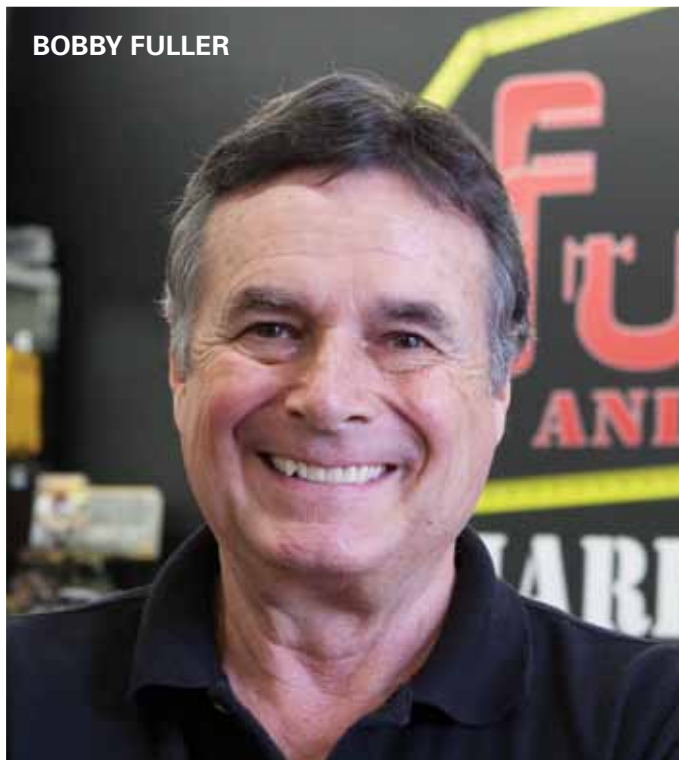


BOBBY FULLER



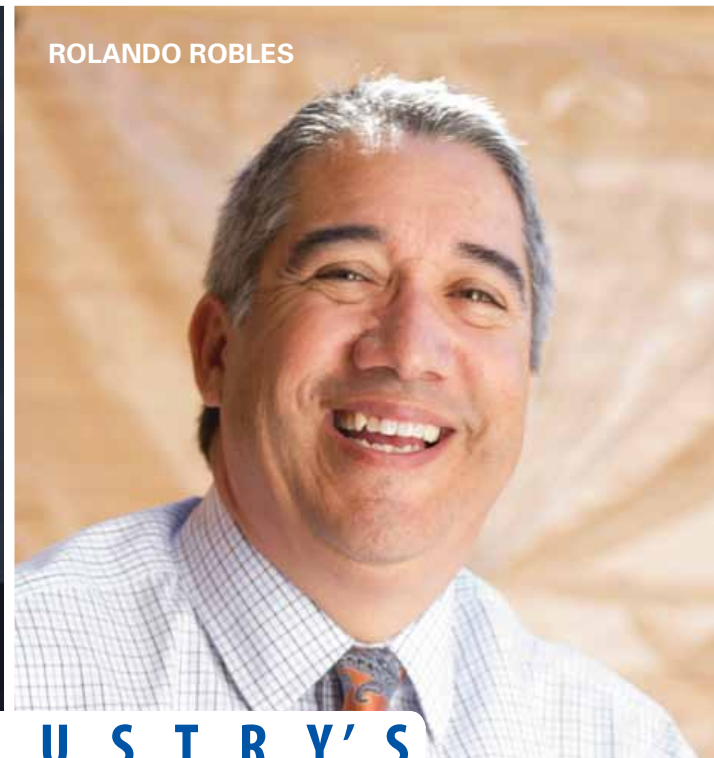
MICHAEL FUJIMOTO



JASON HALEY



ROLANDO ROBLES



THE INDUSTRY'S

TOP GUNS SIX



Retailers Continue to Reach New Heights

Back in 2007, the North American Retail Hardware Association, *Hardware Retailing* magazine and the National Hardware Show® set out to recognize independent home improvement retailers for their innovation, entrepreneurial spirit and overall excellence in operations.

