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ZAK KITNICK: Craftsman by Sears at Kmart May 17 - July 6, 2018

1886: Richard Warren Sears starts a mail order watch business called R.W Sears Watch Company in Minneapolis Minnesota

1887: The R.W Sears Watch Company relocates to Chicago Illinois

1887: The R.W Sears Watch Company publishes their first mail order catalog offering watches, diamonds, and jewelry

1889: Sears sells his business for \$100,000 (\$2.7 million today) and relocates to Iowa

1892: Richard Sears returns to Chicago and establishes a new mail order with his partner, Alvah Curtis Roebuck, operating as the A.C. Roebuck Watch Company

1893: They rename the company to Sears, Roebuck and Company and begin to diversify the offerings in their catalog

1894: The Sears catalog grows to 322 pages, featuring sewing machines, bicycles, sporting goods, automobiles, and other items

1906: Sales continue to grow rapidly, and the prosperity of the company and their vision for greater expansion leads Sears to take the company public. Sears' 1906 initial public offering marks the first major retail IPO in American financial history

1925: Sears opens its first store in Chicago Illinois

1927: Arthur Barrows, head of the Sears hardware department buys the right to use the name Craftsman from the Marion-Craftsman Tool Company for \$500

1927: Sears creates the Kenmore brand for appliances and the Craftsman brand for tools.

1927: The Craftsman trademark is registered by Sears on May 20, 1927

1927: The first Craftsman tools are sold

1930: At this time, Craftsman tools are a hodge-podge of styles and designs. All the tools are good quality but without anything in common except for the stamped Craftsman name

1931: Arthur Barrows' successor, Tom Dunlap, upgrades the quality of the tools and adds chrome plating to them as America moves into the automobile age

1931: The Craftsman "modern era" begins. For the first time, Craftsman tools have a common design to serve as a brand identity. All of the tools with a handle have a polished raised panels stamped with the Craftsman logo, and everything has a polished chrome finish

1933: Sears debuts The Sears Christmas Catalog

1933: Sears introduces a Craftsman adjustable wrench made of vanadium steel that is 50 percent thinner, yet 20 percent stronger than previous models

1935: Craftsman patents the method for making the Craftsman Locking Adjustable Wrench

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1938: Moore Drop Forging Co. gets the contract to produce Sears Craftsman tools

1953: The Sears credit card is introduced

1964: Craftsman enters the “V” series era. Using Moore Drop Forging Co. as their primary manufacturer, tools of this period also come from a host of manufacturers including Western Forge, Wilde, Kastar (Lang), J.H. Williams, Empire, Miller’s Falls, and others. This period is widely considered to be the golden age of Craftsman production

1968: The Sears Christmas Catalog is re-christened the Wish Book

1973: Sears's new home in Chicago, The Sears Tower, becomes the tallest building in the world, replacing the World Trade Center in New York

1976: The 100 millionth Craftsman screwdriver rolls off the assembly line. To commemorate the occasion, the manufacture presents sears with an 8’ screwdriver for “people who think big.”

1977: The Craftsman brand celebrates its 50th anniversary

1981: President Jimmy Carter’s staff presents him with a Sears Craftsman woodworking set as his farewell gift

1990: Home repair and renovation expert Bob Vila and Sears team up for a nationally syndicated show, "Bob Vila's Home Again". Craftsman tools feature prominently in the construction projects, and Vila becomes the exclusive spokesperson for the Craftsman brand

1991: Sears starts the Craftsman Club customer loyalty program, one of the oldest such programs by a retailer.

1991: The company loses the distinction of being the nation's "top-selling retailer" to Walmart

1994: Sears sells the Sears Tower

1997: Sears offers more than 3,500 different Craftsman tools online at Sears.com

1998: The Christmas catalog website, wishbook.com, debuts, one year before Sears.com goes live

2003: Sears opens a new concept store called Sears Grand. Sears Grand stores carry everything that a regular Sears carries, and more. Sears Grand stores are about 175,000 to 225,000 square feet

2004: Craftsman tools comes under fire in a lawsuit accusing Sears of false advertising and consumer fraud for questionable use of the slogan "Made in the USA"

2004: Zak Kitnick receives an empty craftsman rolling tool chest as a birthday gift

2004: On November 17, 2004, Sears announces it is being acquired by the management of Kmart Holding Corporation for \$11 billion after Kmart completes its bankruptcy. As a part of the acquisition, Kmart Holding Corporation along with Kmart is transferred to the new Sears Holdings Corporation and Sears is purchased by the new Sears Holdings.

