



No DIY: Hardware Retailer Drives Change with Professional Project Management

Do-it-yourself projects may mean great business for hardware retailers, but when those retailers need to make changes in their own organizations, the last thing they need is to try and handle it on their own.

A hardware retail cooperative with a widely recognized brand and more than 3,600 locations worldwide wanted to improve customer perceptions and stem the loss of market share to the competition.

Research revealed several critical weaknesses in the business, including feedback that stores were poorly organized, didn't stock all the products needed to complete basic DIY projects, and lacked home improvement ideas and inspiration.

Although the retailer's knowledgeable and friendly staff ranked high with customers for providing great service, co-op management realized they would continue to lose market share unless they improved the in-store experience. This would require major changes to product assortments, category adjacencies, floor plans, interior store aesthetics, and exterior store appearance. The fact that each retail store in need of a makeover was independently owned added to the challenge.

Using input from the store owners, executive leadership developed a model for sustainable growth and financial success, providing guidelines that were flexible enough to offer consumers the localized product assortments and retail brand consistency they were demanding.

Recognizing the complexity of their vision, executive leadership engaged IPM for the professional project management leadership and change management expertise needed to complete the transformation.

IPM's Project Management Consultant first established a project structure, ensuring the most efficient use of the company's resources and intellectual capital. Orchestrating these resources from merchandising, marketing, retail development, finance, and training, IPM facilitated the development of the most critical retail standards and best practices to enable retailers to exceed the consumer shopping requirements and generate profitable growth.

IPM and the retailer executed the project through three key phases:

» **Phase 1** centered on IPM facilitating the definition of goals and objectives and aligning key stakeholders to

these goals, including organizing meetings and communication to all stakeholders and the board of directors.

» **Phase 2** involved IPM leading and facilitating the development of a new store environment, including easy-to-shop floor layouts, updated colors, new fixtures and flooring. IPM also led the team in developing new, relevant merchandise categories, assortments, and category adjacencies, and oversaw the implementation of retail best practices for operations, business planning, and financial management.

» **Phase 3** began by unveiling a life-sized new store model at a major hardware industry conference, attracting the attention of consumer and trade press. During this time, IPM also helped the Retail Growth Group develop a formal process to identify, qualify, and approve requests for remodeling and remerchandising projects; and managed the new Retail Implementation Specialist's role in identifying potential store upgrades, conducting store visits, and managing remodel and remerchandise projects at the store level. Finally, the IPM Project Management

Consultant transitioned responsibilities to an internal source for ongoing execution.

RESULTS

Since IPM handed the reins over to the retailer, the groundwork laid by IPM's leadership is positioning the retailer for sustainable success. There have been 86 new, remodeled, expanded, or relocated stores differentiating it from its competitors—an additional 1 million square feet of retail space over the prior year. Stores that have implemented the new concept report an 8 percent to 10 percent sales growth. And the new store format and merchandising concepts, coupled with a commitment to retail best practices, have helped the retailer outperform its competitors with:

- » 3.4 percent year-over-year revenue increase
- » 5 percent increase in comparative store sales
- » Double-digit growth in the international market
- » 13 percent increase in retail square footage
- » 8 percent increase in retail sales attributed to category line review process. ■

