As we navigated the economic challenges of the past few years, it was especially reassuring as members to know that we were partnered with the most cost-efficient, financially stable co-op in the industry. The consistent performance and profitability of Do it Best Corp. helped members weather the storm, grow market share, and position themselves for the future. That was certainly evident this past year, as Do it Best Corp. members took advantage of every inch of the slow recovery to grow sales by more than 11%.... Performance like that is made possible by the sincere commitment of the Do it Best Corp. team.

The team at Do it Best Corp. delivers more than twice the sales per staff member as our nearest co-op competitor. Member rebates are the highest in the industry and have totaled more than $100 million for nine straight years. And we continue to have no long-term debt. Performance like that is made possible by the sincere commitment of the Do it Best Corp. team – at every level – to their number one goal... helping members grow. That commitment starts at the top, and I’ve been fortunate to witness it up close these past two years serving as our Chairman.

I want to congratulate President & CEO Bob Taylor on his induction this year into the Home Channel Hall of Fame. Bob enjoys a uniquely broad perspective of our industry and the award is certainly well deserved. He and the executive team at Do it Best Corp. continue to set the bar high for their team and even higher for themselves. Their planning and execution are impressive and the talent level runs deep. It continues to provide your Board of Directors with a high level of confidence as we point towards the future. That foresight also ensured a seamless transition this year in two key positions, as we welcomed Dan Starr as our new Executive Vice President/COO and Doug Roth as our new Vice President Finance/CFO. Of course, that meant saying goodbye to two longtime members of the executive team: Dave Haist and Dave Dietz. We congratulate them on their retirement and thank them both for all their many contributions over the years to making the best even better.

As I reflect on my personal business career, I can clearly see the achievements that were made possible both by raising my own level of commitment and by having that commitment supported and returned by Do it Best Corp.
Back in 2004, I had a revelation that was prompted by conversations with some long-time customers. Over the course of a few months, I heard several people express a bit of a ho-hum attitude about shopping with us. It was almost as if they felt the need to shake me awake to the fact that I needed to take a closer look at our store. So I did, and I quickly realized that we weren’t delivering on the things that were coming to be expected in today’s marketplace. We had plenty of inventory, but we weren’t inspiring our customers. We had good service, but our customers didn’t seem very engaged. In short, we weren’t giving them enough reasons to choose Sullivan’s over the six box stores within a few miles of us. I decided it was time to commit to taking a bold step.

It turned out to be a series of bold steps. But once we made the commitment to taking our business to the next level, we never looked back and have reaped the benefits ever since. We knew we’d always be a great hardware store, but in addition to that I vowed to be the market leader in several key categories: lawn and garden, outdoor living, Christmas and gifts. That meant not just stocking a few patio items, but providing our customers with the best outdoor living showroom for miles around. It meant not just having a holiday aisle, but turning our store into a Christmas showplace with hundreds of pre-decorated trees to get our customers excited about the season and helping them imagine the possibilities.

We worked with our team at Do it Best Corp. and the Signature™ Store Design program to develop the absolute best retail environment. Not only did this give us the boost we needed on an operational level, but our customer response was overwhelming. By taking our retail experience to the next level, we created a destination that is unique and fun to shop – in short, the exact opposite of a large, impersonal chain or big box. Seven years later, we’re still exceeding our goals, with a nearly 300% sales increase since the redesign. And we continue to work with the team at Do it Best Corp. to explore new opportunities to enhance our standing in an increasingly competitive market.

My father, Bob Sullivan, started Sullivan Hardware in 1954, and became a proud member-owner of Do it Best Corp. in 1970. For the past two years I have been honored to serve as your Chairman, and have the opportunity to fully experience this co-op’s commitment to helping its members grow. That commitment is demonstrated in the impressive selection of member-focused products, services and solutions. It’s represented in the co-op’s flexible, scalable, menu-driven format that provides Do it Best Corp. members of all types and sizes with the right tools to help them build their business and their brand in their local market. And, most importantly, that commitment is expressed each and every day in the dedication, responsiveness and can-do attitude of all of the people of Do it Best Corp., who live and breathe the company’s philosophy of serving others as we would like to be served.

Committing myself to growing my business and strengthening our relationship with Do it Best Corp. were the best decisions I’ve made. As you will see in the numerous examples of other members in this year’s report, I’m not alone. As we look to the year ahead, I challenge you to take the next step in your business – whatever it may be – boldly and with the full support of your co-op. It’s amazing what you can achieve when you partner in that commitment.

All the best,
WHAT DEDICATION CAN DO

PRESIDENT’S MESSAGE
Bob Taylor
President and CEO

Gross sales for Fiscal 2012 finished at $2.68 billion, up 11.2%, our largest total increase since 2004. Sales through our eight retail service centers climbed 7.4%, the biggest jump since 2002, and are now poised to eclipse the $1 billion mark next year. Direct shipments finished the year up 13.8% and lumber purchases grew 13.0%. We showed particularly good discipline in overall expense control during the year, finishing 0.3% below last year’s total. Total operating expenses were just 2.03% after inventory capitalization. That strong overall effort helped us boost profitability for Do it Best Corp. by 9.3%, enabling a year-end rebate to members of $115.7 million, our ninth consecutive year with a rebate above $100 million.

From small hardware stores to large pro-oriented lumberyards, and from single stores to multi-site operations, Do it Best Corp. has always enjoyed a diverse group of members. Fueled by continued expansion internationally and by member efforts in the industrial-commercial market, that diversity – and the opportunities associated with it – continues to grow. New international members in Indonesia and Singapore have added significantly to our presence in Southeast Asia this past year. We also welcomed our first Do it Best member in Africa, and are now represented in 53 countries worldwide. And, owing to our same-day ship capabilities on over 67,000 items in distribution and the responsiveness of our INCOM sales team, industrial supply operations are increasingly turning to Do it Best Corp. as a valued partner in serving the needs of businesses, schools, factories and government facilities. That effort was bolstered in 2012 with the introduction of a new small parcel shipping system that allows for more delivery options and even faster processing.

The backbone of Do it Best Corp. continues to be our logistics network of eight regional retail service centers spread across the country. They provide our members with a 97% fill rate and 98.4% on-time deliveries every week of the year – and then some – keeping them in-stock on a broad array of products and helping members effectively manage their overall inventory investment. In addition to weekly member deliveries, our centers also support a robust online sales effort with both direct-to-consumer shipments as well as a strong Ship-to-Store program that allows consumers to access a broad array of products and save the freight costs by having the items delivered to their local Do it Best store. Time and again our team is also there with the extra effort to help our members respond to local weather emergencies and special
circumstances, doing whatever it takes to get them the products their community needs at that critical time.