Over the past nine years, 35 individuals have been named Industry Top Guns. The award is considered the highest honor an independent home improvement retailer can receive from the industry. Top Guns are selected based on the success of their retail operations, their contributions to the industry beyond their own businesses and their commitment to innovation at retail.

“The Industry’s Top Gun Awards began nearly a decade ago as a way to illustrate that the independent segment of the home improvement industry was not only continuing to thrive but also the source of broad innovation in retailing and community involvement,” says Dan Tratensek, publisher of *Hardware Retailing*. “We think this year’s class of Top Guns truly embodies the principles of innovation, success and community spirit that the awards were intended to recognize.”

In addition to being featured here, this year’s Top Gun honorees will also participate in a live panel discussion at the 2015 National Hardware Show, which will be held May 5-7 in Las Vegas at the Las Vegas Convention Center. To read more about this year’s Top Gun class, visit hardwareretailing.com/2015-top-guns/.

This year’s class includes:
Bobby Fuller of Fuller & Son Hardware in Arkansas.

With six locations serving the Little Rock market, Fuller & Son Hardware has been family-owned and -operated since 1921. Fuller & Son has continued to drive progressive programs in their markets, including a triple guarantee on price, in-stock products and service. Most recently, Fuller & Son began using

in-store price-check kiosks to allow customers to compare their prices with those at the local big boxes.

Michael Fujimoto of HPM Building Supply in Hawaii.

HPM Building Supply has been serving customers throughout Hawaii since 1921 and has emerged as one of Hawaii’s leading building material providers with 5 retail locations, a metal roofing, wall panel and truss manufacturing facility, a pressure treated lumber plant and a lumber and sheet goods distribution center throughout the islands. Not only does HPM serve as a model in retail success and efficiency but the company is deeply involved in both industry and community organizations including the HPM Foundation which supports local non-profit organizations with donations in excess of \$50,000 annually.

Jason Haley of Great Lakes Ace in Michigan.

Great Lakes Ace has been serving Michigan since 1946 most recently under the ACO Hardware brand, until 2014 when the chain embarked on a massive re-branding of its stores to Great Lakes Ace. Joining the Great Lakes team as COO last year—Haley and his team have completed an aggressive plan to re-brand, and re-launch their 47 stores as Ace and are making great progress towards their vision of, “Being the first choice in every Great Lakes Neighborhood for home preservation.”

Rolando Robles of Anawalt Lumber in California.

Robles has served as Anawalt Lumber’s president and CEO since 2009 and has led the California-based company’s growth to its current four locations. Together with his team, Robles has helped Anawalt Lumber, which has been in business since 1923, expand into new markets and broaden its customer base, all while focusing on leadership development and fostering a friendly, family-focused work environment. ➔



Bobby Fuller

Representing Fuller & Son Hardware

Six locations in Arkansas

Hardware Retailing: *Could you please give us a little background on your business, including how you first got involved in the business?*

Bobby Fuller: In 1985, I was an entertainer with a band called Bobby Fuller and the Fuller Brothers when I received a call from my father. He said that he knew better, but thought that he would call and see if I wanted to buy the family business. It turned out that I had been thinking of becoming a morning person, and my wife and I were looking at options for a more stable life with our two young boys. Thus began a new chapter in my life as a third-generation hardware store owner, following in the footsteps of my father and grandfather before me, who opened the business in 1921. That tradition continues now with my sons, Jeff and JR, who are now part owners.

HR: *What is it that you would say sets your retail operation apart from the competition?*

BF: We are always trying new things. We feel if we are content and standing still, then we might as well be backing up. It makes it a lot easier having my sons by my side to help innovate new ideas in the current marketplace. They are a great deal more tech-savvy than I am, which opens up all kinds of new avenues for our operation.

HR: *Over the last five years, what would you say have been the most dramatic changes for your business? What about the most dramatic changes for the home improvement industry at large?*

BF: For us, it would have to be competing in today's online environment. It has changed the way not only our industry, but the whole world does business. The instant access customers have to your business can be a double-edged sword, and if not managed properly, it can do just as much harm as it can do good. Social media updates,

online product and pricing displays and easy accessibility for your customers has to always be in the back of your mind.

