is a business transaction," Dorrill says. It's a part of themselves—they've been

part of the community. Helping them feel better about that, and the path moving forward, is part of the process so they are as proud of the business after the sale as they were before.”

The original plan only included the lease of the Germantown Hardware property and purchase of the business and did not include the additional retail spaces used for the car wash and pool supply store—but CNRG expressed interest in more space if it became available. Discussions later shifted to include those areas in the plan. When John Wagner came back and offered the additional space in the complex, CNRG leapt at the opportunity. This additional space would allow CNRG to greatly expand the footprint of the store.

Executing the Acquisition

In 2020, the Wagners formally agreed to sell their business and operating assets to CNRG. The Wagners would keep ownership of the property itself and lease it to CNRG.

“For all the reasons we talked about, we thought this would be an ideal candidate to become part of the CNRG family of brands,” Sieggreen says. “The store had a great reputation with local customers and was a staple of the community. And being in close proximity to Orgill’s headquarters and our concept center, it allows us much better access to the site. This also makes it easier for us to use it as a showcase for when we want to illustrate our range of programs and services to visitors.”

According to Sieggreen, as of the end of 2022, the team’s work to transform Germantown Hardware into a living lab for Orgill—where the store’s successes can translate into helping Orgill customers—is still not finished.

“At this point we have made a lot of changes that centered around expanding on the product offering they had in the past, keeping many of the brands like Stihl and Benjamin Moore that they had been known for,” he says. “We also rounded out assortments and added products to make the selection more complete and take advantage of the additional space we were able to access. With that phase done, we’d like to continue experimenting with products and assortments and in other areas in the store. We’re just getting started and scratching the surface of what we can do as a living lab at Germantown Hardware.”

“The store had a great reputation with local customers and was a staple of the community. And being in close proximity to Orgill’s headquarters and our concept center, it allows us much better access to the site.”

John Sieggreen, CNRG President and Executive Vice President of Retail at Orgill



Before - Germantown Hardware Salesfloor

02

Addressing Immediate Issues

ADDRESSING IMMEDIATE ISSUES

Taking the First Steps

While Germantown Hardware had a relatively positive reputation in an upscale community and was located in an ideal spot along a busy thoroughfare, the business had somewhat languished over the past decade.

The owners had not made any significant investments in store improvements and had not done any remodels or merchandising reviews for some time.

“This isn’t all that unusual,” says John Sieggreen, Central Network Retail Group (CNRG) president and executive vice president of retail at Orgill. “A lot of the time, it can be easy for owners to take a conservative approach to their businesses and they may not take a hard look at what they might have to do to improve. That’s where we can kind of come in with a fresh set of eyes and easily see where there are areas for improvement.”

Project Scope at a Glance

Physical Expansion

- Sales Floor Square Footage (14,694 to 23,220) +58%
- Sales Floor Linear Footage (1,824 to 2,608) +43%
- Shop & Back Room Square Footage (4,563 to 8,386) +84%
- Parking Lot / Nursery Square Footage (3,900 to 10,162) +160%
- Total Space Square Footage (24,027 to 41,768) +73.84%

Project Goals

- Keep the store in business during construction
- Implement new services areas and backroom expansion
- Create Germantown Hardware Rewards loyalty program
- Integrated eCommerce website and Buy Online, Pickup In Store
- Enhance Small Engine Repair/Rental
- Add Propane Exchange

Featured New Product Assortments

- Automotive key fob/chip keys
- RV supplies
- Pool supplies
- Pet supplies
- Birding
- Vintage sodas
- Outdoor pottery and statuary
- Indoor plants
- Outdoor patio furniture
- Rental department
- Benjamin Moore and Valspar paints
- Bulk propane

Even prior to the closing of CNRG’s acquisition of Germantown Hardware in June of 2020, the Orgill team had already begun creating an “immediate improvement” plan for the business that would focus on what could be done over the short term to make the business more viable and quickly enhance its productivity and update the presentation to customers.

This is where the team overseeing the project could marshal their resources and find ways to quickly make a dramatic impact on the operation.

The Orgill team developing the initial plan for improvement included representatives from Orgill, Tyndale Advisors and CNRG. Among those taking an initial look at the operation were Sieggreen; Raymond White, senior vice president of operations at CNRG; Chase Holmes, vice president of operations at CNRG/Home Hardware Centers; and Phillip Helms, the former senior vice president of merchandising services at CNRG/Home Hardware Centers.

Department	Linear Footage Before Remodel	Linear Footage After Remodel	Percentage Increase
Impulse	12	84	600%
Lawn & Garden	353	768	118%
Seasonal	12	24	100%
Outdoor Living***	60	116	93%
Fasteners	116	160	38%
Electrical*	148	180	22%
Plumbing*	258	312	21%
Tools*	160	192	20%
Household*	114	136	19%
Automotive	22	24	9%
Paint & Sundries**	280	304	9%
Hardware	289	308	7%

* Sliders used in this department.

*** Does not include grill and patio display area

** Includes ladders, not included before

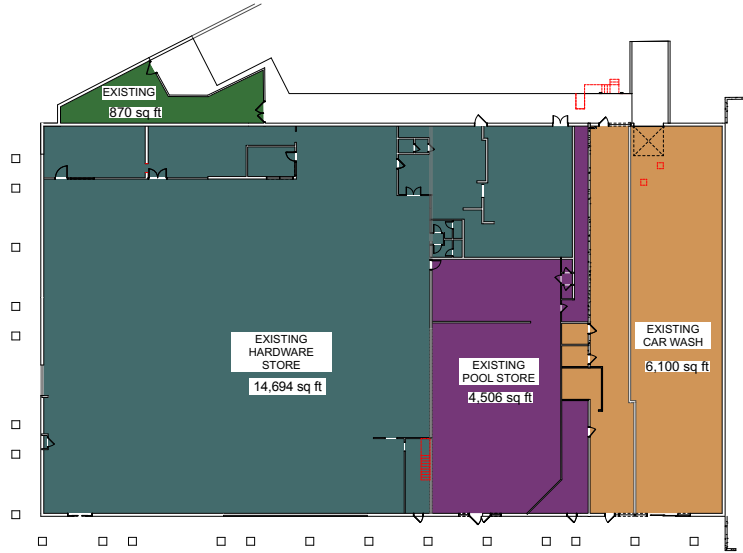
“I consider myself a lucky individual in these kinds of situations,” White says. “Our teams are exposed to so many businesses out here as opposed to an individual who is immersed in one store and they don’t get to measure that against what is taking place outside their four walls. When we step into a store, we see things a lot differently because of the perspective we have. Immediately, we can see if it needs to be improved or cleaned up.”

At Germantown Hardware, this immediate list included changes to the store’s:

- Inventory
- Brands/assortments
- Pricing
- Physical layout
- Personnel

BEFORE

Overall Store Footprint



Departmental Layout





Before - Germantown Hardware Exterior



After - Germantown Hardware Exterior

Attacking the Inventory

“The first thing we knew we would need to address when we had control of the store was the inventory level,” Sieggreen says. “There were a lot of out-of-stocks, incomplete assortments, overstock and all kinds of issues. Because there were so many holes, it was nearly impossible for anyone to come in and buy what they needed for a complete project. So, inventory was first on our list.”

The store’s previous management had focused on replenishing stock primarily in the fastest-moving items, but this philosophy would leave the store over-inventoried in some areas and result in glaring holes in others.

“There were a lot of holes at this store,” White says. “Because we see a lot of assortments and a lot of traffic at our other stores, we can kind of just stand there and look at what’s on the shelves and see what’s missing. So our first step was to walk the whole store and fill in those holes with what was missing. Pretty simply, our first order of business was to get products on the shelves.”

Prior to the acquisition, Germantown Hardware had a strong reputation for lawn and garden, grilling, outdoor power equipment and paint, but as a result of their focus on these categories, they had allowed their presence in other core categories slip, according to Helms.

“First thing, after generally doing a cleaning and organization of the store, was to look at these core categories where they had sort of lost focus,” he says. “In a lot of ways, these categories, like builders hardware, plumbing and electrical, were low-hanging fruit for improvement.”

So when it came to the immediate improvement plan, reordering and eliminating the out-of-stocks in core categories was quickly accomplished by the Orgill teams working in tandem to identify gaps and get orders placed.

Next up was identifying the actual assortment gaps that existed across many categories at Germantown Hardware.

Focus on Assortments

After identifying and plugging holes in the existing inventory and product lines, the teams focused on immediate improvement and expanded their view to look at product availability at the assortment and category level.

Once again, the team turned to the wealth of Orgill resources at their disposal for identifying what needed to be done to get Germantown Hardware back on track.

“The store had some good building blocks, but there were still major opportunities that were being missed in almost every area,” Helms says. “There were incomplete assortments, lines they didn’t carry, unproductive products and also a need to switch vendors in some areas.”

The first step to build a stronger offering at the assortment and category levels was for the team to identify gaps in current assortments, find suppliers where needed, convert vendors where needed and understand what product mix would best suit the needs of the customer base in Germantown. Thankfully, the team had a number of tools at their disposal.

“We wanted to look at the core hardware categories we mentioned earlier, but we also wanted to look at just about every area of the store where we could make quick improvements,” Helms says. “We used a lot of our experience from Home Hardware (another CNRG brand) because there are some similarities in the overall makeup between the two brands. We knew what assortments and product mix worked for Home Hardware. Not only were we able to draw from these insights, but we also utilized information from other CNRG brands like Outdoor Supply Hardware, Town & Country Hardware and others.”

Taking cues from other similar CNRG operations, the planning team also worked closely with Patrick Pinkston, who had served as Germantown Hardware's Orgill sales representative for years. In this role, Pinkston was keenly familiar with the operation and the market and was able to provide a high level of insight into the planning and design process.

"A big part of the role of Orgill's sales team is to become a business consultant to the customers they serve," Walker says. "In this case, Patrick had a long history with this operation as well as the customers it served. His legacy



Before - Entrance



After - Entrance



knowledge was instrumental in helping us get the planning right."

