Innovation Portfolio Diagnostic and Recommendations for Tractor Supply

Based on the Innovation Radar 2.0 framework developed by Prof. Mohanbir Sawhney, Kellogg School of Management, Northwestern University

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Context

This report diagnoses the innovation portfolio of Tractor Supply Company, the rural lifestyle retailer that operates Tractor Supply and Petsense stores, the Allivet pet pharmacy, the VIP Petcare clinic business and the distribution and final-mile network behind them, treated here as one retail business with one value chain. It recommends how much the firm should invest in innovation and where that investment should land. It applies the Innovation Radar 2.0, a diagnostic instrument that asks two questions of an innovation budget: whether the firm is investing enough to deliver the growth it has promised, and whether the investment is going where its strategy says it should. The framework translates the firm's stated strategy into a target profile across twelve dimensions of business innovation, measures the actual profile from shipped evidence under tiered evidence rules, and reads the distance between the two as strategy drift; before any of that, it tests whether the firm's innovation envelope can fund its growth ambition at all. The evidence cutoff is October 12, 2026, ten days before the third-quarter results, and the read is outside-in from the public record. The method is set out in Sawhney, M. (2026), *The Innovation Radar 2.0: A Framework for Measuring and Diagnosing Business Innovation*, SSRN Working Paper, https://ssrn.com/abstract=7244520.

Executive Summary

Tractor Supply promised more growth than its innovation spending can buy, and in July 2026 it said so. The December 2024 plan, which the company calls Life Out Here 2030, asked for comparable store sales growth of 3 to 5 percent a year on top of about 100 new stores a year. The comparable-sales half of that promise depends on the change budget: store remodels, technology and the distribution network, about $510 million in 2025. To deliver 4 percent comparable growth while offsetting the 1 to 2 points a year the core loses to a shrinking dog population, rural parcel delivery from Amazon and Walmart, and trip consolidation, each dollar of that budget had to return about $1.70 of new revenue a year. It returned about $0.80 in 2025, and less in 2026, when comparable sales turned negative even though the company spent about a quarter more on that budget in the first half of the year than a year earlier. On July 23, 2026 management withdrew the long-term framework and promised a new one with its year-end results.

The instrument asks two questions. Is Tractor Supply investing enough? Against the 2024 promise, no: the ratio of required new revenue to the change budget, which the Radar calls the

implied yield, was above the range retailers and technology firms normally achieve, and the withdrawal was the correct reading of that arithmetic. Against the more modest ambition management now voices, comparable growth of about 2.5 percent, the same budget is adequate, provided the 2027 capital cut falls on the completed distribution build and on fewer new stores, and spares the change budget. That proviso decides the case. Management has said 2027 capital will fall below 4 percent of sales; if that ceiling binds gross spending, the 85 to 90 new stores leave about $330 million for change, and the interim ambition would need a yield near 1.9, the 2024 error at a lower level. Is the investment going where the strategy says? Broadly yes, but thinly. The Radar scores twelve areas of the enterprise (its offerings, customers, channels, data and so on) on a five-point scale and compares them with the posture the strategy implies. Tractor Supply falls one point short on six of the twelve, so its overall posture is about 87 percent of what the 2024 plan required; the Radar calls this short in size and tilted in shape, and prescribes funding the shortfall. Because the funding cannot rise, we recommend the honest alternative: reset the target to three leads and close the gaps that remain.

Five findings carry the diagnosis. First, pet is an execution failure: the company spent about $270 million buying Allivet and VIP Petcare and reset its dog and cat aisles, while companion animal comparable sales fell 4.2 percent in the first quarter of 2026 and 2.9 percent in the second, and its dog food sales fell 5 percent in the year to August. Second, final-mile delivery is the best-evidenced innovation in the portfolio: deliveries in the first half of 2026 equaled all of 2025, team-member delivery baskets run $200 to $1,000 against $50 to $100 for third-party drivers, and management is accelerating it, correctly. Third, the data assets are idle against the problem the business now has. The loyalty program identifies more than 80 percent of sales, an associate AI assistant has run in every store since 2024, and cameras measure traffic and conversion in hundreds of stores, yet the company has published no measured outcome from any of them, and it stopped disclosing the loyalty membership count in 2026 while transactions fell 1.7 percent. Fourth, the retail media network that tripled its revenue in 2025 has gone unmentioned on every 2026 call. Fifth, the firm already owns the asset its pet recovery needs: VIP Petcare ran clinics in about 1,700 Tractor Supply stores for more than a decade, serving more than a million pets a year, before the company bought it in May 2026. Against its two closest rivals, Chewy in pet and Rural King in farm and home, Tractor Supply leads on Channels and Supply Network and trails Chewy on Offerings, Business Model, and Data and Intelligence, where Chewy publishes the measured outcomes that Tractor Supply does not (Section 5).

We recommend that Tractor Supply lead on Customers, Offerings, and Data and Intelligence, built around one pet-household record and the member data it already holds; hold Channels, Experience, Supply Network and Brand at their current level of four as floors; keep Business Model and Operations at parity; and leave Platform as a deliberate valley. Of 22 live bets, nine should grow, nine hold, one be fixed, one be fixed or killed and one be harvested, and one is already partly killed: the 75 Petsense closures prove leadership can kill. Of 35 scored net-new plays, eight earn

a pursue-now verdict, led by a lapsed-member recovery program run in test cells against a control group, feed and bedding on subscription through the final-mile hubs, a pet-household membership tier, and in-home setup for big-ticket purchases. Priced through Tractor Supply's own margins and cut by a 40 percent execution haircut, the agenda is worth $60 to $90 million of annual operating income by fiscal 2028, about 4 to 6 percent of the 2026 base, on lags of one to three years.

Leadership must decide one thing before the new framework is published: whether to state a comparable-growth ambition the change budget can fund, near 2.5 percent, and to protect that budget at about $500 million a year inside the lower 2027 capital plan. We recommend lowering the ambition, which the company has begun, and improving the portfolio's yield; we do not recommend raising the envelope. The 90-day commitments are in Section 9.

1. How healthy is the foundation

The foundation beneath the portfolio is sound on the two elements an outside analyst can observe, and the third is unobservable. The instrument treats purpose, culture and leadership as a multiplier on every dimensional investment, and it checks them first because capital poured above a weak foundation converts at a discount.

Purpose reads green. Tractor Supply states a mission and values it traces back more than 85 years and hires people who live the rural lifestyle it sells to, farmers, ranchers and pet owners among them (Tractor Supply 2026i). The costly decisions of 2026 follow that purpose. The company bought VIP Petcare, whose community clinics price a vaccine visit at more than 50 percent below a traditional veterinary visit, explicitly to make it "an affordable, convenient pet care provider in rural and exurban markets" (Tractor Supply 2026g). It closed about 75 Petsense stores, a small-box pet format that management describes as disconnected from the core, and took $71.7 million of impairment and restructuring charges to do it (Tractor Supply 2026e; Tractor Supply 2026h). A purpose that shapes an acquisition and a closure program in the same quarter binds commercial behavior.

Leadership reads green, with one caution. The strongest observable is the July 2026 withdrawal of the long-term framework: a chief executive who unveiled Life Out Here 2030 at an investor day nineteen months earlier told investors that "we no longer believe it is appropriate to anchor investors to the long-term financial algorithm" (Tractor Supply 2026f). In the same call he cut 2027 openings from about 100 stores to 85 to 90 and redirected capital toward remodels and final mile. Sponsorship of the named initiatives is visible and senior: an executive vice president for technology, digital commerce and strategy who owns the AI program and the OpenAI relationship (Modern Retail 2025), a chief supply chain officer who opened the automated Idaho distribution center in September 2026 (Supply Chain Dive 2026), and merchandising and store leaders who report pet, direct sales and final mile on every call. The caution concerns measurement. The technology chief told Modern Retail that the company prioritizes employee adoption over specific metrics when it judges AI use (Modern Retail 2025). That is a defensible stance for a first year

and a weak one for a third, and it explains much of the Data and Intelligence finding in Section 3. The incentive plan repeats the caution. The 2026 proxy states that the annual cash incentive pays on net income goals and unnamed strategic initiatives, that performance share units vest on net sales growth and earnings per share growth with a relative shareholder return modifier, and that the chief executive's off-cycle retention award is 60 percent performance shares tied to five-year shareholder return against the S&P 500 (Tractor Supply 2026i). No customer, pet-household or AI outcome appears in the plan language we could read; the weights, goals and payouts in the compensation tables fell outside the retrievable portion of the proxy and remain not read.

Culture is marked unobservable. Tractor Supply has been certified as a Great Place to Work for six consecutive years, district managers average about ten years of tenure and store managers about seven, and customer satisfaction scores improved for seventeen consecutive quarters through the third quarter of 2025 (Tractor Supply 2026a; Tractor Supply 2025). Those facts describe a stable, service-minded workforce. They tell us nothing about tolerance for productive failure or decision speed, and we do not guess. No element is red, so the prescription is to invest, with the measurement repair in Section 9 as the one foundation task.

2. Is the ambition funded

The 2024 ambition was not funded, and the company has already begun to say so. The interim ambition management now voices is funded, if the change budget survives the 2027 capital cut. This section shows the arithmetic, and the verdict it reaches licenses the drift diagnosis in Section 3 against the interim ambition only.

One adjustment makes the test fit a store-based retailer. Tractor Supply grows in two ways. It replicates a proven box, opening about 100 stores a year that reach 65 to 70 percent of a mature store's sales in their first year (Tractor Supply 2026d), and it changes the existing business through remodels, new services, delivery and data, which shows up in comparable store sales. Replication is a capital program with its own known conversion; it is the retail analogue of growth bought through acquisition, and we net it out of the ambition and out of the envelope, exactly as the instrument nets out acquisitions. What remains is the comparable-sales promise and the change budget that must fund it. Table 1 records the five quantities the test needs, each with the kind of knowledge it represents.

The arithmetic is short. Required new revenue each year is the comparable-growth target plus the decay rate, applied to the base (equation 1 in Appendix B). Table 2 runs it three ways.

Two benchmarks read the yield. The instrument's cross-sectional band for firms that mix products and services runs 0.5 to 1.5. Tractor Supply's own replication engine supplies a second, firm-specific benchmark: about $376 million of new-store capital opened 99 stores in 2025, and at 65 to 70 percent of an average store's roughly $6.1 million of sales those stores produce about $400 million of revenue in their first year, a yield near 1.1 that rises toward 1.6 as they mature (Tractor Supply 2026b; Tractor Supply 2026d). A change budget asked to return 1.7 in a single year was

Table 1. The Ambition Ledger for Tractor Supply, with the epistemic class of each entry.

