

STARK UK Strategy Launch: New Beginnings

Manager Talking Points



The STARK UK story

As of March 1st, 2023, we are now part of the STARK Group, the largest building materials wholesaler in Europe, with sales of over £8bn. Since being bought by the STARK Group, we're now part of STARK Building Materials UK (STARK UK). STARK UK comprises over 600 branches and delivery centres, serving more than 300,000 customers right across the UK. We're heritage brands, in operation for well over a century.

Our vision is to be the #1 builders' merchant for the UK by 2027, focused on small and medium builders. This means that over the next four years, we will invest in our people, our offer and our branches, and focus on 9 big-ticket items that you told us need fixing, so that we provide best service to our customers:

- 1. Better pricing guidance:** We will deliver straightforward and consistent pricing guidance across all ranges, that is relevant to local markets, easier for our people to understand, provides fair value for our customers, and is profitable for our business. We have already made changes – providing more guidance on both specials and Known Value Items (KVIs), appropriately positioned for our local markets. But there is more to come, including price guidance on all the rest of the range and a set of template General Builder Terms, again appropriate to local market conditions.
- 2. STARK Group sourcing power:** Unlocking economies of scale and increasing sourcing power by being a part of STARK Group will mean that we will benefit from the best cost prices available to any merchant in the UK. We have made excellent progress with improved trading terms across a wide product range.
- 3. Complete range for the job:** Improving the consistency, quality, and breadth of our ranges, adding new categories that we do not currently offer, introducing a new own-brand range (RAPTOR), and adding more of the innovative, sustainability led products our customers will increasingly want.
- 4. Always in stock:** We will offer a high-quality core range of products, that's always in stock. This is enabled by a sophisticated demand forecasting system, which is currently in over 160 branches and will be rolled out across all our branches early in 2024. We will also re-structure our light-side DC operations to ensure that it is fit for service.
- 5. Trusted deliveries:** Delivering on time in full, every time, with new devices and a system that will confirm delivery windows and allow customers to visually track their delivery vehicle. Advanced route planning will enable improved efficiency and reduce our costs by reducing wasted stem mileage and deliveries out of area.
- 6. Branch teams at the heart:** Reorganising our business to remove layers and put our branch teams at the heart of our operations, enabled by support functions to look after our customers' needs. Putting autonomy back in the hands of our branches to enable them to react to local markets to tweak range and pricing decisions. This will come with clear accountability together with rewards much more aligned to branch performance.
- 7. Tool Hire growth:** Tool Hire is a valuable offer for our customers and for our business. By launching an automatic loss and damage waiver as part of the hire price, we have made it easier for our customers to access and easier for our colleagues to sell. We are also investing in a wider range of new tools for all jobs, available across our branch network and will be investing in a series of larger tool hire centres.
- 8. Better branches:** Improving branches across the nation, to deliver a network of modern, safe, well-lit, well-maintained, and well-supplied branches that look great, and better layouts to make products easier to find.
- 9. Branch of the future:** We have created our branch of the future; a re-imagining of what a builders' merchant can be, designed around the needs of customers, suppliers, and colleagues, using all the experience from the STARK Group companies in Denmark, Sweden, Norway, Finland, Germany, and Austria.

We're also looking to a better future, with...

- **A new look:** We've refreshed the Jewson logo to reflect our new direction and ambition. It also stands out above the competition in the crowded marketplace.

All of this is about becoming:

- The best builders' merchant with the best operators, offering the best service in the market for small and medium local jobbing builders across the UK.
- A destination of choice, where all our builder customers can trust in better.
- An organisation with the right people in the right roles, with the right accountabilities, rewards, training, and development opportunities.

Being part of STARK Group will help us do this, and every single one of us has an important part to play, whichever brand or support function you work in. This is an exciting time to be a part of this family.