

CASE STUDY



Store Refresh & Smart Start Implementation

K&C Supply

ORGILL

K&C Supply

Store Refresh & Smart Start Implementation



Blanco, TX



25+ Smart Start assortments implemented



100+ linear feet of product resets

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Executive Summary

Located in the rural community of Blanco, Texas, K&C Supply was purchased in January 2021 by Jim and Dana Bundick.

Jim had a background working in the home improvement industry, and the couple had been looking to purchase their own retail operation for a number of years. They had even purchased fixtures and products and registered the name Outlaw Lumber before finding a property. After brokering the deal to buy K&C Supply, the Bundicks set in motion a plan to expand the store's product offering.

Prior to the Bundicks' purchase, K&C Supply was known as a feed store that also sold some lumber, pipe, fencing, trailer supplies and a small selection of hardware items from its 5,000-square-foot salesfloor, drive-through lumberyard and outdoor storage areas.

After taking ownership, the couple added additional inventory and fixtures they previously purchased. This immediately expanded K&C Supply's offering to be more reflective of a traditional hardware store. However, because the products, fixtures and layout were cobbled together from existing merchandisers, the store was left with what Jim described as a "hodgepodge" of assortments and products.

The store's legacy supplier was Texas-based BATTERY Hardware. However, Jim had worked with Orgill in his previous positions, so he knew the Collierville, Tennessee-based distributor well. After establishing a relationship with Orgill as K&C Supply's primary supplier, the Bundicks enlisted Orgill's Business Development team to identify how to broaden their assortments, take advantage of additional opportunities in the market and improve their merchandise presentation.

K&C Supply's Orgill Business Development Manager Mike Musselman worked together with Orgill Retail Development Manager Mike Barker to come up with a plan for the store. After examining the store's assortments and presentation, Barker decided that Orgill's Smart Start program would be the ideal way to achieve what the Bundicks were hoping for.

The Bundicks also worked with Barker and Orgill's internal point-of-sale data team. Together, they developed a plan that would ultimately include the implementation of more than 25 Smart Start assortments representing more than 100 linear feet of product resets. Additionally, they added 30 linear feet of resets within the power tool accessories area that Orgill facilitated directly with the manufacturer.

The Smart Start program allowed K&C Supply to augment their assortments and clean up their merchandise presentation. Plus, the Smart Start merchandise buyback credits helped offset costs for new merchandise and labor to implement the reset.

Shortly after first meeting with the owners, Orgill teams came in to complete the store's product lifts, retags and resets. The entire onsite process was done within five days.

The results were immediate. The Bundicks say that they have sold more product to existing customers than ever before, and customers who'd never shopped in their store are coming in to browse their expanded assortments.

Overall, they said the entire process was an unqualified success for them and they would highly recommend that other retailers explore their options with Orgill.





01

The Blanco Market

BACKGROUND

Blanco, Texas, is located in the heart of the state's Hill Country. It sits approximately one hour north of San Antonio and about one hour southwest of Austin. This location places the rural community within driving distance for individuals who want to split time between city and country living.

The city's Main Street comes straight out of central casting with a genuine Western feel, with small shops surrounding the Old Blanco County Courthouse that was built in 1885.

Because of its proximity to major cities, its small-town feel and attractions like a state park and nearby Blanco River, the community has grown in recent years. The area's housing stock ranges from newer custom homes to older, lower-priced units. Although the city of Blanco has less than 2,000 residents, additional households dot the surrounding county stretching from Blanco to the major cities it borders.

Like other communities throughout rural Texas, many of the area's residents also engage in rural lifestyle pursuits, ranging from pet ownership to small hobby farms to other activities, such as hunting, fishing and land maintenance.

From a home-improvement standpoint, the community of Blanco sits a fair distance from any major retailers. The nearest Home Depot is about 25 miles outside of town and the nearest Lowe's Home Improvement store is 40 miles from the city center.

In the past, the community's home improvement needs have been met by several small, independent hardware stores and lumber dealers. In addition to K&C Supply, the Blanco area is currently home to one lumber dealer, JM Wood Products, a small Ace Hardware store and a Tractor Supply store.



Corporate History

Jim and Dana Bundick's journey in the hardware industry began shortly after Jim left the United States Army as a veteran of Operation Desert Storm during the early 1990s.

When an injury forced Jim to cut his military career short, he returned to the Texas community he called home to attend college and began working part time at Pate's Lumber and Hardware outside of Comanche, Texas.

As Jim worked to finish a degree in finance, he continued working at Pate's. After finishing his education, Jim tried several jobs but always found himself being drawn back into hardware retailing. In addition to his stint at Pate's, Jim also managed a small hardware store in Lampasas, Texas, before landing a job with Foxworth-Galbraith, a Texas-based lumber and building materials provider with about 40 locations in the Southwest.