Entry	Value	Basis	Class
Comparable growth target, stated in 2024	4 percent (3 to 5 percent)	Long-term algorithm, Investment Community Day, December 5, 2024: net sales growth 6 to 8 percent, comparable store sales 3 to 5 percent, operating margin 10 to 10.5 percent; reaffirmed on the January 29, 2026 call ("we remain very committed to our long-term algorithm on our comp sales"); withdrawn July 23, 2026	Disclosed fact, withdrawn
Comparable growth target, interim	2.5 percent (2 to 3 percent)	Management's stated margin inflection at a "low 2 percent comp" (Q4 2025 call), "we continue to believe we are a growth company" (Q2 2026 call), historical comparable growth of 3 to 4 percent (Barclays, September 9, 2026); the company will publish an updated framework with its fourth-quarter 2026 results (Q2 2026 release)	Derived from management statements, band
Revenue base	$16.0 billion forward (fiscal 2026)	Fiscal 2025 net sales $15.52 billion grown at the 3 percent midpoint of the July 2026 outlook of 2.5 to 3.5 percent	Disclosed fact, derived forward
Core decay rate, d	1 to 2 points, carried at 1.5	Companion animal, 24 percent of sales, comped minus 4.2 and minus 2.9 percent in the first two quarters of 2026 (about 0.7 to 1.0 point of total drag); the U.S. dog population fell from about 96 million to about 92 million between 2023 and 2025; Amazon is spending more than $4 billion to triple its rural delivery network by the end of 2026	Derived estimate, band
Innovation envelope (change budget)	About $510 million a year	Fiscal 2025 capital expenditure on existing stores $223.9 million, information technology $158.1 million and distribution centers $127.8 million ($533.3 million on the same lines in 2024); new-store capital of $376.0 million netted out with the replication engine; first-half 2026 spending on the same lines $249.8 million, up 24 percent, on pace for $600 to $650 million; operating spend on final mile and direct sales is not disclosed and is excluded	Disclosed fact; 2026 pace derived; operating component not read
Wedge	$200 to $320 million of revenue a year	1.3 to 2.0 points of comparable growth beyond the 0.5 to 1.2 percent the current profile produces in a normal year	Derived estimate, band

Table 2. The yield test under the 2024 promise and the interim ambition, with the 2025 and 2026 outcomes and the 2026 spending pace.

Reading	Comparable target plus decay	Required new revenue	Envelope	Implied yield	Verdict
2024 promise	4.0 + 1.5 = 5.5 percent	$880 million	$510 million	1.7 (band 1.3 to 2.2)	Above the band: a level gap
Interim ambition	2.5 + 1.5 = 4.0 percent	$640 million	$510 million	1.25	Inside the band: envelope certified
2025 outcome	1.2 + 1.5 = 2.7 percent	$420 million	$510 million	0.8	What the portfolio delivered
2024 promise on the 2026 spending pace	4.0 + 1.5 = 5.5 percent	$880 million	$600 to $650 million	1.4 (band 1.35 to 1.47)	At the top of the band; nearly double any realized yield
2026 outcome (July outlook)	−0.5 + 1.5 = 1.0 percent	$160 million	$600 to $650 million	0.25	What the larger budget delivered

being asked to outperform the company's most reliable capital program, and in 2025 it returned half that.

Three consequences follow. The first is that the 2024 promise failed the yield test before it failed in the market, and the withdrawal in July was the test arriving. The 2026 outcome is worse than 2025: on the July outlook of flat to minus 1 percent comparable sales, the change budget will return about $160 million of new or defended revenue against spending on pace for $600 to $650 million, a yield near 0.25, depressed by drought in the Southeast, fuel prices and soft big-ticket demand (Tractor Supply 2026e; Tractor Supply 2026f). The second is that the interim ambition is fundable and should be stated as the new framework's comparable-growth floor; at 2.5 percent the implied yield of 1.25 falls inside both benchmarks. The third is a caution about the 2027 capital plan. Management told the Barclays conference that 2027 capital spending will be the lowest in six to seven years and below 4 percent of sales (Barclays 2026), which on a 2027 base near $16.4 billion is under about $660 million. If the cut comes out of the distribution budget, which falls naturally once the $200 million Idaho center is open, and out of the 10 to 15 stores removed from the 2027 opening plan, the change budget survives. The guidance is stated net of sale-leaseback proceeds, and the gap is large: first-half 2026 gross capital of $435.7 million puts the year on pace for about $1.1 billion against a net plan of $675 to $725 million, which implies roughly $400 million of proceeds (Tractor Supply 2026e; Tractor Supply 2026k). If the 4 percent ceiling binds net spending and those proceeds continue, the change budget can hold near $500 million. If it binds gross spending, the 85 to 90 new stores take about $325 to $340 million at the 2025 cost per store, the change budget falls to about $320 to $400 million, the interim ambition's yield rises to 1.6 to 2.0, and the company will have repeated the 2024 error at a lower level.

The 2026 spending pace answers a question the 2025 figures leave open: whether a larger budget would have rescued the 2024 promise. The company raised spending on existing stores by

22 percent, on technology by 7 percent and on distribution by 67 percent in the first half of 2026 (Tractor Supply 2026e). On that larger budget the 2024 promise needs a yield of about 1.4, at the top of the band, and the budget returned about 0.25. The binding constraint is conversion, and a larger envelope does not loosen it, which is why the recommendation in this report holds the envelope and works on yield.

The wedge deserves its own sentence because the rest of the report has to close it. In 2025, a year with about a point of help from hurricane recovery, the business comped 1.2 percent; in 2026 it will comp between minus 1 percent and flat, with the named initiatives contributing positively and the base business "more than" offsetting them (Tractor Supply 2026f). A normal-year trajectory of 0.5 to 1.2 percent against an interim target of 2.5 percent leaves 1.3 to 2.0 points to find, which on the forward base is $200 to $320 million of revenue a year.

3. Where we innovate today, and where our strategy says we should

3.1 The strategy in Tractor Supply's own words

Tractor Supply publishes enough of its strategy to serve as a directional ground truth, and we read the drift against it as directional. The 10-K states a five-part growth strategy: deepen the customer base, evolve the customer experience through digital, offer relevant assortments across exclusive and national brands, drive operational excellence and supply chain capability, and make selective acquisitions (Tractor Supply 2026a). Life Out Here 2030, unveiled in December 2024 and restated in the 2026 shareholder letter, adds six named initiatives on top of the existing program of remodels, garden centers and new stores: store localization, direct sales to larger farms and businesses, pet and animal prescriptions, final-mile delivery, a retail media network as "a new profit stream," and expanded private and exclusive brands (Tractor Supply 2024; Tractor Supply 2026i). The theory of advantage is the loyalty program, Neighbor's Club, which the company calls "a key differentiator" and which carries more than 80 percent of sales (Retail Dive 2025), served through stores close to rural customers and staffed by people who live the lifestyle.

Read as a statement of intended asymmetry, that strategy names three dimensions of advantage, each carrying a strategic weight of three. Customers carries a target of 5: the loyalty program, the direct sales program for the segment management calls Big Barn, and the pet-owning household are the three customer bets. Channels carries a target of 5: final mile, ship-from-store fulfillment of about 80 percent of online orders and the direct sales force are the routes the plan depends on. Offerings carries a target of 4: four of the six new initiatives (localization, pet and animal prescriptions, exclusive brands, and the garden and outdoor assortments) change what the stores sell. Three dimensions are floors the firm cannot fall through: Experience at 4, because legendary service is the reason a rural customer drives past a big-box store; Supply Network at 4, because 81 percent of store merchandise flows through the company's own distribution centers; and Brand at 4, because Life Out Here is the brand. The plan also implies a 4 on Business Model (retail media),

Operations (the margin path to 10 to 10.5 percent) and Data and Intelligence (the 10-K names AI in personalization, forecasting, inventory and labor planning, and fulfillment), each at a weight of one. Organization and Ecosystem are held at parity, and Platform is the deliberate valley: the company runs no marketplace and invites no third parties to build on its infrastructure.

3.2 The twelve-dimension profile

Table 3 gives the profile against the 2024 target and against the reset target this report recommends in Section 3.4. Every score of 4 carries a dated citation; no dimension earns a 5, because none meets the test of two independent top-tier sources with a measured outcome within twelve months plus market recognition. Effort shares by dimension are not public, so the effort column records the directional read the record allows.

Table 3. The twelve-dimension profile: 2024 target, reset target, actual, gap, priority weight, directional effort and role, as of October 2026.

Dimension	Target 2024	Reset target	Actual	Gap to 2024	Weight 2024	Effort (directional)	Role
Offerings	4	4	3	−1	3	High: Allivet, VIP, resets, Freshpet, Fusion	Lead; execution gap
Platform	2	2	2	0	1	Low	Starve by choice
Experience	4	4	4	0	1	Medium: Hey GURA, service model	Hold (floor)
Customers	5	5	4	−1	3	Medium: loyalty, direct sales	Lead
Business Model	4	3	3	−1	1	Low: retail media quiet	Sustain at parity
Organization	3	3	3	0	1	Medium: direct sales force	Sustain
Operations	4	3	3	−1	1	Medium: OpenAI, cameras	Sustain; watch
Supply Network	4	4	4	0	1	High: Idaho DC, RELEX	Hold (floor)
Data & Intelligence	4	4	3	−1	1	Medium to high: data platform, AI	Lead (reset); execution and disclosure gap
Channels	5	4	4	−1	3	High: final-mile hubs, digital	Hold (floor) at 4
Brand	4	4	4	0	1	Medium: price perception campaign	Hold (floor)
Ecosystem	3	3	3	0	1	Low	Sustain

Channels earns its 4 on a measured outcome. Final mile covered more than 210 delivery centers and nearly a quarter of the store base at the end of 2025, is planned to reach about 375

hubs covering more than half the stores by the end of 2026, and delivered as many orders in the first half of 2026 as in all of 2025 (Tractor Supply 2026c; Tractor Supply 2026f). Each hub serves three to four stores with two dedicated drivers; team members make more than 15,000 deliveries a week; their orders run $200 to $1,000 against $50 to $100 for orders sent through a third-party courier; and customer satisfaction on team-member deliveries is almost 15 points higher than on standard purchases (Barclays 2026). Freight savings of about $10 million a year help fund the build (Tractor Supply 2026c). Digital sales grew at a high-single-digit rate in 2025, above 20 percent in the first quarter of 2026 and at a double-digit rate in the second, led by delivery from stores, and stores fulfill nearly 80 percent of online orders (Tractor Supply 2025; Tractor Supply 2026d; Digital Commerce 360 2026b). Digital Commerce 360 ranks the company 83rd in its database of the largest North American online retailers (Digital Commerce 360 2026b). The score stops at 4 because the company discloses neither digital penetration nor delivery revenue, and no independent source names it a leader. The 2024 target of 5 asked for recognition this business has no route to by 2028, which is one reason the reset target lowers it.

