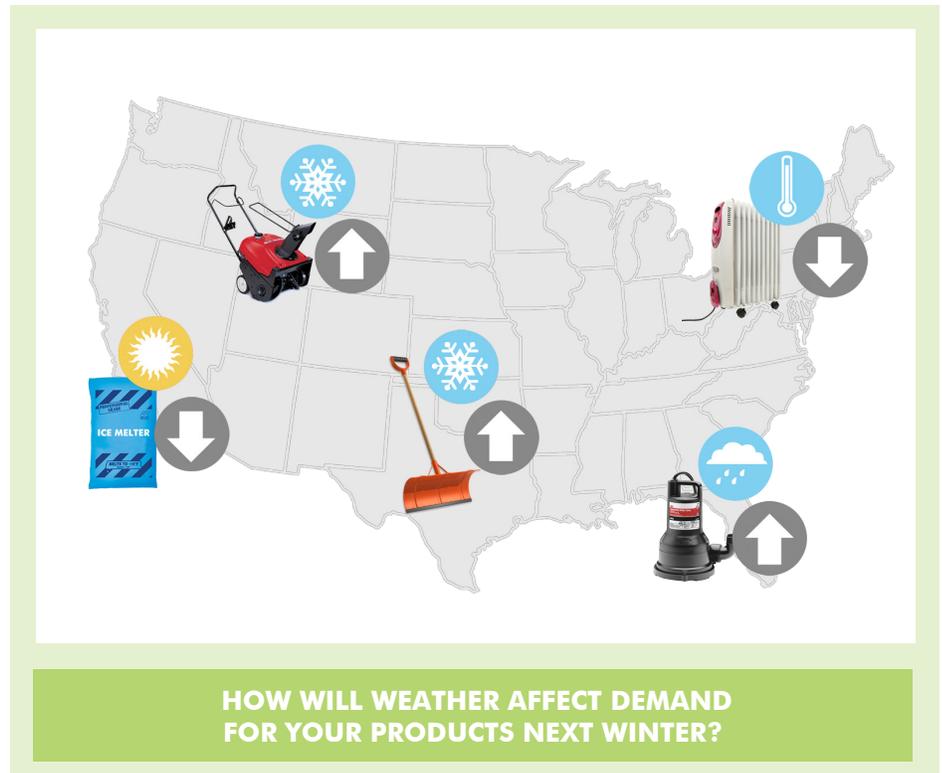


Ace Hardware and Planalytics® Weather-Driven Demand Analytics

Everyone is affected by the weather. On a day-to-day basis, it is the most volatile external factor influencing consumer buying behavior. And, because weather is constantly changing, businesses like Ace Hardware must deal with a continuously shifting array of opportunities and risks. The impact on sales, costs and margins is measurable and substantial.



The Weather Factor

It is easy to make costly mistakes when weather is not factored into business plans or decisions. When weather takes an unexpected turn, companies are often caught off guard and suffer the consequences of not having enough (or having too much) product in areas where these demand shifts are happening. However, businesses with weather informed strategies can adjust production, distribution and promotional activities to either capitalize on opportunities created by favorable weather or mitigate the costs associated with unfavorable weather.

Planalytics and Ace Hardware

Planalytics Weather-Driven Demand outlooks are based on analysis of 5 to 8 years of historical data for up to 15 seasonal categories. Those categories include, but are not limited to:

- Snow Removal
- Ice Melt
- Weather Stripping
- Heaters
- Utility Pumps
- Irrigation
- Garden Tools
- Exterior Paint
- Air Conditioners

Through Planalytics, Ace Hardware has access to an array of tools, reports and services including Consumer Insights, Planalytics Planner with Allocation, Planalytics Weekly WeatherVue Summary, FlashWeather, and tailored Snow and Hurricane Alerts.

DEMAND MORE.

800.882.5881
www.planalytics.com

"I came to depend on help from Planalytics after my first five month forecast. In two short years I no longer do seasonal ordering without consulting the Planalytics forecast for my region."

— Janna Naylor, President
Naylor's Ace Hardware

Ace Hardware is currently using Planalytics tools and services in a variety of ways to better leverage weather's impact to the business.

1. Retailer Support. An increasing amount of information is being made available to Ace retailers via AceNet to include the Snow and Hurricane Alerts. In addition, there is a forward-looking favorability demand outlook (for 96 U.S. markets) for the chosen categories up to 11 months out. Ace retailers are receiving direct support from Planalytics, who provide strategic and tactical outlooks specific to Ace RSCs. Location-level support is also available via some select tools and reports.

2. In Season: Ensure Product Availability. The practical, in-season ability to predict sales with enough warning to order the right product in time is where Ace sees the biggest bang for the buck.

