Michaels

REMODEL PLAYBOOK by APOLLO RETAIL



Introduction

Michael's has launched a very aggressive remodel program. Currently, Apollo is still in the learning phase. In this playbook, we will lay out the two fixture formats and the nuances between them. Aside from that, everything is the same regardless of the store format. Keep in mind that Michael's provides all of the labor, so we are essentially "Project Coordinators". In some cases, however, there will be a Michael's Project Coordinator, but eventually Apollo will become completely solo. For now, just think of this project as simply fixture building and skating displays into place while overseeing and having others take direction from us. More to come!

Project Overview

The two formats are easily identified and the total conversion will not likely happen again.

1.) Partial Conversion

Existing store fixtures are "tan". They will be converting to ALL white shelves and base decks. Adding white pegboard backer and raising the overall gondola from 84" to 87" with use of a 3" extensions at the top of the gondola, then an "H" shaped splicer channel and a 3" piece of pegboard at the BOTTOM. You will be pulling the existing 78" peg board out, installing the lower 3" peg section, then the H-splicer, then reinstalling the large piece of peg board in all gondolas.

2.) Total Conversion

This is a rare store (test store is McKinney, TX) where you are tearing down every existing tan fixture and replacing with an entirely new white gondola. The three main differences are:

- Your Madix order (eventually could be Lozier) is three 53' semi-trucks of materials, vs 1.5 trucks for a tan store.
- Merchandising will be done at least twice. They want to set the POG's on the old fixtures to keep the store functional, therefore, they set POG's and then break it down and re-reset it on its new all white gondola home.
- The amount of debris and things being thrown away is astronomical All metal is neatly staged against the building so the scrap guys don't make a mess digging for the metal. Its imperative that we keep an eye on the open tops in terms of both how full they are, but also making sure the contractors are doing their part in breaking down and maintaining an open top that the agency driver won't refuse to take.

General Scope

Night 9

Be punctual! We should be on site on time every night.

On the night(s) there are trucks, Michael's will request 3-5 People Ready. Watch them closely and keep them busy. If you get to a point you don't and the Michael's team doesn't have things needing done, slowly and carefully cut temps loose. Be prepared to come in earlier and leave earlier.

Schedule: This is still being fine-tuned. For right now,

before we arrive the store is going to receive key parts, cleaning supplies, office items, and POG's/paperwork/maps/blueprints etc.

Night 1 Pre-work and Staging- consolidating, eliminating drive aisle fixtures etc. Night 2 Deliveries. Typically 3-4 semi's and usually 1-2 small courier deliveries Night 3 Build and/or Move Night 8 2nd Madix delivery will bappen on Night 8 or 9

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After Night 3 it's pretty much build, skate, tear down, move etc.

Deliveries



Sorting the deliveries night 2 is a significant piece of the puzzle. Working with the Michaels PC most of the Design Graphics fixtures should be staged in one container (if allowed) and arranged based on when it will be used. Things not needed until week 2-6 should be marked with an "X" and placed in the container at the very back. Progressing forward with the things needed for Week 1 at the front (at the doors) of that container.

Be sure to make your pallets in the containers accessible- don't cramp things just to make it fit. Leave some room so you can work inside the container.

The Madix order: all of the 60" materials can go straight to the sales floor. They will build the Technology and feature areas right away and begin setting them, as this opens up the areas they did reside in for new sets. Think of it as a pivot point.

The rest of the Madix order is challenging . Look around the sales floor, if there are open spaces that are not in the shopping aisles, you can put pallets of the 30x14 shelves, which is the main shelf size.

Depending on the store you will have 18-30 pallets of these white shelves. The Michael's team is very efficient and will run through pallets in no time. Having them on the sales floor and available saves you from having to grab another pallet every ½ hour. The "Teacher's valley" is one particular aisle that is unusually wide where all the teaching crafts and such are housed eventually. You can fit 8-10 pallets of shelves in the Valley.

Michael's Project Manager, Michelle, is very specific that anything with metal should not get wet. So it's a give-take with the store and what is safe for the customers to shop.