Customers earns its 4 on disclosed shares and a measured segment outcome. Neighbor's Club members account for more than 80 percent of Tractor Supply sales and 85 percent of Petsense sales, membership passed 38 million in early 2025, and the company reported record new customers and retention of high-value customers in 2024 (Retail Dive 2025). The direct sales program, launched in 2025, ended the year with about 50 specialists covering 375 stores; the Big Barn customers it serves were comping near 50 percent with tickets about seven times the company average, and December 2025 sales passed $2 million (Tractor Supply 2025; Tractor Supply 2026c). Two facts hold the score below 5 and are the reason this dimension leads the reset. The company stopped disclosing the membership count in 2026, saying only that membership grows "at about the same pace" and restating the more-than-80-percent share of sales in January and July (Tractor Supply 2026c; Tractor Supply 2026d; Digital Commerce 360 2026b), and transactions fell 1.7 percent in the second quarter as customers consolidated trips (Tractor Supply 2026e). A loyalty program that identifies four-fifths of sales and cannot hold the trip count is a capability the business has not yet turned on its central problem.

Experience, Supply Network and Brand hold their 4s as floors. Experience rests on seventeen consecutive quarters of improving customer satisfaction, all-time highs reported in the 2025 shareholder letter, a tie for the top of its segment in the American Customer Satisfaction Index, and the delivery satisfaction premium above (Tractor Supply 2025; Tractor Supply 2026i; Retail Dive 2024). Supply Network rests on mid-single-digit distribution productivity gains in 2025, imports held to 11.4 percent of sales, a 2025 tariff program absorbed through domestic sourcing and alternate countries, and the September 2026 opening of the 865,000-square-foot Idaho center, the first in the network with an automated storage and retrieval system (Tractor Supply 2026b; Tractor Supply 2025; Supply Chain Dive 2026). Brand rests on Life Out Here and on a measured price-perception gain: the "Unbeatable Price" campaign, funded in part by $35 to $40 million of tariff refunds on

about 50 high-velocity items, lifted customer price perception by about 180 to 200 basis points (Tractor Supply 2026f; Barclays 2026).

Offerings is scored 3, and this is the score the deep pass moves. The record of effort is long: Allivet bought for $135 million in December 2024 and selling about $100 million in 2025; VIP Petcare bought for $133.8 million in May 2026; dog and cat aisle resets; Freshpet in more than 300 stores with a goal of 700; owned and exclusive brands at 30 percent of sales, with Field and Stream passing $100 million; garden centers or live-goods tents in more than 1,000 stores (Tractor Supply 2026a; Tractor Supply 2026c; Tractor Supply 2026d; Tractor Supply 2026h; Barclays 2026). The outcome record runs the other way on the category the strategy leans on. Companion animal comparable sales were minus 4.2 percent in the first quarter of 2026 and minus 2.9 percent in the second, with a third-quarter exit rate in the low-to-mid single digits negative (Barclays 2026). YipitData's receipt panel shows Tractor Supply's dog food sales down 5 percent and total pet down 3 percent in the year to August 2026, while two regional farm chains in the same panel grew pet sales by 22 and 9 percent from smaller bases (PetfoodIndustry 2026). Owned-brand penetration has stayed at 29 to 30 percent for three years (Tractor Supply 2026a). Shipped moves without a measured gain on the dimension's own metric score at parity, and on pet the measured direction is negative.

Data and Intelligence is held at 3, and the derivation is boxed in Appendix A because it is the score most likely to be contested. The capability ceiling is high. Hey GURA, a voice assistant that answers associates' product and stock questions through a headset, was piloted in 200 stores in late 2023 and deployed to every store in 2024; TractorVision cameras alert associates to queues and to customers who need help and report traffic and conversion, with a 2024 goal of 700 stores; a customer data platform went live in 2024; an enterprise integration with OpenAI connects to a Snowflake data lake; RELEX runs forecasting and replenishment; and the marketing team builds churn models and its own pet-symptom language model (CIO 2024; Tractor Supply 2025; Modern Retail 2025; DC Velocity 2023; Chief Marketer 2026). The 2024 CIO 100 award recognized the store work (Business Wire 2024). The floor is what the gate scores, and on the floor there is no published outcome. No time saved, no conversion lift and no sales effect has been reported for Hey GURA or TractorVision in two and a half years; the OpenAI program is judged by adoption; and the two public counts of its reach disagree (about 1,500 users on the third-quarter 2025 call, about 1,500 automated processes in Modern Retail). AI and personalization went unmentioned on the first- and second-quarter 2026 calls while the company explained a decline in transactions (Tractor Supply 2026d; Tractor Supply 2026f). Spending continues: information technology capital rose 7 percent to $73.4 million in the first half of 2026, which the first-quarter 10-Q attributes to store growth, digital initiatives and company-wide strategic initiatives (Tractor Supply 2026e; Tractor Supply 2026k). Shipped without a measured outcome is the definition of parity.

The remaining five dimensions are treated briefly. Business Model is parity: the retail media network tripled its revenue in 2025 with partner count up more than 80 percent, and pet subscrip-

tions exceed $200 million a year and grow at triple-digit rates, but neither carries a disclosed revenue line and retail media vanished from the 2026 calls after being named a 2026 gross-margin driver in January; its only public appearance since is a September vendor-award citation of Cargill's work with the company on retail media (Tractor Supply 2025; Tractor Supply 2026c; Tractor Supply 2026j; Barclays 2026). Operations is parity: store labor productivity and AI-assisted planogram checks are credited by management, but adjusted selling and administrative expense deleveraged 118 basis points in the second quarter and the operating margin outlook fell from 9.3 to 9.6 percent to 8.5 to 8.8 percent adjusted (Tractor Supply 2026e; Tractor Supply 2026f). Organization is parity: a new direct sales force, 75 percent hired from outside with an average of eleven years of farm and ranch experience, and field activity support teams are sensible architecture without a measured result (Tractor Supply 2026c). Ecosystem is parity: VIP Petcare was a decade-long host partnership before it became an acquisition, Freshpet and the Field and Stream license are working brand alliances, and RELEX forecasts are shared with vendors, with no partner-originated revenue disclosed (Tractor Supply 2026g; DC Velocity 2023). Platform is 2 and is the chosen valley.

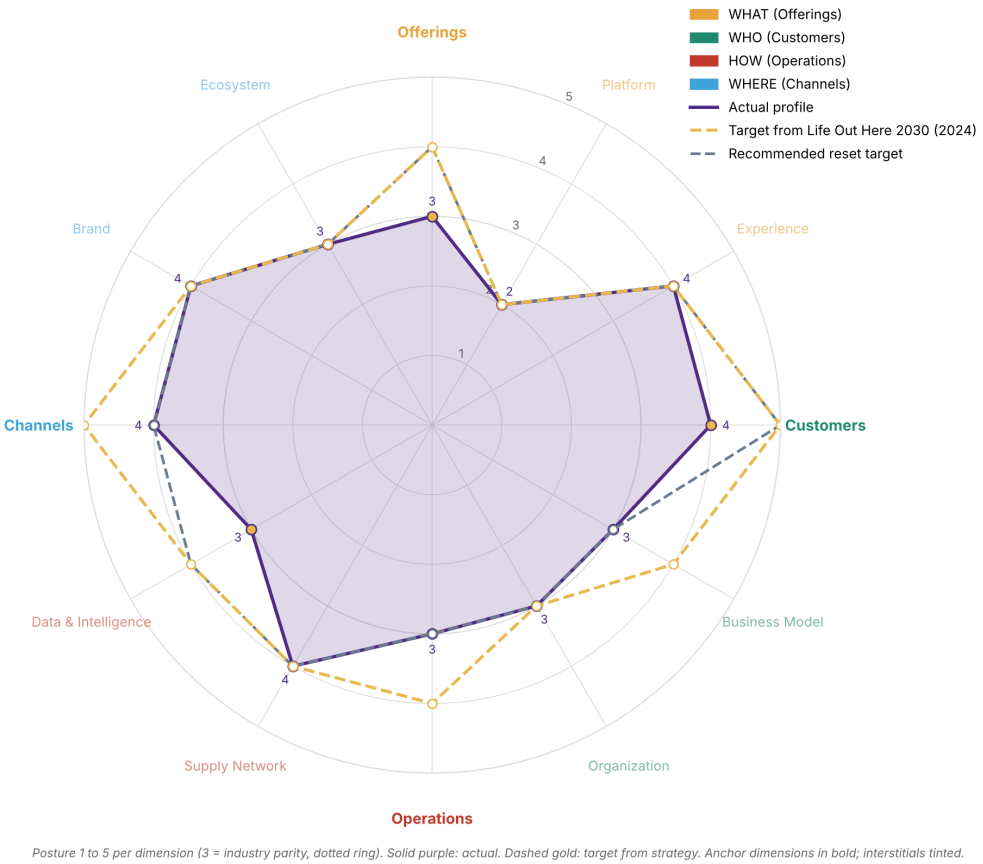


Figure 1. Actual innovation profile against the 2024 target derived from Life Out Here 2030 and the recommended reset target, twelve dimensions, 1-to-5 posture scale, October 2026.

3.3 What the drift means

The polygon has the right shape and too little height. The Investment Index, the sum of the actual scores over the sum of the 2024 targets (equation 2), is 0.87, inside the 0.75 to 0.90 band the instrument calls short. The Shape Drift Index, half the sum of the absolute differences between each dimension's share of the actual profile and its share of the target (equations 3 and 4), is about 6 percent, in the tilted band, which reads as the share of the portfolio's emphasis that would have to move to match the 2024 shape. The per-dimension tilts are small and evenly spread. Offerings, Business Model, Operations and Data and Intelligence each fall about half a point below their size-adjusted targets, Customers and Channels about a third of a point below, and Experience, Supply Network, Brand, Organization, Ecosystem and Platform carry small positive mix parts that sum to the same total (equations 5 and 6). The priority-weighted gap, the sum of the absolute gaps multiplied by strategic weight (equation 7), is 12 points, nine of them on the three weighted leads. The verdict cell is fund with a steer.