2005: Kmart and Sears merge. Kmart and Sears come under the same ownership in March 2005 when Edward Lampert, then chairman of Kmart Holding Corp., finalizes the \$12.3 billion acquisition of Sears

2006: The combined company's profits peak at \$1.5 billion in 2006, then dwindle to nearly nothing by 2010.

2006: Sears sells Craftsman tools at all Kmart stores. Sears Holdings says that it will start selling its popular Craftsman tools in all 1,400 Kmart stores nationwide, more than a year after first stocking the Craftsman brand at selected Kmart

2007: A Harris Interactive poll gives Craftsman the highest score for both "Brand Expectations" and "Trust".

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2008: Craftsman.com launches

2009: The readers of *Popular Mechanics* name Craftsman their favorite brand of hand tools in their Reader's Choice Awards

2010: Hand tools manufactured for Craftsman by Apex Tool Group such as ratchets, sockets, and wrenches begin to be sourced overseas (mainly in China, although some are produced in Taiwan), while tools produced for Craftsman by Western Forge such as adjustable wrenches, screwdrivers, pliers and larger mechanic tool sets remain made in the United States, although some production for these products moves to Asia

2011: Craftsman tools are available though Ace Hardware and Costco

2012: 90% sales of Craftsman products are in Sears stores and Sears-related retailers including Kmart, as well as Sears Hometown and Sears Outlet stores, which separated from Sears Holding Corp., in 2012. The other 10% of Craftsman sales are at other retailers including Ace Hardware

2013: Starting in early 2013, Craftsman tools are reported to be consistently out of stock at Sears stores leading to a shift in sales to Home Depot and Lowe's, where people will find a greater selection of private label, high quality products. Additionally, Home Depot and Lowe's invest aggressively in their online and delivery capabilities to the Pro customer base

2015: Zak Kitnick goes to the Kmart at Astor Place in New York and buys one of each hand tool that is available. Many are out of stock

2015: Sears raises \$2.7 billion by selling stores to Seritage Growth Properties, a real estate investment trust. At the time, Edward Lampert is not only the chief executive, but also the chairman for Seritage. The sale leads to a lawsuit, in which Sears shareholders argue that there had not been an independent, fair valuation of the properties and that there were multiple conflicts of interest. The lawsuit is settled for \$40 million

2016: Analysts at Moody's estimate that the company's negative cash flow for its 2016 fiscal year will be \$1.5 billion

2016: During this period, the company announces that it will close 150 stores (109 Kmart and 41 Sears outlets), in an attempt to cut its losses after a decline in sales of 13 percent during the holiday shopping season and the largest quarterly loss since 2013

2017: Under CEO Edward Lampert, who is also a hedge fund manager, Sears consistently lags behind its peer with analysts pointing to underinvestment in stores and slumping sales

2017: On January 4, 2017 Sears announces a \$500 million loan from CEO Edward Lampert's hedge fund.

2017: On January 5, 2017, Stanley Black & Decker announces its intent to acquire the Craftsman brand in a deal with a total value of \$900 million (with an up-front payment of \$525 million, and a payment of \$250 million after three years). Sears will hold a royalty-free license to the Craftsman brand for a 15-year period after the completion of the sale. Afterwards, Sears will pay Stanley Black & Decker a 3% licensing fee. "Sears Holdings will continue to offer Craftsman-branded products that we source from our existing suppliers for sale at Sears, Kmart, and Sears Hometown Outlets." Craftsman, effectively has two parent owners, two manufacturing channels, and two separate retail channels