Providing the right support for a diverse group of members demands much more than a simple cookie-cutter approach. It requires a flexible, scalable, menu-driven set of products, services and solutions, and our commitment to that effort has never been stronger. Nothing demonstrates that more clearly than our industry-leading Signature™ Store Design Program. Like one’s personal signature, each member’s store and market is a bit unique. It’s important then that members are able to choose the best branding option for their individual business. That’s where Signature delivers, with the right plan along with the comprehensive development support of an experienced Do it Best team. Best of all, members are averaging a 17% increase in sales in their first year as a Signature store.

Those key elements of flexibility and scalability are also clearly evident in the Do it Best ADpak™ program, which provides members of all types with an exceptionally strong advertising message that’s customized specifically for their individual operation. The introduction this year of OASIS, our Online Advertising Sales and Information System, now puts that customization and ad planning online to improve communication and speed time to delivery. And, to better target that delivery, we’ve seen a growing number of members embrace our Best Rewards™ program. Instead of a “spray and pray” approach, this one-to-one marketing tool helps members more effectively target their advertising dollars and messages, driving more business activity with their best customers. This highly flexible, cost-effective program also allows members to respond quickly to local weather conditions like a hurricane, tornado or flood with the appropriate message.

Our exceptional menu of retail programs is unmatched in the ability to help members drive traffic, grow sales and build their brand. Providing members with easy access to these tools is critical. Our Commerce Center initiative is keenly focused on exactly that objective. By putting more and better information online at our members’ fingertips, we’ll help them grow both sales and profitability. In addition to OASIS, our Inventory & Pricing Dashboard is also on the mydoitbest.com member portal. It compiles members’ point-of-sale information along with competitive shopping data, and is already helping members improve their price image while boosting their margins. And our complete Planogram Library covers more than 28 merchandise departments and was uploaded to the member portal as well this past year to help members build better store assortments.

The breadth of products available through Do it Best Corp. also provides our diverse group of members with a strategic sourcing advantage. Whether it be top brand names from the best domestic manufacturers or the benefits of a private brand offering through our global sourcing initiatives, Do it Best Corp. members have the products and the price points they need for their marketplace. They also benefit from the growing demand for our exclusively licensed Channellock brand products, up 50% this past year. And, the lumber needs of our pro-oriented members are supported by one of the largest reload networks in the country. The most broadly embraced merchandise program over the past year, however, has without a doubt been our Category Solutions presentations. There were 12 new introductions of these consumer-focused planograms in key departmental categories, and members have now responded by ordering more than 15,000 of the assortments to better merchandise key product groupings within their stores. The extra discounts and datings provide members with the perfect opportunity to update and refresh their presentations.

When prospective members ask us why they should join Do it Best Corp., there are certainly many advantages we look to share with them: our rock-solid financial foundation, the highest rebate in the industry, our low cost of operations, the wide array of menu-driven programs and services. But more than anything else, we ask them to simply talk to our current members and ask them about their experience with Do it Best Corp. We have confidence in the stories they’ll hear, because we know the commitment our team shares at every level to earning that loyalty. It’s supported with an equal commitment to our staff in providing them with a great place to work. So, while there is still continued uncertainty out there in today’s economy and challenges ahead in the marketplace, we look ahead with confidence in our ability to help our members grow as we continue to work to make the best even better.
LARGEST INDEPENDENT HARDWARE STORE IN AMERICA

HOWARD & WAYNE MILLER
Hartville Hardware • Hartville, Ohio  Member since 2002

Take a video tour of the largest independent hardware store in America.
For Howard and Wayne Miller, one thing is true, thinking big is woven into their DNA. Their grandfather started the family business with a livestock auction in 1939, followed by their father opening a restaurant and a large flea market. Over the years, the market and restaurant both grew into regional destinations that today attract more than 2 million visitors a year to this farming community in northeast Ohio, population 2,200. With their father’s help, Howard and Wayne purchased Hartville Hardware in 1972 and steadily expanded it into a major retailer. As the entire company prospered, the family’s ultimate goal of consolidating all their businesses onto a single property began to take shape.
“We joined Do it Best Corp. in 2002 and right away began talking about building this new store,” said Howard. “As we got more serious, we did market studies and began our planning using the RetailSTART!® program. The Do it Best Corp. team helped us every step of the way on through to our grand opening.” And what a grand store it is. The new Hartville Hardware is astounding in its scope: 305,000 square feet over 2 floors on 17.8 acres, 220 employees, more than 70,000 different items and 525 parking spots that are routinely full. The store’s interior features entire display homes, a livestock auction facade from the family’s first business in 1939 and a historic log cabin, and there are drive-throughs for both lumber and feed.
Howard is quick to say they couldn’t have done this alone. “Joining Do it Best Corp. was the best business decision we’ve ever made,” he said. “With their buying power and efficient operations, they have the best bottom-line pricing in the industry. Plus, Do it Best Corp. is the only hardware co-op that excels at lumber and building materials, too.” But Howard says the relationship extends far beyond the numbers. “The culture at Do it Best Corp. is a perfect fit with our family’s culture,” he concludes. “It’s a commitment to treating the people you serve the same way you’d want to be treated.”

**The new Hartville Hardware is astounding in its scope:** 305,000 square feet over 2 floors on 17.8 acres, 220 employees, over 70,000 different items and 525 parking spots that are routinely full.

A vintage log home from the mid-1800s, originally located two miles south of the store, is reassembled and preserved in the tool area; Located in home décor, a row house with four distinct architectural styles contains Hartville’s state-of-the-art design center; Hartville’s “idea center” house is a completely furnished 1,850 square foot home, constructed almost entirely of products made in America. Nearly everything can be purchased and taken home the same day; Operating barn doors on a vintage feed mill facade slide open to reveal a drive-through feed barn.
Hear more of Jim's thoughts on retail success and company growth.
Spend a few minutes with Jim Thomas, and you quickly realize you are in the presence of a businessman who has the full courage of his convictions. Looking back, he says he chose to switch to Do it Best Corp. because it was the one co-op that aligned with his philosophies for both retail success and overall company growth.

At the top of the list is Jim’s belief in continually refreshing his stores. “We try to make changes to each of our stores every year and make a major change every five years,” said Jim. “This past year we did a complete remodel of our Gallipolis, Ohio, location using the Do it Best Corp. RetailPLUS!® program.” According to Jim, the major overhaul included installing new shelving and lighting, adding new items to his large inventory and upgrading to Signature™ Store Design signage. These enhancements complement the unique quality of his fully branded Do it Center®, a popular highlight of which is a two-story house built in the store as a showroom display.

Another area where Jim has driven growth is with his delivery service. “We have a large fleet of trucks that deliver materials to contractors throughout an 80-mile radius,” said Jim. “This is a big commitment, but it is also an important differentiator between us and our competitors.”

