

Do it Best

DRIVING *your* GROWTH

2023 REPORT



2023 GROWTH HIGHLIGHTS

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PRESIDENT'S LETTER

Our power is focused on a single goal: helping our members grow and achieve their dreams. We announced an aggressive growth plan to maximize share of wallet, increase expansion through new locations and acquisitions, and add more members to the Do it Best family.

Today, our co-op has overcome continued market volatility and economic uncertainty to achieve historic success. I am proud to say we exceeded our projections and delivered the second highest rebate in our history. This incredible accomplishment is the direct result of Do it Best member-owners, employees, and vendor partners working together to leverage the opportunities created by the significant investments of our co-op.

We made a \$100 million investment in our infrastructure, maximizing efficiency and increasing our ability to serve existing members and support a growing number of new members. One of the cornerstones of our growth strategy lies in investing in state-of-the-art infrastructure like our next-gen distributed order management system (DOMS) and warehouse management system (WMS). These systems will streamline the ordering and product delivery process, enhancing efficiency and response time. And, they're complemented by an updated core financial system that empowers us to continue serving you better.

We took a major step toward maximizing share of wallet by integrating online and in-store shopping into a single customer experience. The all-new doitbest.com is a centralized ecommerce platform designed to promote your individual store brand and everything you sell through a powerful digital shopping experience—while saving time and resources that can be redirected to other areas of your business.

Through doitbest.com, you also have the ability to provide your customers with product info, how-to videos, and customer reviews. We invested in top-tier technology and supplier engagement to create an automated resource that supports your website with relevant, high-quality content that keeps customers coming back.

Finally, doitbest.com fully integrates with our Best Rewards loyalty program, establishing relationships with online customers before they ever walk in your door.

The impact of our efforts to create an integrated online and in-store shopping experience also paves the way for expansion through new locations and acquisitions. Increased awareness of Do it Best, and a growing base of loyal customers, generates opportunities to expand your business into new markets.

This year's report highlights several outstanding member success stories. They serve as inspirational examples of what happens when a member commits to growth and turns to Do it Best for the financial resources, expert guidance, and personal attention they need to make their vision a reality.

As you look forward, consider new opportunities to grow your own business. From a simple merchandising analysis to a comprehensive update of an existing location or adding an entirely new market, be assured that your co-op is mutually invested in your success.



Dan Starr, President & CEO

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Dan Starr, President & CEO

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First CHOICE. Best CHOICE...
Do it Best



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**You can trust that in
Do it Best, you have
the right co-op
partner that is fully
invested in driving
your business growth.**

Joe Taylor, Chairman of the Board

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CHAIRMAN'S LETTER

When I joined my brothers Bob and Russ, and my sister Buff, to run our third-generation home improvement business in the mid-1980s, we had five locations. Since then, we have added 16 additional locations and become a fourth-generation business by leveraging our relationship with Do it Best.

As the family business has grown, I have come to believe there are three universal truths that determine whether an independently owned business will succeed in the home improvement industry.

First, you have to have the right co-op partner. When my siblings and I began running the family business, we were part of one of the most competitive home improvement markets in the country. We looked for support from the co-op we belonged to back then, but it quickly became obvious they were not mutually invested in our success.

Their shortcomings convinced us to join HWI, the co-op that would become today's Do it Best. We immediately had access to a comprehensive menu of tools and services to help us drive growth—and our sales soared. Do it Best was exactly the partner we needed.

The second universal truth is that your store design, merchandising, and online presence have to stay fresh and relevant. From the minute we joined Do it Best, we took advantage of the programs, resources, and incentives available to us.

The Do it Best team helped us lay out, re-fixtured, and re-merchandise all our older stores, plus the new ecommerce program helps us be even more competitive online. Not only did the investment delight our customer base and generate increased sales, but our employees were re-energized when they saw the investments Do it Best was willing to make to help our business succeed.

I saved the most challenging universal truth for last: you have to embrace risk because it is impossible to grow without it. Take opening a new store, for example. Choosing the right location is a risk. You also face the financial risk of committing resources to the new store. There is even risk in finding the right team to run the new store.

Do it Best understands these risks we face as independent business owners. Our co-op has made investments in incentives and services to help mitigate your risk and get your new store up and running as quickly as possible. There are market potential reports to help you confirm that the location you choose is the right one. Greatly enhanced incentives like retail performance, advanced rebates, and preference share redemption are just a few of the financial tools available to maximize your financial options. Do it Best even provides training to help with onboarding and coaching for your employees.

As your Chairman of the Board, I can say that each member of your Board of Directors is proud to serve you. You can trust that in Do it Best, you have the right co-op partner that is fully invested in driving your business growth. And that's the truth.



Joe Taylor, Chairman of the Board

A people-first growth plan

Big Rapids Lumber & Hardware



Do it Best gives me
the buying power
and knowledgeable
resources I need to make
confident decisions.

David VanderWeele, Owner

New Do it Best member-owner David VanderWeele can trace his people-centric approach back to a single, life-changing event. After college, David's career was on the fast track. Through hard work and a flair for retail marketing, he climbed the ranks at national brands like Valvoline and MC Sports before arriving at a national insurance company where he oversaw operations in Illinois, Michigan, and Wisconsin for more than 13 years. And then he got the call.

"I was instructed to close three offices, letting more than 60 employees go that day," remembers David. "I was out of tears in the first 15 minutes, and I had only talked to the first two people—it was easily the worst day of my professional career."