That verdict collides with Section 2, and the collision is the finding. The posture read says the 2024 plan was under-built on six fronts at once; the yield test says the money to build all six does not exist at the conversion the portfolio achieves; and the 2027 capital plan says the envelope is going down. Funding is the one dial leadership has already closed. A profile one point short on half its dimensions, with no single deep hole, is the signature of prioritization myopia: six new initiatives launched together on top of remodels, garden centers, a pet pharmacy, a clinic acquisition and a new distribution center, each advancing a little. The remedy is to concentrate the target and close the gaps that remain.

3.4 The reset target and the gaps that remain

The reset target in Table 3 lowers three 2024 targets and moves one weight. Channels drops from 5 to 4 and becomes a floor: final mile is working and funded, the 2024 target of 5 asked for market recognition no rural retailer can earn against Amazon's $4 billion rural build and Walmart's same-day coverage of 93 percent of households (FreightWaves 2025), and Section 4 keeps every channel bet growing. Business Model and Operations drop from 4 to parity, because neither retail media nor the margin program can carry a lead while comparable sales are negative. Data and Intelligence takes the third strategic weight from Channels, because the member data, the pet records and the store cameras are the cheapest route to the transaction recovery the interim ambition needs, and because the instrument treats Data and Intelligence as a multiplier on every other dimension.

Against the reset target the Investment Index is 0.93, adequate; the Shape Drift Index is about 5 percent, at the boundary of aligned and tilted; and the priority-weighted gap is 9 points, all on three leads, each one point short. The verdict cell becomes scale with a steer: keep the change budget at about $510 million and redirect emphasis toward Customers, Offerings, and Data and Intelligence. The two readings tie by the exact identity in equation 6, so the reader can check that the reset moves the size gap to the board and leaves a small shape gap with the portfolio owner.

The three remaining gaps call for different remedies, which is why the effort read matters even when effort shares are unpublished. Offerings carries high effort and a negative measured direction on pet: about $270 million of acquisitions, two aisle resets and a fresh-food program, against falling dog food sales. That is an execution failure, and the remedy is to fix how the pieces connect, never to add money. Data and Intelligence carries medium-to-high effort, $158 million of information technology capital in 2025 and $73 million in the first half of 2026 (Tractor Supply 2026b; Tractor Supply 2026e), against parity posture and no published outcome: an execution and disclosure gap whose remedy is to instrument and publish. Customers carries medium effort and strong posture, and its gap is a conversion gap: the program exists, identifies the customers and has stopped reporting its own size. The pet finding has an uncomfortable second reading that ties all three together. Tractor Supply hosted VIP Petcare's clinics in about 1,700 of its stores for more than a decade, and those clinics see more than a million pets a year (Tractor Supply 2026g). Neighbor's Club began collecting pet prescription and veterinarian details in 2025 (Retail Dive 2025). Allivet holds the prescriptions. The company now owns all three records and has disclosed no plan to join them, while the pet household is the customer it is losing.

4. What we grow, what we hold, and what we kill

The public record yields 22 live bets, listed in Table 4 with the dimension each advances and its verdict against the reset target. Spend by bet is not public beyond the two acquisitions and the distribution center, so the ledger adjudicates posture and role. The kill list is short and real: the 75 Petsense closures were executed in the second quarter at a cost of $71.7 million, and two technology bets receive fix-or-kill verdicts.

Table 4. The adjudication ledger: 22 live bets from the public record, with primary dimension, stage and verdict.

Bet	Primary dimension (secondary)	Stage	Verdict	Rationale
Neighbor's Club	Customers (Data & Intelligence)	Mature	Grow, gated	The lead asset; growth gated on restored disclosure of members, active members and trips per member by Q4 2026
Direct sales to farms and businesses	Customers (Channels)	Scaling	Grow	Big Barn tickets about seven times average; about 40 basis points of comparable sales at scale by management's estimate
Final-mile hubs and team-member delivery	Channels (Supply Network)	Scaling	Grow	Strongest measured outcome in the portfolio; accelerate as planned
Digital, ship-from-store and subscriptions	Channels (Business Model)	Scaling	Grow	Above 20 percent growth in Q1 2026; pet subscriptions above $200 million

Bet	Primary dimension (secondary)	Stage	Verdict	Rationale
VIP Petcare clinics	Offerings (Customers)	Integration	Grow, gated	$133.8 million; growth gated on a joined pet record and a measured pet-household retention metric
Allivet pet and animal prescriptions	Offerings (Business Model)	Scaling	Fix	About $100 million in 2025 with slow early adoption; fold into one pet health unit with VIP
Dog and cat resets, Freshpet expansion	Offerings	Scaling	Grow	More than 40 percent of Freshpet buyers were new or reactivated pet food buyers
Store localization in Fusion remodels	Offerings (Data & Intelligence)	Scaling	Grow	About 200 localized stores outperform the rest of the Fusion base
Project Fusion remodel program	Experience (Offerings)	Mature	Hold	Near 60 percent of stores; 160 to 170 Fusion projects with localization planned for 2026; hold at that pace as the vehicle for localization
Garden centers and live goods	Offerings	Mature	Hold	More than 1,000 stores; live goods among the best 2025 categories
Exclusive and owned brands	Offerings (Brand)	Mature	Hold	Penetration flat at 29 to 30 percent for three years; hold pending a pet-value role
Outdoor and wildlife conversions	Offerings	Scaling	Hold	About 700 stores by year-end 2026
Retail media network	Business Model (Data & Intelligence)	Scaling, undisclosed	Hold, re-scope	Tripled in 2025 and silent in 2026; re-scope as closed-loop member media in Section 6
Customer data platform and personalization	Data & Intelligence (Customers)	Live since 2024	Grow, gated	The core of the reset; gated on the first published test-cell result
OpenAI enterprise program	Data & Intelligence (Operations)	Scaling	Grow, gated	Gated on a value ledger replacing the adoption measure
Hey GURA associate assistant	Experience (Data & Intelligence)	Mature	Hold	Chainwide since 2024; publish its effect on conversion and attachment
TractorVision cameras	Operations (Data & Intelligence)	Pilot to scale, stalled in the record	Fix or kill	700-store goal set for 2024; no outcome in two years; tie to labor scheduling or stop
Idaho distribution center with automated storage	Supply Network	Opened Sept 2026	Hold (floor)	Measure the automation before any retrofit elsewhere
RELEX forecasting and replenishment	Supply Network (Data & Intelligence)	Mature	Hold (floor)	Inventory turns 3.24; add member-level demand signals (Section 6)

Bet	Primary dimension (secondary)	Stage	Verdict	Rationale
New stores toward 3,200	Channels	Ongoing	Hold at 85 to 90 a year	The replication engine, netted out of the change budget
Price campaign funded by tariff refunds	Brand (Business Model)	Executed	Harvest	One-time funding of $35 to $40 million; retain the perception gain through owned-brand value
Petsense small-box format	Customers (Channels)	Closures under way	Kill (75 executed); harvest the rest	Negative four-wall cash flow in the closed stores; the remaining stores carry the format until a decision

The reallocation story is modest in dollars and large in attention. The capital freed by the Petsense closures and the trimmed 2027 store plan already flows to remodels and final mile by management's account (Tractor Supply 2026f). What moves is governance: pet moves from three businesses bought or reset separately to one pet-household offer with one owner and one metric; the data assets move from adoption programs to measured ones; and the retail media network moves from an unreported line to a disclosed one. The shape moves toward the reset target when those three changes are made, and only then. The Orscheln integration, completed in 2023 with 81 stores retained after the Federal Trade Commission required the divestiture of 85 of the 166 acquired (Tractor Supply 2022), is recorded as harvested; its lesson for the plays in Section 6 is that buying a regional rival is closed to this company.

5. Where we stand against the field

We benchmark Tractor Supply against the two rivals whose businesses overlap most with its own. Chewy competes for the pet household, the category that makes up about a quarter of Tractor Supply's sales and is the one falling. Rural King competes for the farm and home customer in the same store format, and it is the second-largest chain in YipitData's farm and ranch panel, with 14 percent of tracked pet sales against Tractor Supply's 76 percent (PetfoodIndustry 2026). Home Depot and Walmart overlap on garden, tools and parcels but serve a different trip, so we leave them out of the overlay. We scored each rival from public evidence on the same five-point scale and under the same evidence gates. Chewy's profile rests on its September 2026 call and trade coverage. Rural King is a private, family-owned company with a thin public record, so we score a dimension with no shipped move in the record at 2 and hold the whole profile at low confidence. Table 5 gives the scores and Figure 2 overlays them.

Table 5. Competitor overlay: Tractor Supply against Chewy and Rural King on the twelve dimensions, with the benchmarking zone and the evidence behind each rival score, as of October 2026.

Dimension	Tractor Supply	Chewy	Rural King	Zone	Basis for the rival scores
Offerings	3	4	3	Divergence (Chewy leads)	Chewy: pharmacy, clinics, SmartPak equine growing at mid-double digits for seven quarters. Rural King: own tractor line and farm assortment; pet sales declining
Platform	2	2	1	White space	No rival runs a services or third-party platform in the record
Experience	4	4	3	Convergence (leaders)	Chewy: the Kai assistant resolves about 30 percent of chats. Rural King: free popcorn and coffee, mobile and self-checkout
Customers	4	4	3	Convergence (leaders)	Chewy: 21.7 million active customers at $602 each; Chewy+ paid membership. Rural King: Rewards members get rotating Hot Deals; no count
Business Model	3	5	2	Divergence (Chewy leads)	Chewy: Autoship 84.6 percent of net sales. Rural King: no subscription or media program in the record
Organization	3	3	2	Parity	Chewy: no measured organizational change. Rural King: $75 million support campus; no shipped change
Operations	3	3	2	Parity	Chewy: AI savings guided, not yet realized. Rural King: none in the record
Supply Network	4	3	2	Divergence (Tractor Supply leads)	Chewy: not re-read in this pass. Rural King: no network disclosure
Data & Intelligence	3	4	2	Divergence (Chewy leads)	Chewy: published self-service rate; AI savings of low tens of millions in fiscal 2026, about $50 million in 2027. Rural King: none
Channels	4	3	3	Divergence (Tractor Supply leads)	Chewy: online, with about 60 Chewy Vet Care clinics expected by fiscal year-end and 29 Modern Animal clinics. Rural King: more than 150 stores in 17 states, still opening stores; no delivery program in the record
Brand	4	3	3	Divergence (Tractor Supply leads)	Neither rival has a dated brand outcome in this pass
Ecosystem	3	3	2	Parity	Chewy: Modern Animal and vet partners. Rural King: 4-H, FFA and veterans' charities



Figure 2. Competitor overlay: Tractor Supply's actual profile against Chewy and Rural King, twelve dimensions, 1-to-5 posture scale, October 2026. Rival profiles are low confidence.