Things like the plastic overstock Bunkers, wire baskets, fencing, metal dividers: if you run short on Container space (you will) those are the items we can stage on top of the containers. Also because uprights are used up quickly, especially in a tan store, as long as you have 2-3 day window of no rain, they can also go up top.

Always be aware of the weather forecast - this was a major issue at the McKinney store.

Gondola Wall

- In select stores we build a double-sided Gondola 120" tall that shapes the overall sales floor into a smaller set size for all stores. This is to facilitate consistency and easier POG & fixture planning.
- This Gondola is 20+ bays long. Usually they send all new materials. However there maybe stores where existing gondola parts may be needed.

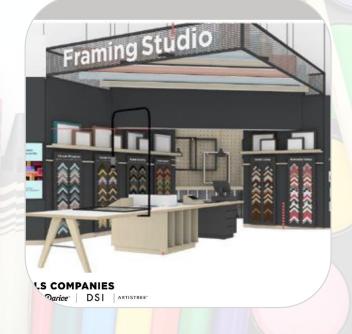
Don't discard or let the scrappers have gondola parts until you are sure you have everything you need from the first Madix delivery.

- The Gondola wall is double-sided and gains the store "storage" and "over stock space" since there will be no overhead/top stock shelves going forward.
- With the exception of seismic stores the Gondola wall is not anchored.

Yarn Wall / Frame Shop

- The yarn wall is a modular display that construction assembled in all stores.
- It's a very simple modular cubical unit. It is angled across the back corner wall of the store.
- Frame Shop counter has 2 gondolas at steep angles on either side. These are to be anchored once approved.





Example



Yarn wall will be modular. We will gang the sections and screw on top.



The frame team will assemble and POG however we will assemble the table.

Front Register / POS

The POS area is a very busy one night event. We have to be ready to help with placement, and setting the counters. IT, Electricians, contractors are all on site for POS night because it's a one shot deal. They are taking down the existing registers and in one night going live with the new terminals. They ship in 24' red painted power poles and its up to the electrician to get them up and secure. We assist to an extent. But they have that scope.



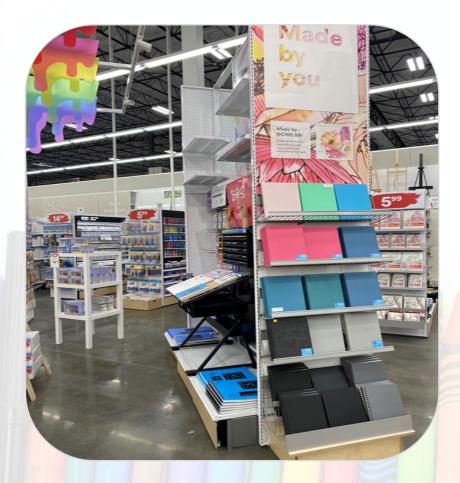
Free standing Hubs

There are 2, 3 or 4 "Hubs" in each store. Again, depending on the store you may be receiving all new gondola parts or might be reusing existing. All of the Hubs need to me measured off the outside walls, front vestibule etc. Don't measure off of other gondolas, even ones you have moved/placed, They sit at odd angles and can only be set correctly using building parameters. Once you have the hubs up and roughed into place, contact Michelle Lord (214) 549-4605 or one of her team via email to get approval prior to anchoring them. They have to sign off on them before we anchor. They may ask for several pictures or possibly a video. So when the time comes to do the Hub installations, be sure to have your phone and/or tablet charged and able to do so.



Example

Here is an example of an anchored hub.