Using the product mix insights gained from working with these other brands and pulling the ideas best suited for the Germantown customer base gave the team a basic plan for the assortments they would be able to add and where they could fill category holes.

Along with the insights from other CNRG brands, the team also turned to other Orgill resources, such as the Hardware 101 program, to fill additional assortment voids.

Hardware 101 is an Orgill program that helps retailers ensure they are stocking core products within assortments that are required for consumers to consider their stores a "viable option" in a particular category. Orgill has developed these Hardware 101

assortment standards across every Orgill product category to ensure that, whatever categories a retailer might offer, Orgill can provide insights into the minimal assortments required.

By using the team's experience with assortment planning, taking a careful look at the current product offering and implementing insights and intelligence from other CNRG brands, along with Hardware 101, within the first month after acquiring the business, the team had made significant strides in improving the offering.

"We immediately started seeing the impact on the sales side," Helms says. "We could see that customers were buying items the store just didn't have before, and not only was this creating an immediate sales lift, but by adding complete assortments with complementary vendors and products, we were also able to make an immediate impact on margin."

Hardware 101: How It Works

The Hardware 101 process starts by Orgill taking a closer look at a retailer's current assortments and examining their order history. Orgill also considers the operation's primary store type:

- Hardware store
- Home center
- Pro-focused store
- Farm & ranch

This helps provide a framework for Orgill to tailor the Hardware 101 reports. However, even this information can be adjusted based on specific market preferences. Orgill then generates two key reports to help identify potential gaps in a product offering.

Report 1—Filling the Gaps

The first report identifies any SKUs that may be missing from a current warehouse assortment. This detailed report will highlight any brand preferences a retailer may have within their current buying patterns in order to offer product suggestions that meet the specific market's needs. This report can also be generated as a pre-populated spreadsheet to make it easier for retailers to fill any gaps in their current assortment.

Report 2—Finding Opportunities

The second report generated through the Hardware 101 program moves from the item level to the category level. This report helps by examining what Hardware 101 categories might be missing from overall store offerings. This data is based on the types of categories being offered by other retailers that fit an operation's store type. Like the first report, this second category-level report can also be generated as a spreadsheet to help ensure the ordering process is quick and easy.

Pricing Adjustments

While the store's inventory and assortments offered room for immediate improvement, there were also immediate opportunities to adjust pricing to levels appropriate for the market and the level of competition. However, the team realized that pricing adjustments would have to be measured and introduced in a way that wouldn't overwhelm the staff at Germantown Hardware or cause alarm among the store's customers.

"We knew as we were changing out some vendors and implementing new assortments that pricing changes would come along with the implementation," Helms says. "But when we looked at the store's existing pricing, we also saw that nothing had really been adjusted in years, so we knew, like the inventory, this was an immediate opportunity for us."

The Germantown Hardware transition team decided to implement price changes on a rolling basis, so instead of simply repricing all inventory on the shelves, updated pricing would be implemented as new merchandise or assortments were being brought in. This new pricing would be based on data from both CNRG and Orgill.

CNRG uses a sophisticated variable pricing methodology, based on Orgill's Market Driven Pricing model. This model utilizes real-world market data to set prices based on a range of variables, including product sales velocity, competitive position, whether items are blind or highly price sensitive.

Typically, stores implementing a variable pricing model, like the one used at CNRG brands, see their margins increase while also being able to establish a more price-competitive position within their market. And, by implementing the price changes on a rolling basis as new assortments were implemented and set, neither Germantown Hardware's customers or staff would be overwhelmed with price changes.

"By doing all the updates as rolling changes, customers would be less likely to notice any changes," Helms adds. "There were some areas where we did have to make immediate changes just so we wouldn't be upside down, or where we might have been leaving way too much margin on the table, and we made these. We just wanted to get to a point where we stabilized ourselves on pricing and then could continue to make changes throughout the remodel and reset."



Before - Fasteners



After - Fasteners



Exterior Construction



Interior Construction



Signage Used During Construction

Physical Adjustments

When it came to making physical adjustments, after the initial acquisition there was a long list of tasks on the list. While most would eventually be completed as the entire store was remodeled, expanded and retrofitted, some of the most immediate physical changes fell under the area of general housekeeping.

“I don’t know how else to say it, but the store had a number of opportunities for improvement,” Sieggreen says. “In this first phase after the acquisition, we didn’t necessarily go in there to tackle the major moves and renovations. We knew that would happen in the coming months, but from a physical standpoint, we just needed to do some basic maintenance.”

For starters, this meant repairing fixtures, filling displays, making sure endcaps and products were appropriately signed and priced—and even getting back to a regular cleaning schedule was high on the list.

“It was kind of like triage,” Holmes says. “In the immediate plan, there were the physical things that just had to be done right away, and there were the other items that needed to be done but didn’t require the same kind of urgency. And at Germantown, a lot of it just boiled down to good old-fashioned maintenance. It just needed a good top-to-bottom cleaning and tidying up. It wasn’t just the retail areas, either—the bathrooms, the backroom, storage and everything needed to be cleaned and organized.”

To accomplish some of these immediate improvements to the physical space, the transition team brought in additional help.

“When it came to cleaning and stocking and so on, we wanted the impact on the store’s shoppers to be minimal,” Sieggreen says. “We didn’t want to pull employees away from helping customers to focus on the cleaning and organization, and all those other things that had to be done, so we brought in additional help for these functions.”

Building a New Culture

Along with the physical changes taking place immediately after the acquisition of Germantown Hardware, the transition team quickly realized changes were also needed to ensure the employees at Germantown Hardware were meeting customers' expectations and needs.

Because Germantown Hardware had the opportunity to present itself to the community as a premium source for home improvement serving an upscale clientele, the transition team wanted to make sure customer service was positioned front and center for all employees.

"Whenever there is a business transition or change of ownership, you have to look at the culture in the company and make sure that the employee culture reflects the values the organization holds and the brand proposition they put forward," Helms says. "At Germantown Hardware, this needed to be all about creating a great shopping experience for the customers and being highly service-centric."

To create this focus, the team brought in a new store manager, Chris Clark. Together with other Germantown Hardware team members, he began focusing on rebuilding the employee culture around service.

Beyond service, however, the store also began taking operational cues from other CNRG operations to implement regular schedules for things like inventory management, processing price changes, operational disciplines and even tasks such as cleaning schedules.

"We wanted to create the systems an operation of this size and scale needs, to not only ensure tasks are done in a timely and efficient manner, but we also wanted to ensure the employees understood why these tasks were important and the role the tasks and the entire employee team plays in creating a superior experience for the customers," Holmes says.


With a plan for quickly turning Germantown Hardware around and setting the stage for the longer-term changes that were coming in the months ahead, Sieggreen says the business was well positioned to move forward.



"In some ways, our first order of business was to right the ship to make sure it didn't keep taking on water while we were moving forward with the bigger plans we had for the business," he says. "This team did a great job doing exactly that. They got it through that in-between period. Plus, when we started making even these basic changes, we knew right away the customers were responding."

According to Helms, this wasn't just a feeling. The customer response was tangible.

"The feedback we received almost as soon as we started changing things—adding assortments, beefing up the staff and focusing on customer service, from the vendor community, from the employees and, most importantly, from the customers—was overwhelmingly positive," he says.



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John Sieggreen, CNRG President and Executive Vice President
of Retail at Orgill



Germantown Hardware During Construction

03

EXTREME PLANNING PHASE

Extreme Planning Phase

Any project the scope of what Orgill, Central Network Retail Group (CNRG) and Tyndale Advisors were facing with Germantown Hardware requires a detailed plan to ensure the execution and outcome meet expectations.

It was also clear from early on with the Germantown Hardware project that different teams from within Orgill, CNRG and Tyndale Advisors would need to bring their resources to bear for the development, implementation and execution of this plan.

This “extreme planning phase” for what Germantown Hardware could become was nearly a six-month process and involved dozens of individuals from across all of these organizations. The development of this plan shines a spotlight not only on the detailed nature of the efforts involved in making Germantown Hardware a success, but also the broad range of unique insights available through the diverse team members at these organizations.

“I think you could almost do an entire case study just on the planning and cooperation between organizations and departments as it relates to this project,” says Phillip Walker, president of Tyndale Advisors. “We knew that what we wanted to achieve would require regular interaction, communication and input from a wide range of our resources, and being able to do this was a critical function for us.”

Building the Team

For even the most progressive independent retail operations, there is a limit to the internal resources they have available to them. This fact underscores the need to tap into the knowledge, insight and expertise a company like Orgill has at its disposal. Not only does the Orgill team offer a range of pricing, merchandising, store planning, marketing and IT experts, but through its subsidiaries like CNRG and Tyndale Advisors, Orgill has access to an even broader range of experts in areas like supply chain, retail services, store management, marketing and branding.

When it came to acquiring Germantown Hardware and utilizing the store as a living laboratory, all of these assets would help shape the direction of the project and help build the plan for strategy execution.

The first step in creating the detailed strategy outline for the future of Germantown Hardware meant determining exactly what resources would need to be brought together.

This team would need to include experts within:

- Project management
- Supply chain
- Retail services
- Technology
- Merchandising
- Branding
- Customer loyalty
- Marketing
- Store design
- Store services
- Retail management
- Pricing

With the areas of expertise identified and team members for strategic planning in place, the stage was set for building what would become a multiphase approach to turning Germantown Hardware into a successful retail laboratory, showplace and testing site that could help benefit all of Orgill’s retail customers.

Bringing the Team Together

While the strategic planning team didn’t officially hold its first meeting until October 2020, the Orgill team had already started gathering information about how they might be able to update Germantown Hardware even before the acquisition was completed in June.

“Germantown Hardware, when it was owned by the Wagner family, was a customer of ours,” Walker says. “Before the acquisition, they had come to us for help and a plan to make the store more profitable. They eventually decided to sell the business, but because they had been a customer and we were helping them try to develop a plan, we already had some insights into the kinds of things we thought were possible with the store and location.”

