



# Giving Your Store a CHECKUP

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**HARDWARE**  
**ReTailing**



**NRHA**

North American Retail  
Hardware Association



# Giving Your Store a CHECKUP

# How to Sell More

- Traffic Count
- Closure Rate
- Transaction Size
- Margins

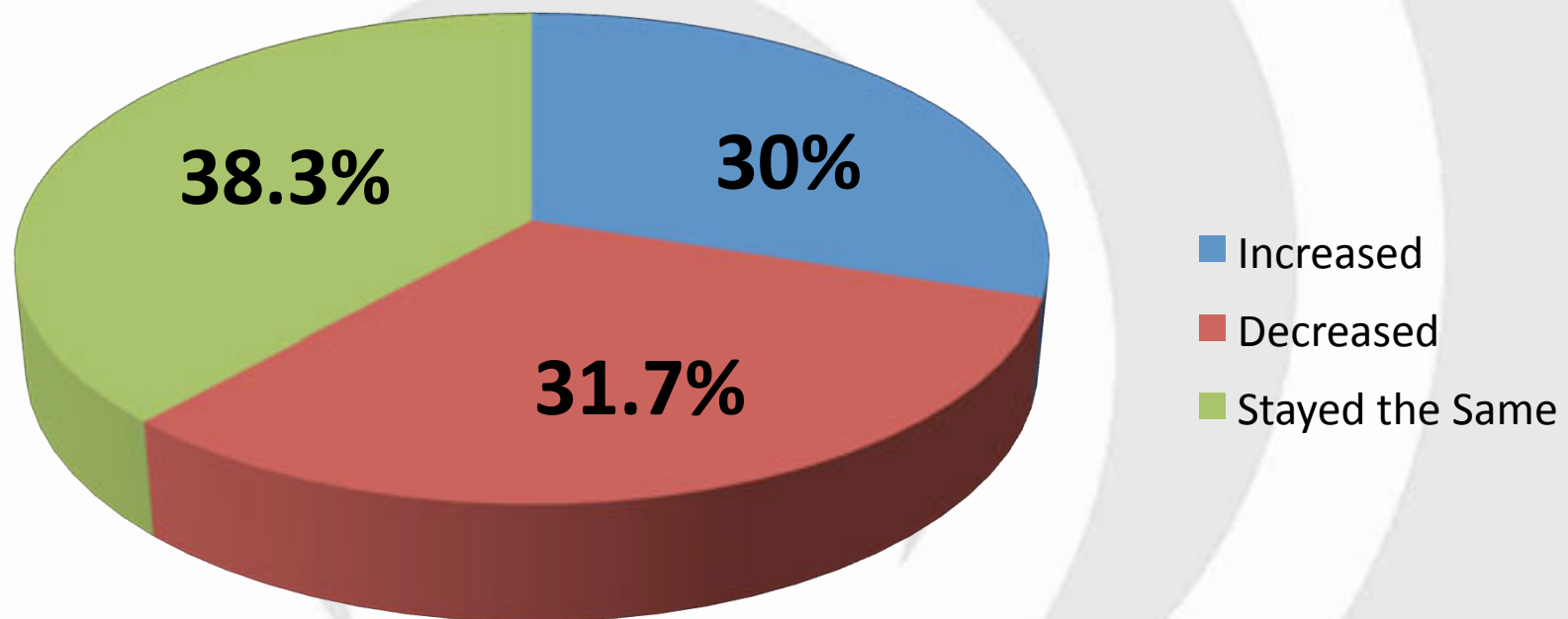
# What To Expect

- Advertising
- Employees
- Operations
- Finances



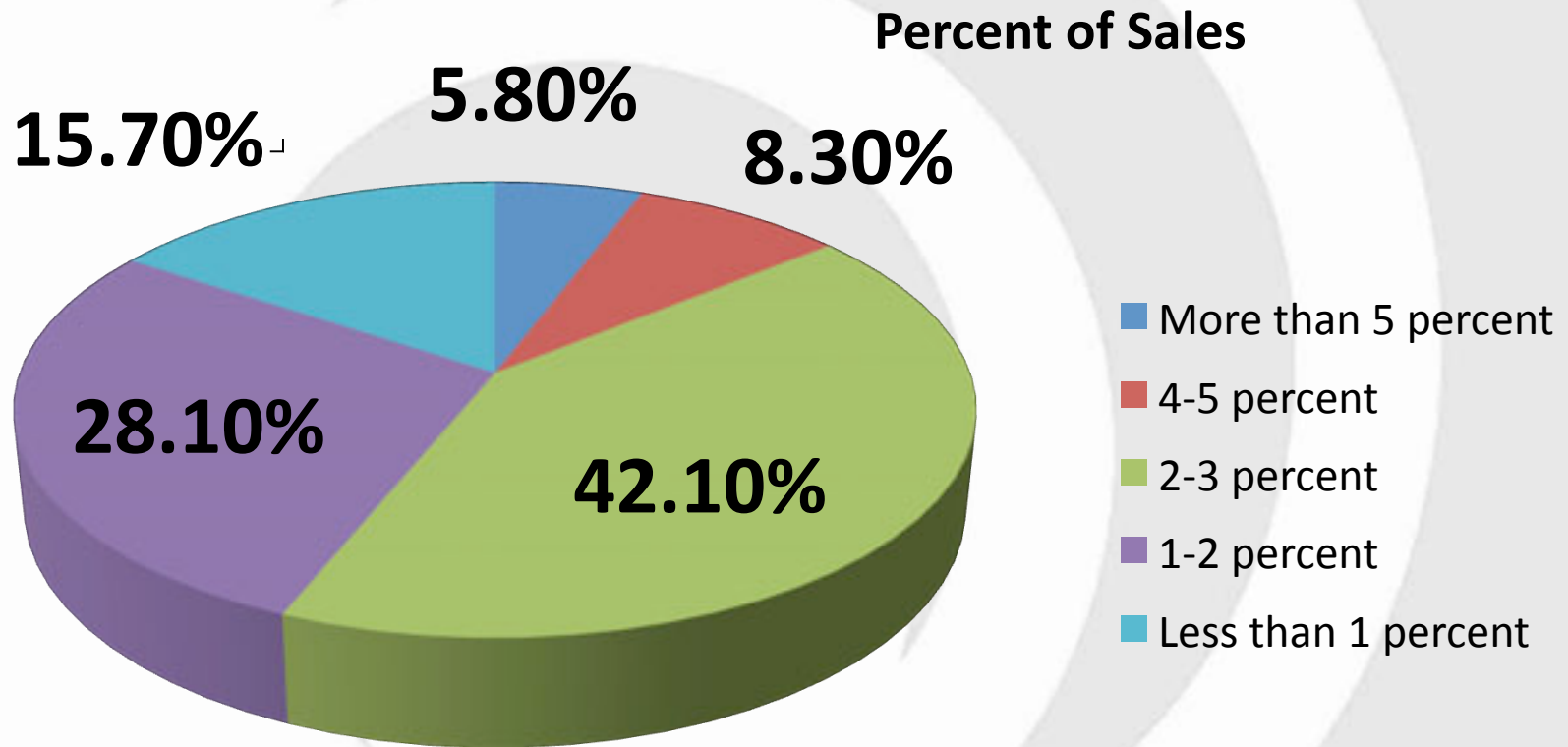
# ADVERTISING

# Average Advertising Budget in the Past Two Years



*ABCs of Advertising, 2010 NRHA research*

# How Much Do You Spend on Advertising?



*ABCs of Advertising, 2010 NRHA research*



# Where are you spending that money?

Medium	% of Overall	Increased	Decreased
Print Ads	27.1%	12.7%	60.0%
Circulars	45.4%	22.2%	30.3%
Radio	21.3%	28.0%	32.9%
TV	16.9%	16.3%	36.7%
Social Media	6.9%	60.0%	4.0%
Online	14.2%	67.7%	1.5%
Direct Mail	20.9%	39.1%	26.6%