That is when David knew it was time to take greater control of his career. "I told myself I would never be in a position to have to do something like that again because of someone else's strategy or spreadsheet," says David. "I set out to find the right business and the right opportunity to help people in my own way."

David embarked on a search for the right business acquisition that would allow him to fulfill his dream. His search was methodical, with very specific parameters. The ideal business needed to be fiscally sound, and the current owners had to have a clear understanding of the real value of their business, as well as where their business was headed. But most importantly, the business had to have the right work culture.

"When I was interested in a business, I would mystery shop there multiple times," says David. "I was watching the interaction between employees and customers, and whether the customers seemed comfortable and welcomed."

A business broker suggested he talk to Do it Best member-owner Phil Daniels. Phil was ready to retire and sell Big Rapids Cash & Carry, his family's 40-year-old lumberyard. After a visit to see the business for himself, David knew he'd found his match.





"I was taken by the quality of his team and the family-focused culture he'd created," says David. "I knew this was the business I wanted to be part of."

Although he was a newcomer to the LBM and hardware industry, David was confident he had a proven formula for success.

"In order to develop a business properly, you have to be in the people business," says David. "When you relate to customers on a personal level, you build loyalty that goes beyond products and services."

But he also knew he had a lot to learn about the industry. David quickly discovered that as a new Do it Best member, he had immediate access to a network of experienced business owners who were ready to help. One of his first interactions was with Mike and Brenda MacKay, owners of Vassar Building Center in Vassar, Michigan. Mike and Brenda's growth-minded approach and recent store expansion experience gave David invaluable insight as he began to learn the industry.

"Do it Best is unique in that members are willing to share not only what has worked for them, but also the mistakes they've made along the way," says David. "Their advice has been absolutely invaluable. I've been able to take their best practices and integrate them into my own strategies, and it's worked very well."

The semi-annual markets proved to be another great resource for David. He attends every seminar and training class his schedule will allow, and he makes it a personal challenge to connect with two or three members he's never met before.

David still laughs about his first experience at a Do it Best market. During a training session on growth initiatives, the speaker showed a picture of a storefront branded as a "Cash & Carry" and remarked on how outdated that tagline was. While David was already planning to rebrand his newly acquired business, at that moment it became a top priority.

"After that seminar, I approached the speaker and handed him my Big Rapids Cash & Carry business card," laughs David. "He said, 'Oh no, you're still one of them.'"

David's solution was elegantly simple: Big Rapids Lumber & Hardware. With the new name established, David worked with Do it Best designers to create a new logo.

"The Do it Best team was fantastic, and they supported my choice to self-brand," says David. "They were very collaborative and willingly worked through different variations to arrive at the logo we use today."

David also relied on Do it Best to breathe new life into the 40-year-old business with a dramatic makeover. Inspired by what he'd seen and heard from the MacKays, David chose

to invest in the new Do it Best store design. The store facade was updated to feature a stylish dark gray finish, bold product graphics, and a prominent blue awning over the main entrance. Inside the store, new flooring and lighting created a brighter, wide-open shopping environment with clear sight lines. The new store design also delivered plenty of function to complement the style. The old store's four-foot high gondolas were replaced with seven-foot models, increasing shelving space by more than 40%. David also added a checkout station at the back of the store, where 70% of his pro and contractor foot traffic enters.


"The new store design fits my vision perfectly. It's clean and modern, and the colors, patterns, and atmosphere set my business apart from the competition."

"I wanted to create the kind of store that I'd want to shop in myself," says David. "Working with the Do it Best team, the new store design fits my vision perfectly. It's clean and modern, and the colors, patterns, and atmosphere set my business apart from the competition."

Major store updates represent a serious investment, and Do it Best helped David affirm he was making the right decision.

"Customer purchasing behaviors are easily traceable today," says David. "Do it Best shares Best Rewards analytics with me on a regular basis, and it helps me know when my strategy is working and when I need to make adjustments to increase results."

When David began his entrepreneurial journey, he knew that only an independent business could provide the freedom and peace-of-mind he was looking for—but he also knew it came with an increased risk. With Do it Best, he found the perfect balance of freedom and support to run his business.

"Do it Best gives me the buying power and resources I need to make confident decisions about my current store and future expansion," says David. "Building a business that will continue to be there for my customers and my employees means everything to me—I couldn't have done it without a partner that is there for me every day." 



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When we can choose markets that fit our model, we'll succeed. And with a partner like Do it Best, we'll succeed every time.

Darren Tomasini, President and CEO

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Going
after growth

Dazey's Supply in California's Humboldt County takes a very open-minded approach to growth. Their bold and, at times, unorthodox approach has allowed them to grow into a business with six West Coast locations—and now a seventh in the heart of the Midwest in Bluffton, Indiana. This seemingly unconventional growth strategy has led some to question their approach—but to the Dazey's Supply team, every step moves them toward their established goal.

"Our history has led some people to say that we don't take ourselves seriously, but nothing could be further from the truth," says Darren Tomasini, their president and CEO. "We're here to grow a major home center business, and we're leveraging our partnership with Do it Best to achieve it."

The Dazey's Supply story began in 1974, when recent Stanford University grad Steven Dazey noticed that San Francisco's counterculture revolution was migrating into Humboldt County, bringing young residents with a need for affordable lumber and building supplies.

Steven began milling lumber and selling refurbished windows, and he soon had a thriving business. His customers often came to him with requests for assortments of organic soils and pesticides, along with chicken manure by the truckload.