"I think I picked up a little bit about running a hardware business from every one of the places I worked," Jim says. "I learned about how you have to treat customers, know a little bit about every area of the business and how it runs. But I also really started to learn that I wanted to run my own business, and that's when I started looking for a store that I could buy."

It was around this time that Jim met Dana, who was working at a local bank. As their relationship grew, they shared an aspiration to one day work together as small business owners.

Just as Jim and Dana were entertaining the idea of branching out on their own, Jim received an offer from Foxworth-Galbraith to manage a store, but the move into management would also require him to move farther away from the community he loved. With several opportunities in front of him, Jim knew it was time to make a decision about his future.

That's when Jim and Dana became more aggressive in searching for a hardware business to purchase. They looked at several options in nearby communities, but none of them were an ideal fit. But Jim finally got the call he'd been hoping to receive.

A business broker Jim had been in contact with reached out to him with information about a store in Blanco, Texas, called K&C Supply. The business was being run by Kirk Felps, who was looking to transition into retirement.

"When I first met with Kirk, the store had been more of a feed store and trailer supply type business, and they had started bringing in more hardware because there was really no other place in the community for the folks to get it," Jim says. "I really saw the potential in it and the potential in the community. The community really needed a business that could provide it with better options."

Excited by this new opportunity, Jim began working in earnest with Felps to come up with a financial scenario that would allow him to take over the business and invest in getting the store up to what he envisioned.

"Kirk [Felps] was very flexible working with us, and we developed a plan that made sense," Jim says.

Once the financing was secured, the couple began making their dream of hardware-store ownership a reality. Prior to acquiring K&C Supply, Jim and Dana had already laid the other necessary groundwork required to open their own business. In 2019, Jim had created and registered a limited liability corporation (LLC) with the state of Texas under the business name of Outlaw Lumber.

"Yes, we created an LLC without actually having a physical location because we really knew what we wanted to do," Jim says. "There were certain tax benefits offered by Texas for veterans who opened small businesses, and we wanted to be able to take advantage of those."



With the store purchase complete, Jim and Dana had a business name, inventory and a lot of ideas about what they wanted the business to become. In fact, Jim and Dana had inventory and fixtures in storage to integrate into their new venture.

"We knew we wanted to run our own store, and about a year before we bought K&C, we had the opportunity to buy the inventory and fixtures from another local store that was going out of business," Jim says. "Our daughter was driving and saw a sign that another local store was closing up, and we went in and made a deal to buy them out. We just stuck everything in storage until we found a location where we could actually use what we bought."

“I knew from all the years of experience I had working in hardware stores that Orgill was well established. When we came here, we knew we had a lot of holes to fill, and we just felt Orgill could help us along that path.”

Jim Bundick, Co-owner of K&C Supply



02

BUSINESS TRANSITION

A New Era for K&C Supply

With a deal in place, Jim and Dana became the owners of K&C Supply in January 2021. Now that their dream of owning a store had come into focus, they set about the hard work of transitioning the business into what they had envisioned.

They knew they would need to choose a distribution partner that could support them. For the Bundicks, this choice was easy.

“When we purchased the store, there was an existing relationship with BATTERY Hardware, a regional hardlines wholesaler,” Jim says. “They did an okay job, but we kind of inherited the relationship, and I wasn’t sure it was a good fit for us over the long term.”

Jim says he was first introduced to Orgill during his time at Pate’s, and felt Orgill might be more in line with where he wanted to take the new business.



“I knew from all the years of experience I had working in hardware stores that Orgill was well established,” he says. “When we came here, we knew we had a lot of holes to fill, and we just felt Orgill could help us along that path.”

The couple also discovered the K&C Supply brand carried a bit of weight in the community. While they had already registered Outlaw Lumber as their corporate name, they decided to continue operating as K&C Supply for the immediate future.

K&C Supply was known as a solid supplier of items such as fencing, construction pipe, trailer supplies, hand tools, paint, electrical and plumbing supplies. And while the selection was neither deep nor broad, the community had an affinity for the brand.

The store’s customer mix was roughly 45% farm and ranch; 25% plumbers, electricians, fence builders and other tradesmen; and the balance was walk-in traffic. Its walk-in customers sought supplies for typical home improvement projects and more lifestyle-focused items, such as hunting gear or wild animal traps.

“When we took over, there was a lot of concern from the community about whether we were going to change everything up,” Jim says. “The owner and the K&C Supply name meant a lot to the community, and they had been really good supporters of the community in the past. So, at least for right now, that’s something we decided to keep.”

Jim says they wanted to be careful to look for ways to augment their product offering for the community and keep the items the store was known for, even if those products didn’t fit neatly into the definition of a traditional hardware store.