2017: In January, when the purchase is first announced, Stanley Black & Decker points out that "only approximately 10% of Craftsman-branded products are sold outside of Sears Holdings and the agreement will enable Stanley Black & Decker to significantly increase Craftsman sales in these untapped channels"

2017: The deal is closed on March 9, 2017. Sears sells the Craftsman brand to help offset losses as it struggles to make a turnaround

2017: After Stanley Black & Decker's purchase of Craftsman in 2017, they state all previous warranties on Craftsman products will be honored saying, "We understand the Craftsman warranties are important to existing customers and intend to honor existing warranties and offer similar warranties going forward. Craftsman branded

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products will continue to be covered under their existing warranties. In the immediate term, there are no changes to how you will get service regarding your warranty”

2017: Sears continues to sell Craftsman products, but Tuesday October 25th, 2017 the company announces it will quit selling Whirlpool appliances since the companies could not agree on pricing. However, Sears will continue to sell Whirlpool-produced Kenmore appliances

2017: Craftsman sues Western Forge, a long-time Craftsman manufacturer, to continue producing certain Craftsman tools after a contract between the companies was set to expire. Western Forge manufactures hand tools in the United States, and has been one of the manufacturers for the Craftsman brand for over 50 years

2017: As of October 29, 2017 Sears has \$258 million in cash and equivalents on hand, compared with \$3.1 billion in long-term debt. Its market value by comparison, is \$1.2 billion, even with a jump in its stock price after the Craftsman news

2017: Craftsman is known for its hand tools, but its lineup contains much more. Per the Stanley Black & Decker investor presentation, as of 2017, roughly 40% of Craftsman sales are lawn and garden items, and another 25% are storage and related products — toolboxes, garage door openers, and so on

2017: As of July 29, 2017, there are 619 full-size Sears stores in the United States. There are also 94 in Mexico

2018: In January 2018, Sears announces they will be close 39 Sears stores and 64 Kmart stores. These stores close by April 2018, leaving Sears Holdings with 555 stores. According to MSN money, at this rate, Sears, along with sister company Kmart, has an extremely high chance of disappearing and going defunct in 2018, estimating that 2017 will have marked its final holiday season as an independent brand

2018: Sears CEO Edward Lampert proposes to buy Kenmore. The proposal to acquire Kenmore and the other business units would leave the already scaled-back retailer even more diminished, leading some to question whether Mr. Lampert has been seeking to strip out the most valuable assets in the event the company files for bankruptcy. The chief executive of Sears is its largest shareholder and a major lender to the company

2018: Part of the delay in getting Craftsman tools into Lowe's hardware stores is the fact that Stanley Black & Decker is shifting Craftsman production back from overseas plants to U.S. facilities. It has announced plans for a new U.S. factory to build Craftsman products at a location yet to be announced

2018: Craftsman tools produced by Stanley Black & Decker go on pre-sale at Lowes hardware stores

2018: In the second half of 2018, a broad assortment of Craftsman products are available in Lowe's stores and online. Stanley Black & Decker also works with Lowe's to manufacture and develop other products for the home improvement retailer, making the two underlying partners

2018: Zak Kitnick ‘reverse engineers’ the Craftsman tools he purchased in 2015, creating a metal plate mold for each tool using the same sand casting method by which the tools are originally produced. After reverse engineering the Craftsman tools made by other companies and branded as Craftsman, Kitnick colors the metal relief plates in the various colors of the tool manufacturing companies. Sears never manufactures Craftsman products itself, instead relying on other manufacturers to make the products for them following Craftsman designs and specifications, and applying the Craftsman brand name. Sometimes, the Craftsman branded items include exclusive features that separate them from the manufacturers own brand or other brands that the manufacturer produces. At other times, Craftsman products are identical to models of other brands with a different name on them

2020: Stanley Black & Decker is expected to pay the additional \$250 million at the end of the third year after closing

2032: Sears loses the right to manufacture and sell the Craftsman brand without paying a royalty 15 years after the Craftsman brand is purchased by Stanley Black & Decker in 2017