HR: *What do you feel have been the keys to your operation's ability to grow and thrive over the years?*

BF: We pride ourselves on customer service, and we wear it on our sleeves. It states in our Triple Guarantee that if a customer is not greeted and asked if they need assistance within 60 seconds upon entering our store, they receive 5 percent off their total bill to accommodate for that inconvenience. I can't remember the last time we had to make good on that promise. We couldn't provide the service we do without the people that make up our team. We have been truly blessed with people who care about this business, and we think of them as family. At one store alone, we have over 150 years of Fuller & Son employment represented by only eight employees.

HR: *You have always been very aggressive about price and service. What would you tell someone who says, "Independent retailers can't compete on price"?*

BF: That the independent retailers they have met aren't doing it right. We constantly check prices, and generally we find we are right on the mark or our prices are lower than the big boxes. On the rare occasion that our prices are higher and we have to do a price match, we change the price in our system for good, not just for that customer.

HR: *How do you change customers' price perception of your stores?*

BF: Our latest experiment is our Price Match Centers, which is a concept my son Jeff thought up. My other son JR designed, built, and placed the Price Match Centers in prominent positions



Bobby Fuller became the third-generation owner of **Fuller & Son Hardware** in 1985.

in all of our stores. The thought was that anyone with a smartphone can check a price at any time, so why not show our customers that we are not afraid to check prices with the big boxes? In fact, we encourage it. Jeff also writes and helps produce our award-winning commercials that help convey key aspects of our business that set us apart from the competition. Our latest commercial emphasized our Price Match Centers and aggressive pricing model.

HR: What unique challenges do you think independent retailers such as yourself face in today's market?

BF: We advertise a lot, but we can't compete with the massive advertising budgets of the giant retailers. To combat this, you have to be creative with your outlets. For example, my son Jeff does a monthly spot on our local ABC affiliate's morning show about what's new in hardware. Another long-time employee co-hosts a local radio show on Saturdays that drives business into our stores. These cost us nothing but time, but they've proven to be very effective.

HR: What would you say is the greatest asset that independent retailers have at their disposal?

BF: For us, it has been our affiliation with Orgill. We purchase about 90 or 95 percent of our merchandise from their warehouse, and they work closely with us on pricing, advertising and emerging trends. We have recently opened a new store in a high-rent area of town in a 4,300-square-foot building, and it was only possible because of Orgill's assistance and the innovation of their new One Stop (store) concept.

HR: What would you say is the favorite part of your job?

BF: It would have to be watching my sons taking over. They have more energy and fresher ideas, and quite frankly, they are smarter than I am.


HR: What would you say is the most challenging part of your job?

BF: It would have to be watching my sons taking over and realizing they have more energy and fresher ideas, and admitting they are smarter than I am.

HR: Where would you like to see your business in five years?

BF: From a distance. Seriously, though, I'll always be involved in some way, but it is time to let my boys run with it. With our latest store opening, we have realized we can really put a store anywhere, which has opened our eyes to new markets and new opportunities. Again, if you aren't moving forward, you might as well be backing up.

HR: What advice would you give to someone considering entering the home improvement retailing industry today?

BF: Work hard. Pray hard. You have to be able to adapt, be honest and care about your people. If you can't do those things, then you are going into the wrong business. Also, if you are expecting glitz and glamour, I can only impart on you the wisdom of my father—"The pay's not very good, but at least the hours are grueling." 

Michael Fujimoto

Representing HPM Building Supply

5 retail locations in Hawaii

Hardware Retailing (HR): Could you please give us a little background on your business, including how you first got involved in the business?