“This store sold, and still sells, a lot of pipe that is used for fencing and other purposes. We stock new pipe, used pipe and a lot of the items you need for these kinds of things, and we knew we weren’t going to change that,” Jim says. “That’s another reason we knew Orgill was going to be a good fit for us, because they would take those things into account as we were developing a plan to round out our assortments.”

The Challenges

Because K&C Supply's roots were in selling feed, farm and ranch equipment and trailer supplies, the operation's hardware assortment grew over time. Without much guidance or support from their previous supplier on assortment strategy or merchandising, the legacy owners of the business added products wherever they would fit.

After taking ownership, the Bundicks began cleaning up the store's assortment, adding in fixtures and inventory they had in storage and creating a more extensive and cohesive merchandising presentation for their customers.

The store itself, which sits inside a 5,000-square-foot corrugated aluminum building, presented some merchandising challenges for the Bundicks. The front half of the store featured departments such as lawn and garden, workwear, animal health products, hand tools and paint supplies, while the back half housed plumbing, electrical, more paint and sundries and pet supplies.


The location also has an outdoor lumber facility, a sizable backroom for product storage and a large outdoor storage area for larger items such as gates, fencing supplies, pipe and outdoor furniture.

Because the store had grown its categories over time, and with the addition of the purchased inventory and fixtures from another store, the overall look was a loose collection of assortments. Fixtures were different heights, and colors and products were scattered throughout the store in ways that allowed the merchandise to fit, but didn't present customers with a cohesive flow.

The management team knew even though they had augmented the products carried by the previous owner and reworked the salesfloor to accommodate a broader selection of items, they still needed help identifying holes in their product offering, maximizing their salesfloor space and creating a more appealing presentation.

"We knew that we had cobbled a bunch of things together, but it was really just Dana, myself and the staff trying to get everything set up after we bought the business," Jim said. "We were at the point where we had kind of done all that we could do, and it was time to turn to the experts at Orgill for some guidance and help."





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Jim Bundick, Co-owner of K&C Supply



03

STRATEGY

A Plan for Improvements

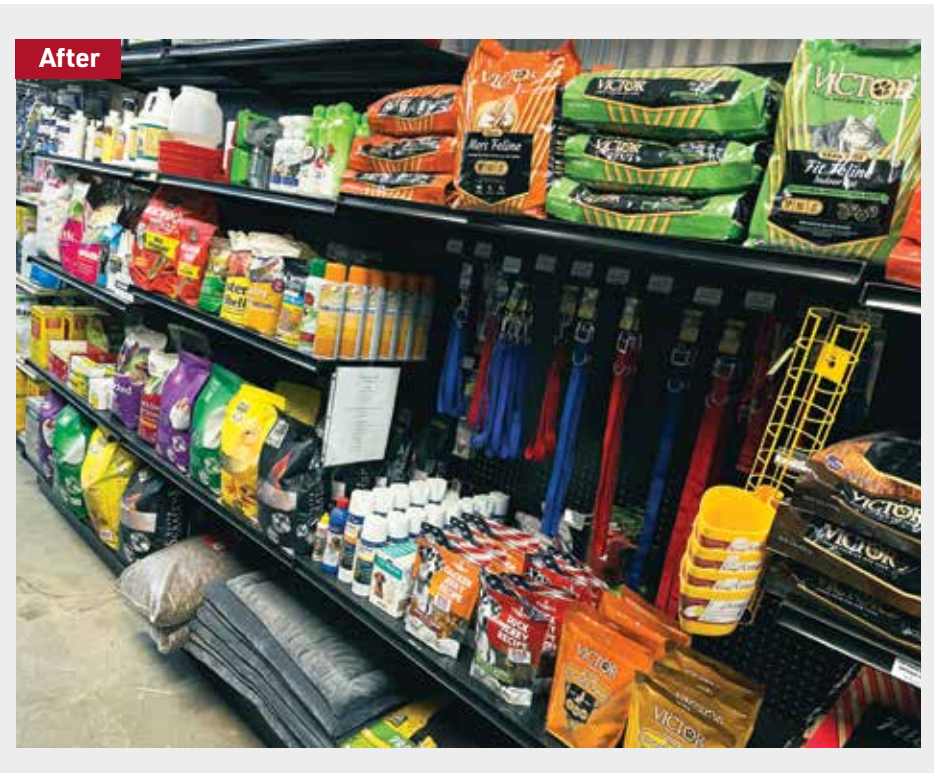
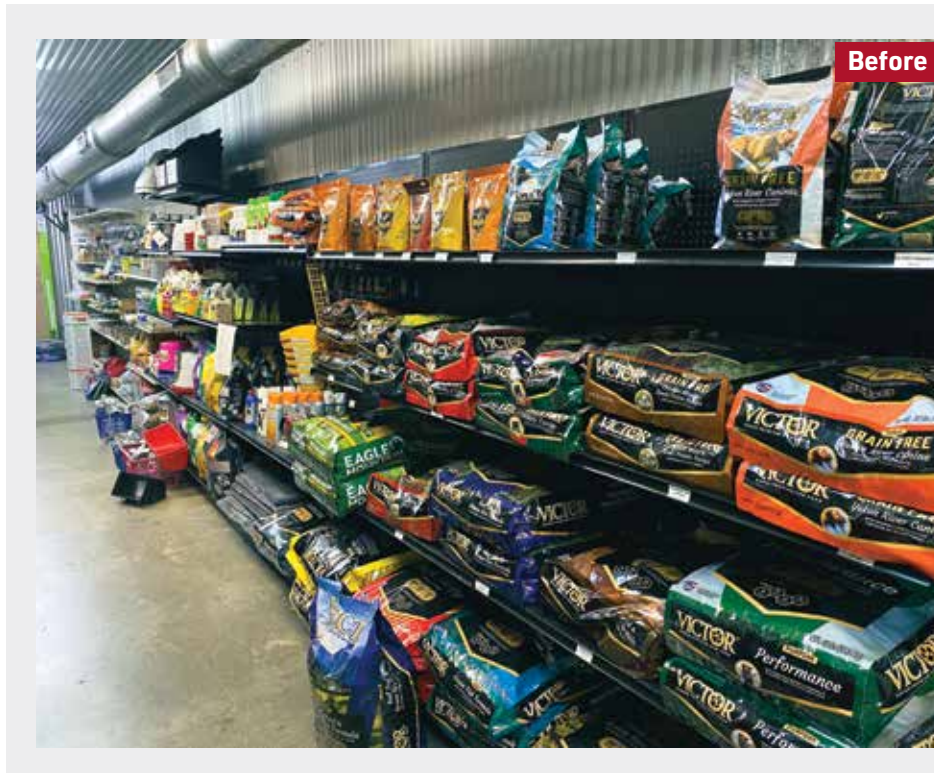
When it came time to build an operational improvement plan, the Bundicks relied on Orgill's insights and expertise.