*ABCs of Advertising, 2010 NRHA research*

# Laura Fleeger-Koenig





# Promotions/Advertising

- Reinforce in the store
- Keep employees informed
- Have a clear beginning and ending



# Promotions/Advertising

- Seasonal projects
- Specific customers
- In-store clinics
- Community events
- Vendor demonstrations



# Special Events

- Have a clear goal
- Plan ahead
- Advertise it
- Inform employees
- Prepare the store
- Evaluate



# Website

- Get one
- Easy to use
- Multimedia
- Complete information
- Useful information
- Well advertised



# Social Media

- Have a plan
- Monitor/post daily
- Unified brand message
- Use photos and videos
- Talk about it
- Don't just advertise

# Social Media

at the  
NRHA All-Industry  
Convention

May 10-12  
Las Vegas







# EMPLOYEES

# Health Benefits

Average Retailer pays:

**69%** of employee's coverage

**30%** of family's coverage

# Time Off

Full-time employees and managers get:

4 sick/personal days

14 vacation days

Part-time employees get:

1 sick/personal day

1 vacation day

# Retirement Plan

70 percent offer to full-time employees

25 percent offer to part-time employees

# Training

Managers get 17 hours

Full-timers get 14 hours

Part-timers get 9 hours

# Annual Training Budget

Average is

**\$1,667**



# Training Program

- Set deadlines and benchmarks
- Monitor progress
- Provide time for training
- Offer incentives
- Recognize achievement



# Training Program

- Provide mentors
- Remember long-time employees
- Selling and merchandising
- Use all resources available
- Evaluate





# NRHA Training Programs

- Basic Training in Hardware Retailing
- Basic Training in Building Materials Retailing
- Loss Prevention
- Three Pennies of Profit



# Hiring Process

- Always looking for employees
- Up-to-date job descriptions
- Get staff involved
- Present real-life situations
- Hire for attitude
- Background checks



# OPERATION S

# Will Barnhart







# Endcaps

- Rotate every 2 – 3 weeks
- Project themes
- Price specials
- Seasonal items
- Advertised items
- Limit to 2 – 3 items



# Dumpbins

- Rotate every month
- Increase sales 427%
- Keep full
- Keep neat
- Seasonal products
- Limit product selection



# Impulse Items

- Increase sales by 81%
- Small items
- Consumable items
- Attention getters
- Relate to a nearby service







## Store Services

- Utilities
- Credit card processors
- CPA
- Trash Collection
- Phone/internet
- Computer support



# Store Environment

- Cleanliness
- Lighting
- Inside/outside décor
- Clutter
- Merchandising
- Displays



## Store Safety

- Clear policies
- Safety training
- Safety equipment
- MSDS on file
- Current Department of Labor postings



# Disaster Plan

- Review insurance
- Emergency plan
- Employees in the know
- Updated contact list
- File backups



# FINANCES

# Jon Wicke



# Brenton Alexander





# Utilities

*As percentage of sales*

	Typical	High-Profit
Hardware Store	1.3%	1.1%
Home Center	0.7%	0.6%
LBM Outlet	0.5%	0.4%

*2010 NRHA Cost of Doing Business Study*



# Insurance (Liability and Casualty)

*As percentage of sales*

	Typical	High-Profit
Hardware Store	0.7%	0.6%
Home Center	0.9%	0.7%
LBM Outlet	0.6%	0.5%

*2010 NRHA Cost of Doing Business Study*

# GMROI

	Typical	High-Profit
Hardware Store	128.5%	168.2%
Home Center	121.1%	145.8%
LBM Outlet	135.4%	145.9%

*2010 NRHA Cost of Doing Business Study*

# Debt to Equity

	Typical	High-Profit
Hardware Store	0.9x	0.5x
Home Center	0.6x	0.4x
LBM Outlet	0.4x	0.3x

*2010 NRHA Cost of Doing Business Study*

# Average Collection Period

	Typical	High-Profit
Hardware Store	38.8	30.1
Home Center	58.5	41.4
LBM Outlet	48.9	41.5

*2010 NRHA Cost of Doing Business Study*

# Thank You!

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