

Hank's Quick and Small - Strategic Plan

Putting the Customer first since 1973

Key Elements of Strategic Plan:

- ❖ Business Strengths, Weaknesses, Opportunities, and Threats – Present and Future.
- ❖ Vision, Mission, and Corporate Values.
- ❖ Goals, Objectives, Strategic Action Programs.

Plan Highlights:

SWOT	2
Vision	3
Mission	3
Values	3
Objectives	4-6
Strategies	7
Resources	8



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Introduction

This document sets out a strategic plan for Hank's Quick and Small neighborhood hardware store.

The plan reviews business strengths, weaknesses, threats and opportunities.

Next, the plan presents a series of statements relating to Hank's Quick and Small vision, mission, values and objectives.

Finally, the plan sets out its proposed strategies and goals to realize the plan over the next five years.

Hank's Quick and Small is a true neighborhood hardware store and has been a fixture in the community since 1973. We have been in the same location in Warren, Michigan (a suburb of Detroit) with strong ties to the neighborhood and surrounding businesses.

The secret to success for Hank's Quick and Small has never been to be the biggest—but rather to be the best. This means treating every customer like they are the only one that matters and each project like it was our own.

Market Demographics

A lot has changed in the community since Hank's Quick and Small first opened our doors.

Development has been driven by the automotive companies, primarily GM. Our customers have lived in their homes for an average of five years and are active participants in city government, the schools, and community.

The neighborhoods range from 2 to 40 years old with a full range of housing options from single family homes to condominiums.

Demographics:

- Middle-to-Executive Class
- Family Oriented (Homeowners-Married couples- 2-3 Children)
- Ranch and Colonial style homes with Basements/Garages
- 6 Schools nearby (K-12)
- 4 area Parks and Play Fields
- Large Companies (Automotive, Government)
- Small Store front businesses

Strengths, Weaknesses, Opportunities, and Threats - *SWOT*



"Our customers have lived in their homes an average of 5-7 years and are actively involved in their community."

<p><u>Strengths:</u></p> <ul style="list-style-type: none"> • Small, Convenient, and Quick access store • Offer small project classes • Community Involvement • Accessories, Repair, and Maintenance Needs • Located within Community and Involved • Employees live within area 	<p><u>Weaknesses:</u></p> <ul style="list-style-type: none"> • Do not sale many name Brands • Do not sale heavy power tools and equipment • Do not sale many industrial products • Not the lowest prices • Unable to assist with major home and business projects
<p><u>Opportunities:</u></p> <ul style="list-style-type: none"> • Over 400 new homes/condos will be built in area • New businesses moving in and being built • New homeowners moving in existing homes 	<p><u>Threats:</u></p> <ul style="list-style-type: none"> • Home Depot • Meijer's • Lowes • Aco Hardware

Future SWOT

It's important to recognize that Hank's Quick and Small will never compete with national 'big-box' merchandisers like Home Depot and Lowes on price alone. Indeed, if we believe it represents a better value for our customer, we refer them to the superstores.

The emphasis is always on value. Our customers value their time in being

able to pop-in and pick up a single item to complete a quick home project. They also value the friendly expert advice we offer when they aren't sure how to do something.

Our business philosophy has always been based on providing outstanding service and commitment to the community, which is what keeps our customers coming back.



Vision

Hank's Quick and Small delivers quick and convenient access, quality tested products and expert advice to insure our customers' small projects are done right the first time. Quick access for small needs.

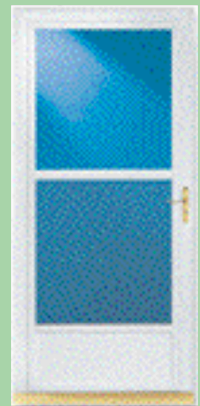
Mission Statement

The mission of Hank's Quick and Small is to provide and to service all stakeholders' small project, repair, and maintenance needs with a company who is involved within the community, offer classes and advice for outstanding personalized service, and provide a variety of products to choose and purchase.