After the acquisition was finalized, however, it was time to start turning some of these concepts into reality. The transition team wasted little time bringing all of its resources together.

“We knew that, first and foremost, it was going to take ongoing communication between all of these teams to keep this plan on track,” Walker says. “So once we had the teams and their representatives defined, we set up schedules for regular meetings. There were people who would get together outside of those meetings to keep things moving forward, but we wanted to be able to have regular touch points with everyone on the team.”

From a practical standpoint, Walker and Jason Burdick from Tyndale Advisors served as project managers. Other teams from across CNRG, Tyndale Advisors and Orgill filled other roles during the process, including:

- **Construction and renovation oversight, permitting and government liaison** – To ensure the construction progressed on schedule and nothing fell through the cracks, this team focused on making sure the architect’s plans reflected the desired outcome, handled permitting and approvals with the community, managed construction, etc.
- **Retail services** – This team looked at the types of services the store offered, where there were service gaps and opportunities. They also examined the store layout and design to provide input on best practices for everything from adjacencies to overall layout.

- **Merchandising and inventory** – This team worked through the store’s current inventory and product mix to determine where there were holes and opportunities to expand product offerings. They also evaluated brands and worked through inventory optimization and SKU rationalization.
- **Marketing** – This team evaluated the Germantown Hardware brand position, determined marketing strategies and advertising tactics and focused on customer loyalty and retention.
- **Technology** – This team evaluated technology needs for the location, examined POS capabilities and updates and transitioned any database information from legacy systems.
- **Supply chain** – This team coordinated relationships with vendors and suppliers and worked together with the merchandising and inventory teams to ensure Germantown Hardware could meet the needs of its customers.
- **Business advisory and analytics** – This team both provided oversight for any business issues, due diligence, legal issues, etc. but also worked to provide the analytical information the entire team needed to make informed decisions.

“We also knew these different disciplines had the ability to call in other people from throughout the organization as needed throughout the process,” Walker says. “Everyone had their areas of expertise, but that didn’t mean that when one team finished their main area of planning they would just pass the baton to the next team and say ‘good luck.’ Everyone was in this from beginning to end.”

Working the Plan

After several initial meetings and input from the various teams, a plan, timeline and areas of responsibility were clearly defined. While a project of this size and scope might seem daunting to an individual retailer, the Orgill team leads were confident in their ability to execute.

“We communicate a lot,” says Chris Freader, Orgill senior vice president of retail services. “This was the first time we worked on a project together for Germantown Hardware, but elements of this team work together regularly on other projects, so we are accustomed to the process. It’s a very collaborative environment. We might be talking about something product specific, but anyone can weigh in with their thoughts, and that’s what makes the entire project better.”



Orgill Team Meets in Germantown Hardware's Eagle's Nest

Because the different representatives and teams working on the strategic planning for Germantown Hardware all brought a wealth of experience to the effort, they were also able to manage the inevitable twists and turns that occur in an effort of this magnitude.

One of the early “curveballs” the planning team had to face came when the scope of the acquisition changed multiple times.

The original plan for Germantown Hardware had CNRG acquiring the existing hardware store footprint, which had about 14,000 square feet of salesfloor space. However, shortly after signing off on that acquisition, the former owners offered up additional space in the same shopping complex.

“When this became available, it changed our plans in a variety of ways,” Walker says. “We knew we wanted as much square footage as we could get, so we just had to adjust on the fly.”

Then, shortly after understanding they would have access to additional square footage, the owner came back and offered up even more space—the entirety of the shopping complex.

“This required us to go back and adjust again,” Walker says.

Making these kinds of changes on the fly, while not ideal, were also not out of the ordinary for the planning team.

“We specialize in pivoting,” Freader says. “That’s the nature of a lot of the projects we work on, and again, while an individual retailer might only work on a project like this once or twice in their entire careers, our team handles these kinds of projects all the time. It’s hard to faze us.”

Building on Success

Throughout any remodeling or renovation project, the physical changes being made to a location create challenges as well as opportunities.

From securing permits and approvals from local agencies, to designing the changes that will be made to facilitating the oversight of the construction process, there are a lot of details to be managed.

This was certainly the case at Germantown Hardware, where the planning for the scope of the project changed completely on more than one occasion.

At first, the project was going to be focused on just retrofitting the existing store on its existing footprint. As the project progressed however, the Orgill, CNRG and Tyndale team were able to secure additional space previously occupied in the strip mall by another business.

This required the construction and design plans to change on the fly. Then, a short time later, the team found out they could access even more space in the property (essentially the entire strip center) resulting in another round of changes.

Changes on the property itself were also major, including: retrofitting an area that once served as a drive-through carwash, adding entrances, building a mezzanine level and completely reworking the salesfloor.

Throughout this entire process, the Orgill, CNRG and Tyndale team were able to leverage their range of insights and experience to streamline the steps of the renovation.

“We have a great deal of experience on our team that covers a wide range of the skills needed to facilitate this kind of project, from securing the proper permits and approvals to overseeing design and construction,” Walker says. “While most retailers might undertake a project like this once or twice, our team is involved in this scope of project on a regular basis.”

This project oversight and management is another example of how Orgill, CNRG and Tyndale bring their insights and experience to bear helping other retailers complete their projects successfully.

“Everyone had their areas of expertise, but that didn’t mean that when one team finished their main area of planning they would just pass the baton to the next team and say ‘good luck.’ Everyone was in this from beginning to end.”

Phillip Walker, President of Tyndale Advisors



04

Getting the Assortment Mix Right

GETTING THE ASSORTMENT MIX RIGHT

As part of the planning process, one of the earliest areas the Orgill team, made up of employees from Orgill and its subsidiaries, Central Network Retail Group (CNRG) and Tyndale Advisors, identified as an opportunity for improvement was to review and adjust Germantown Hardware's merchandising strategies.

Over time, the store had not addressed its product mix. The former owners were content to focus their sales efforts on the product categories where they did particularly well: lawn and garden, paint, outdoor power equipment and grilling.

This strategy, however, left a variety of customer needs unmet. The store, in its legacy state, made it difficult for customers to find the products they needed to complete a project. This also meant the store was leaving potential sales on the table and forcing customers to go elsewhere for their basic hardware needs.

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While the Orgill transition team addressed some of these “assortment gaps” in their immediate improvement plan for the store, there was a much broader plan for adding to Germantown Hardware’s selection. Also, because the team was able to more than double the amount of floor space available, the team was also able to do a complete review of other underserved categories.

Setting Goals

The primary goal for the review of the overall product offering at Germantown Hardware was to build a hardware store that would better meet the needs of the community by offering complete assortments across all of the core hardware categories.

In addition to offering a more complete presentation for Germantown customers, the planning team saw a broad range of opportunities for enhancing sales by offering more complete product assortments, transitioning to preferred vendors and mixing in private-label products where they made sense.

“We were really starting from ground zero, so we knew there was a lot we were going to be able to do,” says Jason Burdick, operational project manager for Tyndale Advisors.

While the team addressed some of the inventory holes and shortages of product on the shelves immediately after the acquisition was complete, a deeper dive into the store’s assortments and category presentations was needed to realize the bigger opportunities for the location.

The team also wanted to capitalize and expand on the product categories where Germantown Hardware already had a solid reputation: outdoor power equipment, lawn and garden, outdoor living and paint.

“We knew where their strong suits were, so in areas like lawn and garden and outdoor living, we just wanted to find ways to add to those areas,” Burdick says. “We also wanted the rest of the departments to be complete to a point that a customer could get everything they needed across the categories, not just those few where they were dominant.”

The Process

One of the first things the assortment planning team did to develop a plan of where Germantown Hardware could go was to turn to some of the insights they

had gleaned from other brands within the CNRG family. After all, CNRG and its multiple brands and formats serve as a living laboratory for Orgill to test retail concepts and refine programs for all of the distributor’s customers.

In the case of Germantown Hardware, the assortment team relied heavily on the merchandise mix from a handful of other CNRG operations, primarily Outdoor Supply Hardware (OSH) in Northern California and Town & Country Hardware in North Carolina.

The markets served and value propositions of these brands aligned with the vision the Orgill team had for Germantown Hardware, according to Phillip Helms, former CNRG/Home Hardware Centers senior vice president of merchandising services.

The product selection at Germantown Hardware was originally very, very fragmented. Even in areas where there was a lot of product, it wasn’t merchandised in full assortments, says Mike Pierre, pricing and merchandising analyst at Tyndale Advisors. “This left a lot of holes in their offerings. So we started by trying to fill those holes, and what we did was look at how we built assortments for Outdoor Supply Hardware. We started from the ground up,” says Pierre. “We looked assortment by assortment at the planograms we used at OSH. Then we looked at the other CNRG brands and kind of picked and chose the best of the best for what we thought would work for the Germantown market.”

The Orgill team took these assortments as a baseline and then examined them at an item-by-item level to see if there were any additional holes they felt needed to be filled.

“We did use a lot of our OSH assortments as a starting point, but then we also looked at some of our core convenient hardware brands under CNRG, such as Town and Country, to get a good representation of what else was out there that would be a good fit,” says Bryan Goldsworth, merchandising analyst at Tyndale Advisors.

The team also worked closely with Burdick to map out the evolving floor layout for Germantown Hardware to adjust the size of assortments to fit in the space available.

“Jason basically mapped out the space so we could determine how many 4-foot sections we had for a particular set,” Goldsworth says. “If the OSH set was 16 feet, and we’re only getting 12 feet, we knew what we would have to work with.”

In addition to adjusting the planograms to fit in the space available at Germantown, the team was also careful to make adjustments for popular brands or products that might have been more regional in nature.

While Germantown Hardware certainly had room for improvement in its product offerings, the assortment team didn’t want to discount the categories the store was known for. Likewise, they were also careful to not discount any information or data that they had from the store’s legacy owners.