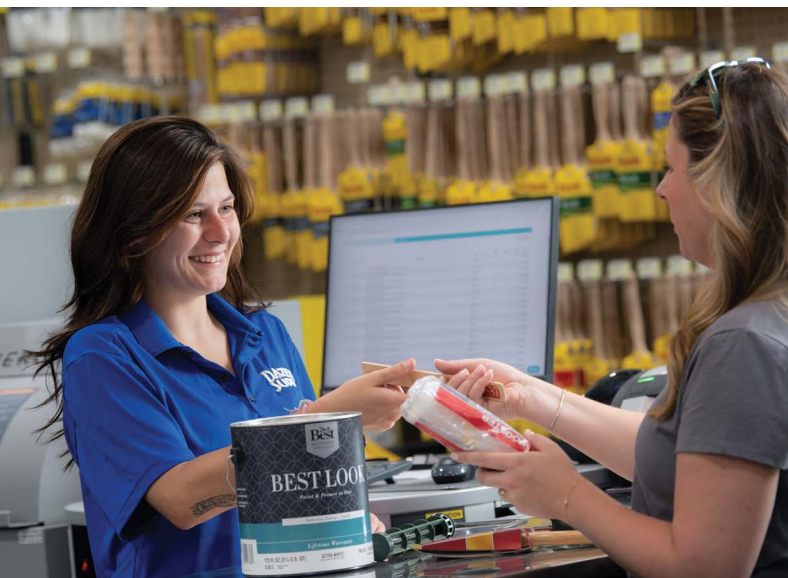
He quickly realized that many of these valued customers had started organic businesses of their own, sparked by a new buying trend on campuses and communes up and down the coast. Always the entrepreneur, Steven strengthened his assortments to carry the harder-to-find, premium gardening tools and supplies his pro gardeners wanted.

Dazey's Supply was soon positioned as a leading, knowledgeable supplier for entrepreneurs throughout the region.

The wave of new sales propelled the business forward. Dazey's Supply added one more location and partnered with another buying group. However, they found it wasn't a good fit for their long-term growth.

"As a company focused on continued growth, we felt that the right thing to do was to establish an employee stock ownership plan," remembers Darren. "However, our distributor at the time didn't support our decision." Regardless, to protect everyone's best interests, Steven Dazey sold 100% of his company to the employees in September 2016.





In fact, almost overnight, they slashed Dazey's Supply's credit limit from \$4 million down to just \$25,000. While he'd been considering his options for a while, that was the moment that spurred Darren to make the call to Do it Best.

"I had worked with Do it Best in a previous job, and I knew we could count on them," says Darren. "They understood what we were doing and immediately restored our credit."

As a Do it Best member, Dazey's Supply has found a supportive, growth-minded partner, as well as connections with other goal-oriented entrepreneurs who are always ready to help.

"I've met a number of folks at Do it Best, who take my calls and help me work through a situation to find a solution that works for us," says Darren. "I've had experience with other distributors, and the team at Do it Best is by far the easiest to work with and the most supportive—it's not even close."



"Do it Best is by far the easiest to work with and the most supportive—it's not even close."

Dazey's Supply continued to grow, eventually adding four more locations in Northern California and Southern Oregon. Inspired by these successes, Dazey's Supply is looking to duplicate their proven growth strategy and establish footholds in other markets. While up to now, their focus was on growing in their home region, they are beginning to expand their scope for sustained growth.

"Once a new location works out, we search within a 100-mile radius for two or three more locations so they can feed off of each other," says Darren. "And as we grow, we want to establish clusters all across the country and build a network of stores nationwide."



The opportunity came when their Do it Best Territory Sales Manager Jeff Malmon reached out to the sales team, explaining that Dazey's Supply was looking for acquisition opportunities—anywhere in the US. In just a few days, Territory Sales Manager Rick Kramer informed Jeff that he had a member in Indiana who was looking to sell his business.

Darren jumped in with his own research and found many things he immediately liked about the location. The Bluffton community was growing rapidly and also had untapped potential in nearby Ohio markets. The store was located on a major road, but it was the neighbors that excited Darren the most.

"The store is located next to a Lowe's and a Walmart SuperCenter—I love that," says Darren. "Those are major companies, and they don't put in a store unless they know their parking lots are going to be full. All I have to do is get those customers to choose to come to my store instead."

Darren confidently shared his strategy to attract customers with Do it Best and the two teams went to work, transforming the 40-year-old local business inside and out.

"We gutted the store, ripped out the floors, electrical, and fixtures," says Darren. "I chose to go with Do it Best's new store design because it gave me the clean, modern look I was going for without having to start from scratch. It also takes the smallest detail into account, even down to the peg hooks. Those often overlooked details are critical—customers notice how much effort you're putting in."

"The whole idea is to enhance the shopping experience," adds Rick. "We helped Darren build a store where customers want to grab a cart and actually shop, rather than just dash in for a lightbulb or plumbing repair part."

With the store design underway, Darren looked to Do it Best for a market survey that determined the mix of products customers in Bluffton were looking for, and what departments they expected to see in the refreshed store. The results gave Darren the insights he needed to completely rethink the categories he'd be offering in his Indiana store. He leaned heavily on the Retail Performance program to strategically build assortments he knew would perform well in his market.

"We're not a franchise, we're a partner," says Rick. "It's a collaborative process with each member to find the assortments that are the best fit, with the products that make the most sense to drive more sales."

After reopening in March, Darren's strategic plan included an aggressive direct mail campaign, targeting local customers with a very generous series of offers. The first was a direct mailer which included a certificate worth \$25 off their purchase.