Jim is proud of the fact that his business has continued to experience steady continuous growth year after year, despite the tough economy, and he credits his membership in the co-op for providing support for that growth. “Without Do it Best Corp. we wouldn’t have the resources to do all the things we do,” he said, adding that he takes full advantage of the great deals available at the Do it Best markets. Concludes Jim, “When I first looked at Do it Best Corp., I saw an organization that takes a methodical approach to growth. And that’s a perfect fit with how we run our business.”
Randy Stangler is the first to admit that when he had the idea of buying a lumberyard he had very limited knowledge about being a retailer. “I had 35 years of experience building a woodworking company, and when the local yard we used closed, I asked my wife what she thought about purchasing it,” explained Randy. “We immediately knew we needed the support of a strong co-op, because retail was pretty foreign to us.”

Enlisting the services of an experienced general manager to help develop and run the operations, Randy and Lori contacted Do it Best Corp. to begin fact finding. “The Do it Best Corp. team came to visit and listened as we laid out our aspirations,” said Randy. “They proposed that we were a good fit for the RetailFIRST!® program, designed to help experienced business owners open retail hardware operations.” Randy describes the following months as very disciplined, as they progressed through all of the decisions that went into designing and merchandising the store.

“The Do it Best Corp. team took the time to really explain things until we fully understood them,” said Randy. “In turn, they were receptive to our ideas as we all worked to make it the very best.”

From the beginning, Randy was determined that Generation Do it Best® Building Center would not be seen as a big-box store. “We don’t focus on low advertised prices. We compete on ideas and expertise,” said Randy. “We want to help people learn about new products and construction techniques as they approach their home improvement projects. The ADpak™ program and advertising team at Do it Best Corp. have done a great job in helping us create a unique brand that is ours.”

Looking around the store, Randy and Lori are extremely proud of the contribution they have made to their community. “Customers walk in and are blown away by everything we have to offer. From hardware and home décor to building materials and rentals, they’re amazed that they can get all of this here in our small town.”

The team of Roderick Lucia and Peter Luiten are the driving force behind the success of Building Depot Do it Best®, the largest home improvement store on the island of Curacao. “I’m a businessman from Holland, and Roderick is a second-generation entrepreneur from the island, and together we run the company like brothers,” says Peter.

“My father Rodney Lucia was an entrepreneur who started a chain-link fencing business,” Roderick explained. “In 2000, globalization issues drove us into the retail sector, so he opened a hardware store with the help of the Do it Best Corp. international team.” Under Roderick and Peter’s leadership, Building Depot Do it Best has grown tremendously, acquiring a neighboring household goods business, adding 50% more employees and becoming a full home center.

Peter and Roderick credit Do it Best Corp. for learning their unique market inside and out, and providing the best possible support. “Do it Best Corp. worked with us from the beginning to source the right products to meet our customers’ needs,” said Peter. “Curacao has a strong connection with the Netherlands, and some of our systems such as plumbing are based on European standards, rather than American. Do it Best Corp. was quick to understand how that mix of European and island influences affects our business.”

Until recently, Roderick says his store took baby steps toward realizing its full retail potential. “But last year, we finally went all in and did a complete store improvement project with the RetailPLUS® program. We now have 125 employees and 200,000 square feet of retail space with a wide range of departments, including hardware, lawn & garden, housewares, home décor, and a lumberyard.” Beyond the sheer size of the new store, Peter says other aspects of their membership with Do it Best Corp. have vaulted store operations to a new level. “With our co-op’s support we’ve completely overhauled our infrastructure, implementing better inventory controls, a point of sale system, IT tools and more. We’ve increased our purchases with Do it Best Corp. by 66% this year, and that consolidation has further streamlined our operations.”

“As we’ve grown our business we have come to fully understand the benefits of using Do it Best Corp. programs and expertise,” said Peter. Roderick agreed and summed it up this way: “My advice is to follow the advice of Do it Best Corp. Because once we did that, we created a true superstore for the island.”
The Do it Best Signature™ Store Design Program has a wide range of uses for members who are seeking to create an optimized retail environment. For Bruce Ellis, of the newly renamed Builders Do it Centers in New Mexico, it was part of a larger branding initiative and strategy for growth. As Bruce explained, his two locations previously bore the names of their towns, Roswell and Artesia. “As we began to look at growth opportunities, we realized that we needed to establish a strong, cohesive brand under one name,” said Bruce. “It was the only thing that made sense for our future.”

Bruce’s son Justin grew up working in the stores, and when he came back from college, Bruce wanted to get him involved in shaping the business. He started by giving Justin day-to-day management of the complex rebranding project. “We started by collaborating with the Do it Best Corp. marketing team to consider more than 100 naming options,” said Justin. “Then, the RetailPLUS!® and Signature Store Design teams came and we completely remerchandised and remodeled both stores inside and out.” As part of the Signature Store Design Program, they installed new fixtures, signage and many other elements that unify the store’s brand and provide a superior shopping experience.

“A project this size is always a challenge,” said Bruce. “But the Do it Best Corp. team really came through for us. We could not have done it without them.” Bruce credits Justin for his vision and his desire to make the project a success, and he is appreciative of the support he has from his co-op in positioning the company for future growth. “When we looked at our stores, we knew the picture we wanted to paint,” concluded Bruce. “Do it Best Corp. gave us the tools to accomplish that.”
Justin & Bruce Ellis
Member since 1985
When you already own two venerable hardware stores with nearly two centuries of combined heritage, how do you make a brand new store just as distinctive? That’s the challenge Tom Tognetti, of Pagano’s Hardware in Alameda, California, took on when he decided to expand his company. His first step was to convert to Do it Best Corp., because he wanted a co-op that was open to his ideas and had the right programs to help him grow.

“Then, two years ago we decided to build a new store from the ground up in an upscale shopping area that caters to affluent Oakland Hills,” he explained.

Tom took advantage of the RetailSTART!® program and worked with the Do it Best Corp. team to fulfill his vision for the new store. “I insisted on many things that were not typical, such as taller shelving, and the Do it Best Corp. team was very willing to work with me,” he said. 

“I’m always willing to take a chance, because I want to be the first in my area to carry new products and categories.”

Tom is proud of the fact that first-time visitors are astonished when they walk in the door. “We make a point of catering to female shoppers, so they are greeted with products such as European soaps, top-of-the-line cookware, picnic baskets and nostalgic candy and sodas – to go along with our 900 hard-to-find hardware items and huge fastener selection.” With the large historic photographs recalling the heritage of the other Pagano’s locations and the warm, friendly shopping experience, Tom and Karin have achieved something very rare in a contemporary shopping center. They’ve created a store that’s loaded with character.
Marty & Monty Tunks
OSKALOOSA DO IT BEST® LUMBER
Oskaloosa, Kansas

When brothers Marty and Monty Tunks of King City Lumber in Missouri were ready to expand to a new location, they turned to the Do it Best Corp. RetailSTART!2® program to make the most of the opportunity. “Forty-five years ago our parents Max and Maxie Tunks started this business, so when we decided to add a location, we wanted to do it right,” said Marty. “Once we decided to purchase the business in Oskaloosa, Kansas, the Do it Best Corp. team helped us plan every detail to make sure it would be a success.”