“We knew they had a strong presence in lawn and garden and outdoor power equipment, and in areas like that, so we wanted to make sure the store would continue to be known for these areas, but we also wanted to expand on these areas and tweak them where needed,” Burdick says. “We also didn’t want to totally discount any data from the previous ownership. We didn’t want to change things that didn’t need changing, so we took all of this into account.”

Along with the assortments from other CNRG brands, item-by-item adjustments and legacy information, the assortment team also relied heavily on Orgill’s Hardware 101 assortments to fill any potential holes.

“The Hardware 101 process allows you to really check what you are offering to make sure there is nothing missing and that a customer can get from A to B on a project—and that you are going to have everything they need to do that,” Burdick says. “We really worked to bring all our information together and completed an item-by-item review.”

The team took about four months to complete the entire process and come up with a detailed plan.

It’s also important to note that, throughout this process, the team focused on building complete assortments that were right for the market. At times, this

included brands that weren’t necessarily part of Orgill’s stocking assortment, such as Stihl power equipment or Benjamin Moore paint.

“It doesn’t matter if it is a CNRG brand or not, if we are helping our customers, our goal is to help the retailer build a product presentation that is right for their market and that will help their business be more successful,” Goldsworth says. “We always take into account what the right mix is, whether that is an item Orgill stocks or not.”

In fact, the process the team went through reviewing, planning and implementing the assortment planning at Germantown Hardware was very similar to the process they go through with any Orgill customer, according to Phillip Helms, former senior vice president of merchandising services at CNRG/Home Hardware Centers.





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Bryan Goldsworth,
Merchandising Analyst at
Tyndale Advisors

The Finished Product

While the nature of any CNRG brand is that the project is never truly finished because the teams are constantly trying new things, overall, the assortment team was pleased with the initial merchandise implementation at Germantown Hardware.

“There were certainly things that popped up along the way that we didn’t expect, but in the end, I think we were happy with what we achieved at Germantown Hardware,” Burdick says. “I think we met the goals we set out to meet and the store now offers customers a complete A to Z assortment of hardlines and also still stands out in the areas where it has always been dominant.”

Goldsworth is also quick to point out, however, that as the Orgill team continues to get post-grand reopening data in from the newly reset and redesigned store, they will continue to evaluate the merchandise mix.

“We are always looking at the data to see what we feel is working and what might need to be adjusted,” he says. “We do this with all of our brands, and it’s how we continue to refine the assortments we put together. We share these insights across our organization so all of our teams can make more informed decisions to ultimately help our customers.”

Ultimately, for the assortment team, the success of their efforts really comes from the feedback and actions of customers. And according to Burdick, this anecdotal evidence would suggest the community has been pleased with their decisions.

“Germantown Hardware was in significant upheaval for the better part of a year,” he says. Lots of noise, lots of dust and lots of products being moved. Throughout all of this, the customers never wavered coming into the store. As the product started to come together, all we heard were positive comments from those customers. I think the biggest testament to overall the efforts, though, were the reactions we got at the grand reopening. Customers were just overwhelmed and grateful that ‘their store’ was so improved.”



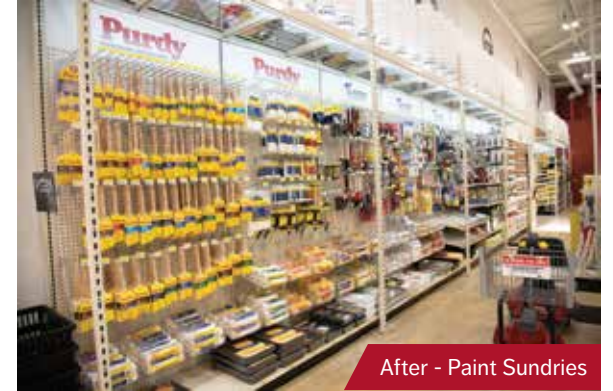
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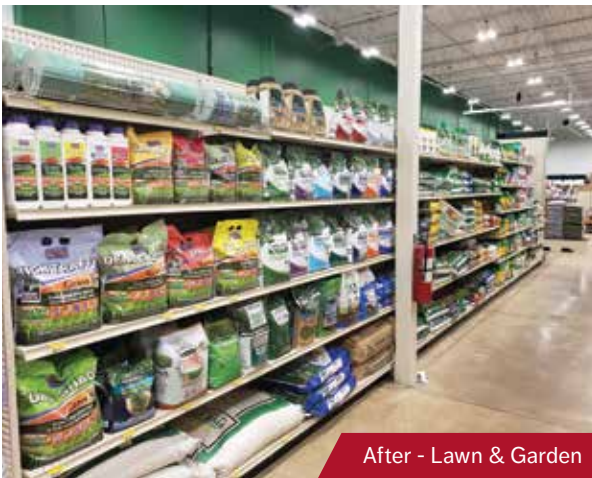
After - Rental



After - Nursery



After - Paint Sundries



After - Lawn & Garden



After - Cleaning Supplies



After - Endcap and Signage



After - Lawn & Garden

05

Merchandising Innovations

MERCHANDISING INNOVATIONS

Creating an appealing store environment included input from across nearly every aspect of the Germantown Hardware rehabilitation process. However, when it came to designing the retail space, the Orgill team, made up of employees from Orgill and its subsidiaries Central Network Retail Group (CNRG) and Tyndale Advisors, wanted to utilize the store as a palette of sorts to showcase leading-edge design and merchandising techniques.

After drawing up plans for the remodel of the store, CNRG was able to secure the two adjoining spaces in the shopping complex also owned by the former owners (the Wagner family) and previously occupied by non-competing businesses. With a larger floor space available for the new Germantown Hardware than originally anticipated, Orgill and CNRG amended their plans to include a remodel of the entire building and reset of the salesfloor.



Merchandising changes included reallocating space throughout the entire salesfloor to accommodate expanded assortments in every department. To make the most of the space available while expanding the SKU count, the team utilized space saving techniques that maximized merchandising while making products easy to find. Other merchandising solutions eliminated overstock stacked on top of gondola runs for a cleaner store appearance.

Lawn and garden, outdoor living, grills and outdoor power equipment had long been Germantown Hardware's strongest categories. To enhance the shopping experience and realize the full sales potential of these areas, the team gave them additional dedicated floor space, expanded assortments and repositioned them on the salesfloor for maximum customer exposure. The outdoor garden center grew the most, from 3,900 square feet to 10,162 square feet, with additional aisles dedicated to lawn and garden inside the store.

Because a traditional signage package wasn't the best fit for the layout at Germantown Hardware, the Orgill team also designed a new signage package utilizing icon graphics instead of words to simplify wayfinding. The new design eliminated potential sign pollution and also lent to a cleaner store environment.

The merchandising plan included a single-queue checkout configuration to promote impulse sales. Since the direct sales lift generated by a single-queue system can often be difficult to determine (particularly if the same products are stocked elsewhere in the store), the team decided to test a system of assorting checkout displays with items not duplicated elsewhere. The store design team also plans to use Germantown Hardware for testing other retail innovations, including experiments with category adjacencies.

Both now and in the future, Germantown Hardware will serve as a testing ground where Orgill can envision, test and develop new merchandising ideas for retailers who want to reset or remodel their own stores.

Aligning the Offering

After CNRG acquired Germantown Hardware, the primary task of the store planning team was to create a more well-rounded hardware store by realigning its department and category offerings. The store had strong business in lawn and garden, outdoor power equipment and grills. However, after many years of business without many updates to merchandise mix, layout or assortments, the store needed an overhaul to keep current with the needs of the community.

Outside of a few dominant departments, like lawn and garden and paint, most core categories lacked complete assortments. The store was likely losing sales to customers who were unable to get everything they needed for a project.

"One of our primary objectives was to get Germantown Hardware back in the hardlines business," says Phillip Walker, president of Tyndale Advisors. "The store had really been focusing on a few categories, which pulled in a lot of sales, but that unfortunately came at the expense of standard core hardware. Customers couldn't complete a project in the store. A lot of the assortments needed to be filled out and overhauled. We had a lot of conversations about what the business did well, what it needed to do better and how we could enhance those areas."

The Orgill team also saw potential to strengthen dominant categories. The solution began with realigning space allocation to reflect sales. Lawn and garden, for example, brought in 60% of the sales but only had 20% of the space on the salesfloor.

At the same time, it had been at least 20 years since the interior and exterior of the building had been updated or since the merchandising and floor layout had been changed. Signage and fixtures were antiquated. There was also no main power aisle suitable for mass displays or other promotional areas. A reset would give the team an opportunity to improve traffic flow and accentuate the store's existing dominant categories while strengthening core departments.

As the store design team began to map out the new store layout, their plans changed dramatically.

Germantown Hardware sits in a shopping complex. Prior to the acquisition, this complex also included an adjoining pool supply store and a car wash. Originally, CNRG was operating under the idea that they would only be able to utilize the space occupied at the time by Germantown Hardware.

However, with the Wagners owning the entire property, CNRG was eventually able to secure the space occupied by both the car wash and the pool supply store. While this offered more opportunity to expand assortments and categories at Germantown Hardware, it also created the need to quickly adjust the plans for nearly every area.

The final design increased the salesfloor space from the store's original 14,694-square-foot salesfloor to 23,220 square feet, plus space for a 10,000-square-foot garden center, a 3,000-square-foot shipping and receiving area and a second floor "observation area" with office space overlooking the entire store. The final total footprint of the store is now nearly 42,000 square feet, a 75% increase from before the remodel.

Building the Blueprint

The store design team worked in conjunction with assortment planners to devise a blueprint to overhaul the store's department layout, category adjacencies and traffic flow.

The goals of both the physical changes to the building and the store's new layout were to maximize exposure to key departments and create more promotional areas, such as endcaps and stackouts, while also creating a more open shopping environment with easier access to key areas.



Since the building would be going through major construction, including removing dividing walls between the former separate businesses (the pool supply store and car wash), project planners were able to take a very holistic approach to how the new building would function. While not as accommodating as building a store from the ground up, having access to the entire facility did present some opportunities for large-scale changes.