Michael Fujimoto (MF): Our business was started in 1921 by my great grandfather, Kametaro Fujimoto, as Hawaii Planing Mill, Ltd. In the late 1920s, my grandfather, Barney, expanded the business beyond lumber milling into hardline categories like paint, plumbing and hardware in the 1930s and 1940s. My father, Robert, joined the company in 1951 and continued to expand the product offering and added corrugated metal roofing, pre-hung and wood truss manufacturing to our mix. Robert grew the company significantly during his tenure by adding locations in Kona and Waimea to our Hilo base. He expanded our employee base from about 12 when he took over to more than 200 when he retired in 1992.

I joined the company in 1977 as an assistant to the president. I did special projects like putting in a treating plant and establishing the Employee Stock Ownership Plan. Eventually, I became vice president, then was promoted to executive vice president. In 1992, I was named president and CEO.

I always thought I would go into some kind of banking, whether it be commercial banking or investment banking. However, my father met with me in my second year of my MBA program and asked if I would be interested in coming back to the family business. After reviewing the other opportunities I had at the time, I decided to come back. In hindsight, I would recommend that a person in a similar position spend some time working in larger organizations first before returning to the family business after school. The experience and perspectives gained would have better prepared me to contribute HPM.

HR: What is it that you would say sets your retail operation apart from the competition?

MF: I think there are several things. Normally in this market, you have lumberyards that just sell to framers and general contractors, and you have plumbing wholesalers that will sell to the plumbing contractors or paint stores that sell directly to painters, but HPM is able to sell to pros across all these categories. In fact, we can provide a whole-house package from products out of our own inventory. We have package homes featured on our website, and all the items in those package homes are available from our assortment.

The other thing that I think sets HPM apart, when I compare this company to others in the local market, is that we are very technologically and process-oriented. We strive to do these things right—the first time. And to do the right things consistently day after day.

In order to accomplish this, I believe you need to have key processes defined and the systems in place to support those processes. And of course, training and coaching is a key element in order to give life to the systems and processes.

Finally, HPM is a 100-percent employee owned company. As you know, the key asset of any organization is the people who make up the organization. I believe that our ownership culture and the spirit of our team gives HPM an edge in our service levels and willingness to go the extra mile for our customers. We spend a lot of time educating our employees on what it means to be a member of an ESOP company and I truly believe that it makes a difference.

HR: Over the last five years, what would you say have been the most dramatic changes for your business?

MF: I think the greatest change that we have seen, and we are still coming to grips with it, is our perspectives of the economic stability of our industry.



I don't think anyone had imagined that new home construction could have dropped so dramatically during the 2007-2012 period. This experience has forced all of us who survived to think carefully about our business and strategize ways in which we will be able to better weather calamities like this last recession should they occur in the future.

HR: What do you feel have been the keys to your operation's ability to grow and thrive over the years?

MF: We've been fortunate in that we've had a very strong balance sheet that has allowed us to weather the downturn and afforded us the ability to expand our business during the middle of the deepest part of that downturn. We expanded onto the island of Oahu in 2009 and acquired a business in Kauai in 2012. So in certain ways, we were able to take advantage of the drop in the market and expand because of our strong financial position.

The other key factor is our people. We are blessed to have committed and talented leaders and associates who have been willing and able to dig deep and perform well when the going gets tough.

HR: Your company has such a rich history as a family business. In fact, your son Jason, HPM's COO, is being recognized as a Young Retailer of the Year this year. How do you prepare for the next generation to move along in the operation?

MF: Interestingly, we had been a family owned business up until the point that we became a 100-percent ESOP business in 2006. So today we are really an employee-owned business and not a family business. Looking at it another way, HPM is still a family-owned business, but now our family includes all of us employees.

HPM Building Supply was founded in 1921 and today has five retail locations as well as production and distribution facilities.



I think it's important to provide the next generation of leaders with as much exposure to the industry as possible. Exposure to how other companies operate and to garner best practices is very helpful. Attendance at industry shows, roundtables and training programs are examples of such opportunities. Finally, the next generation needs to be given additional responsibilities that will force them to stretch and grow into the leaders of our companies sooner than later.

In Jason's situation, we were very fortunate that he had outside experience at a very high level.