To begin with, the Oskaloosa business was badly in need of renovations. “We knew going in that we wanted to use the Signature™ Store Design Program to give the business a fresh look and a better shopping experience,” said Marty. “The Do it Best Corp. team conducted exhaustive market studies going above and beyond to help us choose the right planograms and merchandise mix to meet our customers’ needs.” Indeed, the Tunks, along with store manager Shelley Mullenix, have built a strong reputation for being not only responsive to customer needs, but proactive in seeking input for ways they can enhance their product offerings. It’s this level of commitment to their customers that accounts for the immediate success of Oskaloosa Do it Best® Lumber. In just the first year, sales were double what they were with the previous owner, and they exceeded the Tunks’ expectations by 20%.

“When we joined Do it Best Corp., we experienced an immediate personal connection and felt right at home,” said Monty. “Since then, they’ve been with us every step of the way, and RetailSTART!2 is just the latest example of their commitment to helping us grow.”
The McLean family of McLean’s Do It Best® Hardware in Kalkaska, Michigan, is a shining example of members who have fully embraced all that Do it Best Corp. has to offer. “We joined Do it Best Corp. in 1984, and we haven’t looked back,” said company founder and family patriarch Gene McLean. “I don’t think there’s a Do it Best Corp. retail program that we don’t use.”

Today, McLean’s is under the leadership of Gene’s children Jim, Jodie and Julie. As the company’s 45th anniversary approached, they looked around and recognized the need to update the store. “It had been 15 years since we had remodeled, and we had a hodgepodge of shelving and signage,” said Jodie. “So we said, ‘Let’s give this store a good shake-up,’ and wow, did we ever,” added Julie.

The McLeans used the RetailPLUS!® program to help them realize their store improvement vision. “We completely reconfigured the store’s layout,” explained Jodie. “We purchased all new fixtures and replaced the checkouts and service and paint counters. We added thousands of new items, and we widened our power aisle by 50%, creating more opportunity for seasonal and promotional items.”

Despite the scope of the project, the McLeans credit the Do it Best Corp. team for helping the process go smoothly, and they are very pleased with the results. “A number of other Do it Best Corp. members have asked us about our experience,” concluded Gene. “I tell them not to wait. You and your customers will enjoy the store today, but more importantly, it will be your gift to the next generation.”
Sebo’s Do it Best® Hardware & Rental has been a thriving hardware store in Anacortes, Washington, since 1987. The company was founded by Dave Sem’s father-in-law, and today Dave and his wife Valerie are the member-owners. “We are very committed Do it Best Corp. members because we’ve experienced firsthand the ways they’ve helped us achieve continuous growth, year after year,” explained Dave.

Not long ago, Dave decided it was time to refresh the store, so he got the wheels rolling using the RetailPLUS!® program. “The Do it Best Corp. team came out, got to know our store, analyzed the space and came up with detailed plans and drawings,” said Dave. “We started the process in late 2011, using our year-end rebate to purchase additional inventory, and the project was complete in February 2012. The Do it Best Corp. team was great – there was no disruption to our store operations, and our sales have continued to grow.”

Sales are up nicely this year and Dave believes that remodeling the store has dividends beyond just the numbers. “It sends a very important message to our customers,” he explained. “It says that we’re successful and stable and that we’re not going away. Customers love a fresh new shopping experience, and they truly appreciate it when you do something that invests in their community.”
For Matt and Becky Chavez, opening their own hardware store was all about enhancing their community in Fort Collins, Colorado. To begin with, they selected a location where a previous store had failed, immediately providing jobs for a number of those employees. They also believed that their side of town deserved to have a viable hardware store and home center. And finally, they named their new store after Matt’s father and Becky’s grandfather, both named Joseph, who had run small family businesses in their communities.

“We selected the Do it Best Corp. RetailFIRST!® program for three reasons,” said Matt. “First, they had the right products. Second, they gave me the latitude I wanted to make my own decisions. And third, it just felt right – Do it Best Corp. isn’t flashy, it’s just a fundamentally sound organization.”

Matt also valued the guidance provided by the Do it Best Corp. team. “They started by providing a thorough feasibility study that was very helpful when it came time to talk to the bank about financing. Then, Do it Best Corp. provided everything we needed to turn this ‘blank slate’ into a great store, including Opportunity Program® planograms, the polished look and feel of the Signature™ Store Design Program, and ADpak™ advertising that branded us as professional and well-established from the beginning.”

Josephs’ Do it Best® Hardware & Home Center had its grand opening in September 2011. “Not only are customers amazed that we have such a great selection for just 11,000 square feet, they appreciate that we don’t just sell them products, we help them with their home repairs and projects.” Matt and Becky also get tremendous satisfaction from the contribution they’re making to their community. “People have stopped by just to thank us for opening – and that truly makes it all worthwhile.”
Winford & Nathan Jones
YODER’S SHIPSHEWANA HARDWARE
Shipshewana, Indiana

Winford Jones became a Do it Best Corp. member in 1979 for two reasons that he says still hold true today. “We love our relationship with Do it Best Corp. because they run a tight ship throughout the organization—just like we try to do,” he said. “And they encourage members to develop their individual brands to better serve their unique areas.” Indeed, “unique” is the perfect way to describe Yoder’s Shipshewana Hardware, located in the heart of Indiana’s Amish country. The store’s charm, along with its mix of hardware, housewares and locally made products, has made it a popular destination for visitors to this quaint town. According to Nathan, a consequence of this uniqueness is the fact that local shoppers sometimes assume that Yoder’s is not competitive on price. And that’s where the Do it Best Corp. ADpak™ program comes in.

“We rely on ADpak circulars and coupon books to promote special discounts and help overcome price perceptions,” said Winford. “We also love ADpak because of the way the program allows us to customize our advertising with the look and feel of our own brand.” Nathan adds that Yoder’s has had great success with the Fall and Spring Catalogs and the $1,000 shopping sprees. “The catalogs are a great way to let people see all of the products that they can get from us without having to pay shipping,” he said.

“ADpak really helps us on all fronts,” concludes Winford. “The customization lets us maximize this unique destination we’ve created, while the cost-effective advertising tools allow us to stay connected with local shoppers. That’s how they know that we’re here for them, too.”
Pat Garrett, owner of Moscow Do it Best® Building Supply and Pullman Do it Best® Building Supply, being a member of Do it Best Corp. is all about strength. “We didn’t have an affiliation with a co-op until the early 1990s when I decided it was time to explore our options,” explained Pat. “I looked around, and it was clear that hands down, Do it Best Corp. has the most expertise in commodities. It’s been a great relationship since day one.”

Pat grew up working in the Moscow location as a kid when it was owned by a close family friend. After graduating from college, he approached the owner about buying the business, and 25 years ago that dream became a reality. “We started with nine employees, one delivery truck, one forklift and 600 square feet of retail space,” said Pat. “Do it Best Corp. has helped us grow our business over the years, and today, we have 100+ employees, 28,000 square feet of retail space and 65,000 square feet of covered drive-through warehouse.” As the business has evolved, Pat says his customer base has, too. “We started out being heavily contractor oriented, but by using Do it Best Corp. merchandising and store design programs, we’ve also grown our retail business significantly. In fact, retail has ‘paid the bills’ in recent years when contractor sales were struggling.”