In many ways, the store design team were able to change the current facility to fit their plans, according to Walker.

"We relocated the entrances and created a construction plan to match our merchandise plan," he says. "That was a bit of a luxury compared to what we might normally have to work with in a store remodel."

The relocated entrance helped to divide the salesfloor into two areas. Hardlines departments sit to the left of the primary entrance. To the right are open display areas for patio furniture, grills and gondola shelving for lawn and garden. A power aisle running down the middle offers a line of endcaps and other promotional displays, such as stackouts and dump bins.

On the hardlines side of the business, one of the major layout changes called for moving the paint department to the front of the store, making it one of the first areas

customers see as they enter. A 1,600-square-foot paint storage area provides the inventory space needed to bulk up on inventory, a necessity for dominance in the pro and consumer paint market.

The addition of a separate exterior entrance leading directly to the paint department gives professional painters direct access to the paint service desk, helping strengthen Germantown Hardware's service offering with this customer base.

The new layout also consolidates the grilling department into one dedicated display area directly off the power aisle—where before, grill displays were scattered throughout the store. The space also allowed the Orgill team to bring in more grilling parts and accessories to enhance the overall transaction size of a grill sale.

Germantown Hardware was also known in the community for its strong lawn and garden offering. Through the store planning process, the team identified several ways to build up that department.

“Lawn and garden was one of the hallmarks of Germantown Hardware,” says Jason Burdick, operational project manager for Tyndale Advisors. “We wanted to take what they were doing well and bring it to a whole new level. We looked at other retailers who were doing very well in the category to see what lessons we could learn and what enhancements we could make.”

Inside the store, Burdick and the team more than doubled the linear space allotment for lawn and garden. The expansion included a greater SKU offering in ancillary categories such as wild bird, with the addition of new merchandise features, such as an arbor above the birding aisle for hanging bird feeders and houses. That category is also now visible to any customer entering the store.

Outside, the garden center increased from a 3,900-square-foot space for live goods to a 10,162-square-foot dedicated nursery area. In addition to a greater offering of plants, the area offers more fountains, statuary and other accessories.

Outdoor power equipment and rental received dedicated display areas toward the back of the store. The major addition to these departments was an enhanced and updated small engine repair shop with new equipment, new sales counters and a modernized shop.

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After -Sliding Racks

06

Putting the Plan into Action

PUTTING THE PLAN INTO ACTION

A Focus on Merchandising

Creating the changes to the Germantown Hardware salesfloor meant the Orgill team, including employees from Orgill and its subsidiaries Central Network Retail Group (CNRG) and Tyndale Advisors, drew on current and innovative merchandising designs and techniques.

“The remodel brought some dramatic changes, obviously, because we were going from a much smaller layout that had become fragmented over time to something more cohesive and much larger,” says Phillip Walker, president of Tyndale Advisors. “We drew upon best practices we’d learned from other CNRG brands as we looked for solutions to some of the challenges we faced in this remodel.”

One of the challenges the team tackled was using creative merchandisers to increase SKU count without dramatically increasing linear feet. The largest increases in department space went to key categories such



as patio furniture and grills. Other departments needed an increase in SKU count to fill out assortments, but didn't get an increase in floor space. To make the most of the space they had, the team used techniques such as sliding racks and sliding shelves.

"The overall square footage for some of our core categories didn't increase that much," says Jason Burdick, operational project manager for Tyndale Advisors. "We used space saving techniques to get the assortments we wanted, which included adding to the SKU count in most cases."

Dealing with overstock was another problem the new merchandising solved. Instead of overstock stacked on top of gondola runs, the new fixtures include innovative kickplate drawers (compartments hidden on the bottom of fixtures). There is also warehouse space in the back. The result is a cleaner looking store space that is more appealing to the Germantown customer base.

"For some stores, overstock on the top shelf is perfectly acceptable; it all depends on the individual store and the target customer," Walker says. "But the target customer coming into Germantown demands a cleaner, streamlined appearance. They're comparing their shopping experience here to what they

might get at a department store such as Target. Removing the overstock to where it was accessible, but out of sight, was important to us."

To update the overall appearance of the interior, the Orgill team swapped out older, black fixtures with newer, beige colored fixtures, which are more common in the retail industry today. Instead of fixtures being placed diagonally throughout the middle of the salesfloor, which was the previous layout, fixtures are now perpendicular to the wall.

There is also now a central aisle with opportunities for promotional merchandising, such as endcaps, stackouts and dumpbins. These displays, critical to driving impulse purchases and promoting a retailer's price image, will bring merchandising best practices directly to the showfloor at Germantown Hardware.

"Orgill is very strategic in helping retailers plan their promotional spaces, such as endcaps and stackouts, and it's one of the strengths of our merchandising program," Walker says. "We don't ask retailers to follow a predetermined assortment and auto-ship it to their store. Instead, we want retailers to create assortments that are relevant to their customers."



Testing a New Checkout

The redesigned checkout area at Germantown Hardware features a queue system. Customers line up along an aisle filled with impulse displays while waiting their turn for the next available checkout. For several years, retailers have had success generating impulse sales with the queue system while at the same time improving the customer experience. At Germantown Hardware, the merchandising team took the opportunity to continue to refine this system.

“We’ve created impulse queues in various store builds, but it’s always been difficult to get good metrics as to the effectiveness of the impulse displays. We never had good data as to which assortments were working and which ones weren’t,” Burdick says.

As part of the process of refining the checkout line, the Orgill team is experimenting with a new assortment tactic. In impulse areas, retailers typically include items repeated in other areas of the store. For example, batteries may be displayed at the front checkout, on a clipstrip by the batteries and on an endcap. At Germantown Hardware, products in the checkout queue will only be displayed at that single location. There will not be duplicate items merchandised elsewhere in the store, which will allow for more effective tracking of sales.

“Whatever is in the queue is unique to the queue. We can have raw data

and track what’s moving and what’s not. This will help us to determine the productivity of the queue system and how it’s driving sales,” Burdick says.

A Floor Plan that Makes Sense

Another aspect of the remodel was analyzing adjacencies throughout the store to determine if category placement was efficient and how they could maximize product exposure. Once again, Burdick and his team used best practices gleaned from other store remodels. For example, they’ve learned that when paint is the lead department in a store, there are other departments that naturally follow. In the revised floor plan at Germantown Hardware, housewares adjoin paint, followed by plumbing and electrical. Customers who are painting may be looking for other home decor items, such as new switch plate covers or plumbing fixtures.

Burdick and his team are also using Germantown Hardware to experiment with new ideas within individual categories. For example, the plumbing repair subcategory typically leads into the plumbing department off the main aisle. How would it impact sales to lead in with a different subcategory?

“We are going to use the opportunity at Germantown Hardware to experiment with different adjacencies to see how much they impact sales,” Walker says. “Maybe there’s a combination we haven’t tried yet that does well that we can put out there as a new best practice to recommend.”



Sliders — Used heavily in the plumbing and power tool accessories departments, sliding racks allow for increasing SKU count in a department without adding linear feet to the area.

Kickplate drawers — Especially useful for high-turn merchandise, a drawer under the bottom shelf, where the kickplate is normally located, gives sales associates quick access to overstock while keeping it out of sight until it is needed.

Slide-out shelves — A newer type of shelf accessory, slide-out shelves allow customers to access the entire depth of the shelf, which means merchandisers can stack more items in a small amount of space.

Four-way gondolas — Strategically placed throughout the store, four-way displayers are ideal for main aisles or open floor display areas to stock add-on items, such as rubs and sauces in the grill area.



Wing panels — Wing panels are effective ways to cross merchandise add-on items throughout a store. They are particularly useful for showing items not already merchandised in the adjoining aisle, such as a scrub brush with cleaning supplies.

Focus on paint — Another major change to the salesfloor layout at Germantown Hardware was the repositioning and redesign of the paint area to be front and center for customers as they walk in. Now, the area is set off as a store-within-a-store layout that leaves little doubt about the retailer's dominant position in the paint category. A separate entrance leads directly into the paint area creating added convenience for time-pressed customers and contractors.

Focus on grilling, outdoor living — These areas were always strong categories for Germantown Hardware. The new design positions them front and center and offers additional visibility to this dominant category.



Eagle's Nest — One of the most unique elements of the redesign at Germantown Hardware is the feature of a "eagle's nest." This mezzanine space sits above the salesfloor at Germantown Hardware and serves as both office and meeting facilities. It also provides a panoramic view of the entire salesfloor, making the space ideal for meetings or for guests of the facility to see the entire floor in action.

Repair and rental — Again, to support Germantown Hardware's strong position in outdoor power equipment, this area provides efficient room for repair services and sits adjacent to rental offerings.

Single-queue checkout — This redesigned checkout area creates endless opportunities to showcase impulse items to shoppers as they are on the way to the registers as well as creating a more efficient way to move customers through their transactions.



Category Signage and Graphics



Branded Promotional Signage

A New Signage Package

Signage is another area where the Orgill team is using Germantown Hardware as a testing ground. When developing the signage package for the store, the store design team wanted to use an alternative to traditional departmental signage.

Due to the way departments and fixtures were laid out, using traditional department signage would have resulted in too many signs that would be more confusing to the customer than helpful. Instead of representing departments with words, the team created new signs that use icon representation for each department.

To create less “sign clutter” and create open lines of sight for customers, signage hangs over the aisles and on endcaps. This accomplishes the goal of giving customers clear wayfinding throughout the store while keeping a very open view of the salesfloor.

“This approach has cut down on sign pollution in the store, and the result is a much cleaner appearance throughout,” Walker says. “Since we developed the new signage package internally, this new design will become yet another option we can offer to retailers who come to us for help with store design, and we can show them how it works at Germantown and provide them with a real-world example.”

Whether it’s adjacencies, signage or some other element of merchandising, Germantown Hardware will continue to be a place Orgill can test and refine new merchandising ideas as it builds best-in-class programs for retailers.

