



# “Well, That Didn’t Work”

## How Four Retailers Course-Corrected When Things Didn’t Go As Planned

**T**ypically in *Hardware Retailing*, we talk about best practices and what retailers have done well. We like to highlight successes, because when we share ideas that work, everyone can learn and become better.

But usually, we’re only telling half the story.

Forward-thinking retailers are always trying something new. They are not afraid to take risks. Sometimes those risks pay off, and sometimes they don’t, but as the saying goes, “If you ain’t failing, you ain’t trying.”

So as we wrap up the year, we asked four best-in-class retailers to share a time when circumstances didn’t always go according to plan, or how they were able to find a solution to correct an ill-timed business decision.

While each of these retailers have had plenty of times when they’ve used their retail savvy to grow their businesses, each will attest that behind those successes are a few times when they had to correct a slip in judgment or navigate circumstances beyond their control.

So the next time things don’t work out the way you had hoped, remember that you’re not alone. Even the best have times when they wish they could turn back the clock and do it again. But we can learn from each other’s mistakes as well as successes. What’s important is that even if you’re failing, you’re always trying—and learning.



## Retaining Good Employees

**Brenton Alexander**

Alexander Hardware & Supply  
Wiggins, Mississippi

Several years ago, Brenton Alexander, CEO of Alexander Hardware & Supply, saw the store was having issues with employee retention. “We were losing a lot of employees, especially our high-caliber employees,” he says. “It was discouraging to see those employees who were doing so well in their jobs here with us leave.”

Through exit interviews with those employees, he learned many were leaving for jobs that offered better compensation and benefits packages. Alexander discovered that while the wages he offered were good, the lack of benefits had his high-level employees looking elsewhere.

So he set out to make some changes, which have paid off. “We’re now considered to be an above-average employer in town, in terms of compensation and benefits. And we haven’t had anyone leave for a job with better benefits since we made these changes.”

## Lessons Learned

Alexander began by surveying the market to see what types of compensation packages other employers in the areas were offering, even contacting the companies where former employees had gone.

By doing so, he was able to make a plan to offer a more competitive compensation package. He now provides health insurance (Alexander Hardware & Supply pays 100 percent) to full-time employees, and offers dental and vision plans for any employees who wish to take part. He also offers a SIMPLE IRA for those who wish to save for retirement. The company contributes 3 percent.

Alexander says it took time to decide how to put together a new set of benefits, spending three to six months doing their homework. “For example, we wanted to make sure the insurance was supported by doctors in our town. And we needed to look to the future. Once you offer these benefits, you don’t want to take them away after a few years because you can no longer afford them, so we had to do some long-term budgeting to ensure we were making financially sound decisions.”



## Recover From Disaster

**Heather Kreffer**

High River Home Hardware  
Building Centre  
High River, Alberta, Canada

When Heather Kreffer, along with her husband and another business partner, purchased High River Home Hardware Building Centre in 2013, she had no idea her timing couldn’t have been worse. While the first few months of their new ownership brought a steady increase in sales and a well-attended grand opening, everything would soon turn out quite differently than expected.

In June of that year, floodwaters up to 5 feet deep swept away most of the store’s inventory and severely damaged the building. The entire town was evacuated for 10 days. The business, in which Kreffer had invested so much money, was nearly in ruins.

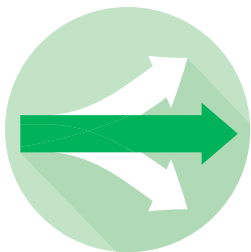
When she was finally able to return to the store, Kreffer faced a daunting challenge. In addition to all of the cleanup work, the store would have to be torn down to the frame and completely restored. “We had only been in business for three months, and truthfully, we panicked at first,” she says.

## Lessons Learned

Kreffer and her team rebuilt the store, and did so in less than five months after the flood. Today, sales increases are back to their pre-flood levels. Looking back, Kreffer can see several lessons learned through that time.

One was from opportunities missed. The flood presented a good chance to update the store’s aging POS system with a new system. Now she wishes she had taken advantage of the opportunity. “We were so overwhelmed with everything else there was to do, we didn’t take the time to look at what it would take to replace those computers. In reality, I think it was fear that kept us from doing that at the time. We missed a great opportunity to get it done.”

She also learned that when faced with a task as monumental as rebuilding a store, that it’s OK to ask for help. “I learned that I wasn’t expected to know it all. I had a lot of resources, and I learned to use them. It’s my personality to want to do everything on my own. I had to learn to let go. I learned when you have to ask for help, it’s not a sign of weakness; it’s the smart thing to do.”



## Change With the Market

**Jared Sawyer**

Sawyer's True Value  
The Dalles, Oregon

Jared Sawyer is not afraid to try something new. In fact, he's explored many successful niches that have increased traffic to his store.

He's also not afraid to make mistakes or change his plans when the market changes. That was the case when he recently explored the wood pellet and gas stove market.

His initial market analysis indicated he was in a good position to take advantage of the opportunity. Getting started required a significant investment in inventory, but there was only one other competitor in town.

Then, just months after bringing in a starting set of inventory, a new competitor opened. "Turns out, they put a huge wood pellet and gas stove showroom," he says. "They had much more space to dedicate to the category than we did." Given the high cost of the inventory and the slow sales it was generating, Sawyer decided it was time to exit the category.

## Lessons Learned

When Sawyer made the decision to sell stoves, one problem that plagued him from the start was not having the correct person to sell them. "Selling stoves is very technical. You have to be ready to sell the complete package and understand all of the technical aspects. I was never able to find the right person to sell it."

The limited retail space he had for the category also made it difficult for him to go against a competitor who clearly made selling stoves one of their chief categories.

Sawyer tends to adopt a "go big or go home" attitude. If one category doesn't work, he will pull it out and replace it with something that will. "Generally, I feel if we can't be No. 1 or 2 in a niche category, we have to take a good hard look at if it's worth doing, especially when there's a big investment attached to it. We decided to close out this category because we're not in a position to win at that business right now. In hindsight, we should have been more thorough in talking to more retailers who were successful in this niche."



## Closing A Location

**Dave Umber**

Umber's Do it Best Hardware  
Fort Wayne, Indiana

Dave Umber is president and CEO of two successful stores in Fort Wayne, Indiana. At one time, though, he also operated a third location.

"It was on the west side of town, near where I live," Umber says. "We opened it in 1987 and moved to a better location in 1998. It was a good hardware store, and its niche was Weber Grills—one of the largest Weber dealers in the state at the time. This was before the big-boxes carried Weber."

The store had plenty going for it—well-merchandised, in a good location, with a strong product selection—but some trouble started in 2002, when two things happened at the same time: Major road construction began in the area, and a Menards moved in less than a mile away.

What's more, the construction included detours that took drivers right by the new Menards store. Suddenly, Umber saw his sales dropping. And eventually he was forced to close that location.

## Lessons Learned

Umber says that, looking back, there were a few issues with that particular location. For one, he thinks the store was too large for the sales it was generating, and despite the good location in town, it was difficult for customers to access from the highway.

"We tried working through the construction issues, but when Menard's came in, that sealed the deal," Umber says. "People were avoiding our intersection."

While he was dealing with some bad circumstances that had come his way, Umber says there are things he could have done differently, too. Due to being emotionally invested in the store and very pleased with its location—it was also near where he lives, and was the location where his friends shopped—he waited longer than he thinks he should have to make the decision to close.

"We kept justifying it," he says. "We said it would be OK, and that we could ride it out. A lesson we learned, and are reminded of often, is that business is a numbers game." ➡