Channels and Supply Network are a divergence in Tractor Supply's favor, and the company should defend it. Amazon is spending more than $4 billion to triple its rural delivery network by the end of 2026, and Walmart's same-day delivery reaches 93 percent of U.S. households (FreightWaves 2025); GlobalData's Neil Saunders judged that Amazon's push mainly affects commodity products (Retail Dive 2026). Neither network carries a pallet of feed, a gun safe or a zero-turn mower to a farm with a trained associate, which is the $200 to $1,000 basket Tractor Supply's final mile serves. Chewy ships parcels, and Rural King is still adding stores, including a June 2026 opening in Anderson, South Carolina, and its public record shows no delivery program (Rural King 2026). The company should defend that divergence and stop competing in the parcel zone it cannot win.

Pet health and recurring revenue are a divergence in Chewy's favor. Autoship produced 84.6 percent of Chewy's $3.33 billion of second-quarter net sales, 21.7 million active customers spend $602 a year each, members of the Chewy+ paid program order more often and adopt Autoship at higher rates, and the SmartPak equine business has grown at mid-double-digit rates for seven straight quarters, which reaches into Tractor Supply's horse customer (Chewy 2026; Retail TouchPoints 2026). Chewy expects about 60 Chewy Vet Care clinics by the end of its fiscal 2026 (Zacks 2026) and added 29 more with Modern Animal (Retail TouchPoints 2026). Tractor Supply's pet subscriptions, above $200 million a year, are about 1.3 percent of its sales. Its position is different

in kind: mobile clinics in about 1,700 of its own stores and about 1,000 other retail sites, 2,500 contracted veterinarians and prices below half a clinic visit (Tractor Supply 2026g). In rural and exurban markets that footprint is a counterweight Chewy cannot build quickly, provided it becomes a retail and prescription relationship; the pet-household tier (C1) and clinic-to-cart (O1) in Section 6 are how it does. Rural King's pet sales also fell over the same period, while two smaller chains grew from small bases (PetfoodIndustry 2026). The pet decline is shared across farm and ranch, so the remedy lies in what Tractor Supply offers the pet household, and price alone will not close it.

Data and Intelligence is a divergence that the closest pet rival already leads. Chewy publishes measured outcomes: its Kai assistant resolves about 30 percent of chats without an agent, and it guides AI cost savings of low tens of millions of dollars in fiscal 2026, rising to about $50 million a year in 2027 (Chewy 2026; Retail TouchPoints 2026). That is the frontier posture this report asks Tractor Supply to reach. No farm and ranch rival has a published outcome; Rural King's record shows a rewards program with rotating member deals priced at least 25 percent below market, and no data or AI program (Retail Customer Experience 2026). The 10-K warns that the company could fall behind competitors that use such technology more effectively (Tractor Supply 2026a), and the overlay shows where that has already happened.

Platform is white space: no player in the overlay scores above 2. The rural services marketplace escalated in Section 6 would be first in the field, and leadership should answer the Platform question before anyone builds it. Experience and Customers are convergence zones among the leaders, where the instrument prescribes holding the floor. The overlay moves no Tractor Supply score. It sharpens two of the three reset leads, Offerings and Data and Intelligence, because those are the dimensions on which the closest pet rival leads, and it confirms Channels as the floor to defend.

6. The net-new bets

The generation pass swept the twelve dimensions as lenses, heated by the weighted gaps against the reset target, and produced 47 raw candidates. The strategy gate removed four already in motion (the Freshpet expansion to 700 stores, doubling the direct sales force, AI feedback on planogram photos, and fee-developed stores), parked two that would thicken the Platform valley (a third-party seller marketplace on the website and pickup lockers at independent feed mills), and escalated one as a strategy question. Five were vetoed at scoring. Thirty-five survive with scores. Each is scored on three rings from 1 to 5: Real (is the underlying shift durable, large and specific to Tractor Supply), Worth (what is the play worth against the wedge and the drift, with any 4 or 5 carrying an order-of-magnitude prize priced through the dimension's profit signature), and Win (can Tractor Supply win, drawn from its own assets). The rings multiply (equation 8), so a composite runs from 1 to 125, and any ring at 1 vetoes the play. Boldness is graded Extend, Stretch, Step out or Transform.

Table 6. The scored net-new plays, ranked by composite, with primary dimension, boldness grade, ring scores and verdict.

ID	Play	Dimension (boldness)	R	W	Win	Score	Verdict
C3	Lapsed-trip recovery: value offers to members whose visit frequency fell, run in test cells against a control group	Customers, Data & Intelligence (Extend)	5	4	5	100	Pursue now
B3	Feed, bedding and hay on subscription, delivered from final-mile hubs on a fixed route day	Business Model, Channels (Extend)	5	4	5	100	Pursue now
C1	Pet-household tier in Neighbor's Club bundling clinic visits, auto-ship and pet wash for an annual fee	Customers, Business Model (Stretch)	5	4	4	80	Pursue now
O1	Clinic-to-cart: a VIP vaccine visit writes the Allivet prescription and an auto-ship order to the member's pet profile	Offerings, Data & Intelligence (Extend)	5	4	4	80	Pursue now
D2	One pet record joining VIP visit history (with consent), Allivet prescriptions and Neighbor's Club pet profiles	Data & Intelligence, Offerings (Stretch)	5	4	4	80	Pursue now
E2	Delivery, setup and haul-away for mowers, safes, sheds and trailers by team-member crews	Experience, Channels (Extend)	4	4	5	80	Pursue now
O4	Model-set local assortments for every remodel, extending the 200 localized stores	Offerings, Data & Intelligence (Extend)	4	4	4	64	Pursue next
B2	Closed-loop member media: vendor campaigns targeted on member data and measured on member sales	Business Model, Data & Intelligence (Extend)	4	4	4	64	Pursue next
Op1	Labor scheduling driven by camera traffic counts and conversion	Operations, Data & Intelligence (Extend)	4	4	4	64	Pursue next
D1	Member-level demand signals fed into store-SKU forecasting	Data & Intelligence, Supply Network (Extend)	4	4	4	64	Pursue next
Org2	AI value office publishing a quarterly ledger of tested effects with test cells and a control group	Organization, Data & Intelligence (Extend)	4	3	5	60	Pursue now
Org1	Single pet health unit with one owner across VIP, Allivet and companion animal merchandising	Organization, Offerings (Extend)	4	3	5	60	Pursue now

ID	Play	Dimension (boldness)	R	W	Win	Score	Verdict
B1	Paid unlimited-delivery membership for heavy and bulky orders	Business Model, Channels (Stretch)	4	3	4	48	Pursue next
C2	Trade credit and net-30 terms for business accounts through a partner lender	Customers, Business Model (Stretch)	4	3	4	48	Pursue next
C4	New-to-rural household onboarding from movers' data into Neighbor's Club	Customers (Stretch)	4	3	4	48	Pursue next
O2	Livestock health program: large-animal prescriptions and medicated-feed paperwork through Allivet	Offerings (Stretch)	4	3	4	48	Pursue next
O3	Owned-brand pet food value push, using the price-perception gain	Offerings, Brand (Extend)	4	3	4	48	Pursue next
E1	Member-facing pet care assistant built on the associates' pet-symptom model, with handoff to clinic telehealth	Experience, Data & Intelligence (Stretch)	4	3	4	48	Pursue next
S2	Forecast and sell-through sharing with the top 50 vendors	Supply Network, Ecosystem (Extend)	4	3	4	48	Pursue next
D3	Weather- and drought-triggered local demand sensing and offers	Data & Intelligence, Customers (Extend)	4	3	4	48	Pursue next
Ch3	Business purchasing portal: tax-exempt accounts, invoicing and reorder lists	Channels, Customers (Extend)	4	3	4	48	Pursue next
X3	Pet insurance through a partner, sold to pet-household members	Ecosystem, Business Model (Extend)	4	3	3	36	Watch
Op3	Automated pallet replenishment for feed at high-volume stores	Operations, Supply Network (Extend)	3	3	4	36	Watch
O5	Equipment rental in stores: log splitters, tillers, trailers	Offerings, Business Model (Step out)	3	3	3	27	Watch
E3	Mower and small-engine service bays	Experience, Offerings (Stretch)	3	3	3	27	Watch
S1	Automation retrofit of two older distribution centers	Supply Network (Stretch)	3	3	3	27	Watch, after Idaho is measured
D5	Catalog and store inventory exposed to AI shopping agents with pickup and delivery	Data & Intelligence, Channels (Stretch)	3	3	3	27	Watch
Br2	Licensed outdoor brands extended into pet	Brand, Offerings (Extend)	3	3	3	27	Watch

ID	Play	Dimension (boldness)	R	W	Win	Score	Verdict
X1	Telehealth partnership with independent large-animal veterinarians	Ecosystem, Offerings (Stretch)	3	3	3	27	Watch
C5	Large-animal farm calls extending VIP beyond companion animals	Customers, Offerings (Step out)	4	3	2	24	Re-scope
C6	Youth agriculture member program with 4-H and FFA chapters	Customers, Brand (Extend)	3	2	4	24	Watch
B5	Protection plans on big-ticket equipment	Business Model (Extend)	3	2	4	24	Watch
Br1	Published rural know-how guides from the Hey GURA knowledge base	Brand, Experience (Extend)	3	2	4	24	Watch
Ch2	Trailer showrooms at county fairs and livestock auctions with direct sales specialists	Channels, Customers (Stretch)	3	2	3	18	Watch
X2	Agronomy data partnerships with cooperatives and extension services	Ecosystem (Step out)	2	2	2	8	Re-scope

Five plays were vetoed and are displayed with the failing ring. Full-service veterinary hospitals under the Tractor Supply name (Offerings, Step out) scored 4 on Real, 3 on Worth and 1 on Win: the business just bought an asset-light mobile model and has no route to the veterinarians a hospital chain needs. Acquiring a regional farm and ranch chain (Customers, Step out) scored 1 on Win, because the Federal Trade Commission required the divestiture of half the Orscheln stores in 2022 (Tractor Supply 2022). Propane and fuel delivery to homes and farms (Channels, Step out) scored 1 on Win on licensing and hazardous-materials logistics. A captive equipment finance company (Business Model, Step out) scored 1 on Win; C2 routes credit through a partner lender instead. Fresh grocery in rural stores (Offerings, Transform) scored 2 on Real and 1 on Win. One play was escalated: a rural services marketplace connecting members with local fencing contractors, farriers, well drillers and livestock haulers, with Tractor Supply supplying the materials (Platform, Transform). It is strong enough to argue that the Platform target should rise from 2, which would make the store a hub for rural services. That is a decision for leadership, and Section 8 records it as open.