During their initial search for a store, the Bundicks began working with Orgill Sales Representative Mike Musselman who recommended Orgill's Market Driven Retailing (MDR) study to help them better understand the market and its potential.

Orgill's MDR studies provide retailers with measurable data about a market to assist them in guiding business decisions. The primary objective is to provide insights into how a store is positioned compared to others in a market, and identify opportunities for growth.

An MDR study is often Orgill's first step in helping retailers who are looking at opening or expanding their operations, or beginning growth-focused projects or realignments.

"The MDR process really provides us with data to back up any assumptions we might make about where there are opportunities for a retailer to grow or gain market share," Musselman says. "It's a proven process and helps give us a roadmap of where to go next as well as giving the retailer confidence in the decisions they are making."



For the Bundicks, the MDR study confirmed the Blanco market was ripe for growth and was being dramatically underserved by other home improvement providers. It also provided a clear overview of product categories to focus on.

“I had never seen anything quite like it,” Jim says. “There was surprising data. It showed us things that people couldn’t buy in this area. For example, there was no paint available within 30 miles of Blanco. It showed different product categories and a distance people would have to drive to get them. It confirmed this was the right location for us.”

Armed with the information provided in the MDR study, the Bundicks relied on Musselman’s help to harness other Orgill resources and turn these insights into a solid plan for growth.

For that next phase, Musselman enlisted the help of Orgill’s Retail Development Manager Mike Barker.

Orgill’s Business Development team and its specialists like Barker work with retailers who are considering growth-focused projects. They help retailers transform their stores by enhancing assortments, reworking their merchandise presentation, adding categories and engaging in myriad other operational improvements.

“Our team of RDMs come in because they really understand all of the different services we can offer a retailer to help them improve their operations, and they know the ins and outs of our assortment planning and category management tools,” Musselman says. “We know the customers and the market, and the RDM becomes the specialist who can take a customer’s idea of where they want to go and utilize the programs Orgill offers to make that vision a reality.”



Before

A Multi-Faceted Solution

With the MDR study complete, the store open, shelves stocked and customers coming to K&C Supply, the next step in the store improvement process was for Barker to visit the location.

“This first visit is one of my favorite parts of working with retailers,” Barker says. “I get to see so many stores and help them find ways to grow. Every time we walk into a business, we are very much bringing a new set of eyes on the operation and using our insights and experience to draw out a roadmap for helping that retailer be more successful.”

During Barker’s first visit to K&C Supply, he walked Jim and Dana through the process he uses with all the customers he works with. Before the process starts, however, Barker is very clear about one thing.

“I always let the owners I work with know that throughout this process, I am going to make suggestions, but they are going to make the decisions,” Barker says. “We are going to use our insights to provide them with guidance, but it is their business. We aren’t going to push them into doing anything they don’t want to do.”