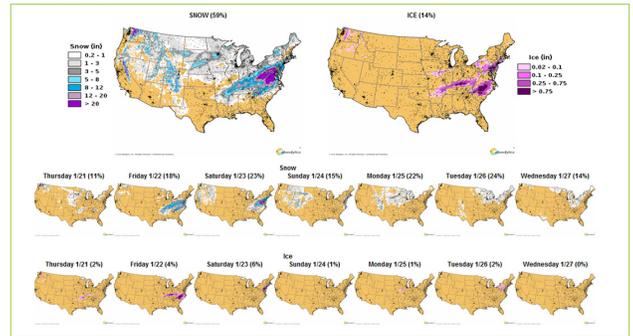
Snow and Ice Alerts are used to get a 7-day head start in understanding which stores (and RSCs) will be impacted by snowfall and icing potential. Report includes when, where, and how much snow and ice is expected by store location. There are many instances in which Ace corporate has used this intelligence to move product in-line with expected weather to avoid out of stocks.

Hurricane Alerts, a 5-day outlook based on National Hurricane Center (NHC) forecasts, provide similar

information specific to Ace store locations. Again, preparedness is the key to ensure emergency items (e.g. pumps, generators) are in stock for locations impacted, both pre- and post-storm.

WeatherVue is a daily report that provides Planalytics' 14-day projection of temperature and precipitation. Provided as an Excel spreadsheet, it provides both a map and data table view of the information at both RSC and U.S. city level. Updated every day. Used by Ace corporate to anticipate prolonged or unusual trends that may prompt out of stocks.

3. Pre-season: The Right Quantity of Product in Each RSC. Planalytics' ability to provide Ace with weather-driven demand outlooks for select categories



Snow and Ice Alerts for Ace Hardware

up to 11 months in advance ensures that weather, which can be a strong influencing factor, is incorporated optimally into seasonal plans.

Planalytics Planner with Allocation is a tool that allows Ace inventory managers to convert the weather-driven demand percentages into affected units, thereby making it easier for both strategic and tactical decision-making. It also allows for the user to incorporate pre-existing plan numbers into the calculations.

Products / ALL CALENDAR PRODUCTS / Week / GEOGRAPHIC STANDARD Collapse Download XLS

Product	WDD Actuals																											Current
	#4	#5	#6	#7	#8	#9	#10	#11	#12	#13	#14	#15	#16	#17	#18	#19	#20	#21	#22	#23	#24	#25	#26	#27	Last Week	This Week	Next Week	
Air Conditioners ...							+5	+76	+8	+11	+40	+35	+35	+24	+6	+93	+18	+7	+36	-23	+31	+26	+6	-14	-11	-1	+40	
Barbecues (Product...		+35	+59	-9	-42	+8	+64	+12	+10	+82	+14	+2	+7	+7	+53	-1	+20	+7	-8	+12	+6	+8	-0	+11	+9	+16		
Exterior Paint	+2	+3	+18	-3	-7	+1	+15	+2	+1	+7	+1	+1	+2	+3	+1	0	0	-1	+1	-0	-1	+1	+2	+1	-1	-2		
Fans (Product Lib...						+3	+87	+31	+14	+38	+38	+24	+15	+4	+61	+18	+7	+30	-16	+22	+22	+14	+2	+4	+13	+50		
Heating	-21	-18	-26	+12	+128	0	-42	-24	-11	-35																		
Ice Melt	-22	+14	-17	+48	+97	+14	-15	-1	-6	-46																		
Insecticides						+10	+49	+14	+6	+22	+12	+12	+7	+2	+11	+5	-1	+9	+7	-0	-1	+2	+4	-1	-2	-1		
Lawn & Garden Irr...		+5	+12	-1	-11	+1	+26	+10	+9	+16	+11	+5	+8	+7	+6	-3	-1	+2	0	+3	+9	+9	+7	-4	-1	+8		
Lawn & Garden Too...	0	+11	+48	-1	-9	+9	+63	+14	+13	+31	+14	+6	+5	0	+18	+1	0	+4	-1	-1	-5	-1	0	-3	+1	+2		
Lawn and Garden ...		+35	+86	+9	-46	+16	+63	+9	+10	+81	+16	+6	+8	+4	+31	+2	+13	-0	+7	+6	-10	-1	+1	+19	+1	-1		
Rodenticides	-7	-4	-16	+2	+16																							
Snow Removal (Com...	-27	+9	-29	+31	+104	+23	-53	+1	-14	-58																		
Snow Shovels-Thro...	-38	0	-24	+22	+125	-2	-3	-3	+1	-9																		
Utility Pumps	+3	+13	+3	-10	-24	+19	+16	-0	+9	+7	+4	+1	-4	+2	-10	+3	-2	+7	+4	-4	-1	+1	-3	+1	+4	+5		
Weather Stripping...	-16	-4	-1	+10	+27																							

Planalytics Details View for Ace Hardware



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