"Honestly, I don't care if they come in and buy \$25 worth of candy and leave. I just want them to experience the store," says Darren.

Another mailer followed announcing the grand opening, which included another \$25 certificate, as well as a \$50 certificate on opening day. But they didn't stop there. Dazey's celebrated with a live band, a complimentary local barbecue food truck, a kid's zone, and a series of giveaways, including a trip to Hawaii, a Weber grill, and a Traeger smoker, to name a few.

"So that's \$100 of free money—it gets people in the door and it works every time we do it," says Darren. The event drew thousands of attendees. "Our customers used Lowe's parking lot to come to our event!" he chuckled.

Since then, sales are up 300% in one year, customer count has increased 1,200%, the average ticket is up \$22.68, and more than 1,000 customers have signed up for the Best Rewards program. "It was worth every penny, and our team has a great sense of pride in their efforts and accomplishments." remarks Darren.

Dazey's Supply's bold growth strategy is winning in their West Coast markets and now has them targeting other growth opportunities across the country. Darren is confident they have the winning formula.

"When we can choose markets that fit our model, we'll succeed," says Darren. "And with a partner like Do it Best, we'll succeed every time." 

Generational growth





Do it Best is committed to expansion and growth—they make it really easy for us.

Brad McDaniel, Owner

"I remember my college business professor asking the class, 'What do you want to do?'" says Brad McDaniel, owner of McDaniel's Do it Center in Snohomish, Washington. "I said, 'I'm going into hardware.'"

Brad knew at an early age that he wanted to be the second-generation owner of his family's business. He grew up watching his father's hardware store outgrow its location and move into the large, vacated grocery store McDaniel's Do it Center still calls home today. He learned much from his father and took the reins in 1998.

"Working for my dad, I got to experience every part of the business," says Brad. "More importantly, I got to see how my dad respects people and, in turn, how people respect him."

Under Brad and his wife Amy's leadership, McDaniel's Do it Center continued to be proactive to their community's needs, building a large and loyal customer base in Snohomish. But they also began to look at their company's future and, just as Brad's father had once done, they realized it was time to start thinking about a succession plan.

"The kids were in middle school when we let them know that running the family business was an option for them," says Amy. "We wanted to give them time to seriously consider the right direction for their lives before they went to high school or college."

Today, Brad and Amy's four sons are all college graduates, and three are active in the business. According to their parents, each has a strength that complements the others. Kobe, the oldest, has a reserved personality and an eye for detail that make him perfect for overseeing the checkouts and developing policies and best practices. Kaden, the middle son, is a people-person like his grandfather and helps run the sales floor and engage with customers. And Karson, the youngest, is a do-it-all builder and handyman who answers customers' questions and guides them to the right products. Brad and Amy could see that their sons' diverse talents and personalities have solidly built the next generation of the family business.

As great as that felt, it left them with an interesting, yet exciting, dilemma. They had three family members in the business, each capable of running a McDaniel's Do it Center, but they had only one location. It soon became clear that the best solution was to take the big step of adding a second location.

"When we started our succession planning, we never really considered adding another store," admits Brad. "But we started challenging that thinking and saw that communities in our county were exploding with growth, and that there were plenty of opportunities available. We were just looking for the right opportunity."

That perfect opportunity presented itself in Granite Falls, Washington, a small community the McDaniel family regularly passed through on their way to their vacation home. Brad and Amy had built strong personal relationships with many of their regular customers. Through them, they learned about a prime retail lot.

The McDaniels contacted Todd Harris, their Do it Best territory sales manager, to investigate the area to see if the opportunity was truly as promising as it appeared. The market site analysis came back very favorably, giving Brad and Amy the confidence to move forward with the purchase of the property.

"Do it Best has always been pro-growth...I knew they would do everything possible to make a new location happen."

"Do it Best has always been pro-growth, and I experienced that firsthand when I served on the board of directors. I knew they would do everything possible to make a new location happen," says Brad. "Along with the market site analysis, they conducted customer surveys to give us accurate data to base our final decision on."

The McDaniels, along with Todd and members of the Do it Best Retail Performance team, met with their builder to walk the new lot and develop a vision for the new store. With the parameters established, they turned to the Do it Best Store Design team to put together a final compelling design.


"We chose to go with the newest store design because it has a fresh, clean, modern look," says Amy. "We don't want to make a serious investment in a new store only to have it look dated in a year or two. Also, we know that we haven't updated our original location in about eight years, and we already know we are going to use this new design when we do."

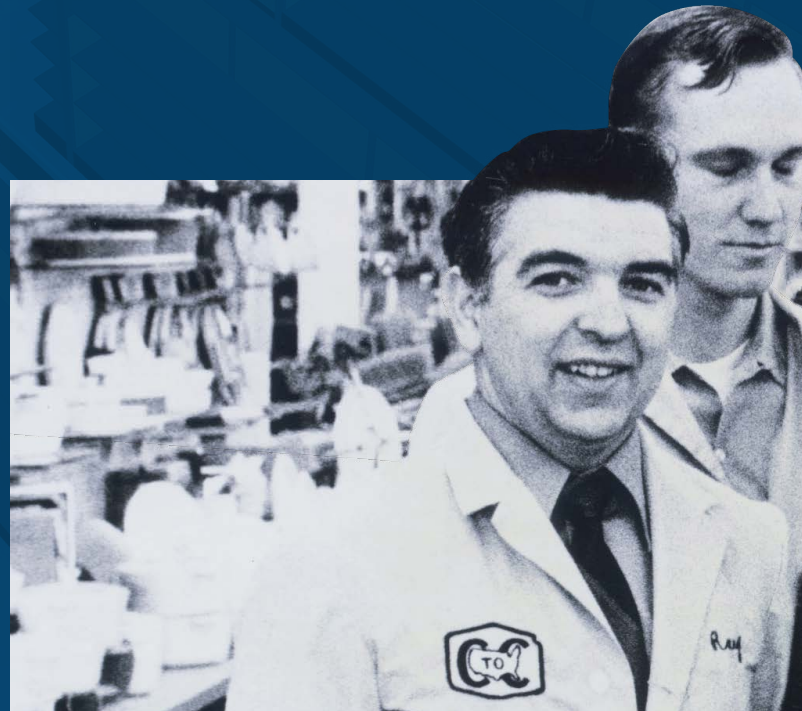
As for the inside of the new store, Brad and Amy are sticking with the proven layout they have in their original location.

