



THE MARKET

Acklands-Grainger provides everything an organization requires to Maintain, Repair and Operate (MRO) its facilities. From safety equipment like hard hats and earplugs to tools, fasteners and janitorial products, Acklands-Grainger is the business-to-business company that supplies it all.

"We are the number-one distributor of industrial, safety and fastener products in Canada for one simple reason," says Acklands-Grainger president Court Carruthers. "We have the broadest product range and more available inventory, in more locations. This ensures that we are able to satisfy our customers' product requirements better than our competition."

When you consider the vast number of products required on a day-to-day basis by a typical company to keep its operations running smoothly, it is easy to see how the distribution model is the ideal structure for delivering thousands of distinct products to companies of virtually every size and in every industry across the country — from oil and gas to construction, to mining, transportation, manufacturing, forestry and government.

That's where Acklands-Grainger excels and distinguishes itself from its competitors. Many others in this market are smaller regional distributors who often carry a smaller, specialized product line. In contrast, Acklands-Grainger offers customers the broadest product selection in the industry with more than 100,000 in-stock items drawn from an inventory valued at more than \$140 million. And, with 155 branches and five distribution centres across Canada, customers can count on product availability and timely delivery.

ACHIEVEMENTS

Recently, Acklands-Grainger was recognized for its industry leadership position. In an independent reader survey, Plant Newspaper recognized Acklands-Grainger as the number-one industrial distributor — receiving top scores in all customer metrics including:

- the highest brand recognition and brand loyalty;
- offering the best customer service;
- the best product range;
- the best overall industrial distributor.

"Our ability to provide Canadian industry with the broadest selection of products, when and where our customers need them is what helps set us apart," says Carruthers. "Our strength, however, extends far beyond the products we offer," he adds. "We take great pride in our product knowledge,

technical expertise and our ability to work with customers to create the MRO solutions that are right for their business. In short, it's our people and their capabilities who really make the difference."



Corporate responsibility to environmental issues and to the communities in which it does business is deeply embedded in the Acklands-Grainger culture.

Recently, Acklands-Grainger received the "Caring Companies" designation from Imagine Canada, a non-profit organization dedicated to advancing the role and interests of the charitable and voluntary sectors for the benefit of Canadian communities. Caring Companies are those that drive social innovation, are good corporate citizens and invest money, ideas and time in communities across Canada.

This recognition reflects Acklands-Grainger's commitment to uphold high standards of community involvement, job creation, charitable work and environmental impact.

On a company-wide basis, Acklands-Grainger is a proud national partner with the United Way. In addition, it is a point of pride for the company that its community and environmental involvement is often driven by Acklands-Grainger employees across the country. From women's shelters in Alberta, to the Children's Wish in Saskatchewan and Manitoba and the YMCA in Ontario to Firefighters' Competitions in every province, Acklands-Grainger employees donate their time and work together to make a difference.

Further demonstration of this commitment is supported by the American Eagle Award presented in two consecutive years to Acklands-Grainger

by the Industrial Supply Manufacturers' Association. Acklands-Grainger was recognized for its outstanding and visible commitment to Community Involvement, Employee Enrichment and Involvement, and Environmental Improvement and Conservation Efforts.

HISTORY

Since its beginnings in Winnipeg as Acklands Ltd. in 1889, Acklands-Grainger has grown to become Canada's largest distributor of industrial, safety and fastener products.

The company was a pioneer in manufacturing and supplying wooden goods and sold carriages, wagons, farm machinery and a variety of other supplies and equipment.

With the advent of the automobile in 1919, Acklands added replacement parts and accessories to its product offering. Through internal growth and numerous acquisitions, the company continued to grow and expand, and was eventually purchased in 1996 by Grainger, a publicly traded company and the largest industrial distributor in the United States with current annual sales in excess of \$6.5 billion. At that time, Acklands' name was changed to Acklands-Grainger Inc.

Today, with more than 2,200 dedicated employees and more than 65,000 customers — Acklands-Grainger continues to secure its leadership position by working to anticipate and satisfy the needs of its customers.



THE PRODUCT

Acklands-Grainger is not a manufacturer. Rather, the company sources and buys from hundreds of leading manufacturers across North America and the globe to provide its customers with more in-stock industrial, safety and fastener products than any other distributor in Canada. The company offers more than 100,000 unique in-stock items and features more than 60,000 of them in its 2,000-plus-page annual catalogue.

A review of the company's catalogue quickly reveals that Acklands-Grainger offers its customers a wider product range and selection than any other distributor. Major categories include safety products, hand and power tools, fasteners, welding equipment, electrical products and supplies, facilities maintenance products and fleet supplies.