He had good training and it just so happened that there was an opportunity here at HPM that matched his needs, and in the last 10 years he has greatly contributed to the company.

HR: What advice would you give to the other family businesses out there to achieve the kind of success throughout the generations that HPM has seen?

MF: First of all, while we have survived for 94 years, I can't say we've achieved higher levels of success than others, nor do I feel I'm qualified to give advice to others out there. With this in mind, we've benefited from a strong and vibrant corporate culture that serves as the foundation of the business. Secondly, we have developed and regularly update our mission and vision.

Finally, we strive to set objectives consistent with the mission and vision and create strategies for meeting the objectives, which we review and update quarterly. Over the years, we have utilized many different methodologies and formats for working with these components, but at the end of the day, we are clear on who we are, where we are going and how we will get there.

HR: What unique challenges do you think independent retailers such as yourself face in today's market?

MF: I think the challenge as an independent is also an opportunity. It's interesting that when we were kids, there weren't any Home Depots, Lowe's or Wal-Marts in the neighborhoods.

However, our kids and grandkids have grown up in an environment where there are big boxes everywhere.

The challenge we have is that we have these behemoths in the market, and Home Depot and Lowe's have really defined the customer shopping experience in the home improvement space.

The opportunity for us is to provide a shopping experience that is truly different—something that provides a fresh and compelling alternative to the big boxes, whether it be in the shopping venue, service, selection or price. ➔



Jason Haley

Representing Great Lakes Ace Hardware

47 Locations in Michigan

Hardware Retailing: *Could you please give us a little background on your business, including how you first got involved in the business?*

Jason Haley: In 1946, The Traskos family opened their first hardware store in Dearborn, Michigan. By 1959, we opened three more stores and had joined Ace. A decade later, there were 13 stores and a 60,000-square-foot distribution center in Metro Detroit. In 1981, as the company continued to grow to over 30 stores, we left Ace and changed the stores to our own, unique brand—ACO Hardware. The company saw strong growth for the next 25 years as ACO Hardware. The ACO Board of Directors made the strategic change to re-join Ace in 2013, and we embarked on a project to completely rebrand/remodel our stores during a seven-month period last year. We are now proud to have 47 world-class Ace stores in the Greater Detroit Market.

I spent 14 years with Ace, and last year, my role was to lead the project to convert the stores back to Ace. About two months into the project, Mark Vandenberg, our CEO, asked me to join as the COO once the conversion was complete. It was a tough decision to leave a great organization like Ace, but I had some great mentors there who really encouraged me, so I jumped at the chance and never looked back.

HR: *What is it that you would say sets your retail operation apart from the competition?*

JH: We have several key advantages. First, let's talk location. Despite what you hear, Michigan and greater Detroit are thriving in pockets and poised for a comeback—big time. We are in vibrant neighborhoods that are, in many cases, growing or re-gentrifying, so we are close to our neighbors, and oftentimes our competition is not so close or convenient.

Second, our people. Today we have over 700 associates with such passion for the company, and they were one of the key reasons I relocated

from Atlanta to Detroit to join the company. We have some solid folks here at GLA that give us a great edge against the competition. I'll give you one example: Jerry Pelker, who runs our Auburn Hills operation. Jerry has been with us for 46 years and can run circles around just about anyone, and yet he challenges us that we need to change faster. I could go on and on about him and so many others here.

Lastly, our Board of Directors and our leadership team. They all checked ACO at the door when we changed over to Ace. They have given us the freedom and we have given the stores the freedom to customize and localize their (operations) over time to really fit their neighborhoods.

HR: *What do you feel have been the keys to your operation's ability to grow and thrive over the years?*

JH: Constant change and adaptation. I will never forget Jan. 7, 2014, at the meeting where Mark Vandenberg announced to the stores they would convert to Ace. Mark reminded the group that ACO was really the internal code word for "Always Changing Organization," and that is the DNA of the company. I have heard stories about stores with lunch counters in them and toy departments; you name it, and over the last 69 years, this company has tried it.