"The interior layout of the new store is driven by the success of their current store," says Todd. "The low interior aisles provide clear sight lines for customers to see the entire store at once, easily finding the main categories. Duplicating the layout will also create symmetry in the shopping experience between their two locations."

As they prepare for their business transition, Brad and Amy are giving their sons the space they need to run the business their own way. "While generational growth strengthens the brand and culture, it's important to allow it to evolve with the next generation," says Brad. "Just as my dad did for me, it's important to let them try new ideas and see how they work out."

The next chapter of McDaniel's Do it Center history begins with a second location and a new generation. Looking forward, Brad and Amy are confident that their family business is in good hands with their sons and Do it Best.

"Do it Best is a members-first organization," says Brad. "When you're with Do it Best, the other members are like a second family—you can count on them and they can count on you." 





Opening the road to opportunity



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Do it Best is investing in Village Hardware to get them up and running and making a profit as quickly as possible.

Rick Kramer, Territory Sales Manager

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Village Hardware co-owners Ann and Kevin Evers, openly admit that Leipsic, Ohio is “not on the way to anywhere.” Yet, this entrepreneurial couple, along with their son Jeff, regularly exceeds performance expectations—in fact, they crush them.

Identifying and leveraging the cause of these spectacular numbers was a frequent discussion between the Evers and their Do it Best Territory Sales Manager, Rick Kramer.

“If you only looked at the demographics of their rural community, you wouldn’t be able to explain how they do it—their volume is staggering” says Rick. “I told them that Do it Best could use their point-of-sale and Best Rewards data to identify where all that business was coming from.”

A thorough market analysis revealed that many of their repeat customers were traveling from Findlay, Ohio, a growing community located just over 20 miles away. Ann and Kevin immediately saw an opportunity to grow their business even faster.

“That explained why many of our regular customers were asking for a store in Findlay,” says Kevin. “It was a fantastic opportunity—how often do you get to start in a new market with an established customer base already in place?”

The Evers began exploring acquisition options in downtown Findlay. However, the limitations of a downtown space prevented them from duplicating their business model successfully.

“There were two existing hardware businesses downtown and both owners were close to retirement,” says Jeff. “But they were small stores, and the downtown market was basically landlocked. There simply wasn’t the space to do what we needed to do.”

When a nine-acre lot became available on the west side of Findlay, the Everses knew they had found an ideal space.

“The location is perfectly positioned to bring home improvement to an underserved part of town,” says Rick. “When we ran the market numbers, everything indicated that it was a good fit.”

“When we started talking about this store, Do it Best brought the market research and support we needed to make a confident decision,” adds Kevin.

The new location incorporates the newest Do it Best store design, combining Do it Best aesthetics under the Village Hardware name.

“Do it Best suggested that we continue to use our own brand name because it’s the name our customers already know and trust, and it builds continuity between our two locations,” explains Ann. “We still make sure to tie in Do it Best whenever we can—we like to take advantage of the co-op’s momentum for our own business.”

Throughout the building process, Do it Best actively paved the way, making the expansion easier than the Evers family originally expected.

“Once the project started, they were there with store layouts and product line suggestions. They developed planograms, ordered shelving—did all the things that we couldn’t handle in-house,” says Kevin.

“If we ever decide to add another store, Do it Best has proven that they will be there to make it happen.”

With two markets to serve, Village Hardware now has twice as many potential customers to reach. Do it Best stepped in asking the Evers to join the Managed Marketing program. Under this program, an internal marketing team at Do it Best focuses specifically on developing and maintaining a marketing program for Village Hardware.

“It has really taken a load off us,” says Kevin. “They do everything we need to stay in front of our customers and drive traffic to our stores.”

Knowing that Do it Best was handling everything from merchandising and marketing to inventory and finances, the Everses were free to turn their attention to adding additional products and services that made Village Hardware a unique shopping destination.



“Do it Best does everything we need to stay in front of our customers and drive traffic to our stores.”

For example, customers enjoy an oversized grilling department, featuring premier brands like Big Green Egg, Traeger, and Weber.

“We invested in selling a large selection of spices, seasonings, and sauces,” says Jeff. “Selling a grill only gets customers in the store once, but those ingredients are driving repeat sales among our grill enthusiasts.”

Noticing customer buying behaviors, especially around the holidays, the Everses committed sales floor space to a toy section, particularly miniature farm equipment.

“Leipsic is a farming community, and we try to carry everything that Ertl and other toy companies make—especially during the holiday season,” says Kevin. “We include toys in our November sales circular, and it’s fun to see the kids come into the store with their parents, carrying the circular with the pages marked up to show what they want for presents.”