Merchandising

- We are responsible for assisting placing the POGS in their correct locations and assuring that they are set correctly.
- Be mindful of Left-Right and Right-Left product flow as indicated on the POG.
- In both formats it's possible you may have to set up POG's before the gondolas are skated to their final homes. It's imperative that when the POG's are assigned and placed that we make sure based on its final resting spot, the POG on each side of the gondola are set according to the drive aisle as well as customer flow.
- All labels on shelves are left justified.
- All shelves change to white. Only in a shortage should tan be used.
- Every POG's coversheet has a list of shelves, specialty fixtures (with their part #'s) Be sure to read the POG completely before starting the set if you have to merchandise at your store.
- If an existing tan store: Clean everything completely.
- If an all new white store, be sure to wipe everything down before starting the set.
- Any POG issues need to be brought to attention asap. Product lock, any product that is more than ½ the size of the packaging above the top rail of the gondola needs discussed.

Fixtures: New Madix fixtures do not receive center rails. To prevent accidental collapses when moving run a row of shelves across the top on both sides, this will hold fixture tight if there are no center rails or if the top pops off. Do this during demos as well.

Blueprint Measurements: There are mistakes in measurements. Do not anchor hubs until Michaels approves the placement. This also applies to the entire Print Frame Shop and the total of 6-7 angled gondola runs in the back of store.

Skates: Scorpion Skate <u>https://www.youtube.com/watch?v=oQaj96QWr0o</u>

Tips and Tricks:

IF skate seizes up and is no longer ratchet able (mark the skate with blue painter tape) for future – place aside to cool down. Does the foot slip back to the ground? The clamp on skate did not grab and latch. Listen for dragging. Skate needs to fully release (down) but not bound.

Use an Impact and the recommended 24" extension to save you from bending each time, the impact (1/4) to extension (1/2) adapters. Be careful adapters will break. Train yourself to listen for the binding point. There is a slight change in the pitch/sound of the mechanism. Watch the base deck and listen for the skate to bind. Do not force the skates.

We have also been employing a leverage trick with the Scorpion skates to make it easier to lock/unlock the skates from the gondolas. We use the T handles to assist in this.



Base Sizes: At the time of this presentation blueprints do not have base sizes. Michaels PM will need to confirm size at store.

Deliveries: The orders are designed to cover the work called out on the Phase plan. Nights 1 & 2 Apollo will receive, sort, and load the containers with materials. Anything NOT Metal on a pallet, like the bunkers and several displays, can be stored on TOP of the containers to save space. Madix and Lozier fixtures are both involved. Night 1&2 should be the expected materials for the first 2+ weeks of building on the phase plans. The second delivery, usually Monday night week 3 will be the materials for the next 2+ weeks and final building.

Michaels is still evolving and fixtures and displays can be changed from location to location. As you receive your deliveries the PM will direct where to stage pallets of shelves and base decks. The Michael's merchandising crew will use them quickly. The Education/Teacher valley, the areas around existing offices, front areas adjacent to cash wrap are all valid places to store short term pallets.

Removing Materials: Loading docks can be different from location to location. To expedite the removal of old materials after demo for an elevated loading dock we loaded shopping carts and U-Boats and used a forklift to bring them down to the dumpster to be emptied. We used and upright across the handles of U Boat and ratcheted to prevent sliding out on either side.

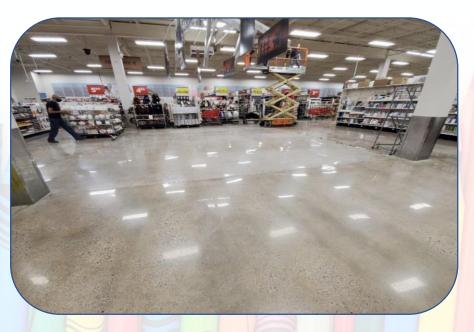


Trash: Metal should be neatly stacked and organized against the building for the haul away. No metal of any kind in the open tops. Organize neatly for ease of pickup. Do Not leave any NEW metal outside or exposed to rain/snow.

Anything wood or plastic should be tossed at the PM's discretion.

Keep up with the packing and trash is a full time job. Both for safety and being able to get out on time each morning. Don't drop stuff on the floor. Find a box or something to contain packing materials.