“Germantown Hardware is a testing ground for new ideas,” Walker says. “This is the place where we can start with a vision, develop it, execute it in a live retail environment and then make it available to other retailers. We’ll have a real-world example of how retailers can get these same outcomes in their stores.”



Wall and Aisle Signage



Services Signage



Rental and Repair Signage



Branded Signage

Expanding Store Services

Old Offering

- Screen Repair
- Lamp Repair
- Furniture
- Glass Cutting
- Pool & Spa Water Testing
- Key Cutting

Expanded Offering

- Key Fobs & Chips
- Glass Cutting
- Bulk Rope, Cable & Chain
- Grill Assembly & Delivery
- Lamp Repair
- Door Lock Rekeying
- Propane Exchange
- Small Engine Repair
- Chainsaw Sharpening
- Stihl & Echo Warranty Service
- Screen Repair
- Special Orders



07

Spreading the Word

SPREADING THE WORD

Reintroduction to the Community

With months of planning, construction and general changes, the Orgill team, made up of employees from Orgill and its subsidiaries Central Network Retail Group (CNRG) and Tyndale Advisors, wanted to make sure the community knew when the new Germantown Hardware was ready for its debut.

Just about a year and a half after the acquisition was finalized, Germantown Hardware welcomed members of the local community to celebrate its grand reopening in April 2022, with events that included a ribbon-cutting ceremony, a tour with city officials and a customer celebration.

“Even though there was a passing of the baton in the transition of ownership, we're still local,” says Phillip Walker, president of Tyndale Advisors. “We maintained the local community mindset.”



Germantown Hardware Brand Definition

- A *real hardware store* serving the Germantown community and Orgill organizational goals
- Local staff with a friendly, helpful attitude (aspirational)
- Primarily serves the homeowner, although frequented by DIY customers and professionals, especially for services
- Provides convenience for modern shoppers through eCommerce, loyalty rewards and services such as assembly, delivery and curbside pickup, small engine repair, special orders and workshop services

Dominant Product Categories

- Core Hardware and Fasteners
- Grills and Outdoor Living
- BGE, Traeger, Weber
- Lawn & Garden
- Live Plants, Pottery and Statuary
- Outdoor Power Equipment
- Stihl, Honda, Echo, Toro
- Household
- Paint and Sundries
- Benjamin Moore
- Seasonally relevant promotions, including gardening, pool supplies and holiday decor
- Competitive pricing on core- and high-visibility products; fairly priced on everything else

Key Service Categories

- Workshop Services
- Screen and Glass Repairs, Lock Services, Lamp Repairs, Knife Sharpening, Cut Glass and Plexiglass, etc.
- Small Engine and Riding Mower Repair
- Delivery and Free Assembly
- Rental/Truck Rentals
- Special Orders
- Curbside Pickup

There is a clear and intentional relationship between Germantown Hardware, Central Network Retail Group (CNRG) Tyndale Advisors and Orgill. The new Germantown Hardware leverages a long-standing community legacy with industry innovation. The location will act as a test environment for Orgill's experimental ideas in product selection, retail services and information systems.

"The idea was to reopen this beloved community hardware store, but in a bigger, grander way," says Charlotte Wells, client services manager for Tyndale Advisors. "Not just with the grand reopening party, which was certainly a big deal and a culmination of our work, but to serve the community better. It was about taking something that was already working and asking, 'How can we really be Germantown Hardware for this community?'"

The team's goal was to expand on what the former owners, the Wagners, had already done well for the community and make it even more convenient for customers to shop and offer more selection for them to choose from.

The reinroduction theme of the new and improved Germantown Hardware was "neighbors helping neighbors," and the transition team used merchandising techniques and interior design to drive this point home. But more than a tagline on the wall inside the building or in advertisements, it meant participating in community events and carrying the products locals needed and came to expect.

"We're carrying things that are important," Wells says. "A small example is that the city of Germantown requires residents to use clear leaf bags to dispose of their yard waste. This isn't the same in all communities, it's unique to this one. So, if we just used a standard assortment, it likely wouldn't include clear leaf bags. But, that's something you can find at Germantown Hardware because we know that's what the community needs. It's about being the neighborhood store that's helping neighbors."

Customer Loyalty

The transition team approached the Germantown Hardware event the same way they begin planning for any grand opening: with marketing. They first worked to develop a brand definition—an overview of what defines the brand and the key elements they need to use as a measuring stick when making marketing and strategic planning decisions.

According to Wells, the focus with Germantown Hardware was on serving homeowners and DIY customers and offering convenience. This included services such as eCommerce, the small engine repair shop and rental area—and a loyalty program.

“Loyalty was a big element. We needed to create an infrastructure for a loyalty program to help maintain that aspect of community engagement,” she says. “Then we translated that into a marketing plan to talk about how we would communicate that message.”

Germantown Hardware did not previously offer a store customer loyalty program. Because the transition team recognized the potential and return on investment a program like this presented, work began on building a rewards program first, even before the store had an eCommerce platform.

“From a marketing perspective, loyalty marketing is some of the most effective

marketing that drives a lower cost,” says Tony Foy, director of Tyndale Advisors marketing.

“The average ticket of a loyalty customer is so much higher than that of a non-loyalty customer,” Wells adds. “This is something for retailers to consider when thinking about where to invest their dollars to have the biggest return on investment.”

The Orgill team created a customized version of the FanBuilder® loyalty rewards platform, branded to the store and local market, to drive the new Germantown Hardware loyalty program, Germantown Hardware Rewards. More than just a loyalty program, the platform offered marketing tools to help drive customer engagement and traffic to the store’s website.

A year prior to the grand opening, the transition team began the soft launch of getting customers on board with Germantown Hardware Rewards. The team felt it was important to ramp up capacity and best practices ahead of a major event, so when it came time for the grand opening, the store was prepared.

April 2022, the month of the grand reopening, saw the highest rewards sign-ups. This was due in part to the emphasis placed on the program during the grand reopening campaign—customers needed to join Germantown Hardware Rewards to be eligible for the prize drawings held at the event.



Turnkey Solutions for Ongoing Marketing Needs

From the development of an initial plan for rebranding the store to designing a marketing and promotional strategy for its grand reopening, Orgill's Brand Building team and Tyndale Advisors Marketing (TAM) have worked closely with Germantown Hardware to create maximum awareness and impact for their efforts.

From circular design and development to social media campaigns, the management team at Germantown Hardware still relies on guidance and support from Brand Building and TAM consultants to ensure the store's marketing messages connect with local consumers.

This kind of guidance and ongoing marketing support isn't unique to Germantown Hardware. Both Orgill's Brand Building and TAM teams provide these same functions to a range of Orgill customers to meet their marketing needs.

Below are just some of the key areas where Brand Building and TAM provide services for Germantown Hardware on an ongoing basis.

Circular Development and Production:

- Select items to be featured (manage pagination and placement of products)
- Develop a retail strategy for featured items (ensure competitive prices in local market)
- Facilitate and manage circular proofing process
- Work with the Germantown Hardware team to provide general content direction

Promotional Endcap and Stack-out Management:

- Help in the selection of items and positioning within available locations
- Coordinate development of signage
- Maintain a seasonal promotional rotation

Google Business Profile Management:

- Respond to Google reviews
- Manage business information such as posted business/holiday hours
- Add updated photos as available

Social Media Management:

- Manage Facebook page content
- Monitor responses / analytics
- Boost posts as appropriate

Note: TAM also assists with paid content

Event Strategy and Support:

- Support major events (example: Grand Reopening/Anniversary Sale)

Note: Store Ops and TAM also play roles in event strategy, support and execution

Additional Marketing Efforts Supported by Brand Building and TAM:

Email Marketing:

- TAM develops and launches email marketing messages (approximately once per week)
- Brand Building reviews content and provides feedback

Note: TAM uses Campaign Monitor to launch content (using CNRG best practices)

Radio / Other Media:

- Managed by TAM using the CNRG model
- Brand Building involved as though partners

How Does FanBuilder® Work?

Customer loyalty programs have become increasingly popular with both retailers and consumers. They allow retailers to cultivate a loyal customer base that statistics show will shop more often, spend more in the store when they do shop and are more likely to become brand ambassadors outside the store. Consumers enjoy the personalized attention and rewards they get from these programs.

Orgill understands that having an effective customer loyalty program can increase customer retention, boost transaction size and allow retailers to be more effective in their marketing. They also know that no two independent home improvement retailers are alike. Independent retailers value the ability to tailor their operations to meet their customers' unique needs. A customer loyalty program needs to be highly customizable, easy to use and advanced enough to compete with the best of the best on the market today.

With those demands in mind, Orgill, together with its subsidiaries Central Network Retail Group (CNRG) and Tyndale Advisors, partnered with technology providers Feynman Group (now part of the Orgill tech team), POS and eCommerce partners to create FanBuilder®, a highly customizable, digital rewards platform.

The main features of the FanBuilder system include:

Branding

Each retailer can brand the customer interface of FanBuilder to their own business. The online customer portal and mobile app matches the retailer's brand, logos, colors and fonts. Likewise, all marketing messages carry the same branding, and messages—such as emails or notifications—can be configured to convey a retailer's unique content.

Customer Sign-up

FanBuilder makes it easy for customers to sign up to get rewards. It is fast and simple for both the customer and cashier. Cashiers want to encourage customers to sign up for the program, but they also want to keep the line moving. The customer also may not have the time to fill out the form. While FanBuilder allows customers to sign up in store, they can also sign up later online, using their mobile device or computer.



To start the process, the cashier will invite the customer to sign up at the register through the POS. Cashiers only need minimal information to get started: the customer's name and either an email or mobile phone number. Customers will quickly receive a confirmation text or email with instructions to register online and complete their profile at their convenience. They will then receive an enhanced receipt with rewards information included.

If a customer hesitates about signing up, they can opt to receive a one-time receipt of their transaction to their email or phone. They must still provide the same minimum information at the register, however, they won't be targeted for email or rewards until they join the program. When they get their one-time receipt, they will be invited to join the rewards program.