One of the most prominent niches revolves around home fireplaces and outdoor firepits. Village Hardware’s showroom carries fireplaces, firepits, mantels, hearth finishes, duct work, and gas lines, along with a wide range of tools and accessories. They also offer something more.

“We will do the complete job, from room construction or remodeling to installing the fireplace system,” says Jeff. “We also design and build hearths and surrounds. We source old farm beams for mantels or build new ones in our wood shop. We don’t contract any of the installation out—we do it all ourselves.”

The fireplace niche gives Village Hardware a strong advantage over the other local competition.



"Our fireplace services bring people to our store from surrounding areas, because no one else does full-service like we do," says Jeff. "In turn, they buy other products and tell their friends and neighbors about us. All we have to do is continue to sell, install, and service fireplaces."


Perhaps Village Hardware's most unusual, but highly lucrative, niche is golf carts. About eight years ago, the Everses noticed how many people in the Leipsic community relied on carts for shorter trips around town.

"Golf carts with lights and turn signals are street legal in Ohio," says Kevin. "We were seeing golf carts driving through neighborhoods and campgrounds and parked in front of youth ball games—sometimes 10 or 20 of them."

The entrepreneurial team began to purchase golf carts from nearby golf courses and leasing companies. They would completely refurbish the vehicles, making them street legal before reselling them. As demand for their carts grew, so did the cost to refurbish them.

"By the time we put in all the parts and labor, we were spending as much as we would have on a brand new golf cart," explains Kevin. "We decided to buy into Club Car, and now we're a full Club Car dealership, and we even service them. The cart business has been very profitable and increased foot traffic in the store."

For now, Village Hardware is still getting used to the Findlay market and settling into the day-to-day operations of running multiple locations. But their experience with Do it Best has left the Everses open to more possibilities.

"A third store? It's hard to think about when we're still knee-deep in opening a new store," laughs Kevin. "But if we ever decide to add another store, Do it Best has proven that they will be there to make it happen." 



DRIVING *your* GROWTH

We seized the opportunity to launch an aggressive growth initiative based on three pillars: maximizing share of wallet, helping our members sell more out their front door, and adding more new members and locations to the Do it Best family. When your business is growing, our co-op is growing—and Do it Best is fully invested in doing what it takes to drive your business growth. We continue to make new investments to position your business for success in a rapidly changing marketplace.

PAVING the way

Sustaining that level of growth requires major investments to provide an infrastructure capable of supporting your needs. A next-gen warehouse management system (WMS), a new distributed order management system (DOMS), and streamlined core financials will be operating in every facility by this spring. These three generational investments are critical to support every Do it Best member today, as well as the steadily growing number of new members who are joining our co-op. We are focused on installing these systems without disruptions in our service to you.

We are also taking large steps to expand the capacity of our warehouse network. Ground has already been broken on a new structure at our

Woodburn, Oregon, distribution center that will ultimately increase space by 50%. In addition, a recent project increased capacity at our Medina warehouse. These are just two of the more than \$100 million in investments that are either in progress or planned to increase our efficiency and productivity to ensure we're meeting your needs now and in the future.

"We've committed considerable resources to create a fully integrated system that helps our members drive more sales with outstanding store performance and an unbeatable customer experience," says President and CEO Dan Starr. "This gives our store owners a tremendous advantage over the competition."

Distributed Order Management System (DOMS):

Enhances inventory visibility and product allocation, giving you an effective tool to locate and acquire the products your customers need even more efficiently

Warehouse Management System (WMS):

Provides immediate, accurate-to-the-minute inventory information, making the ordering process faster and more productive

Core Financials:

Increases flexibility and simplifies financial processes using immediate data

ECOMMERCE

excellence

With work on the strengthened infrastructure in full swing, we introduced a powerful new ecommerce strategy at our spring market in Orlando that integrates online and in-store shopping into a single customer experience. The key driver is to generate and capture as much online activity as possible—increasing both digital and in-store transactions.

The result is an all new doitbest.com, a centralized ecommerce website designed to enable you, and every Do it Best member, to offer your customers a best-in-class online and in-store shopping experience.

“We have thousands of amazing store locations across the country within a short drive from our online shoppers’ homes,” adds Allison Flatjord, Vice President of Ecommerce. “We provide an in-store pickup experience that offers a complete shopping journey, including project advice and add-on sales opportunities.”

Unifying member businesses in a single ecommerce platform creates a number of efficiencies and opportunities that were virtually nonexistent before. As a part of doitbest.com, every item that you offer can be shown through direct connection to the co-op’s full product database or integrated through content concierge services from the Do it Best Ecommerce team.

“We wanted a powerful, state-of-the-art platform that supports all of our stores and their entire inventory,” says Corbin Prows, Ecommerce Development Manager. “This new platform is a direct reflection of our ability to work together to meet customers’ needs and make more sales for our members.”

A unified ecommerce platform removes the cost barrier that might have discouraged you from embracing ecommerce as a central part of doing business today.

“Our platform brings a top-tier service to every Do it Best member, regardless of size or budget,” says Allison. “It puts our members in the best possible position to see stronger sales results with minimal investment.”

In addition, doitbest.com takes the hassle of maintaining your ecommerce site off your hands. The Do it Best



Ecommerce team handles all platform maintenance and updates quickly and easily for you.

“Our platform removes a lot of the heavy lift from members,” says Allison. “By moving all our members onto this single platform, we can handle the day-to-day support work so they can focus on serving their customers.”