Barker and Musselman kept this theme of “complete transparency” front and center throughout the process. With the guidelines of the project established, Barker and Musselman began developing a plan for helping improve the assortments and K&C Supply.

The Walk-Through

Because Orgill’s team of RDMs and sales consultants regularly help retailers improve their businesses, an early step in preparing a customized proposal is for a Business Development Manager to physically walk through the store, aisle by aisle, and look at each assortment.

“We have to get an idea at what every single assortment looks like and make notes on what we see and where we might have opportunities to help them improve their offering,” Barker said.

Prior to a walk-through, Barker says he downloads data (with permission) from the dealer’s POS system. With this information, he can initiate the process of matching the retailer’s current inventory with the products and assortments Orgill has in its system.

“Having the data file just helps speed things up,” Barker says. “We can prepare a proposal more efficiently if we know exactly what we are dealing with.”

When reviewing customer POS data, the conversion team at Orgill’s headquarters separates the data into several different categories.



After

These categories include:

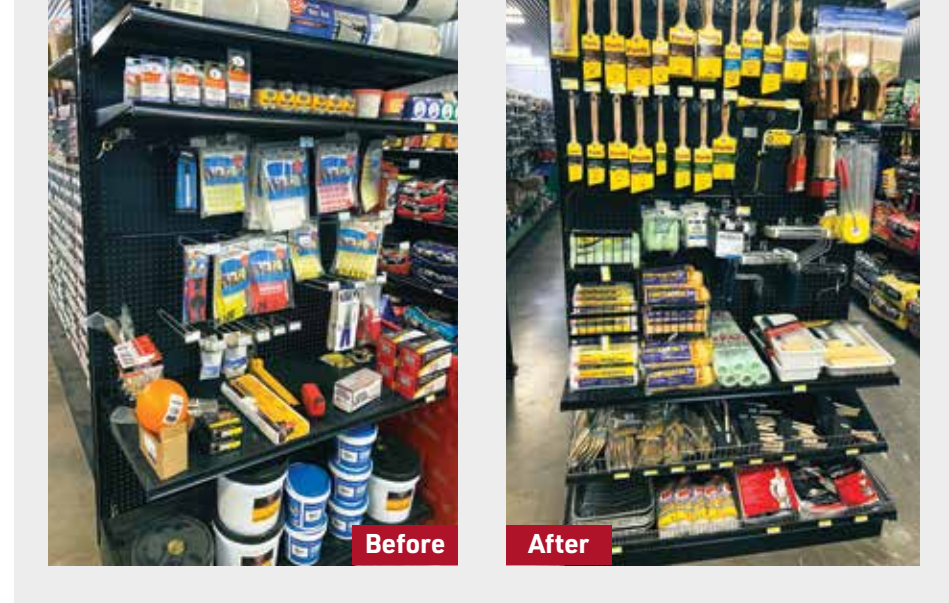
- Type 1 Items—A (near) exact item-for-item brand match (there may be some differences in UPC number, model number or other factors).
- Type 2 Items— Similar products, but may be different brands or have packaging differences.
- Type 3 Items— Items that do not have an Orgill-provided equivalent.

During their walk-through at K&C Supply, Barker and Musselman were primarily looking for opportunities in several areas:

- How does the overall flow of the selling area work?
- Are the departments organized in a way that helps customers navigate the store and takes advantage of the square footage?
- Do product adjacencies make sense?
- Is the store and its departments well-signed?
- Are the retailer's product assortments complete?
- Are there product categories or assortments that are completely missing from the store's merchandise mix?
- Are there holes in individual product assortments that could create additional sales opportunities if filled?
- Are there brands or lines that might make more sense for the market?
- Are there areas within assortments that are supported by Orgill programs that could create efficiencies for a dealer to order and maintain?
- Are there opportunities to increase sales margins by adding additional products?
- What opportunities does the customer have to take advantage of Orgill's Smart Start program?
- Are there any other programs or services that might make sense for the retailer to consider adding?

After the initial walk-through at K&C Supply, Barker had several pages of notes outlining his suggestions in these areas. His initial assessment was that Orgill could help the retailer in a number of ways. However, before he was ready to prepare a presentation for the Bundicks, there was another step in the process that Barker needed to implement.

"After we have looked at the data and walked the floor to get a good understanding of the situation and our thoughts, we always do a second walk-through with the owners or management team so we can see the salesfloor through their eyes," Barker says.



During this walk-through with the owners, Barker looked for feedback and insights into areas that might not be as readily apparent to him.

"I want to get an idea if there are brands, assortments or products that might be very important to the store's brand or the local community," he says. "I might not know this because I am not as familiar with the market as the owners or managers would be."

Barker says he also likes to ask the owners a simple question during his walk-through: What do you like about the store and its assortments, and what don't you like?