Four reinforcing combinations score higher together than apart. The first, one pet household, pairs D2 the joined record with O1 clinic-to-cart, C1 the membership tier and Org1 the single pet unit: the clinic visit creates the record, the record writes the order, the tier prices the relationship, and one owner answers for the pet-household metric. Read as one bet, it is the fix for the Offerings execution gap. The second, the trip back, pairs C3 lapsed-trip recovery with Org2 the value office and D3 weather sensing: the member data finds the lapsing customer, the test cells prove the effect, and the ledger publishes it, which is the evidence that lifts Data and Intelligence. The third, the

route day, pairs B3 feed subscription with E2 delivery and setup and B1 the delivery membership: the hubs already exist, feed is the largest traffic driver in the business (Tractor Supply 2026d), and a fixed route day turns a delivery cost into a recurring order. The fourth, member media, pairs B2 with D1 member-level forecasting, so vendors fund the campaigns and the same signal improves the stock position the campaign sells.

The two-currency reconciliation closes in posture points and splits in dollars. In posture points, the eight pursue-now plays map onto the three leads of the reset target. The one-pet-household combination supplies a measured pet-household outcome and a disclosed pet health revenue line, which lifts Offerings from 3 to 4 within 18 months if companion animal comparable sales turn positive. The trip-back combination supplies the published test-cell results that lift Data and Intelligence from 3 to 4 in the same period. Customers reaching 5 requires two independent top-tier sources with a measured outcome plus market recognition, and lies beyond a 36-month horizon; we say so. In dollars, the net-new revenue plays (C3, the one-pet-household combination, and B3 with E2) are worth $210 to $315 million of annual revenue by fiscal 2028 before any hit rate, and $105 to $160 million at a 50 percent portfolio hit rate, against a wedge of $200 to $320 million. The net-new portfolio closes about half the wedge and shares the rest with the bets in flight, principally the direct sales program, worth about $64 million at scale by management's estimate, the recovery of farm and ranch demand from the 2026 drought and fuel shock, Freshpet and the dog and cat resets, and new-store maturation. The spend the portfolio implies is mostly redirection of existing data, marketing and store staff, plus vehicles for the route-day program inside the final-mile budget, and fits inside the $510 million change budget the yield test certified at the interim ambition. The dial we recommend is to improve the portfolio: hold the interim ambition of about 2.5 percent, hold the change budget, and run the plays against the hurdles in Section 7.

7. What will move the P&L

A radar score converts to money only through initiatives, on a lag, at a rate set by each dimension's operating metric and a unit coefficient computed from Tractor Supply's own disclosed margin structure. Table 7 prices the six rows that pass the screen: each was graded High or defensible Medium on the weakest of pool size, responsiveness and durability. The coefficient bases are stated so a finance team can rerun them.

One coefficient governs four of the six rows and deserves its own paragraph. Tractor Supply earned a 36.4 percent gross margin in fiscal 2025 on $15.52 billion of sales, with selling and administrative expense at 27.0 percent and an operating margin of 9.45 percent (Tractor Supply 2026b). Management places the margin inflection at comparable growth in the low 2 percent range and expects 5 to 20 basis points of operating margin expansion a year above it (Tractor Supply 2025; Tractor Supply 2026c), which implies a high flow-through on comparable sales once fixed store costs are covered. We price incremental comparable sales at 25 percent operating flow-through: the 36.4 percent gross margin less about 11 points of variable selling cost (store hours, card fees, delivery).

The assumption is labeled and conservative against the margin swing management reports; the pilots replace it. On a $16.0 billion base, one point of comparable sales is $160 million of revenue and about $40 million of operating income.

Table 7. The Innovation P&L Bridge: priced rows with operating metric, unit coefficient and basis, targeted movement, gross impact, lag and proof metric.

Bet	Operating metric	Unit coefficient and basis	Targeted movement	Gross impact	Lag	Proof metric
C3 with Org2 and D3: lapsed-trip recovery	Transactions per member	About $40 million operating income per point of comparable sales: $16.0 billion × 1 percent × 25 percent flow-through (Tractor Supply 2026b; 2026e)	Recover 0.5 to 0.75 point of comparable sales from trip frequency by fiscal 2028	$20 to $30 million	1 to 2 years	Trips per member in test cells against a control group
One pet household: D2, O1, C1, Org1	Companion animal comparable sales	About $9.6 million per point of category comparable sales: companion animal 24 percent of a $16.0 billion base × 1 percent × 25 percent (Tractor Supply 2026a)	Lift companion animal from about minus 3 percent to flat or better: 2 to 3 points	$19 to $29 million	1 to 3 years	Pet-household retention; Rx and auto-ship attach per clinic visit
B3 with E2: route-day feed subscription and big-ticket delivery	Recurring feed revenue; delivered big-ticket sales	25 percent flow-through on incremental sales, with delivery cost inside the hub budget; freight savings of $10 million a year already funded (Tractor Supply 2026c)	$50 to $80 million of incremental revenue by fiscal 2028	$13 to $20 million	1 to 2 years	Subscribed tons per hub; deliveries per hub day
Direct sales at scale (in flight), with C2 and Ch3	Business-account sales	About 40 basis points of comparable sales at scale, management's estimate (Tractor Supply 2026c), at 20 percent flow-through after sales-force cost	$64 million of revenue by fiscal 2028	$13 million	1 to 2 years	Sales per specialist; account retention
B2 with D1: closed-loop member media	Media revenue	Illustrative: 70 percent flow-through on incremental media revenue; Tractor Supply discloses no media revenue, so the coefficient is a labeled assumption the pilot replaces	$20 to $35 million of incremental media revenue	$14 to $25 million	1 to 2 years	Disclosed media revenue; vendor return measured on member sales

Bet	Operating metric	Unit coefficient and basis	Targeted movement	Gross impact	Lag	Proof metric
Op1: labor scheduling on camera traffic	Store labor as a share of sales	About $16 million per 10 basis points of sales: $16.0 billion × 0.1 percent; selling and administrative expense 27.0 percent of sales (Tractor Supply 2026b)	10 to 20 basis points in camera-equipped stores, scaled to the chain	$16 to $32 million	In-year to 2 years	Labor hours per $1,000 of sales in test stores against control stores

The stack is $95 to $149 million of gross annual operating income by fiscal 2028. A 40 percent execution haircut, the rate defensible for a retailer integrating two pet acquisitions, closing 75 stores and opening an automated distribution center in the same year, brings it to $57 to $89 million, which we state as $60 to $90 million: about 4 to 6 percent of a fiscal 2026 adjusted operating income base near $1.38 billion (the 8.5 to 8.8 percent outlook on $16.0 billion). The Data and Intelligence multiplier is set at one, because the dimension is at parity; the instrument's rule lowers the screen grade of AI-dependent rows only when the dimension falls below parity. If the outcome ledger lifts it to 4, the responsiveness of the trip-recovery, pet and media rows improves and the bridge should be re-priced at the 2027 re-read. No in-year conversion of a long-lag dimension is promised.

Governance is the condition on every row. Each coefficient above is a prior; the pilot produces the posterior. C3 runs on one region's lapsing members for two quarters with a hurdle of a 2 percent lift in trips per member against a control group. The pet-household program runs in 100 stores with clinic days against 100 matched stores, with a hurdle of a 10 percent lift in Rx and auto-ship attach per clinic visit. B3 runs on ten hubs with a hurdle of 30 subscribed customers per hub in 90 days. B2 runs with five vendors and a hurdle of vendor-measured return on member sales. Op1 runs in 50 camera stores against 50 control stores with a hurdle of 10 basis points of labor. Nothing scales before its hurdle, and no coefficient is negotiated backward from the framework the new outlook will publish.

8. What we will not do

The valleys are choices and are stated with the same confidence as the peaks. Tractor Supply will not build a platform in this cycle. Platform stays at 2: no third-party sellers on the website and no marketplace infrastructure until leadership answers the escalated question of whether the store should become a hub for rural services. If the answer is yes, the Platform target moves to 3, the services marketplace is scored, and the profile is re-read. Business Model and Operations stay at parity: retail media is re-scoped and disclosed and the margin program continues, and neither receives lead funding while comparable sales are negative. Tractor Supply will not buy a regional farm chain, open full-service veterinary hospitals, deliver propane, finance equipment through a captive lender or sell fresh groceries. It will not extend Petsense beyond the stores that earn their

four-wall cash flow, and it will not retrofit automation into older distribution centers until the Idaho center's productivity is measured.

Four floors are held even though Tractor Supply will not lead on them in this cycle: Channels at 4, because final mile and ship-from-store are the delivery routes the pet and feed subscriptions run on; Experience at 4, because legendary service is the reason a rural customer drives past a supercenter; Supply Network at 4, because a distribution failure in spring or the cold-weather season costs a half-year; and Brand at 4, because the price-perception gain the tariff refunds bought will fade unless owned brands carry it.

The deliberately parked plays stay visible. A website marketplace for third-party sellers and pickup lockers at independent feed mills are parked as valley-thickeners. Large-animal farm calls are re-scoped until VIP's companion-animal integration is measured. Agronomy data partnerships with cooperatives are re-scoped because the company holds no field data of its own.

9. What happens next

The 90-day program has seven commitments, each with an owner by role.

1. Set the new framework on a funded ambition. The chief executive and chief financial officer publish a comparable-growth floor near 2.5 percent with the new framework, and state the change budget, remodels, technology and distribution, separately from new-store capital.
2. Protect the change budget. The chief financial officer takes the 2027 capital reduction from the completed distribution build and the trimmed store plan, and holds remodels and technology at no less than the 2025 level of about $380 million combined; the company discloses the bridge from gross capital to net, including sale-leaseback proceeds, so investors can see the change budget.
3. Restore member disclosure. The chief marketing officer reports Neighbor's Club members, active members and trips per member with the fourth-quarter 2026 results.
4. Name the pet-household owner. The chief executive assigns one leader with a profit-and-loss statement across VIP, Allivet and companion animal merchandising, measured on pet-household retention, and starts the joined pet record with member consent.
5. Start the trip-recovery test. The technology and marketing chiefs run lapsed-trip offers in one region with test cells and a control group, reporting at the first-quarter 2027 call.
6. Launch the route-day pilot. The supply chain and store leaders put feed and bedding subscriptions on ten final-mile hubs against the 30-customer hurdle.
7. Schedule the re-read. The profile is re-scored after the third-quarter 2026 results on October 22, 2026, and again when the company publishes its updated framework with the fourth-quarter 2026 results and the fiscal 2026 10-K in early 2027; Offerings and Data and Intelligence are the two scores capped by pending outcomes, and both are re-read then.