The new doitbest.com regularly updates content to keep your site fresh and exciting. You can be as involved as you want, and you can work with Do it Best to add your own original content to support in-store and community events, promote unique products in your store, recognize employee milestones, and more.

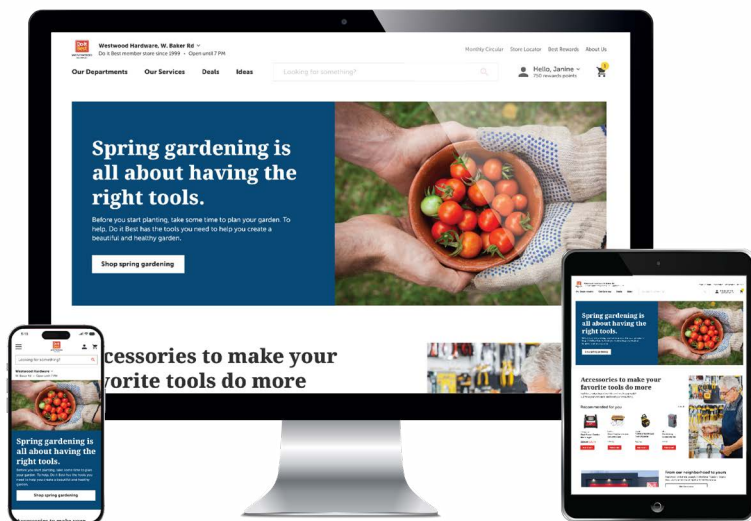
“We provide members with high-quality content, including 360° product views, how-to videos, and customer reviews,” says Brianna Wells, Ecommerce Marketing and Content Manager. “Our job is to keep online shoppers engaged with their experience.”

The ecommerce platform maps customer journeys through numerous data points, giving you the



insights you need to offer highly personalized online shopping experiences that mirror the in-store experience.

"The platform gives us statistical insights so we can create a tailored shopping experience for everyone," says Corbin. "It refines the individual experience a little more every time they shop—and that leads to increased conversion rates."



MORE REWARDS, more opportunities.

The Best Rewards program has always been a powerful way to grow your business. By tracking customers' purchase data, you can target your most loyal customers with messaging aimed at their individual needs.

The new ecommerce platform seamlessly integrates Best Rewards, giving customers the power to join, earn, and redeem their loyalty points in any participating store or online. Through doitbest.com, they can locate the nearest Do it Best store, check their point total, and begin shopping. They will also be offered enrollment and bonus points for signing up, and they will receive \$5 rewards for every 250 points, along with \$5 birthday rewards—redeemable at any location.

"In addition to a continuously refined shopping experience within the platform, the new doitbest.com fully integrates with the Best Rewards loyalty program. Customers can earn and use rewards online—further integrating the personalized shopping experience today's consumer expects, regardless of being in-store or online," adds Allison.



MIGHTIER MARKETING

+ turnkey digital solutions

Today's Do it Best customers are highly informed and have more shopping options to choose from. Digital marketing allows you to target the right customers, with the right message—at the right time.

This fall we're rolling out enhancements that provide you with a new premium package of turnkey digital marketing campaigns. These two tiers are developed to provide you with the assistance you need to continue driving traffic to your business:



CONSUMER MARKETING:

Our Consumer Marketing team acts as your marketing consultants. They provide strategy, guidance, and suggestions, but ultimately, your marketing is up to you. You select, implement, and measure the marketing campaigns that your customers will respond to.



MANAGED MARKETING:

Work with our Managed Marketing team when you want a dedicated specialist creating recommendations and executing a marketing strategy on your behalf. Our team will maximize your return while saving you time.

These added capabilities give you the power to encourage online customers to take advantage of everything your store has to offer, creating a complete shopping experience.




BUILDING a better experience

Our industry award-winning store design program is helping a steadily growing number of members attract new customers, expand their market share, and drive double-digit growth.

"We partnered with a national retail design firm and visited member stores across the country to see what design elements were working well for them, as well as what their competition was doing," says Cherié Jacobs, Store Development Manager. "We also assembled a team of members across every division of Do it Best to discover what their needs for a better store design would be. Our goal was to design a store that attracts a new generation of customers."

Do it Best has also revamped the Retail Performance program, simplifying the process and enhancing discounts on products and planograms to help you become the premier retailer in your market.

In addition to the incentives, the Retail Performance team works with you to generate a productivity report, identifying high-performance departments and revealing opportunities to appeal to a wider range of customers. The report acts as a guide to build right-sized departments while improving product and department adjacencies.

By making serious investments in infrastructure, ecommerce, digital marketing, and store design, Do it Best is committed to matching the incredible efforts made by members like you. Together, we are positioning our co-op to win in a rapidly evolving marketplace. Together, we are driving growth in our own businesses, and the businesses of every member, so that every member can achieve their dream. 





Member-owner awards

Do it Best member-owners are among the top performers in the home improvement industry and are regularly recognized by trade associations and publications for their business excellence.

Beacon Awards

The Hardware Connection



BART RASER
Retailer Beacon
Carr Hardware | Pittsfield, MA



JASON BLAIR
Best New Store
Tum-A-Lum Lumber | Pendleton, OR

Young Retailers of the Year

NHPA



AUSTIN DIEHL
Randy's Do it Best® Hardware
Bridgewater, VA



MATT LAMBERT
Nation's Best
Dallas, TX



TRAVIS HELLVIG
Hartford Building Center
Hartford, SD



ZANE WATKINS
Village Hardware
Hatch, NM

Dealer of the Year

LBM Journal



JIM & JAY ANDREW
Henry Poor Lumber
Lafayette, IN



SCOTT SOMMERS
Hartville Hardware & Lumber
Hartville, OH

Top Gun

NHPA



BRIAN KLIMEK
Hilltop Lumber
Minnesota

Independent ProDealer of the Year

Hardware + Building Supply Dealer

Top Women in Hardware & Building Supply Hardware + Building Supply Dealer

RISING STARS

CLARA COLLINS

S.W. Collins Co.