Once they sign up, their accounts are fully integrated with Orgill's eCommerce platform, meaning they will receive rewards for products purchased online as well as in store.

Customer Notifications

There are several ways retailers can notify customers of points balances or upcoming rewards. Customers will get transaction receipts with enhanced product information, including descriptions and images. These receipts are branded to a retailer's store. Receipts are available online in the customer dashboard and through email.

FanBuilder will send out notifications when a customer is close to a reward but hasn't made a purchase in a certain number of days. Retailers can customize the content of this notification and how close to the rewards it should be sent. The notification goes out via email or text message, depending on customer preference.

When customers receive a coupon, FanBuilder will send a notification when that coupon is close to expiring. The notification ensures customers do not forget about their coupons and is an extra push to get them back in the store. Again, retailers can determine how many days before the coupon expiration to send the notice.

Online Dashboard

Customers have instant access to their purchase history and rewards through an online dashboard. The dashboard is fully integrated into Orgill's eCommerce platform and can be integrated into other ecommerce platforms. It's also available without an ecommerce site.

Through the dashboard on a mobile app, customers can view their shopping activity, such as rewards balance, personal information, receipts, purchase history, rewards progress and coupons. The enhanced receipts in the purchase history allow customers to see all purchased items from stores within the brand. Receipts include product descriptions, photos and links to view product details and reorder online. Receipts are searchable, sortable, filterable and include both in-store and online purchases.

Customers will also be able to see their rewards and track progress toward their next goal. When a coupon is available, it can be scanned directly from a mobile phone or printed. Coupons also have a code so they can be used for online orders.

Coupons

FanBuilder's coupon feature allows retailers to completely customize promotional coupons. They can easily and quickly create new coupons for rewards customers or use the automatic coupons built into the system. Coupons can be assigned to the entire rewards set, to specific stores or customer sets and even single customers. Retailers can also set all coupon details, including the discount amount, expiration date and number of points required before a coupon is received. Additionally, one important feature in FanBuilder allows dealers who participate in Orgill's Integrated eCommerce program to offer coupons that work both in store and online. Importantly, for Orgill dealers in the Integrated eCommerce program, the FanBuilder coupons work both in store and online.

POS Integration

FanBuilder integrates seamlessly with Epicor Eagle, and as of the end of 2022, Orgill is about to roll out the integration with other POS providers, including BisTrack, Paladin, ECI Spruce and RockSolid MAX. The integration makes it easy for FanBuilder to provide the enhanced receipts and send directly to the customer's rewards account. Cashiers can easily scan coupons, register a new rewards customer or look up an existing customer to place a transaction on their account.

Store Systems Manager™

FanBuilder works with Orgill's proprietary Store Systems Manager™ software, allowing retailers to easily manage their rewards program. Custom configurations retailers can make include running bonus points events, editing coupons, managing notification content and managing rewards site content. Store Systems Manager also includes a customer support tool that allows retailers to make adjustments to individual accounts in order to best serve their customers, eliminating the need to call customer support to make customizations.

Reporting

Retailers have access to on-demand reporting functions so they can see loyalty usage at any time. There is also the ability to customize reports and filter for whatever type of data is desired.

The Grand Reopening Plan

The grand reopening not only reintroduced Germantown Hardware to the community and served as a powerful marketing tool for the store, but it was also an opportunity to showcase the work of the Orgill team and the Orgill services they leveraged as part of this major retail enhancement project.

“When planning the right story to tell and how we were going to get that message across, in the case of Germantown Hardware, it was how we wanted to have this big party to celebrate the reopening with people from the community,” Wells says. “We put a big emphasis on using local food vendors to help support the event. We also had Orgill team members help volunteer at the event. It was really about giving back to the community through having this event at the store.”

“We started down the path as we would any normal external client, or even a CNRG client brand,” Foy says. “And then we started customizing the plan as we got more information and found the best fit.”

“There's an event planning template that we can customize to whatever the customer needs, so we're going to be able to support the smallest retailer to the largest,” Walker adds.

The Orgill team also focused on communication during the construction process, which helped allay any customer frustrations about moving parts and created excitement ahead of the grand reopening. A map of the final store layout was posted in the store, and construction information was shared on the store website.

The Germantown Hardware grand reopening fell on the same week of the year the store had previously held an anniversary sale with coupons for plants and small outdoor living items under the Wagners' ownership. The team used this to their advantage when working on a grand reopening marketing campaign. Beginning several weeks before the event, the team used in-store signage and bag stuffers, circulars and more to fuel excitement in the community.

“We built this event with the Brand Building and Tyndale Advisors Marketing (TAM) teams working together on overall strategy and ads,” Wells says. The Brand Building team helped determine item selection for the sale, Doorbusters, Orgill programs and developed endcaps. And TAM designed the ads and offered a more customized approach.”

A sale flyer dropped the week of the event that had an insert advertising the event itself, along with pages of product promotions that were on sale for the event.

“We did some radio for the first time in that market, which advertised specifically around the event,” Wells says. “We also did email, social media advertising and some Google ads. Then we also had a meeting with local dignitaries and had a store manager attend the local Chamber events.

They were willing to send our message out in their messaging to the Chamber members. So we were able to also do some word-of-mouth, grassroots-type marketing through local contacts as well, which is really ideal. You want the local community supporting a store like this.”

In addition, the marketing team secured about 300 email addresses for local dignitaries and store owners, who were then invited, along with important customers, to a dinner reception for Orgill employees.

Putting the Plan in Place

The ribbon-cutting ceremony took place on April 12, 2022, and local Orgill team members toured the store on April 24 alongside local officials, including Janie Day, CEO and president of the Germantown Chamber of Commerce, and Mike Palazzolo, the mayor of Germantown.

The day of the grand reopening saw a large turnout. Orgill volunteers helped with directing traffic, handing out popcorn, filling up balloons and administering games with big prizes and giveaways, along with activities for children, which included a scavenger hunt.





Keys to a Successful Event

- Start planning as early as possible
- Involve the entire team in the event plan and make sure everyone understands the theme and goal of the event
- Ensure the event has a clearly defined goal and fits with the operation's overall brand
- Create a schedule and clearly outline everyone's role in the lead-up to the event and on the day of the event and beyond
- Make sure advertising and promotions are part of the plan from the beginning
- Make sure you are fully staffed (it's better to overestimate staffing needs than leave customers waiting)
- Don't forget to follow up post-event

Customer reactions when touring the newly remodeled store included appreciation for the expanded product and category selection—along with astonishment that this was the same neighborhood store they had shopped previously.

“Now customers see Germantown Hardware as a place where they can get everything they want without having to go to a big-box store,” says John Sieggreen, CNRG president and executive vice president of retail at Orgill. “They’re grateful for that local option with enough assortments, and a broad enough assortment, to be able to support all of their shopping needs.”

“The turnout was amazing,” Wells says. “We literally needed overflow parking and traffic direction. Members of the community really came out to support this store reopening and were very excited to see the changes that were made. It had a big impact on sales afterwards.”

The transition team also planned a smaller-scale event for the Saturday after the grand reopening as a backup in case of a rainy day, which would have been a disaster for the nursery and lawn and garden sale. But the success and numbers of the second Saturday almost rivaled those of the first Saturday event.



08

Learnings to Be Shared

LEARNINGS TO BE SHARED

According to Phillip Walker, president of Tyndale Advisors, Germantown Hardware truly is a showplace and example for other stores. Located within miles of Orgill's headquarters, the store presented an opportunity to bring all of the Orgill's resources and people together on one project.

"Everyone could easily visit and lend their expertise on how to mold it into this model of what a community hardware store could be," he says. "It's a great representation of what both Tyndale Advisors and Orgill have to offer to our customer base. When customers or prospects come to Orgill, we can now take them to a local store and show them our retail recommendations in action. This store is proof that we're not just suggesting these changes—we are putting them into action in a real-world retail environment because they work."

Comp Store Financial Analytics vs. 2021

	2021 Performance	2022 Performance Improvements
Sales	\$2.87M	+39.3%
Average Ticket	\$38.17	+18.4%
Margin	41.49%	+109bp
Gross Margin Dollars	\$1.19M	+43%
Transactions	75,000	+17.7%

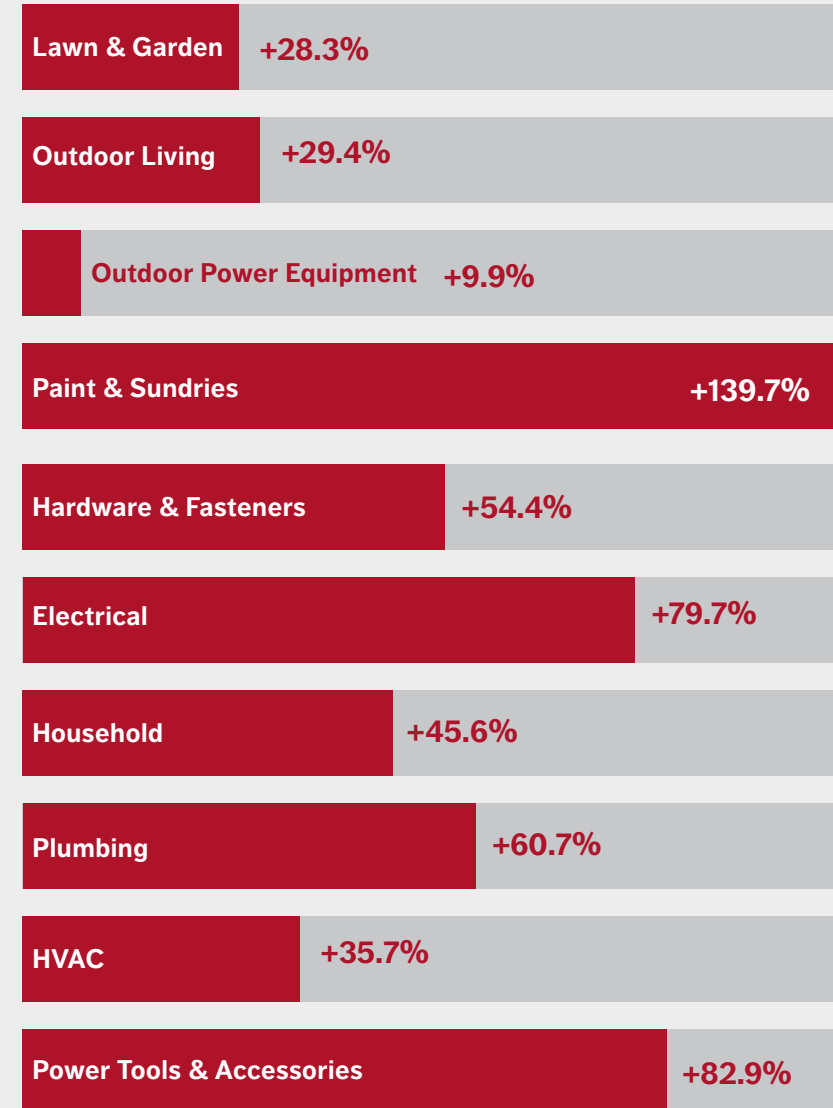
“Germantown Hardware is fully operating as a community hardware store, but at the same time, we’re taking lessons from this that would be relevant for any dealer because we’re operating this store 100% as a neighborhood store,” says Tony Foy, director of Tyndale Advisors marketing. “We intend to share everything we learn with our customers, because most dealers aren’t going to go to the level of trying things, measuring them and validating results like this.”