When it comes to lumber and building materials, Pat continues to emphasize the benefits of having a strong co-op partner. “We’re pretty remote out here in Idaho, so it is important to us to have the ability to buy just a few truckloads at a time,” said Pat. “Do it Best Corp. has great relationships with our preferred mills, and their buying power allows us to get those quantities at the best prices, based on their volume purchasing.”

Pat believes much of the co-op’s strength comes from the people at Do it Best Corp. “They are quality individuals who are committed to helping us, the members, benefit from their efforts,” he concluded. “If you’re in lumber and building materials, you should know that Do it Best Corp. is the strongest co-op out there for you.”

The Do it Best Corp. Lumber and Building Materials Division offers programs that are tailored to each member-owner’s needs to help increase sales and enhance bottom line profits. With many years of experience, our sales and buying team leads the industry in market expertise and serves as trusted advisors in assisting with pricing and product selection and identifying market opportunities.

• Competitive drop shipment building materials and millwork programs.
• Lumberyard and showroom design services.
• Nationwide partnerships with lumber and building materials distributors.
• Product merchandising and planograms tailored to the pro lumber dealers.
Dick McCoy of Orme Do it Best® Hardware has a long history of breathing new life into struggling hardware stores. Along the way, he has grown his business from its original location in Cambridge, Ohio, to a total of six stores in eastern Ohio. “We’ve made a name for ourselves by purchasing worn out, unprofitable stores and using the Do it Best Corp. RetailSTART® program to remodel and remerchandise them,” Dick explained. “With the help of our great co-op, we’re able to completely turn them around.”

Dick also credits the Category Solutions program and its optimized product assortment in key categories for his continued success. “With its greatly discounted pricing, Category Solutions offers tremendous opportunities,” he said. “To begin with, it’s a great way to refresh and organize your retail area. We love the fact that the planograms come very well organized and are easy to use. Plus, being able to get small quantities of an item gives us a risk-free way of trying out new products.” According to Dick, his stores have used nearly all of the options available with Category Solutions. “We’ve had great success with PEX plumbing, strapping, lawn and garden, rope, tarps, and outside watering,” he said. Category Solutions helps Dick achieve his high standards for a retail environment. “Even in some of our small town stores, customers can walk in and see a great selection with fully stocked shelves and an exciting retail presentation.”
Tahlequah Lumber in Oklahoma is a good example of the success that contractor-oriented Do it Best Corp. members are having with Channellock® branded products. Owner Randy Skinner and his son Mike jumped on the program when it was first offered in 2010, and have watched the products perform well. “We felt from the beginning that the Channellock program would be a success, because it’s a highly recognizable brand that our customers trust,” said Randy. Like many Do it Best Corp. members, Randy and Mike have experimented with the way they merchandise the Channellock products. “Initially, we had just a Channellock section, but over time we have incorporated the items within their categories throughout the store, which has worked very well,” explained Randy. “Now, we have Channellock end caps and other dedicated displays as well, so it’s easy for our customers to pick up an item, no matter what they may be shopping for.”

Randy has built his business by offering only quality, dependable products along with great service, and he believes Channellock products align well with that mission. And the best part of all? “We’ve got something you can’t get at the big box store down the street.”
Andrew Gemmen
GEMMEN’S
Hudsonville, Michigan

“Exclusively licensed Channellock® branded products provide Do it Best Corp. members with a unique opportunity to grow sales and profitability. Andrew Gemmen, from Gemmen’s in Hudsonville, Michigan, is enthusiastic about the success that his store has had since it was introduced two years ago. “We were early adopters of the program because we wanted to support our co-op in developing that relationship with Channellock,” said Andrew. “What we quickly learned was that the popularity of the traditional Channellock hand tools easily extended to the new exclusive products, and our customers have really embraced them.”

Andrew credits Do it Best Corp. for creating a partnership with Channellock that supports that success. “All of the products are of the highest quality and backed by warranties, and they’re at great price points to complement the other lines we carry,” he said. “But perhaps the best part is simply the fact that because they’re exclusive to Do it Best Corp. – we’re the only ones who have them. That makes them great for advertising. We can promote them and be confident we won’t get undercut.”

There’s no better way for members to differentiate themselves from the competition than to offer exclusive products to their customers. Our exclusive partnership with Channellock® provides access to more than 110 SKUs across 25 product categories, all with outstanding margins and comprehensive promotional support materials.
Do it Best Corp. provides dedicated support to help members become key suppliers to local commercial and industrial customers. The InCom® team provides product and bid assistance as well as comprehensive support services.

Randall Jones
HEADLEY DO IT BEST® HARDWARE
Greencastle, Indiana

For Randall Jones of Headley Do it Best® Hardware in Greencastle, Indiana, becoming involved with INCOM Distributor Supply was a matter of opportunity. “We started out by selling janitorial supplies to area factories,” said Randall. “Today we service everything from universities to prisons to automobile manufacturers.”

As the store’s third-generation owner, Randall has grown the retail operations by sharpening prices, expanding selection and emphasizing volume, all to ensure the store lives up to its slogan, “Headley Has It.” As Randall describes it, there is excellent synergy between the retail and InCom® aspects of the business. “Every one of our associates is empowered to take an InCom order,” he explains. “And if we have the order by 1 pm, we’ll likely get it delivered that day.”

Randall believes that the key to InCom is cultivating relationships with key personnel in the organizations he serves. “Once we earn their trust, we essentially become their purchasing agent for everyday needs,” he said. “When they know that we’re committed to having what they need, when they need it, it takes a huge worry off their shoulders.”

Randall says his customers appreciate the fact that with InCom, they receive one streamlined statement each month, even though they may have purchased many different types of products. But ultimately, he credits his people for making InCom a success. “Day in and day out, customer service is the best product we’ve got.”
SIM Supply in northern Minnesota and the Upper Peninsula of Michigan is a shining example of the success that a Do it Best Corp. member with INCOM Distributor SupplySM can have when they affirm their commitment to the program. “We used to rely on a number of different suppliers, but over the years we’ve consolidated more and more of our purchases through InCom®,’’ said SIM Supply President Ron Smith. “In 2011, our purchases from InCom exceeded $1.3 million, with an estimated $600,000 in orders through our web site.” In addition to increased year-end rebates, Ron says consolidation provides many operational benefits. “To begin with, our partnership with Do it Best Corp. and InCom was the primary reason we were awarded a large single-source contract,” he explained. “We won because Do it Best Corp. gave us access to so many vendors that we wouldn’t have had relationships with otherwise. InCom provided us the resources we needed to succeed.”

