

SUCCESS STORY

FASTENAL – MRO AND INDUSTRIAL SUPPLIES



A packaging company wanted to reduce their \$5 million in MRO spend. Our contract was projected to save them 12% over the current incumbent and added to their bottom line.

EXISTING CONDITION

A packaging company working with more than 15,000 employees and sales of over \$3.5 billion in a global marketplace made the decision to create a center-led strategic procurement team for indirect spend that would have decentralized execution.

In their efforts to recognize areas of spend that would have the most opportunity for savings, the packaging company discovered the nation's largest group purchasing organization, OMNIA Partners. The company simultaneously developed a partnership, explained the value of the GPO to approximately fifteen of their locations while establishing internal partners, and with valuable guidance and analysis determined MRO should be the first category to tackle with OMNIA Partners.



ENTER OMNIA PARTNERS

In analyzing their company-wide spend, the packaging company found their total MRO spend to be more than \$5 million, most of which was with one competitor. OMNIA Partners presented the highlights of its MRO and Industrial Supplies agreement and offerings through the Fastenal Company to the packaging company procurement team.

After learning about the leveraged contract pricing available to all members, customer-centric account management, and customer specific core item list pricing, the procurement team asked OMNIA Partners to conduct several assessments across several locations to determine the benefits of how signing the MRO and Industrial Supplies contract would improve their MRO and Industrial Supplies spend management. The first free assessment was of one facility's spend from a January through August timeframe. **The assessment analyzed the \$1.5 million over the 8 month time period and discovered a 12% savings over what the packaging company spent with current incumbent.**

WINNING RESULTS

All of the assessments on the company's MRO and industrial supplies spend resulted a definite savings if the switch were made from the current incumbent and other suppliers to OMNIA Partner's agreement with Fastenal. Intrigued first by the savings opportunities and then by Fastenal's service-oriented business model and value-added services, the packaging company signed the national agreement with Fastenal available through OMNIA Partners. In doing so, they achieved national account status with Fastenal, as do all members of OMNIA Partners on the contract, and were given a local account management team to help with implementation and provide detailed sales and usage/accountability report.

OMNIA Partners assisted with implementation of the Fastenal contract at 23 of the packaging company's 33 facilities to date. Compliance on the contract is at 70% and improving. Thanks to the combination of the value-added assessments and the packaging company's center-led procurement activity with decentralized execution, this company is adding to its bottom line and focusing on procurement that is strategic to the business.



OMNIA
PARTNERS

OMNIA Partners is a shared services organization composed of four subsidiaries: National IPA, Prime Advantage, Corporate United, and US Communities. OMNIA Partners is shaping the future of group purchasing, both in the public and private sectors, delivering unparalleled scale, experience, and expertise. Through further organic growth and strategic acquisitions, OMNIA Partners will continue to drive economies of scale to execute more contracts, in more verticals, with transparent, value-driven pricing.

We are dedicated to helping our members and suppliers soar past every growth goal and marker of success. Together we are going well beyond what procurement previously knew to be possible.

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