SARAH KREY

Do it Best

BRIANNA WELLS

Do it Best

BUSINESS EXCELLENCE

JODIE BRIXLEY

Calaveras Lumber Company

CATHY HAMILTON

Taylor's Do it Centers®

JENNALEE LONG

Sunpro

ALLISON FLATJORD

Do it Best

CINDY KANDEL

Hartville Hardware & Lumber

JESSICA SCHWARTZ

Wayland Hardware

Golden Hammer Awards Hardware + Building Supply Dealer

ANDERSON LUMBER COMPANY

Alcoa, TN



BROWNSBORO HARDWARE & PAINT

Louisville, KY



CARR HARDWARE

Pittsfield, MA



H & H HOME & HARDWARE

Marion, KY





DUSTIN BYARS
Kay Supply Building Center



CALEB DRENNING
Your Building Centers



TYLER GARRETT
Moscow Building Supply and
Pullman Building Supply



MATT GOEBEL
Star Lumber & Supply



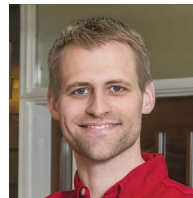
JAKE HENDERSON
Mobile Lumber & Millwork,
Coast Design Kitchen & Bath,
Grand Bay Lumber



MATTHEW HOLMES
Holmes Building Materials



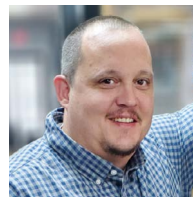
CLAY LEAVITT
Marcus Lumber



GRANT LEAVITT
Marcus Lumber



LANCE LATKIEWICZ
Mans Lumber and Home



TIM LUCAS
GBS Building Supply



JACE MATTINSON
Nation's Best Holdings



CODY MILLER
Hartville Hardware & Lumber



DUSTAN WAGNER
Wagner Lumber & Supply



ISAAC WEBER
Lugbill Supply Center

HARDWARE + BUILDING SUPPLY DEALER

Hardware All Stars

ALPHA BUILDING CENTER

Shipshewana, IN

BIG R SPARKS

Sparks, NV

BOB'S DO IT BEST® HARDWARE AND SUPPLY

Baxley, GA

BREEDLOVE BUILDING SUPPLY

Opp, AL

CARON BUILDING AND RENTAL CENTER

Berlin, NH

CENTRAL LUMBER AND HARDWARE

Harlowton, MT

CHESTER DO IT BEST® HARDWARE

Chester, VT

GRABER BUILDING SUPPLY

Tuscola, IL

HALL'S HARDWARE AND LUMBER

Milton, FL

HPM BUILDING SUPPLY

Kapaa, HI

KNUDSON LUMBER AND HARDWARE

Ellensburg, WA

M&M BUILDING SUPPLY

Hartfield, VA

MARCHANT BUILDING CENTER

Mountain Home, AR

MT. PLEASANT HARDWARE

Providence, RI

NABORS DO IT BEST® HOME CENTER

Houston, MS

NORTHWEST RANCH SUPPLY

Kremmling, CO

O&G DO IT BEST® HARDWARE

Flora Vista, NM

OSTERVILLE HARDWARE

Osterville, MA

OSWALD WHOLESALE LUMBER

Leesville, SC

PIERRE PART STORE

Pierre Part, LA

PINEDALE LUMBER

Pinedale, WY

ROSE HARDWARE

Memphis, MO

S.W. COLLINS CO.

Fort Kent, ME

SOUTH CENTRAL DO IT BEST® HARDWARE

Valdez, AK

SOUTHERN WHOLESALE

Harlan, KY

SWEDESBORO DO IT BEST® HARDWARE

Swedesboro, NJ

VALLEY HARDWARE

Heber City, UT



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GARY FURST

Vice President of Human Resources
& General Counsel

RUSS KATHREIN

Vice President of Lumber
& Building Materials

JOHN MERGY

Vice President of
Information Technology

DENT JOHNSON

Executive Vice President of Operations

DAN STARR

President & CEO



NICK TALARICO

Executive Vice President of Sales
& Marketing

RICH LYNCH

Vice President of Marketing

ALLISON FLATJORD

Vice President of Ecommerce

JASON STOFLETH

Vice President of Merchandising

DOUG ROTH

Vice President of Finance & CFO

GREG FULLER

Vice President of Sales
& Business Development

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Texas*

ROB GARDINER

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and Randolph Hardware
Maine*

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*Panama Do it Center®
Panama*

TIM POST

*T & M Hardware & Rental
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*Hemlock Hardware
Connecticut*

DIANA NEWTON

*Dazey's Supply
California, Indiana, Oregon*



IN MEMORIAM: **RICH LENDER**

With the passing of Rich Lender, we lost a true friend and trusted servant leader. As the CEO of Your Building Centers, Rich continuously sought opportunities to give back to the next generation of professionals. His sincere kindness, sharp business sense, and unfailing commitment to personal growth will be missed by all.

First CHOICE.  Best CHOICE.

Do it Best

doitbestonline.com