One of the biggest benefits to both SIM Supply and its customers is the retail service centers. “I can drop ship to customers anywhere in the country and they receive their orders in 2-3 days – as opposed to the challenges we would face if we had to ship from rural Minnesota,” said Ron. While the majority of his business is in delivering supplies to nearby mining operations, Ron has seen online sales grow tremendously – and he’s encouraged by that trend. “We integrated our web site with Do it Best Corp., and that instantly opened us up to a whole world of customers,” he said. “SIM Supply is successful because we have developed great relationships with our core customers,” concluded Ron. “But the buying power of Do it Best Corp. and InCom has both deepened those relationships and broadened our horizons.”

For members without a retail storefront, the True Industrial Commercial program offers solutions tailored to their specific needs, including:

- Ongoing training
- Market analysis
- Niche catalogs
- Line cards with a quick glimpse at all major vendors
- Comprehensive product catalogs
- Flexible e-commerce web site with customer logins for customized pricing

The Sim Supply Team
Member since 1999
Scott Akin is the third-generation owner of Akin Building Centers in Corning, Iowa, started by his grandfather in 1927 to supply area home builders. For many years, Scott continued the company’s focus on serving professional contractors, until 2007, when Do it Best Corp. presented a tremendous opportunity for growing the company. “Our territory manager began discussing ways we could enhance our retail environment and suggested that, with the Preference Shares Redemption program, we could redeem a portion of our shares in the co-op to help finance the expansion,” said Scott. It all started with an in-depth feasibility study. Do it Best Corp. business specialists surveyed the market, analyzed the competitive environment and provided specific recommendations. “They encouraged us to branch out into home décor with kitchen, flooring and bath – things that would really draw female shoppers into our store.” Today, Scott has renovated all of his locations using the Signature™ Store Design Program, and he is reaping the benefits with double-digit increases in sales volume and a dramatic upswing in foot traffic.

“The Preference Shares Redemption program is just another way Do it Best Corp. is very forward thinking in providing support to its membership,” said Scott. “They realize that giving members access to the equity they’ve built up in the co-op for new stores or expansions is a big win for everyone. Members like me achieve greater retail success, which in turn is good for the co-op – and that, in turn, is good for all of us.”
The Imperial Do it centers in southern California trace their roots back to 1908. But in recent years, the faltering economy and increased competition from large chain stores had taken their toll on the business. “We have been a member of Do it Best Corp. since 1990, and have used many of their retail programs over the years, so that’s where we turned to help us overcome a tough economy,” said owner Phillip Heald. “We asked how we could strengthen connections with our customers, and Best Rewards was the answer.”

According to Vice President Mark Schmidt, Imperial had 8,000 Best Rewards members in 2008. Thanks to the enthusiastic efforts of store associates, that number has grown to more than 35,000 today. “We’ve had an overwhelming response from customers to the program,” said Mark. “Today, 50% of our transactions include the Best Rewards card.” Phillip adds that customers love the rewards and rebates. “Our monthly reward is $5 for every $250 that is spent, and our yearly rebate is 5% on annual purchases of $1,000 or more.” He noted that Best Rewards card holders also receive special pricing on 250 items each quarter. “And, because customers receive their rebates in mid-December, it really drives holiday spending,” he added.

Phillip hopes that success stories like his will encourage other Do it Best Corp. members to explore the opportunities available through the Best Rewards program. “It’s an easy-to-use turnkey program, but it has the flexibility to meet individual needs,” he said. “Most importantly, our customers love everything about it. They love the rewards, and they love it when we point out how much we returned to them – $119,500 in 2011. And of course, we love the fact that customers can only get their rewards when they shop with us.”

The Best Rewards program was developed to help members build customer loyalty and increase revenue by developing long-term, value-added customer relationships. Customers, in turn, enjoy real rewards and an implied “thank you” for their business. The program also allows members to learn more about their customers’ buying habits and compile data that can lead to more effective merchandising and advertising.
Bill Keough of Keough’s Do it Best® Paint & Hardware, with locations in Stamford and Ridgefield, Connecticut, has been a Do it Best Corp. member for over two decades and has long appreciated the relationship he has with his co-op. “Do it Best Corp. has always been there for us, but this past year, they really showed their true colors,” said Bill. Last autumn, the region experienced an early snowstorm while leaves were still on the trees, bringing down limbs and power lines. “The power outages were so widespread that on Sunday morning, I called my territory manager to let him know the situation,” said general manager, Ray Barrett. “He called the retail service center in Montgomery, New York, and they replied, ‘We’ll be there in an hour.’”

In the meantime, Bill used his Best Rewards email list to put the word out that generators and emergency supplies were on the way, and customers showed up in droves. “We not only helped 300 people regain power, we sold a wide range of items to more than 1,500 customers in nine hours,” said Bill. “And Do it Best Corp. continued to send trucks with supplies every day that week.”

Keough’s received significant publicity that week for its ability to meet community needs, and Bill credits Do it Best Corp. for making that happen. “None of our competitors had suppliers who could do for them what Do it Best Corp. did for us,” he concludes. “People are still coming in to thank us.”
Randy Andes
RANDY’S DO IT BEST® HARDWARE
Bridgewater, Virginia, Member since 2001

Randy Andes of Randy’s Do it Best® Hardware in Bridgewater, Virginia, is the first to admit he was slow to see the value in social media. “My son-in-law, Christian, had to give me quite a sales pitch before I would agree to it, but once I turned him loose, it really started to pay off for us,” said Randy.

The company has three locations in small towns in Virginia, and they are active on Facebook, Twitter and YouTube. “I’ve been amazed at how when we post a great special on Facebook, people will drive in from miles around,” he said.

Randy also says that Facebook is a natural extension of their customer service. “We pride ourselves in helping people with their home and garden projects and answering all their questions, so Facebook gives us just another opportunity to do that,” he said. He adds that Christian has done a good job of keeping his social media efforts consistent with the company’s overall brand. “We try to have fun and inject humor into our radio advertising, and so we keep that same tone in our Facebook and Twitter posts,” he said. And what about the danger of negative posts from disgruntled customers? “We’ve only had one credible complaint, and it actually turned out to be a great opportunity,” said Randy. “We fully addressed the situation, and the customer actually made the effort to follow-up and post how well we handled it. It showed me that if you have the resources to do social media correctly, it can really help build relationships with your customers.”

Social media has quickly become a core focus and critical channel of communication for successful businesses. Thousands of Do it Best Corp. members have established a growing presence on Facebook, Twitter and YouTube—engaging hundreds of thousands of customers through promotions, store activities and relevant content. Do it Best Corp. supports members through Twitter (@doitbest) and Facebook (facebook.com/doitbest), driving traffic to doitbest.com.
At Do it Best Corp., e-commerce is more than just selling products online; it’s about empowering member-owners with the ability to provide the very best customer service. The doitbest.com web site gives customers access to more than 67,000 SKUs 24 hours a day, 7 days a week. With the Ship-to-Store option, customers purchase an item online and pick it up at a member’s store, saving shipping costs and generating more store traffic. Do it Best Corp. handles the fulfillment (order processing, shipping, and billing), members are rewarded with the profits, and customers have another reason to shop at Do it Best Corp. member stores.