"If you don't ask the question, you might never know," he says. "This gives us the ability to tailor our suggestions to what is most important to the owners. After walking the store with them and talking through their thoughts, we get a better understanding of what we can do."

For Jim and Dana, this was a refreshing approach.

"One of the things we really liked about working with Mike was that just about everything we brought up to him about what we wanted to achieve, his answer was, 'I have a solution for that,'" Dana says.

And when it came to helping take K&C Supply to the next level, Barker's solution for the store involved utilizing Orgill's Smart Start program.

Before



After



After



The Smart Start Process

Orgill's Smart Start program includes hundreds of different assortments and thousands of different planograms across a variety of departments and categories. These ensure retailers offer a complete product presentation that is fully supported by Orgill's warehouse programs.

Orgill's Smart Start program, which began in 2008, plays a key role in making store and departmental conversions quick and easy. Orgill's Smart Start is developed together with the industry's leading vendors to offer retailers converting to Orgill or looking to refresh their offering the ability to replace their existing inventory with newly updated and enhanced assortments that are warehouse-backed and optimized to drive profitability and meet the unique needs of the market.

"We knew going in that our Smart Start program would provide a good fit for what the K&C Supply team was looking for," Barker says. "After our walk-throughs and an examination of the data, we were right on target with our expectations and were able to use this as the basis for our proposal."

Because of the wide range of Smart Start assortments Orgill has developed, this solution can meet the needs of a wide range of markets. Each Smart Start assortment is optimized to make sure the offering is robust and that any holes in existing assortments are filled.

For K&C Supply, Barker initially identified more than 60 Smart Start assortments that could potentially work for the store.



A Helping Hand

When a retailer implements one of Orgill's Smart Start programs, not only does it provide the retailer with a more complete product offering, but by replacing inventory they already have in an existing assortment with product from Orgill's vendor partners, the retailer can offset the costs of implementing the Smart Start through vendor buybacks.

These vendor buybacks are typically dollar-for-dollar on the wholesale value of the products being replaced, Barker explains.

"These buybacks are incredibly important to helping the retailers upgrade their assortments, and we want to emphasize the importance of taking advantage of every buyback opportunity that a retailer has available to them," he says.

The buybacks are issued in the form of credits once the inventory of legacy product is verified, the legacy product is lifted from the store and the new Smart Start assortments are implemented.

To ensure that a retailer receives all of their buyback allowances before they ever have to pay for any of the new products replacing lifted merchandise, Smart Start assortments offer 90-day dating.

"We provide this dating to make sure that the manufacturers participating in our Smart Start programs have the time to process the buybacks and issue credits," Barker explains.

Because the final buyback allowances are based on the wholesale value of the legacy items being lifted from a retailer's assortment, once a retailer agrees on the Smart Start they want to implement, a physical audit of the existing product is performed.

This can be done by the retailer's team, or Orgill's conversion team can perform the inventory audit for the customer.

"Whether they do it or we do it, we want to make it as easy as possible on the customer," Barker says. "Some retailers prefer to do their own inventory and some prefer to avoid the man hours and have us do it."

Along with the buyback credits, Orgill's Smart Start vendors also provide a labor allowance for implementing the lift of legacy products and setting the new assortments. This labor allowance makes it even easier for the retailer to enhance their operation without having to dedicate their own labor dollars to the project.

“The first visit is one of my favorite parts of working with retailers. Every time we walk into a business, we bring a new set of eyes to the operation and use our insights and experience to draw a roadmap for helping that retailer be more successful.”

Mike Barker, Orgill Retail Development Manager



Before



After

Moving Forward

With a plan for improvements at K&C Supply coming into clearer focus, there were several other steps Barker and Musselman needed to go through before presenting the Bundicks with their final recommendations.

“At every step in the consultation, Mike [Barker] would sit down with us and clearly explain what he was doing, what he was seeing, what he needed from us and what the next steps were,” Dana says. “He was very clear about the process, and that made us feel very comfortable with everything that was going on.”

All About the Data

One additional important component of putting together the final proposal was for Barker to connect the K&C Supply team with Orgill’s in-house POS data team. During his initial visit to K&C Supply, Barker arranged a Zoom call between all of the parties and Lisa Barksdale, Orgill’s Point of Sale data manager, at the company’s headquarters.

During the call, Barksdale went over the POS data the Bundicks had provided and described how the items within their inventory fell into the different item classes for matches with Orgill’s inventory.

She also asked the Bundicks if they had any questions about the data and walked them through how they could review the files themselves to flag any products or brands they wanted to make sure weren’t impacted by any suggested changes.

“They can look through the list and simply let us know any products or vendors that they don’t want us to make adjustments to,” she says.

Barksdale also explained how the pricing on new items would be set to the pricing sensitivity level the K&C team had chosen for their store. This is important because the Smart Start products are shipped with tags, and the tags will reflect retail pricing. However, the owners could adjust any of the prices to better meet their market’s needs.