Appendix A. Source Ledger

Run header. Run date October 12, 2026; scope Tractor Supply Company as one retail business with one value chain (Tractor Supply stores, Petsense, Allivet, VIP Petcare, digital, direct sales, distribution and final mile). Two passes completed: pass one assembled the fiscal 2025 10-K (Items 1 and 1A read; the MD&A fell beyond the retrievable portion), the 2025 annual report and 2026 proxy (shareholder letter and governance read; compensation discussion not retrieved), the December 2024 Investment Community Day release, the fourth-quarter 2025 and second-quarter 2026 results releases, the second-quarter 2026 10-Q (notes read; MD&A not retrieved), and the third-quarter 2025, fourth-quarter 2025, first-quarter 2026 and second-quarter 2026 call transcripts, plus the September 2026 Barclays conference; pass two hunted dimension by dimension through acquisition releases, technology and trade press, analyst commentary, receipt-panel data and competitor records. Web searches run: 20, with 35 full-document reads. Sources counted: 56 after the top-up pass (Tier A 20, Tier B 24, Tier C 7, Tier D 4, and the method paper). Sources rejected at the provenance gate: 6, retained here to show the screening happened. Coverage gaps flagged low confidence: effort shares by dimension (not public); initiative operating spend (not disclosed); digital penetration, retail media revenue and loyalty membership since 2025 (not disclosed); annual incentive weights, goals and payouts (not read; the metric names were read in the top-up pass); culture (unobservable). Changes against the earlier outside-in read: Customers moved from 5 to 4 (membership disclosure stopped in 2026, transactions fell 1.7 percent, no recognition within twelve months); Offerings moved from 4 to 3 (pet comparable sales negative in both 2026 quarters, dog food down 5 percent, owned-brand share flat); Operations moved from 4 to 3 (no measured program outcome; selling and administrative deleverage of 118 basis points); Ecosystem moved from 2 to 3 (the decade-long VIP host partnership and vendor forecast sharing); Data and Intelligence held at 3 with its weight moved from 3 to 1 in the 2024 target, because Life Out Here 2030 names no AI initiative, and to 3 in the reset target as a recommendation; Channels held at 4 against a 2024 target of 5; Experience, Brand, Supply Network, Business Model, Organization and Platform held. The growth target moved from the 2025 guidance used in the shallow read to the withdrawn 2024 framework and the interim ambition, and the yield test, not run in the shallow read, now runs on the disclosed capital categories.

Top-up pass, October 12, 2026. A second, targeted pass ran 12 web searches and 29 document fetches (two failed) to close the gaps the first pass left open. Filings: the fiscal 2025 10-K was paged by offset on sec.gov and on a mirror; the retrievable text ends in Items 1A to 2 because the reading tool truncates the 1.8-megabyte filing, so its MD&A remains not read, and the capital split it would give was taken instead from the fourth-quarter 2025 release filed as an 8-K exhibit, read in full, which also gives the 2024 split. The first-quarter 2026 10-Q was read through Item 2 (MD&A); the second-quarter 10-Q truncates in the notes, and its capital table was read from the second-quarter release. The 2026 proxy was read through the committee letter and the opening of the compensation discussion: the metric names are recorded in Section 1, while weights, goals and payouts remain not read. Calls and investor materials: the fourth-quarter 2025 and first-quarter 2026 transcripts (a second source for each) supplied the January reaffirmation of the 3 to 5 percent comparable algorithm, the 160 to 170 Fusion projects planned for 2026, the 176 hubs added in 2026 and the confirmation that the company no longer discloses membership; the second-quarter release supplied the withdrawal language and the promise of an updated framework with the fourth-quarter 2026 results, which corrects the earlier statement that it might come with the third quarter. Digital penetration, retail media revenue and the Neighbor's Club count remain undisclosed: the company reports digital growth rates only, retail media appears in 2026 only in a January margin comment and a September vendor award, and membership is described only as more than 80 percent of sales.

Score moves: none; all twelve Tractor Supply scores were re-checked against the new evidence and held. Numbers corrected or added: the 2026 change budget is running 24 percent above 2025 (first half $249.8 million against $201.8 million), on pace for $600 to $650 million; the yield test was re-run with two new rows (the 2024 promise needs about 1.4 on the 2026 pace, and the 2026 outcome is about 0.25 against that pace, where the first pass used $500 million and 0.3); the 2027 risk band moved from $350 to $400 million to $320 to $400 million and the interim yield under that risk from 1.6 to 1.8 to 1.6 to 2.0, using the 4 percent of sales ceiling and the 2025 cost per new store; the Fusion row in Table 4 now cites the 2026 plan of 160 to 170 projects. The headline verdicts hold: the 2024 promise fails on the 2025 envelope and sits at the top of the band on the larger 2026 envelope with a realized yield far below it, and the interim ambition is certified on either envelope. Competitor overlay: Chewy (pet) and Rural King (farm and home) were scored on the twelve dimensions at low confidence and are shown in Table 5 and Figure 2; the overlay moves no Tractor Supply score. Sources added: 11 (S46 to S56), bringing the counted total to 56.

Table 8. The Source Ledger: sources counted, with date, tier and provenance status.

ID	Source	Date	Tier	Used for
S1	Tractor Supply, Form 10-K for fiscal 2025 (Items 1, 1A)	Feb 19, 2026	A	Strategy pillars, mix, stores, DCs, Allivet, AI risk factor, headcount
S2	Tractor Supply, 2025 Annual Report and 2026 Proxy (Form ARS)	May 14, 2026	A	Shareholder letter, Fusion near 60 percent, 700 garden centers, officers
S3	Tractor Supply, 2026 proxy statement (DEF 14A), partial read	Apr 2026	A	Life Out Here 2030 priorities, CEO retention awards, culture; CD&A not read
S4	Tractor Supply, Q4 and fiscal 2025 results release	Jan 29, 2026	A	FY2025 figures, capital categories, 2026 outlook, owned brands 30 percent
S5	Tractor Supply, Q4 2025 earnings call (ROIC transcript)	Jan 29, 2026	A	Final mile hubs, direct sales, Allivet $100 million, inflection, OpenAI
S6	Tractor Supply, Q1 2026 earnings call (ROIC transcript)	Apr 21, 2026	A	Digital 20 percent plus, membership disclosure stopped, new-store productivity, dog population
S7	Tractor Supply, Q1 2026 results release	Apr 21, 2026	A	Q1 figures [snippet]
S8	Tractor Supply, Q2 2026 results release	Jul 23, 2026	A	Q2 figures, transactions minus 1.7 percent, lowered outlook, framework withdrawn
S9	Tractor Supply, Q2 2026 earnings call (ROIC transcript)	Jul 23, 2026	A	Withdrawal rationale, Petsense, VIP, final mile, 2027 stores, price perception
S10	Tractor Supply, Form 10-Q for Q2 2026	Jul 2026	A	VIP price $133.8 million, Petsense charges $71.7 million
S11	Tractor Supply, Q3 2025 earnings call (ROIC transcript)	Oct 23, 2025	A	Satisfaction streak, 80 percent store fulfillment, retail media tripled, AI stack, direct sales
S12	Tractor Supply, Q3 2025 results release	Oct 23, 2025	A	Q3 figures [snippet]

ID	Source	Date	Tier	Used for
S13	Tractor Supply, Investment Community Day release (8-K Ex. 99.1)	Dec 5, 2024	A	Life Out Here 2030 initiatives and long-term algorithm
S14	Tractor Supply, VIP Petcare acquisition release (8-K Ex. 99.1)	May 28, 2026	A	Clinic network, 1,700 host stores, rationale
S15	Tractor Supply, Orscheln clearance release (8-K Ex. 99.1)	Oct 11, 2022	A	166 acquired, 85 divested, FTC
S16	YipitData receipt panel via PetfoodIndustry	Oct 7, 2026	A	Dog food minus 5 percent, 76 percent of tracked farm and ranch pet sales
S17	Tractor Supply at Barclays Global Consumer Staples Conference (Investing.com summary)	Sept 9, 2026	B	Pet comps by quarter, final mile economics, subscriptions, 2027 capex, Allivet and VIP revenue
S18	Retail Dive, Q2 2026 results with GlobalData commentary	Jul 23, 2026	B	Saunders assessment, Amazon and Walmart context
S19	Supply Chain Dive, Idaho distribution center	Oct 12, 2026	B	Knapp ASRS, $200 million, AI innovation team, 81 percent through DCs
S20	Modern Retail, OpenAI as primary AI partner	Dec 4, 2025	B	1,500 automated processes, adoption over metrics
S21	CIO.com, Hey GURA and computer vision	Apr 12, 2024	B	Deployment timeline, 700-store camera goal, no outcomes
S22	Retail Dive, Tractor Supply AI at NRF	Jan 23, 2024	B	Gura origin on Azure, ACSI tie
S23	Chief Marketer, CMO on AI and customer segments	Jul 10, 2026	B	Five segments, churn models, pet-symptom model
S24	Retail Dive, Neighbor's Club cross-banner	Feb 11, 2025	B	38 million members, 80 and 85 percent of sales, pet profiles
S25	Retail TouchPoints, Life Out Here 2030 coverage	Dec 9, 2024	B	Corroboration of S13
S26	FreightWaves, Amazon rural delivery investment	May 5, 2025	B	$4 billion, 200 stations; Walmart 93 percent same-day
S27	Zacks via Nasdaq, Chewy veterinary services	Jun 15, 2026	B	About 60 clinics, $54 billion pet health market
S28	MarketBeat, analyst consensus	Oct 12, 2026	B	Hold consensus, average target $39.15
S29	MarketBeat, Robert W. Baird target cut to $38	Jul 20, 2026	B	Analyst stance [snippet]
S30	MarketBeat, Argus lowered expectations	Jul 28, 2026	B	Analyst stance [snippet]
S31	Yahoo Finance and Zacks, Q2 2026 comps coverage	Jul 2026	B	Corroboration of S8 [snippet]
S32	Chain Store Age, Q4 2025 and 100 stores in 2026	Jan 2026	B	Corroboration of S4 [snippet]
S33	Investing.com, Q2 2026 slides summary	Jul 23, 2026	B	Corroboration of S8 [snippet]
S34	Business Wire, Tractor Supply wins 2024 CIO 100 Award	Mar 20, 2024	C	Recognition of store AI (counted as B for recognition)