Corporate Values

Hank's Quick and Small is dedicated to serving the needs of each customer as an individual. We are interested in long term relationships with all of our customers by focusing on where they live and work by:

- Treating each customer like a member of our family
- Supporting other small businesses and look for partnerships
- Establishing long term relationships with our suppliers
- Being an active member of the community by supporting local improvement initiatives
- Participate in the local business community and city government



"We aren't the biggest or the cheapest, however, we consistently deliver exceptional value by saving time and ensuring the job gets done right the first time."

"We are committed to treating each customer like a member of our family."



"We are actively involved in the community, local government, and chamber of commerce."

Business Objectives

Hank's Quick and Small has come up with for primary business objectives, which we believe represent our core values and an achievable growth strategy. Our objectives are:

- Community Involvement
- Products and Service
- Communications and Advertising
- Classes (Project, Repair, & Maintenance)

Each objective is broken down into sub-goals with timing, resources, accountability, and success measures identified for each.

Furthermore, it is expected that objectives may be added and modified over the five years of this plan. For this reason, each objective will be revisited on an annual basis, while progress on sub-goals will be evaluated quarterly.



Objective: Build and expand the relationship between the business and its community through active involvement, by 2010.

NEED MET	WHAT WILL BE DONE	WHO IS RESPONSIBLE	WHERE WORK WILL BE LOCATED	INDICATORS OF SUCCESS	WHEN IT IS COMPLETED BY?
	ADOPT-A-PARK	PARKS AND RECREATION STORE OWNER STORE EMPLOYEES	HAMLICH COMMUNITY PARK	REVITALIZATION FO PARK EQUIPMENT AREA, CLEANLINESS	2006 (SPRING) ONGOING
	SPONSOR LITTLE LEAGUE SPORT TEAMS (FOOTBALL, BASEBALL, SOCCER, BASKETBALL)	STORE OWNER (MANAGER) PARKS AND RECREATION	AREA PARKS AND ATHLETIC CENTERS	TEAM FOR EVERY SEASON PURCHASE TEAM EQUIPMENT UNIFORM COACH REFEREE	2008 (ONGOING)
	CAREER DAY	STORE OWNER (MANAGER) SCHOOL ADMINISTRATION COUNSELORS	AREA ELEMENTARY, MIDDLE, HIGH SCHOOLS	3 SCHOOL VISITS TALK ABOUT BEING AN ENTPRENEUR DEMONSTRATE PROJECT FOR FAMILIES AND KIDS	2010

Objective: Increase the number of quality tested products and services offered by store by 2010.

NEED MET	WHAT WILL BE DONE	WHO IS RESPONSIBLE	WHERE WORK WILL BE LOCATED	INDICATORS OF SUCCESS	WHEN IT IS COMPLETED BY?
	ADD/DELETE INVENTORY	STORE MANAGER STORE EMPLOYEE	IN-STORE	RESTOCK AND REORGANIZE STORE FOR EFFICIENCY	2010
	COMPARE AND TEST NEW PRODUCTS	PRODUCT DEALERS STORE EMPLOYEES (CLASS TEACHERS)	IN-STORE CLASS CENTER	INCREASED SALES BETTER PRODUCT SELECTION	2010
	USE BAR CODE AND SCANNER CHECKOUTS POS	BARTECH, CO. STORE MANAGER STORE EMPLOYEE	IN-STORE	FASTER CHECKOUT FASTER PRICE CHECKS	2008
	PARTNERSHIP WITH LUMBERYARD, GRAVEL, WHOLESALE GLASS	STORE OWNERS (CLASS TEACHER)	IN-STORE WHOLESALE CO.	DISCOUNT ON PRODUCTS FOR STORE AND CUSTOMER TAKING CLASS	2010

Objective: Provide ongoing classes that are useful for Customers through 2010.

NEED MET	WHAT WILL BE DONE	WHO IS RESPONSIBLE	WHERE WORK WILL BE LOCATED	INDICATORS OF SUCCESS	WHEN IT IS COMPLETED BY?
	HIRE CERTIFIED TECHNICIANS TO CONDUCT CLASSES	STORE OWNER	IN-STORE	SKILLED TEACHERS INFORMED STUDENTS	2010
	VARIETY OF CLASS	STORE OWNER SURVEYS	IN-STORE	SURVERY RESPONSES LARGE RQUEST FOR CLASSES ATTENDANCE	2010
	UPGRADE EQUIPMENT AND SAFETY	STORE OWNER CLASS TECHNICIAN OSHA UL	IN-STORE	LESS INJURIES DUE TO MISUSE OF EQUIPMENT RETURN STUDENTS	2007

Objective: Increase sales and profit to a more diversified clientele.