Michiganders and the people of Metro Detroit are the other secret weapon. Talk about pride and determination. I have worked with independent retailers all over the U.S. and even overseas, and seldom do I see the pride that our folks here in Michigan have—it's unmatched. Now that we have the brand and backing of Ace, we really have the power to grow. It is amazing what having Ace Hardware on your building does at the cash register! We have some stores that have seen consistent 30-percent-plus increases since the day they converted—now I wish they all were running



Haley took over as the company's COO last year, shortly after helping lead it through a complete remodel and rebranding of all locations to Ace.

those numbers, but every day we see results that make us smile. Joining Ace was clearly the right match for our organization.

HR: You have a particularly interesting view on the industry given your background. What do you think you learned in your earlier career that is most valuable to you today?

JH: Two things—first, diversify and localize. Early on at Ace, I spent three years in International (department) and worked with many stores in the Pacific Rim where the best stores thrived because they were very local in their product offerings. Coming back to work with domestic stores, I saw the same thing: Being local pays big rewards, so it's important to know your customers. Secondly, I learned to hire people smarter than myself and then let them challenge the heck out of me. Managed conflict is one way we get the best and most creative results in our organization.

HR: Where do you see an independent chain like Great Lakes fitting into the home improvement retailing landscape, as it is somewhere between a neighborhood hardware operation and a larger retail chain?

JH: We actually don't view ourselves as a large chain most of the time—we view ourselves as a collection of small independent retailers. We are afraid if we act too much like a chain, we will never be nimble and local. Our company vision is, "To be the first choice in every Great Lakes neighborhood for home preservation." Every neighborhood is different, so we must act that way.

HR: What unique challenges do you think independent retailers such as yourself face in today's market?

JH: Learning to work together instead of against each other. We are blessed to be a part of the Detroit Ace Ad group and play together very well, but I have seen instances in other regions where owners put their own ideas in front of what might strengthen the brand for the entire market and allow everyone to win. We will always achieve more if we view each other as allies instead of competitors—we are lucky in that respect here.

HR: How would you respond to the statement, "Independent retailers just can't compete against the big boxes or Internet"?

JH: Hogwash! As I stated earlier, we are high-touch and high-service, and if we run a good operation; offer a strong, local, relevant assortment; and provide ridiculously helpful service; we will be just fine. If not, you could be toast.

HR: Where would you like to see your business in five years?

JH: I would love to see us in more Great Lakes neighborhoods, of course, but more importantly, I would like to see our people grow and develop. If we do that effectively, we will accumulate lots of talent that will grow the business much more effectively than if we just try to grow by adding stores here and there. I see our stores being much more diverse and more frictionless than they are today. ➔



Rolando Robles

Representing Anawalt Lumber

4 locations in Southern California

Hardware Retailing: *Could you please tell us how you first got involved with Anawalt Lumber?*

Rolando Robles: My career in the hardware business began in 1983, the day after I turned 16 years old. On my 16th birthday, I received my driver's license and the following day I started at Anawalt Lumber Company. While in high school, I worked two hours each day, Monday through Friday, stocking nails, and a full day on Saturday. I learned anything and everything about the hardware business. While in college, I continued to work as many hours as possible and tried to learn all aspects of the business. In 1994, I became manager of our Hollywood location and had my first taste of being the boss of my own profit center. I also held various positions in purchasing. In 2009, David Anawalt retired as president and appointed me president and CEO.

HR: *What is it that you would say sets your retail operation apart from the competition?*

RR: Our outstanding employees give us the ability to offer excellent customer service, which gives us an edge on our competition. I really feel we have a great core of employees who are top-notch. Without great employees, we would not be as successful or as strong. We have many long-term (lifelong) employees who have made a career here at Anawalt Lumber Company. My executive vice president, Richard Rios, has been with our company for 40 years, and we have numerous employees who have been with us over 20 years. I take immense pride in knowing we can retain quality long-term employees.

HR: *Over the last five years, what would you say have been the most dramatic changes for your business?*

RR: Five years ago, we were coming out of the recession, and I was beginning my new position.