Garrett & Katherine Wagner
WAGNER DO IT BEST® HARDWARE
Glenwood, Minnesota, Member since 2010

Through extreme circumstances, Garrett Wagner of Wagner Do it Best® Hardware in Glenwood, Minnesota, learned the value of online communications with customers and his community at large. In 2010, Garrett and his wife Katherine purchased an existing hardware store and converted to Do it Best Corp. They spent 11 months resetting the store, and a week after they finished, heavy snows collapsed the roof and demolished the building.

Garrett quickly set to work with Do it Best Corp. to rebuild and remerchandise the store, while Katherine turned her attention to continually updating the company’s web site and Facebook page. “Since we lost our brick and mortar presence, our web site was a great way to stay in touch with our customers,” explained Garrett. “Do it Best Corp. provided us with signage and banners that encouraged people to shop our web site.” The Wagners converted a garage into space that was suitable for receiving their weekly RSC delivery. This allowed customers to conveniently pick up their online orders and benefit from Ship-to-Store, a free shipping service offered by the co-op.

Garrett is proud of the fact that he was able to retain all of his employees during the closure. “The community was very supportive and rallied around us the whole time.” The experience also set the stage for Wagner’s continued strength in e-commerce. “Today, if a customer is looking for something we don’t have on the shelf, we use our store’s computer to ‘shop’ doitbest.com with them to find exactly what they need,” said Katherine. “That way e-commerce is an extension of our customer service, and it results in many more sales than if a customer just surfed the internet for an item on their own.”

Garrett says that through his store’s adversity he learned firsthand the value of having a strong, member-focused co-op partner. “Do it Best Corp. was totally there for us,” he concludes. “And today, thanks to their strong retail programs, Wagner Do it Best® Hardware is better than ever.”
Supporting those who serve

Each member of the Do it Best Corp. team eagerly answers our call of duty to serve our member-owners and provide them the best co-op experience possible. But for several of our team members, they answered an even higher call this year in service to our country.

Active duty service members face an incredible range of stresses and challenges trying to balance a job, a family and military service – even more so when extended overseas tours are included. At Do it Best Corp., we want to do more than just thank our active duty employees. We see it as our duty to support their call to serve and make their transition between Do it Best Corp. and the military as smooth as possible. With that commitment, we put a great deal of effort into accommodating the unique challenges active duty staff face while they are away for extended periods of time.

While not an expectation, it was certainly an honor to have those efforts recognized by the United States Department of Defense twice in the past fiscal year. In November, Karla Wygant, our business technical support manager, accepted a Patriot Award on behalf of Do it Best Corp. for our commitment to supporting active duty team members. She was nominated by Staff Sergeant James Elliott, a member of our IT team, for her above and beyond efforts to accommodate his service-related duties and responsibilities. And just six months later, John Snider, Do it Best Corp. vice president of Retail Logistics, accepted our second Patriot Award from Brian Reed, a lieutenant commander of the United States Navy and member of our Retail Logistics team. Brian returned to work last winter after an extended mission in Afghanistan.

Our team’s actions, however, weigh even more importantly than the awards. A great example is that of Robert Jones, a member of our Cape Girardeau RSC team and a lieutenant colonel in the Missouri National Guard. This past year, Robert led an MNG mission to Nacor Cortes, Honduras. The mission provided real-world situations so his soldiers could develop and enhance their military occupational skills, increase their readiness for in-state and overseas missions, and, above all, construct and renovate two clinics and three schools to help improve the quality of life in Honduras.

We are excited and inspired by team members like James, Brian and Robert. Their efforts underscore the importance of our corporate philosophy of “Serving Others as We Like to Be Served”. And they affirm the importance of commitment to our men and women in uniform.
Each year, the North American Retail Hardware Association (NRHA) presents its Young Retailer of the Year Awards to a new generation of industry leaders. For 2012, Do it Best Corp. members were proudly represented by three outstanding winners: Brennen Jeffers of Sun Valley Do it Best® Hardware in Deming, New Mexico; Chris Miller of Parker Do it Best® Lumber in Beaumont, Texas; and John Obermeier of Obermeier Hardware and Rental in Rockport, Indiana. Each of these exemplary young retailers was chosen in his respective category for his hard work, dedication and innovative approach to retailing.

**OVER $2 MILLION SALES VOLUME**

**Brennen Jeffers**  
*Sun Valley Do it Best® Hardware*  
*Deming, New Mexico*

At age 25, Brennen has delivered an amazing first two years as a store manager. He completely remodeled the store and turned its subpar customer service reputation into a helpful atmosphere that’s the talk of the town. He expanded the store’s product selection in farm and ranch, hunting and outdoors supplies, Rhino farm implements, Forney welding supplies, and more. He has led Sun Valley Do it Best® Hardware to a 20% sales increase in each of the last two years, and his eagerness to improve service and product selection for his customers has the store poised for a very bright future.

**MULTIPLE-STORE RETAILERS**

**Chris Miller**  
*Parker Do it Best® Lumber*  
*Beaumont, Texas*

Chris helped Scott Parker reacquire his family’s business, but he didn’t just restore operations to the status quo. Tackling everything from merchandising, ordering and receiving to detailed descriptions for every single job and a thorough training program, Chris has Parker Do it Best® Lumber running like a finely tuned retail machine. Since 2007, he’s opened eight new stores (two of them in California). Last year, his relentless focus on improving operational efficiencies delivered a 16% sales increase.

**UNDER $2 MILLION SALES VOLUME**

**John Obermeier**  
*Obermeier Hardware & Rental*  
*Rockport, Indiana*

After completing a high-profile internship at Target during college, John returned to the family business armed with superior retailing and merchandising skills that rescued the store from certain sale or liquidation. He cleared out tons of underperforming items and remodeled a repair shop that was losing money, making it profitable for the first time. His rental department is a destination for miles around, and he’s pulling in more out-of-town customers with his Ship-to-Store option. Since 2009, he’s increased sales by 20%. 
Brennen recognized early on the challenges inherent in running a successful retail operation, but he was energized and enthralled by his early experiences. He quickly moved from part-time to full-time and set about learning everything he could about what it takes to develop and manage a successful store. As he demonstrated initiative to learn and grow, Sun Valley’s owners rewarded him with more responsibility. Brennen, in turn, continuously rewarded them with a growing list of initiatives and accomplishments.