NEED MET	WHAT WILL BE DONE	WHO IS RESPONSIBLE	WHERE WORK WILL BE LOCATED	INDICATORS OF SUCCESS	WHEN IT IS COMPLETED BY?
	REDESIGN SALES ADVERTISEMENT STORE MARKETING	YOUNG & RUBBICAM STORE OWNER	Y&R	WIDER DISTRIBUTION AREA INCREASED SALES & PROFIT	2010
	DEVELOP SALES INCENTIVES PERKS FOR RESIDENT AND BUSINESS CUSTOMERS	STORE OWNER STORE EMPLOYEE	IN-STORE	RETAIN CUSTOMERS INCREASE NEW CUSTOMER BASE BY 20%	2010

Key Strategies

The key to success for Hank’s Quick and Small has been a relentless focus on understanding the needs of our customers, and responding to those needs with services. We believe this is how we will continue to differentiate our position in the market.

- Develop business referrals with complementary businesses
- Grow organically by strengthening ties to the community
- Provide targeted incentives with unique products and services



Major Goals

Hank’s Quick and Small will continue to be an integral part of the community during the next five years with the following goals:

- We will upgrade and remodel our facility for training and workshops for our employees as well as our customers.
- We will increase sales by 10% per year for an increase of 50% over the next five years.
- We will open a second retail facility to better serve our customers in newly developed communities.
- We will develop targeted incentive programs by working with our advertising agency with a three-year contract and optional two-year extension.
- We will retain our customer base and add new customers at the rate of 5% per year.

“You’ll find everything you need for quick and small repairs and improvements.”

Strategic Action Programs

Strategic action programs to support this plan are detailed in the objectives section. This includes the who, what, where, how, and when for each program.

In putting the plan together, we recognize that the plan is only as good as it’s implementation. For this reason, we have provided as much detail as possible around each of the objectives.

Each of the action programs includes both short and long-term goals. Progress on each of the action programs associated with the objectives will be reviewed and revised if necessary on a quarterly basis, to ensure continuous progress is being made.



“Our goal is to hang on to our current customers while growing our base at 5% a year.”



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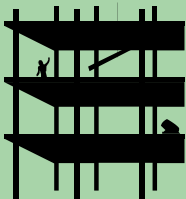
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*Hank's Quick and
Small—not the biggest,
just the best!*

We're on the Web!

See us at:

www.HanksQS.com



Resources

This plan was developed by James A. Barnes Jr. and Tim Boileau. The organization and structure were aided by a job aid, available free from: <http://www.planware.org/strategicplanner.htm>.

The plan was written using Microsoft Word with content developed in three collaborative meetings and multiple reviews via email.

Additional research was conducted by reviewing business models for ACO Hardware, ACE Hardware, and Doit Best (formerly HWI) Hardware. The business profiled for this plan is a fictitious independent hardware store operating in Southeast Michigan.

Local Government and Business Organizations

A key strategic element of this plan is the integration of Hank's Quick and Small with the community it serves. Specifically, this is the area surrounding Warren, Michigan.

Chamber of Commerce web site for business advocacy, City of Warren Government Web site, and the Better Business Bureau for Detroit and Eastern Michigan.

Research involved the Michigan

Work that went into this Strategic Plan...

The preliminary work that went into this plan included the following:

- Selection of business and understanding of what some of the business challenges might be.
- Discussion to identify type of business, market segmentation, goals and objectives.
- Development of high level objectives as a basis for strategic action plans.

After the initial work was complete, the content was validated using the following criteria:

- Verify that all questions have been addressed in the instructions.
- Verify that all criterion in rubric are satisfied.
- Validate suitability of plan for intended audience (employees, shareholders, strategic partners, customers) in terms of layout, format, complexity, and understanding.