My executive team and I had to make some tough decisions. Sales were falling, our customer count was decreasing and our biggest expenses were increasing or staying the same. We had to cut down the workforce and institute a bi-weekly payroll budget. Managers were required to fall within budget every payroll period. We looked at every expense and tried to find ways of reducing our expenses. This process trained us to be lean and mean with the resources that were available to us. Going through this downturn has allowed us to be better retailers.

HR: *What do you feel have been the keys to your operation's ability to grow and thrive over the years?*

RR: Again, I think our amazing executive team and knowledgeable employees.

Our employees enhance our customers' experiences by giving them personal attention, which sometimes cannot be found in big-box competitors. Our knowledgeable sales associates are always ready to assist you with your needs, whether your projects are big or small.

Our executive team has uncovered ways to better manage our expenses and has found ways to increase revenue.

Another key to our success has been our affiliation with Do it Best. They offer numerous programs and services that allow us to concentrate on making our business better. The Customer Loyalty Best Reward Program, the Ship to Store Program and the Mystery Shopper Program have been very successful. We use the Mystery Shopper Program to congratulate our employees for exemplary service and to uncover areas where we need to provide additional employee training. At our general store meetings, we distribute dollar prizes to the employees and cashiers

who have received high scores on their Mystery Shopper Evaluations. If all of the evaluations meet minimum standard, we raffle cash prizes to all employees in attendance.

HR: You have put a lot of emphasis on employee training. Can you tell us a little bit about how you approach this concept and why you feel it's so important?

RR: We always placed great emphasis on training at Anawalt Lumber. With the proper tools and training, our employees are able to better handle all different types of customers. I ran the training program for numerous years, and in 2005, we hired a professional trainer to take over the responsibility. He runs customer-service training classes twice per year. All employees attend each session.

Our training classes cover various topics, and include titles such as: "How to Deal With a Difficult Customer," "Proper Phone Etiquette" and a "Supervisor Training Course." We would not only use handouts and booklets, but we would use video extensively. We found that by using video, we could show the employees their body language and their tone of voice.

Robles has worked in the industry since he was 16 but credits much of the company's success to its top-notch employees.

HR: You and your teams are also very aggressive with marketing and promotions. Can you tell us a little more about the annual promotions you run, like the Tomato Tasting Festival?

RR: Our Tomato Tasting Festival began in 2005. The genesis for the tomato tasting was our annual Garden Festival, which we started in 2001. We hold our Garden Festival the first week of May, and we use the event to kick off our garden season. We have hourly how-to sessions, and one of the sessions was "How to Grow Tomatoes." This was always one of best-attended sessions, and the customers were asking for more talks about anything to do with tomatoes.

At our Tomato Tasting, we have 30 to 50 different types of heirloom tomatoes that our customers can taste and grade. Our customers can also use this time to ask any questions, whether they be about the different types of tomatoes, soil condition or any issues they are having with their tomatoes. It has been a big hit for us! We are able to give something back to our customers, and at the same time, increase our community presence.

HR: What would you say is the favorite part of your job?

RR: If I had to only pick only one, it would have to be the daily interactions with customers and employees. While I may not get the ability to interact with customers like I did when I was a store manager, I still find great joy in dealing with all the employees. I love seeing young employees grow and develop into their own. It brings me back to when I started at 16 and didn't know the difference between a common and box nail. But I had a company that believed in me and took the time to train and teach me. I am thankful I have had the opportunity to grow with this company.

HR: What would you say is the most challenging part of your job?

RR: At Anawalt Lumber, we tend to wear many hats. This all began during the recession. We did more with less—there was no other choice. I need to allocate my time properly. I also oversee the buying team for products that are non-lumber-related, so I need to keep a balance between work and family time. There are not enough hours in the day.

HR: What advice would you give to someone considering entering the home improvement retailing industry today?

RR: You must be a people person, as the majority of your days are spent helping customers and communicating with employees. You must embrace change, as no two days are the same. You must be inspired by a long day's work and know that what you put in is what you will get out. **+**