ID	Source	Date	Tier	Used for
S35	DC Velocity, RELEX selected (company release)	Nov 9, 2023	C	Forecasting, replenishment, allocation; 2,100 stores, nine DCs
S36	RELEX Solutions, Tractor Supply customer page	Nov 2023, modified Sept 2026	C	No outcomes disclosed
S37	Epsilon, Tractor Supply loyalty blog	Nov 25, 2024	C	37 million members, 75 percent retention (vendor-issued)
S38	TTEC, wearable AI at Tractor Supply	2024	C	"Very high rates of adoption"; no metrics
S39	Tractor Supply, Q3 2026 conference call webcast notice	Oct 2026	C	Results date October 22, 2026 [snippet]
S40	Tractor Supply, Petsense Fall Adoptathon release	2026	C	Petsense activity [snippet]
S41	Hardware Retailing, Q2 2026 net sales	Jul 2026	D	Corroboration of S8 [snippet]
S42	Retail Touchpoints, VIP acquisition coverage	May 2026	D	Corroboration of S14 [snippet]
S43	Global Pet Industry, VIP acquisition coverage	May 2026	D	Corroboration of S14 [snippet]
S44	Customer Experience Dive, Neighbor's Club revamp	2024	D	Corroboration of S24 [snippet]
S45	Sawhney, Innovation Radar 2.0, SSRN 7244520	July 2026	Method	Framework
S46	Tractor Supply, Form 10-Q for Q1 2026, Item 2 (MD&A)	Apr 2026	A	Q1 capital by category, 2026 capital plan, IT spend rationale, SG&A deleverage
S47	Tractor Supply, Q4 2025 earnings call (Motley Fool transcript)	Jan 29, 2026	B	Corroboration of S5; algorithm reaffirmed, 160 to 170 Fusion projects, retail media as margin driver
S48	Tractor Supply, Q1 2026 earnings call (Motley Fool transcript)	Apr 21, 2026	B	Corroboration of S6; membership not disclosed, 176 hubs in 2026
S49	Digital Commerce 360, Q4 2025 results	Jan 30, 2026	B	Digital high single digits; Allivet $100 million; Top 2000 rank
S50	Digital Commerce 360, Q2 2026 results	Jul 28, 2026	B	Digital double digits led by delivery from stores; Neighbor's Club above 80 percent; rank 83
S51	Tractor Supply, 2026 Top Vendor Partners release	Sept 3, 2026	A	Only 2026 retail media mention (Cargill)
S52	Chewy, Q2 2026 earnings call (Motley Fool transcript)	Sept 9, 2026	A	Rival scores: Autoship 84.6 percent, 21.7 million actives, Kai, AI savings, SmartPak
S53	Retail TouchPoints, Chewy builds loyalty	Sept 9, 2026	B	Chewy+ behavior, Modern Animal 29 clinics, Kai 30 percent
S54	Rural King, Anderson store release (PR Newswire)	Jun 15, 2026	A	More than 150 stores in 17 states, Rewards, self-checkout
S55	Area Development, Rural King Mattoon campus	Jun 16, 2026	B	$75 million support campus, family ownership

S56	Retail Customer Experience, Rural King Hot Deals	Sept 3, 2026	B	Rewards member deals at least 25 percent below market

Rejected at the gate: the Larridin AI tracker (an aggregator that assigns its own maturity scores and attributes figures inconsistently; used only to locate the Modern Retail and RELEX sources, every figure re-verified or dropped); three AI-generated company-profile sites (porters-fiveforce.com, matrixbcg.com and growthsharematrix.com) asserting unsourced strategy claims; a pricing-platform claim about Revionics surfaced only through the aggregator and not verified against a primary release; and a third-party research newsletter (Bearhold Research) whose page failed to load and could not be checked.

Table 9. Per-dimension evidence rows: sources, three-signal read, score and derived confidence.

Dimension	Sources	Shipped moves	Outcome evidence	Market recognition	Score	Confidence
Offerings	S1, S4, S5, S6, S10, S16, S17	Allivet, VIP, resets, Freshpet, owned brands, garden centers	Pet comps minus 4.2 and minus 2.9 percent; dog food minus 5 percent; owned brands flat at 30 percent	Regional chains growing pet faster	3	High (disclosed and panel data)
Platform	S1	None	None	None	2	Medium
Experience	S2, S11, S17, S21, S22	Hey GURA, delivery, service model	Satisfaction up 17 quarters; delivery satisfaction plus 15 points	ACSI tie; CIO 100	4	Medium
Customers	S5, S6, S8, S11, S24, S37	Loyalty, cross-banner, direct sales	80 percent of sales; Big Barn comping near 50 percent; transactions minus 1.7 percent	None independent	4	Medium
Business Model	S5, S11, S17	Retail media, subscriptions	Media tripled 2025; subscriptions above $200 million	None	3	Low (no revenue lines)
Organization	S5, S9	Direct sales force, field support teams	None measured	None	3	Medium
Operations	S8, S9, S20, S21	OpenAI, cameras, planogram AI	SG&A deleverage 118 bps	None	3	Medium

Dimension	Sources	Shipped moves	Outcome evidence	Market recognition	Score	Confidence
Supply Network	S1, S4, S11, S19, S35	Idaho DC, RELEX, sourcing shift	DC productivity mid-single digits; imports 11.4 percent	Trade press on automation	4	High
Data & Intelligence	S11, S20, S21, S22, S23, S34, S35	Data platform, OpenAI, Hey GURA, cameras, RELEX	None published	CIO 100 (2024)	3	Medium
Channels	S5, S6, S9, S11, S17, S26	Final mile hubs, ship-from-store, digital	Deliveries doubled; baskets $200 to $1,000; freight savings $10 million	None independent	4	High
Brand	S2, S9, S17	Life Out Here, price campaign	Price perception up 180 to 200 bps	Great Place to Work	4	Medium
Ecosystem	S14, S35	VIP host partnership, vendor forecasts, licenses	None disclosed	None	3	Low

Derivation box: Data and Intelligence at 3. Signal one, shipped moves: Hey GURA piloted in 200 stores in late 2023 and deployed chainwide in 2024 (S21, S38); TractorVision in more than 100 stores with a 700-store goal for 2024 (S21); a customer data platform implemented in 2024 and an enterprise OpenAI integration on a Snowflake data lake (S11, S20); RELEX forecasting and replenishment selected in 2023 (S35); churn models and a pet-symptom language model in marketing (S23). Signal two, outcome evidence: none published for any of these; the technology chief states that adoption, not a performance metric, is the measure (S20); the two public counts of the OpenAI program's reach disagree (S11, S20); the 2026 calls do not mention AI or personalization while explaining a transaction decline (S6, S9). Signal three, market recognition: the 2024 CIO 100 award (S34) is peer recognition for deployment, dated beyond twelve months, with no measured outcome. Anchor test: "shipped without measured outcome" meets the definition of parity; "shipped and measured, recognition contested" would require a published effect on trips, conversion or labor, which is absent. Tier B and C evidence supports 3 and does not lift it. Confidence Medium; re-read after the fiscal 2026 10-K.

Appendix B. Mathematics

The nine equations below define the quantities used in the body. Equations (1) through (7) are the instrument's minimum set; (8) and (9) govern the generation and pricing passes. In equation (1) the growth target is the comparable-sales target, because new-store growth is netted out with its own capital, as Section 2 explains.

$$Y = \frac{(c^* + d)\, B}{E} \tag{1}$$

The implied yield Y is the revenue the ambition requires each year, the comparable-growth target c^* plus the core decay rate d applied to the base B, divided by the change budget E; a yield inside the 0.5 to 1.5 band certifies the envelope.

$$k = \frac{\sum_{i=1}^{12} A_i}{\sum_{i=1}^{12} T_i} \tag{2}$$

The Investment Index k is the sum of the actual scores A_i over the sum of the targets T_i; between 0.90 and 1.10 the size is adequate, and between 0.75 and 0.90 it is short.

$$s_i^A = \frac{A_i}{\sum_{j=1}^{12} A_j}, \qquad s_i^T = \frac{T_i}{\sum_{j=1}^{12} T_j} \tag{3}$$

The shares express each profile's scores as fractions of its own total, which removes the size effect before shape is read.

$$\mathrm{SDI} = \tfrac{1}{2} \sum_{i=1}^{12} \left| s_i^A - s_i^T \right| \tag{4}$$

The Shape Drift Index is the total variation distance between the two share vectors and reads as the share of the portfolio's emphasis that must move to match the target.

$$g_i = A_i - T_i = (k-1)\, T_i + (A_i - k\, T_i) \tag{5}$$

Each spoke's raw gap splits without residual into a size part, carried by every spoke in proportion to its target, and a mix part, which is the reallocation argument proper.

$$\sum_{i=1}^{12} (A_i - k\, T_i) = 0, \qquad \mathrm{SDI} = \frac{\sum_{i=1}^{12} |A_i - k\, T_i|}{2 \sum_{i=1}^{12} A_i} \tag{6}$$

The mix parts sum to zero by construction, and half their absolute sum over the actual total equals the Shape Drift Index exactly, so the two headline metrics are two halves of one identity.

$$G_w = \sum_{i=1}^{12} w_i \, |A_i - T_i| \tag{7}$$

The priority-weighted gap multiplies each absolute gap by its strategic weight w_i and is the operative per-dimension signal; for Tractor Supply it is 12 against the 2024 target and 9 against the reset target.

$$C = R \cdot W \cdot W_n, \qquad \min(R, W, W_n) = 1 \Rightarrow \text{veto} \tag{8}$$

The RWW-I composite multiplies the Real, Worth and Win rings so that a weak ring cannot hide behind strong ones, and any ring at 1 vetoes the play.

$$\Delta\text{EBIT} = (1 - h) \sum_b c_b \, \Delta m_b \tag{9}$$

The bridge sums, across priced bets b, the unit coefficient c_b times the targeted movement in the operating metric Δm_b, and cuts the total by the execution haircut h; each term is delivered on its dimension's lag.

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