Recognized brands from such leading suppliers as Stanley, DeWalt, 3M, Rubbermaid, GE and North Safety are featured along with Acklands-Grainger's own private-label offering — most notably its Westward Tool and Profast'ners brands that provide customers with brand-name quality and private-label economies.

The company further enhances its product offering with a number of customer-driven specialized services such as inventory management solutions, technical support, repair and maintenance, and eBusiness solutions that help customers to streamline the purchasing process and reduce paperwork.

RECENT DEVELOPMENTS

Acklands-Grainger experienced a record year in 2007 and continues to capitalize on that lead through 2008 by strengthening its customer-focus, results-driven culture. As the company aggressively pursues opportunities that will extend its lead, it is successfully creating a single focus for all employees that involves simplifying the business and delivering unbeatable service.

The new Acklands-Grainger 2008 catalogue is the biggest in the company's history and signals the move to issue this "industry-best" resource annually. "At more than 2,000 pages and featuring 60,000-plus products, the catalogue is an important tool for our customers. Issuing the catalogue yearly will allow us to keep customers informed and up-to-date on new products, and provide them with essential product information as we expand and refine our product offering," says Steve Ince, vice-president of marketing.

The company is also expanding its branch network, updating existing branches and introducing a new branch design and layout that is more customer-friendly.

Brighter lighting, better signage and new layouts all work together to enhance the customer experience. And, to meet the growing needs of smaller customers, Acklands-Grainger has introduced a new team of inside account managers and enhanced direct marketing initiatives to better serve this customer segment.

By targeting the specific needs of our individual customer segments, we can ensure that we are providing the level

of customer service that helps us to secure our leadership position in the industry," says Ince.

"In today's marketplace, customer expectations run high. Providing product, when and where it's required — at a fair price — is at the core of our customer service commitment."

For customers who prefer to do business electronically, the company

has recently improved its website, making it easier to navigate, source and order products on-line. More and more customers are discovering the convenience of this ordering channel as reflected by the dramatic year-over-year growth in website orders.

PROMOTION

Acklands-Grainger's promotional efforts are designed not only to promote and support the company's brand among its key stakeholders, but also to connect Acklands-Grainger to the local communities where it does business.

The company participates in an extensive flyer program that delivers added value to customers through price promotions and new product introductions. Its national magazine *Supplylink* reaches more than 30,000 customers with valuable information on productivity and safety in Canadian industry, and targeted trade advertising as well as trade show exhibits deliver the company's message to specific customer segments.

Sponsorship is a great way for Acklands-Grainger to take its message to the community — and to contribute to local community and national events. The company is a national sponsor for the Canadian Hockey League as well as Firefit, the national firefighters competition that tests firefighters' skills in a series of regional events.



In addition, the company is an active sponsor of the Canadian Professional Sales Association (CPSA).

BRAND VALUES

At Acklands-Grainger, the company's brand is fundamentally the sum of its people and how they interact with customers to provide unparalleled service. The company's key values of quality, value, trust, innovation and leadership drive its successful growth.

The recognition Acklands-Grainger receives for its community involvement commitment and its active role in promoting health and safety at work and at play further support its brand.

The history, heritage, trust and awareness of the Acklands name, combined with the stability, leverage and international scope of Grainger, puts Acklands-Grainger in a unique position in the Canadian marketplace. "We're a company with a strong history in Canada as well as a firm grasp on the future and how to position ourselves to partner with our customers to meet their growing needs," says Carruthers.

THINGS YOU DIDN'T KNOW ABOUT ACKLANDS-GRAINGER

- Acklands-Grainger is the largest industrial and safety distributor in Canada.
- An independent reader survey by Plant Newspaper ranked Acklands-Grainger NUMBER ONE on all metrics.
- Almost half of all purchases companies make in the MRO (maintenance, repair, operations) market are unplanned or unexpected. Acklands-Grainger is uniquely positioned to respond and meet these customers' needs.
- Acklands-Grainger's website at www.acklandsgrainger.com receives an average of 40,000 visitors each month, with electronic sales representing a vibrant and growing part of the company's business.
- Through the efforts of its employees Canada wide, Acklands-Grainger continues to make positive and significant contributions to local communities. Notably, the company participates in joint product and enterprise development with First Nations and other minority suppliers and is a corporate member of CAMSC, a non-profit organization that aims to promote opportunities for Aboriginal peoples and other visible minorities in Canada.