Lastly, Barksdale explained how the K&C team could help expedite the process by filling in any missing information for items where no matches were found.

“We want to make sure the customer understands they are in complete control of every step along the way,” Barksdale says. “We want to do whatever we can to help in the process and also give them every opportunity to understand what we need.”

With the store walkthroughs and the initial POS data conversation done, Barker had gathered all the information he needed to assemble his final proposal. But before diving in, he held one more meeting with the Bundicks to explain the next steps in the process.

In this meeting, he outlined suggestions for improving the business.

This proposal included:

- A complete overview of the suggested Smart Start assortments being proposed.
- A complete overview of the anticipated buyback credits K&C could expect to receive for each of the assortments they implement.
- A complete overview of the cost difference for implementing the proposed program, less the buyback credits.
- A plan for conducting the audit of K&C’s existing inventory to verify the quantity on hand for the buybacks.
- An explanation of how the buyback credits would work and how product dating would work.
- A timeline for ordering products, POP signage, any required fixtures and labor to complete the implementation.

Once this discussion was complete, he emphasized again that the K&C Supply team would have complete control over every decision in the process and that he was simply making suggestions.

“Ultimately, the choice of what to implement and what not to implement is yours,” Barker told them.

“Mike was very clear about the process and explained that we were in the driver’s seat and he would answer any questions we had before we signed off on the final agreement,” Dana says.



The Final Proposal

After walking the Bundicks through every step in the process, Barker was prepared to assemble his final proposal for improvements to their merchandise presentation.

In all, Barker's final proposal for K&C Supply included more than 60 Smart Start assortments that touched on nearly every category in the store. Barker identified Smart Start selections that would offer more complete assortments in areas ranging from hand tools and power tool accessories to plumbing, fixtures and painting supplies.

"We wanted to be as thorough as possible, and we want to present the customer with the entire range of what we think we could offer them," Barker says. "We are careful to be thorough because every assortment we present represents the potential for them to grow sales and reach more customers."

Some of the assortments included in Barker's proposal were:

- A reset of the hand tools area, adding product lines from Stanley, IRWIN, Vulcan, and more.
- A reset of the power tools area to add Milwaukee products.
- Enhancements to power tool accessories, adding lines from IRWIN, DEWALT, Norton and Diablo.
- The addition of grinding and sanding assortments, including lines from Norton and 3M.
- The addition of an expanded Hy-Ko sign program.
- A reset of the breakers and panels assortment, with lines from Square D and Homeline.
- An enhancement and reset of long-handled garden tools.
- An expansion of plumbing repair parts, with lines from Fluidmaster and Danco.
- The addition of trailer balls, mounts and locks, tiedowns and tarps.

"We were pretty aggressive with what we thought they could do and the additional business they could likely drive by enhancing the assortments we had targeted," Barker says.

Once he had presented the K&C Supply team with their options and outlined a timeframe for the project, Barker left the decisions up to them.

After weighing their options and going back and forth with Barker on additional ideas, the Bundicks decided that they were going to proceed with more than 25 Smart Start options.

In all, the plan K&C Supply decided to proceed with would include more than 135 linear feet of product resets between Smart Start and a reset in the power tool accessories area.





04

IMPLEMENTATION

Implementation and Results

After signing off on the plan, during the early summer of 2021, the next step prior to implementation was to conduct the inventory of legacy product in the store and for the store owners to make their final decisions on which Smart Start assortments they wanted to implement.

The K&C Supply team had decided that they wanted to conduct their own inventory and provide the information to Orgill. But, as business continued to increase at the store during the summer months, however, the team found that they might have bitten off a bit too large of a commitment to complete their own inventory. After several weeks had passed, the Bundicks decided to enlist the help of Orgill's sales team to come in and complete the task and move forward with the project.

Jim Bundick also says that, with so much going on, it took him a little longer than he had expected to make his final decisions.

"Part of the implementation taking a little longer was that we were so busy that it was hard for me to get my choices back to Orgill," Jim says. "So I probably added a couple weeks to the process."

Once the inventory was completed and final decisions were made, however, the Orgill conversion team placed the product orders and scheduled the reset team to implement the new assortments in early September 2021.



Before



After

“We started receiving the merchandise before the implementation team got here, so we had most everything on hand when they showed up,” Dana says. “They sent a complete team of people and they got to work. When they came in, they had a plan. They arranged everything and had the new merchandise ready to go before they started pulling things off the shelves. They were able to get everything done with minimal disruption.”

Jim says he also liked the fact that the new merchandise came in tagged and ready to go so all of the new items were priced and ready to be sold. “They even went through and tagged our existing merchandise that we were using in the new assortments so everything matched up,” he says.

The entire process of pulling product, moving sections to better align adjacencies, setting the new assortments and point of purchase signage was completed in less than five days.

