



A Winning Idea

Woods Hardware Wins \$100K for Business Improvement Project

Matt Woods, president and CEO of his family business Woods Hardware in Cincinnati, had an exciting idea for improving his operation. However, like many retailers, money was a limiting factor in realizing his dreams.

Recognizing the many financial obstacles owners are up against, the National Hardware Show® created the annual Reimagine Retail program in 2017 to help finance one retailer's dream each year.

This year, entrants like Woods were asked how they would use the prize money to implement technology to streamline their operations, satisfy customers and boost sales.

Retailers submitted a 250-word entry detailing how technology could improve various facets of their businesses, from inventory management systems and the checkout process to marketing initiatives, e-commerce and training programs.

The National Hardware Show narrowed down the submissions to select five deserving retailers who considered how technology could shape their business and position them for ongoing success.

In the following pages, you'll learn about the winning business, Woods Hardware. Discover how Woods plans to square off with competitors like Amazon through virtual reality and a seamless e-commerce platform in this Q&A.

Hardware Retailing (HR): Can you tell us about the history of Woods Hardware?

Matt Woods (MW): My family opened ACME Lock in 1933 as a lock services business. In 2007, my parents decided to add a retail hardware division to our company, which began as a small convenience hardware store.

I wasn't in the business originally. I attended college in Florida and worked for a few years in finance. Then, my wife Kira and I decided to move to Ohio with our kids so I could join the family business. I'm the fourth generation to work in the business, and I now run the day-to-day operations alongside my parents.

A few years ago, we decided to rebrand the hardware portion of our business to Woods Hardware. We also acquired a four-store hardware chain in October 2016 and opened up a brand new Woods Hardware in Cincinnati in January 2017.

Reimagine Retail Finalists

In addition to Woods Hardware, four other finalists were chosen to present their business improvement plans during a panel discussion at the National Hardware Show® in Las Vegas. To learn more about each of the finalists' unique and creative ideas, go to TheRedT.com/rr-finalists-2018. For more information on the Reimagine Retail program, go to nationalhardwareshow.com/reimagine-retail.

The applications that rose to the top came from the following retailers:

- The Color House in Wakefield, Rhode Island
- Just Grillin Inc. in Tampa, Florida
- La Grange Park Ace Hardware in La Grange Park, Illinois
- Weeks Home Hardware in Waterdown, Ontario

HR: How did you learn about the Reimagine Retail program?

MW: I learned about the Reimagine Retail program last year when it was first introduced for the 2017 National Hardware Show.

In February 2017, my wholesaler sales representative suggested I submit an idea he knew we had been working on to the program. We submitted a working demo of a virtual tour of our store and our pitch of the retail improvement project and made it into the top 10.

We didn't win last year, but when the program was announced again this year, I applied again. I did some fine-tuning to my project and created a new pitch. This year, our project was chosen as the winner!

“Our plan is to allow our customers to virtually tour our store and then make purchases in that virtual store.”

—Matt Woods, Woods Hardware

HR: Can you explain your virtual reality tour and e-commerce idea?

MW: Before I had even heard of the Reimagine Retail program, I started toying around with a new idea for the e-commerce side of our business.

My friends own a virtual reality touring company, which uses technology to create real estate touring. They asked if it was something I'd be interested in trying in our business.

I'm a very visual person. When I go into a store, I go in for one thing and then I might see three other things I need or want. After learning about the services my friends' company could offer, I realized it would help meet a need I saw in our e-commerce platform. When people shop online, they're looking for the specific thing they need, so I thought having a virtual store tour would help us promote add-on sales and impulse shopping for our online consumers.

Our plan is to allow our customers to virtually tour our store and then make purchases in that virtual store. If they're located within three miles of the store, we'll even deliver orders the same day. With the help of my director of online operations and my friends' company, we were able to create a virtual tour of the store and share it online.



Woods' business improvement plan will allow customers to browse the store and buy products online via an online tour.

HR: How did you react when your store was chosen as a finalist and then the winner?

MW: I was extremely excited when we were selected as finalists again this year. However, I was nervous about the outcome this year more than the previous year. I wanted to make sure we did an even better job of presenting our project. Our application opened up saying, "This is how we beat Amazon." It was a good hook and it worked in our case!

There was stellar competition this year, and we were definitely among like-minded peers. So when Woods Hardware was announced as the winner, I felt very fortunate and a bit surprised. My mind immediately went into overdrive, like I had chugged an energy drink. My first thought after thinking "Holy cow, we won this!" was to start working through our business improvement project wish list.

HR: What are your plans moving forward now that you've won the \$100,000 prize money?

MW: The next step for our project is to find the right point-of-sale provider. That's our integral database to get it all started. Then we'll want to make some adjustments and tweaks to our virtual tour. The goal is to roll our service out live by September or October this year.

We're going to start the virtual tour and e-commerce plan with our downtown Cincinnati store. We'll launch it there, work on any bugs we might encounter, and then go from store to store to implement it in all our retail locations.

We want to walk, not run. Currently, our shoppers can go to our website and take a tour of our virtual stores. In the future, it will indicate that customers can make purchases through that virtual store.

We will also have an app included and customers can shop on a mobile browser or via a desktop. Those customers who just want to make a purchase can forgo the virtual tour and immediately find what they need and buy it.

Delivery will be same-day, and being in the downtown area, this service creates convenience more than anything else.

The overall vision we have is that our idea can be implemented in all retail hardware stores. We'd love to integrate this with POS systems and do this in other operations. And once we have done the background work, it won't be hard for other stores to implement the virtual reality tour, e-commerce and delivery in their own businesses.

This setup will ensure we can all be relevant no matter how small our footprint is. If anyone has an idea on how to make our vision better or just wants to talk about it, please reach out to me. Our goal is to bring Amazon-like technology to the local retailer.

HR: What does the Reimagine Retail program offer independent retailers?

MW: I think this program is tremendous. It's kind of like the TV show "Shark Tank." Just like on that show, independent retailers are often entrepreneurs with great ideas they're sitting on. However, finding a funding source can be difficult.

For our industry, I think the Reimagine Retail program will continue to allow independents to present bigger and better ideas year after year. Perhaps some of the finalists from this year will refine their ideas and apply again next year, like I did. Winning \$100,000 for your business is instrumental in turning a dream into reality. ➔



Woods Hardware president and CEO Matt Woods won the National Hardware Show's 2018 Reimagine Retail program with his idea to create a virtual online store. He plans to invest the \$100,000 award into his new downtown Cincinnati store, which has been in operation since 2017.