Nightly Clean-up: If the aisle is not completely empty or brand new bay, with no product, we cannot leave fixture materials, pallets or bulk stacks in those aisles. Before we leave the store MUST be completely safe and able to be shopped. Once the "fake wall gondola" is built there will be a min 7.5' wide additional storage area, only use it for build materials if approved.



Tools and Materials

- (2) or (3) 24" long, ½" drive socket extensions to operate the skated from a standing position
- (Bring 5 or 6 ¼" impact to ½" socket adapters. Better to purchase a brand name/heavy duty black oxide quality adapter with 2000-2500lbs of torque to combat breakage. Be aware that when they break your tool will move unexpectedly. Be mindful of safety at all times.
- 100ft tape measure unfortunately laser measuring devices have proven inconsistent. Use them with caution.
- Chalk line
- Grease Pencil the floors are stripped and converted to polished concrete. No sharpies.
- 3-4 rolls of 2: wide blue painter's tape

- The usual merchandising/fixturing tools, impact, drill, pliers, screw drivers, tape measure
- Hammer Drill & 5/16", 3/8", and ½" bits
- Vacuum
- Heavy duty Scissors or cutter for cutting plastic label holders for the end caps
- Tin snips for metal banding on pallets
- Extension cord
- Circular saw with a blade. I have mine with a blade that cuts both metal and wood.
- Sawz-all and blades
- Heavy hammer for setting anchors
- Assortment of combination wrenches and sockets

Miscellaneous

- Metal going out should NOT be put in the dumpster/open top. Stage it neatly against the open top or the side of the building. Scrappers will wreak havoc on the open top and make a huge mess we then need to contend with. Same applies to raw pallets. Make a neat stack . Above all keep things tidy and orderly.
- We are finding some stores will not have containers due to zoning. This means they may rent a temporary retail space in the adjacent area. This means we have to be mindful not to damage the doors and thresholds of these remote locations
- Remote storage also means proactive planning and timing for both the build team and the merchandisers
- Partner with the flooring and contractors. They can be very valuable when you need an extra set of hands. Also be respectful of their schedules/deadlines.
- We are also finding noise ordinances that prohibit working outside after 10pm. So be aware that deliveries are our responsibility and therefore we may have to be in the store mid day, weekends, etc. Get with the DM for that area and make a plan. For example I know coming up in NYC I have all the above, no containers, no noise (fork lift beeping on back up) so we will need to do deliveries mid-day. This will impact the budget and scope of work.
- Individual Store Managers control all points of access. So if a Manager deems it a risk and only let's the entire group enter/exit at specific times and through only one door, so be it. We have to adapt accordingly.
- Bag checks are required. This includes tool bags.
- For smokers: Michael's corporate is very strict about "butts", be sure to dispose of them properly.
- ALL u-boats, shopping carts, hand baskets, all customer convenience items are to be cleared and returned every morning. No exceptions.
- Plan the night so that 30 minutes before end of your shift you are making sure things are tidy and swept up. The stores are open during the entire process.

Miscellaneous

- Backer paper (white) MUST be under the top cap/rail of the gondola neatly and consistently
- The register mill work (counters) WILL move at least twice. Plan on it, it's an entire night between power poles and shuffling mill work around.
- Cart Corale. There are different configurations for these, mine was 2 sides with no ends. One side was significantly longer than the other. However to make it even on the end for both sides (opposite the end where one was significantly longer) you need to take some length off of the horizontal bars. I discovered that if you make your alterations between the T uprights rather than the 90° ends you can drill new holes up to 1" from the old and insert it without having to cut anything. I 'removed' 1" from both sides of 2 horizontal bars, and 1/2" from another this way. You are also limited on how much you can shave off of each one due to the bumpers installed onto it as well. (And yes, even the instructions say you may need to alter these to fit the spacing properly)
- We installed the monitor holding poles at the registers. They send in 4 screws to anchor it into the counter top on top of a cable opening beside the power pole. One important thing to note, I didn't see it in the instructions, is to pre-drill these holes - especially if putting in with an impact. I've seen these types of counter tops crack from screws more than a few times.