Dana also appreciated that the Orgill team doing the resets was very conscious of the customer traffic during the project and also very cognizant about making sure the K&C employees were comfortable with the progress and any changes that were being made.

“They were very good about asking us questions along the way,” Dana says. “When it came to relocating a section or needing to move something, they would always come and ask us what we wanted to do.”

An Immediate Impact

According to the Bundicks, they began experiencing a positive impact from the resets before the project was even done.

“As the team was in here setting stuff, we had customers walking up and looking through the product that they were trying to put up on the shelves,” Dana says.

According to Jim, once the reset was complete, they continued to see dividends from the enhanced assortments.

“There is no doubt we are getting a positive reaction to it,” he says. “We are seeing our contractor customers come in here and they see things like our 12-inch saw blades, and these are products that they go through one or two a month. These were products that they used to have to drive 20 to 30 miles to get, and now they can get them here.”



In addition to the reset helping drive sales, Jim says the opportunity to reset most of the departments within the store and replace legacy inventory with Orgill supported vendors has helped improve internal operations.

“Because everything was so jumbled up before and everything wasn’t tagged, and so on, reordering was a nightmare. It might take me two days to come up with a purchase order,” Jim says. “Now, it is really simple. Before, we just had a barcode and a price. Now, we have items that are organized, and the tags have a lot more information. If someone puts something away in the wrong place now, it isn’t because of the information, it’s because they aren’t paying attention.”

While there is little doubt the owners of K&C Supply are pleased with their decision to reset their store and take advantage of Orgill’s Smart Start program, they say they are equally pleased with the way the Orgill team worked with them in the process.

“I think the whole process was great,” Jim says. “It was never like they were pushing anything on you. They wanted you to be fully informed about exactly what was going to take place.”

He adds that the insights provided by Barker, Musselman and the rest of the Orgill team helped open his eyes to areas where his operation could improve—areas he might not have seen otherwise.

“They were really looking beyond just the items to see what the whole presentation was like, and that can be hard for someone to do on their own,” Jim says. “We had a hodgepodge of stuff in here and we didn’t really even know where there were opportunities. They helped us with that.”

According to Dana, she appreciated the fact that Orgill worked hard to help them preserve the character of their store while enhancing what they could offer the community.

“They made suggestions,” she says. “If you wanted 16 feet of something, they could do that, but they also showed you options for 8 feet or 4 feet. You got to decide what you felt was best for the store and your customers.”


With the initial store reset complete, the Bundicks are eager to continue working with Orgill to find other areas where they can grow their business.

Next up, Jim says he is looking for ways to expand their retail space to accommodate even more product lines.

“I’m thinking about taking up some of our backroom and converting that into salesfloor so we can add more product,” he says. “We are definitely in growth mode, and the community is growing to help us support that growth.”

When it comes to whether K&C Supply’s owners would recommend other retailers explore the opportunity with Orgill and its Smart Start program, Jim is emphatic with his opinion.

“I would definitely tell anyone that is considering it that it is a beneficial move to make, and it has definitely already helped our business considerably,” he says. “But I would also tell them, be prepared for a lot of options.”



“Before, we just had a barcode and a price. Now, we have items that are organized, and the tags have a lot more information.”

Jim Bundick, Co-owner of K&C Supply

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Project Insights

WORKING WITH ORGILL

“One of the things we really liked about working with Mike was that just about everything we brought up to him about what we wanted to achieve, his answer was, ‘I have a solution for that.’”

Dana Bundick
K&C Supply

SMART START

“I would definitely tell anyone that is considering it that it is a beneficial move to make, and it has definitely already helped our business considerably. But I would also tell them, be prepared for a lot of options.”

Jim Bundick
K&C Supply

MARKET DRIVEN RETAILING

“The MDR process really provides us with data to back up any assumptions we might make about where there are opportunities for a retailer to grow or gain market share. It’s a proven process and helps give us a roadmap of where to go next as well as giving the retailer confidence in the decisions they are making.”

Mike Musselman
Orgill

SMART START

“These buybacks are incredibly important to helping the retailers upgrade their assortments, and we want to emphasize the importance of taking advantage of every buy-back opportunity that a retailer has available to them.”

Mike Barker
Orgill

WORKING WITH ORGILL

“I always let the owners I work with know that throughout this process, I am going to make suggestions, but they are going to make the decisions. We are going to use our insights to provide them with guidance, but it is their business. We aren’t going to push them into doing anything they don’t want to do.”

Mike Barker
Orgill

THE PROCESS

“At every step in the consultation, Mike [Barker] would sit down with us and clearly explain what he was doing, what he was seeing, what he needed from us and what the next steps were.

He was very clear about the process, and that made us feel very comfortable with everything that was going on.”

Dana Bundick
K&C Supply



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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.



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