Foy adds that looking back at the transaction count from April 12, which was the first day of the grand reopening event, to now, year-over-year is up nearly 20%.

“There was a big peak on the weekend of the main event, but even after that, the transaction count lift in this climate has remained above 20%, which is particularly impressive as the rest of the industry is experiencing declining transaction counts,” he adds.

Top 10 Departmental Sales % Increase vs. 2021

Year to date as of 7/31/2022



09

Testimonials: Project Insights

IMMEDIATE IMPROVEMENTS

“We knew that there was a lot we could come in and do to help the business improve right away. But we also wanted to look beyond the typical business improvements that we felt we could implement. We saw an opportunity to really embrace Germantown Hardware as a local laboratory.”

John Sieggreen
CNRG/Orgill

WORKING WITH ORGILL

“Our teams are exposed to so many businesses out here as opposed to an individual who is immersed in one store and they don’t get to measure that against what is taking place outside their four walls.”

Raymond White
CNRG

IMMEDIATE IMPROVEMENTS

“First thing, after generally doing a cleaning and organization of the store, was to look at these core categories where they had sort of lost. In a lot of ways, these categories, like builders hardware, plumbing and electrical, were low-hanging fruit for improvement.”

Chase Holmes
CNRG

ASSORTMENT PLANNING

“We could see that customers were buying items the store just didn’t have before, and not only was this creating an immediate sales lift, but by adding complete assortments with complementary vendors and products, we were also able to make an immediate impact on margin.”

Raymond White
CNRG

COMPANY CULTURE

“In some ways, our first order of business was to right the ship to make sure it didn’t keep taking on water while we were moving forward with the bigger plans we had for the business. This team did a great job doing exactly that. They got it through that in-between period.”

John Sieggreen
CNRG/Orgill

WORKING WITH ORGILL

“Everyone had their areas of expertise, but that didn’t mean that when one team finished their main area of planning they would just pass the baton to the next team and say ‘good luck.’ Everyone was in this from beginning to end.”

Phillip Walker
Tyndale Advisors

FLEXIBILITY

“We specialize in pivoting. That’s the nature of a lot of the projects we work on, and again, while an individual retailer might only work on a project like this once or twice in their entire careers, our team handles these kinds of projects all the time.”

Chris Freader
Orgill

WORKING WITH ORGILL

“It doesn’t matter if it is a CNRG brand or not, if we are helping our customers, our goal is to help the retailer build a product presentation that is right for their market and that will help their business be more successful.”

Bryan Goldsworth
Tyndale Advisors

STRATEGIC PLANNING

“Orgill is very strategic in helping retailers plan their promotional spaces, such as endcaps and stackouts, and it’s one of the strengths of our merchandising program.”

Phillip Walker
Tyndale Advisors

LOYALTY PROGRAM

“The average ticket of a loyalty customer is so much higher than that of a non-loyalty customer. This is something for retailers to consider when thinking about where to invest their dollars to have the biggest return on investment.”

Charlotte Wells
Tyndale Advisors

HAPPY CUSTOMERS

“Now customers see Germantown Hardware as a place where they can get everything they want without having to go to a big-box store. They’re grateful for that local option with enough assortments, and a broad enough assortment, to be able to support all of their shopping needs.”

John Sieggreen
CNRG/Orgill

“The feedback we received almost as soon as we started changing things—adding assortments, beefing up the staff and focusing on customer service, from the vendor community, from the employees and, most importantly, from the customers—was overwhelmingly positive.”

Chase Holmes, Vice President of Operations at CNRG/Home Hardware Centers



10

About Us

About Orgill

Orgill was founded in 1847 and today is the fastest-growing independent hardware distributor in the world. The company serves retailers throughout the United States and Canada, and in more than 50 other countries.

Worldwide Distribution & Retail Services - Orgill serves more than 11,000 retail hardware stores, home centers, pro lumber dealers and farm stores throughout the United States and Canada, and over 50 countries around the world.

Product Selection - Orgill retailers have immediate access to more than 75,000 SKUs in each of the eight distribution centers. Drop Ship programs are available from the industry's leading manufacturers.

Sales & Customer Service Teams - More than 350 Orgill field representatives are strategically located throughout North America. These highly trained men and women work side by side with customers to help identify and address opportunities in the dealer's local market. Our field staff is supported by a highly skilled team of customer service specialists located in each distribution center, as well as our Collierville home office, who are always a phone call away.

Your Independence - There are no membership fees required to be an Orgill customer. Our focus is on enhancing the strength and effectiveness of the dealers' local brand.

About Central Network Retail Group (CNRG)

CNRG is a multi-format, multi-brand company operating more than 140 hardware stores, home centers and lumberyards throughout 16 states across the U.S. The company was founded in May 2011 by Jimmy R. Smith, president of Natchez Home Center LLC, and Boyden Moore, president of Tyndale Advisors. In addition to the founders, Doug Gregory, president of Morrison Terrebonne Lumber Company, joined the board as a partner in November 2011.

CNRG currently manages more than 140 stores made up of 17 brands in 16 states with a variety of store formats. While all of their stores have large hardware and paint departments, strong staff and deep roots in their communities, they do vary in their focus and customer base.

Brands operated by CNRG include the following:

Hardware Brands:

These brands generally serve homeowners and DIYers with a focus on paint, outdoor living (grills, bird supplies and outdoor power tools) and household supplies, etc., backed with strong hardware sections. The customer mix is generally less than 20% pro-contractor and there is little to no lumber at these locations. These brands include:

- Town & Country Hardware – 8 locations in North Carolina
- Elliott's Hardware – 5 locations in Texas
- Parkrose Hardware – 5 locations in Oregon and Washington
- Buck's Bargain Center – 2 locations in Mississippi
- McLendon Hardware – 7 locations in Washington
- MAC'S – 14 locations in North Dakota, South Dakota and Minnesota
- Outdoor Supply Hardware – 12 locations in California
- Germantown Hardware – 1 location in Tennessee
- Frattallone's Hardware & Garden – 22 locations in Minnesota

Pro-Contractor Focused Brands:

These brands primarily serve builders, remodelers and other contractors with stock lumber and generally offer an array of contractor services. Along with lumber, sheet goods, insulation and other commodities, these locations also have strong paint departments and are backed with strong hardware sections. While contractor focused, many of these locations also attract homeowners and DIYers to varying degrees. These brands include:

- Morrison Terrebonne – 2 locations in Louisiana
- Harvey Home & Hardware – 1 location in Georgia
- Moore's Lumber & Hardware – 1 location in Georgia

Home Centers and Small-Town Brands:

With locations in small, medium and large towns spread out over a number of states, these brands offer a mix of lumber, retail, paint, appliances, toys and strong hardware departments. Many of these stores feel like general stores for the small, rural communities they serve. Others are slightly more contractor focused, and some more retail and DIY focused. The common theme is a strong range of stocked products, friendly local staff and free popcorn by the front door.

- Marvin's – 28 locations in Alabama, Mississippi, Georgia, South Carolina and Tennessee
- Home Hardware Center – 22 locations in Alabama, Arkansas, Mississippi, Louisiana and Tennessee
- LumberJack Building Centers – 5 locations in Michigan
- Taylor Foster Hardware – 1 location in Georgia
- Hiawassee Hardware – 1 location in Georgia
- Habersham Hardware – 1 location in Georgia

About Tyndale Advisors

With offices in Eugene, Oregon, and Collierville, Tennessee, Tyndale Advisors is a wholly owned subsidiary of Orgill, Inc. Tyndale works closely with CNRG brands as well as many independent hardware-industry retailers who do business with Orgill.

Tyndale embodies its slogan, to “help remove obstacles to growth,” by supporting independent home-improvement retailers with a complete suite of retail-management tools across four core areas:

Business Advisory Services – Guidance and insight for operational improvements, strategic planning, accounting and finance, acquisition strategies and more.

Merchandising Solutions – Full-service merchandising solutions including store planning and design, project management, interior and exterior signage, merchandising, inventory, product location and more.

Human Resources – Policy reviews, compliance practices and audit services, as well as employee programs including engagement, development and retention.

Marketing – A complete range of branding and marketing support, from brand-strategy consulting and website design to media buys, in-store experience consultations and a complete array of creative services.

Technology – Total retail-technology solutions, from tech consultations and analytics to infrastructure, eCommerce and software solutions.



ORGILL

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