Today, he’s the general manager for the Sun Valley store location in Deming – and his hard work and retail vision turned this once-struggling store into a thriving enterprise. The sales figures certainly reflect his efforts – sales were up nearly 20% in 2011, which followed a 20% increase the year before. The store averages an impressive 150 additional daily transactions compared with the previous year. In addition, the intangible impact of Brennen’s efforts is noticeable – improved employee morale and team collaboration have led to an increase in the quality of customer service. “We’ve worked diligently to regain and build customers’ confidence, and I’ve worked hard to make my employees happy,” he explained. “The two go hand in hand. The happier employees are, the longer they stay. The longer they stay, the more they know and more resourceful they are to customers. And that leads to satisfied customers.”

“Brennen is a huge asset to our company,” said store co-owner Brad Achen, himself a Young Retailer of the Year winner in 2005. “It’s clear that one of his most outstanding and important traits is his people skills. He’s truly become an icon in Deming through his dedication and hard work. He’s taken his store through a total upgrade and enhancement with the greatest amount of skill I’ve ever seen. He is a natural leader and invaluable member of our team.”
It took someone young to re-establish one of the lumber industry’s oldest names. A native of Beaumont, Texas, and graduate of the University of Texas McCombs School of Business, Chris Miller was working as a financial analyst in Houston in 2007 when he met Scott Parker, the third-generation owner of Parker Do it Best® Lumber, a sizable network of lumber stores in Texas. At the time of their meeting, Scott was working to buy back parts of the family business he had sold just a few years earlier; he needed a knowledgeable and savvy partner he could trust to help him work out the financial aspects of the transaction. He found that – and then some – in Chris Miller.

Bringing the entire business back under the Parker family name – as well as positioning it for long-term sustainability and growth – was no small feat, and Chris was certainly up to the challenge. Because he was, as the joke goes, a numbers guy and not a lumber guy, the first thing he did was learn everything he could about the business. He spent countless hours in stores, talking with managers and employees, interacting with customers, and taking numerous professional training programs, including CORE® courses through Do it Best Corp. From there, he got to work. He started by setting up corporate offices in Beaumont and hiring staff to help build out business and customer-service operations.

Since that ambitious start, Chris has continued to expand his responsibilities as Vice President and CFO of Parker Do it Best Lumber, and he’s played an integral role in the company’s continued success over the past several years. By streamlining inventory management and ordering, increasing merchandising options, managing the company’s digital and social media efforts and even expanding into California with two stores in the Golden State, he’s helped Parker Do it Best Lumber reach new heights in its third generation. Through the efforts, determination and vision of Chris Miller, Parker Do it Best Lumber is well on its way to realizing perhaps the most ambitious goal he set when he started at the company: $100 million in annual sales in less than 10 years. At its current pace, the company may reach that goal in half the time. “The bigger we get, the faster I want to grow,” Chris said. “We always have our eyes out for new opportunities and new ways to keep growing this business.”

Chris Miller did more than just help Scott Parker reacquire his family business; he’s helped him turbo-charge it into an amazing 21st century business success story.
John Obermeier grew up in the family business – literally. Some of the 29-year-old’s earliest memories are of him roaming the aisles and back rooms of Obermeier Hardware and Rental, the store that’s been in his family since 1959 located in Rockport, Indiana, a tiny town of 2,000 located across the Ohio River from Kentucky. He was on the store “payroll” by the age of 10, his dad would give him $10 a day to sweep floors, pick up boxes, stock shelves and do other small tasks that needed to be done on a daily basis. He continued to work at the store through high school before heading off to college to earn a business degree.

While at college, John secured an internship with retail giant Target, where he learned the inner workings of retail operations. He was so successful at the internship that he was offered a full-time, salaried position upon graduation. Yet even with a great job working for a global company, John felt like something was missing. Or, more accurately, he felt like he was missing from something – namely, the family store back in Rockport. “I started realizing some of the things I could make happen in a small-town hardware store,” he recalls. “I didn’t need a big 401(k) to make me happy, but I did need job satisfaction – that’s what I was looking for.”

John’s father and mother had committed more than 50 combined years into building the family business, and both were looking to slow down and move toward retirement. Which means the timing couldn’t have been better for John, who returned to the store in the summer of 2009. Since then, his parents have given him virtual free rein to make any decision about the business. John has since played a prominent, leading role in the store’s revitalization and modernization. Some of the most important and valuable initiatives John has spearheaded include overhauling and improving the store’s merchandising standards; streamlining operational processes; increasing staff productivity and morale; focusing on improved customer service; and expanding the store’s burgeoning rental business, which has become a robust revenue center. “We want to be the ‘Cheers’ of hardware, where everybody knows your name,” he emphasizes.

John’s return to the family business has been an overwhelming success, and his determination and hard work have put Obermeier Hardware and Rental on the path to continued long-term success. John’s father could not be more pleased with how his son has modernized the business, admitting he thinks the store would have been sold off had John not returned. Luckily for him, and for the residents of Rockport, the future of Obermeier Hardware and Rental is in very good and capable hands for years to come.
BOARD OF DIRECTORS

Left to right

**Frank Blair**
SCHNARR’S HARDWARE COMPANY
Ladue, MO, member since 2000
1 location

**Randy Skinner**
TAHLEQUAH LUMBER
Tahlequah, OK, member since 2003
2 locations

**Tom Noble**
NOBLE SALES
Rockland, MA, member since 1998
6 locations

**Howard Miller**
HARTVILLE HARDWARE
Hartville, OH, member since 2002
1 location

**CHAIRMAN**
**Pat Sullivan**
SULLIVAN’S DO IT BEST® HARDWARE
Indianapolis, IN, member since 1970
3 locations

**J Johnson**
JOHNSON’S HOME AND GARDEN
Maple Valley, WA, member since 1994
1 location

**VICE CHAIRMAN**
**Tom Lamberth**
RUSSELL DO IT CENTER®
Alexander City, AL, member since 1991
9 locations

**SECRETARY**
**Tom Brown**
AMERICAN HOME & HARDWARE
Elkton, MD, member since 1999
1 location

**Jim Lehrer**
BROWNSBORO HARDWARE & PAINT
Louisville, KY, member since 1997
2 locations

**Karen Reusser**
MODERN HOME & HARDWARE
Woodfield, OH, member since 1981
1 location

**Robert Ashley**
TRIPLE "A" BUILDING CENTER
Canton, NY, member since 1992
3 locations

**John Holmes**
HOLMES BUILDING MATERIALS
Baton Rouge, LA, member since 1995
2 locations
EXECUTIVE STAFF

Standing, left to right

Steve Markley
Vice President of Merchandising

Quent Ondricek
Vice President of Lumber and Building Materials

Tim Miller
Vice President of Marketing

Mike Altendorf
Vice President of Information Technology

Dan Starr
Executive Vice President and COO

Gary Furst
Vice President of Human Resources and General Counsel

Seated, left to right

Jay Brown
Vice President of Sales and Business Development

John Snider
Vice President of Retail Logistics

Doug Roth
Vice President of Finance and CFO

For their many years of loyal service, we’d like to recognize our June 1, 2012 retirees:

Dave Haist
Former Executive Vice President and COO

Dave Dietz
Former Vice President of Finance