

FAST Solutions[®]

ONSITE

OMNIA
PARTNERS



YOUR SUPPLY CHAIN, UNCHAINED.

A supply chain is by definition a means to an end. But it can also be a tether that holds your business back, by causing delays, creating waste, and consuming limited resources that could be used to invest, improve, and grow.

As a strategic supplier, our job is to turn those inefficiencies into opportunities, helping you free up time, talent, and cash for the things that truly define who you are as a company – things like quality, innovation, employee development, and customer service.

This commitment can include an onsite solution, where we invest in a Fastenal servicing location solely dedicated to your operation. With this partnership approach, we align our strengths with your challenges, bringing decades of supply chain experience and proven solutions to help you unlock resources, operate more efficiently, and achieve things that seem out of reach today.



Is an onsite service model the right fit?

If so, what would your program look like?

Rather than dictating pre-determined answers, our job is to listen, collaborate, and tailor a solution that aligns with *your* operation, *your* culture, and *your* goals.

The journey begins with a benchmarking exercise to identify challenges and objectives, analyze your current process, and assess the value we can provide as a supply chain partner. The takeaway is a business plan for a more efficient future state, including performance metrics that reflect your business priorities.

Moving in the same direction

Each solution is unique in terms of staffing, size, and scope, but all share three defining characteristics: dedicated personnel, consigned inventory, and a true partnership mindset, moving beyond an adversarial buyer/seller paradigm (marked by win-lose negotiations, short-term thinking, and a narrow focus on contractual terms) to pursue common goals, open communication, and shared success.

THE ELEMENTS OF ONSITE



EFFICIENCY

Eliminating waste, capturing time, and measuring the impact.



AGILITY

Analyzing and adapting to maintain an efficient supply flow in the face of shifting production needs.



RELEVANCE

Reflecting your unique needs, priorities, and goals.



CREATIVITY

Challenging convention and continually seeking a better way.



SUSTAINABILITY

Instilling lasting improvements and long-term value; bringing solutions aligned with your social and environmental goals.



EFFECTIVENESS

Enabling you to focus on what matters most to your business.

The Ultimate KPI: A Better Experience For Your Customers

When it comes to 'class c' supplies, the bulk of the cost isn't in the product – it's in the process. That includes the labor and cash needed to procure, stock, and manage hundreds (or thousands) of low-cost shop consumables. It also involves less tangible but often greater costs: the opportunities and value lost through over-stocking, over-processing, outages, and other forms of waste.

Faced with pressure to increase speed, quality, and cost-competitiveness, many companies recognize the need to improve this notoriously fragmented and cumbersome area of the supply chain. But with limited resources, they often lack the capacity to change. This is where a supply chain partnership can bring value, enabling an organization to offload costs and burdens, usher in better processes and technology, and achieve business performance above and beyond what they could accomplish on their own. The impact is quantified with data and KPIs, but the real proof is in the end product. If the experience of your customers improves as a result of our partnership, that's when we know we've been successful.

WHY FASTENAL?



IMPROVE WORKING CAPITAL

When we move onsite, we sell down your current inventory and phase in our own. Moving forward, the inventory is on our books until the product is moved to the production floor – a dollar-for-dollar improvement in working capital.



REDUCE COSTS

Drive down expenditures through leveraged buying power, consumption control, reduced freight, product substitutions/standardization, and a lower markup structure (reflecting the efficiencies of our onsite service model). In terms of total cost of ownership, our goal is simple: streamline TCO to the point that the only cost is the price of the product.



OPERATE MORE EFFICIENTLY

Fastenal brings decades of experience in quality/source control, critical spares management, inventory planning, and point-of-use supply flow. With well over 100,000 inventory solutions in place with companies around the world, we are *experts* – with the knowledge, solutions, and systems to run a world-class supply chain for your business.



MEASURE AND IMPROVE

An onsite implementation is the beginning of a continuous improvement journey – bringing ideas, participating in kaizen events, and measuring our impact through formal business reviews and custom reporting that reflects your goals and priorities. Our mission: a transformative program that only gets better over time.

WHAT DRIVES ORGANIZATIONS TO CONSIDER SUPPLY CHAIN PARTNERSHIPS?

▶ ASSET/COST EFFICIENCY

Closer integration of activities may lead to reduction in transportation costs, handling costs, packaging costs, information costs, or product costs and may increase managerial efficiencies.

▶ SERVICE IMPROVEMENT

Integrating activities in the supply chain through partnerships can often lead to service improvements for customers in the form of reduced inventory, shorter cycle times, and more timely and accurate information.

▶ COMPETITIVE ADVANTAGE

A stronger integration between two organizations can: (1) enhance an organization's marketing mix, (2) ease entry into new markets, and (3) provide better access to technology and innovation.

▶ PROFIT STABILITY

Strengthening of a relationship often leads to long-term volume commitments, reduced variability in sales, joint use of assets, and other improvements which enhance profitability.

*Adapted from *Developing and Implementing Supply Chain Partnerships* by Douglas M. Lambert, Ohio State University, Margaret A. Emmelhainz, University of North Florida, John T. Gardner, SUNY College at Brockport

SMALL FOOTPRINT. BIG IMPACT.

ENGAGEMENT

An onsite Fastenal program extends far beyond the walls of our location within the facility. We engage with different departments and end users to uncover needs. We pull in resources to drive improvements. And we deliver value to the key stakeholders in the success of your supply chain – from procurement and finance to material management and engineering.

INVENTORY

Fastenal-owned inventory is stocked onsite to anticipate demand. This inventory remains on our books until it reaches your stocking locations, and the first time your personnel touch the product is when they're ready to use it.

LOGISTICS

Planned product needs are stocked in our regional distribution center and delivered via Fastenal semi on a regular service schedule – a consistent, proactive flow that minimizes stock-outs, rush orders, and overall freight expenditures.

DATA & VISIBILITY

Providing visibility into your current inventory (by location) as well as usage/spend activity (by product, dept., cost center, or other custom-defined metrics). Gain insight into what's being used, who's using it, and at what velocity, to shape smart business decisions.

POINT-OF-USE REPLENISHMENT

Our onsite team orchestrates a lean flow of inventory to the production line and various point-of-use devices. This can include automated solutions that bring traceability and control to high-moving or critical items.

MULTI-LEVEL SUPPORT

The program is supported by our district and regional sales leadership, our regional DC, and wide-ranging company resources (see sidebar for examples). That includes the local Fastenal branch, which serves as a back-up stocking/service resource as well as a same-day source for 10,000+ high-demand 'spot buy' needs.

BRINGING WORLD-CLASS RESOURCES WITHIN YOUR FOUR WALLS



Lean Solutions Specialists
Bringing deep expertise in Lean Six Sigma methodologies, value engineering, and system design and implementation.



Fastening Application Engineers
Ready to solve problems, suggest improvements, and provide insight into the science behind bolted joint applications.



Safety Specialists
A set of expert eyes to spot potential incidents, citations, and cost savings opportunities.



Quality Assurance
Anchored by our ISO 9001 operations, multiple A2LA labs, and some of the industry's foremost quality experts.



Manufacturing & Industrial Services
We don't just *sell* products. We can make, modify, and refurbish them to meet your unique requirements.



Global Sourcing
Turnkey importing of engineered products, including factory audits, quality inspections, and logistics.



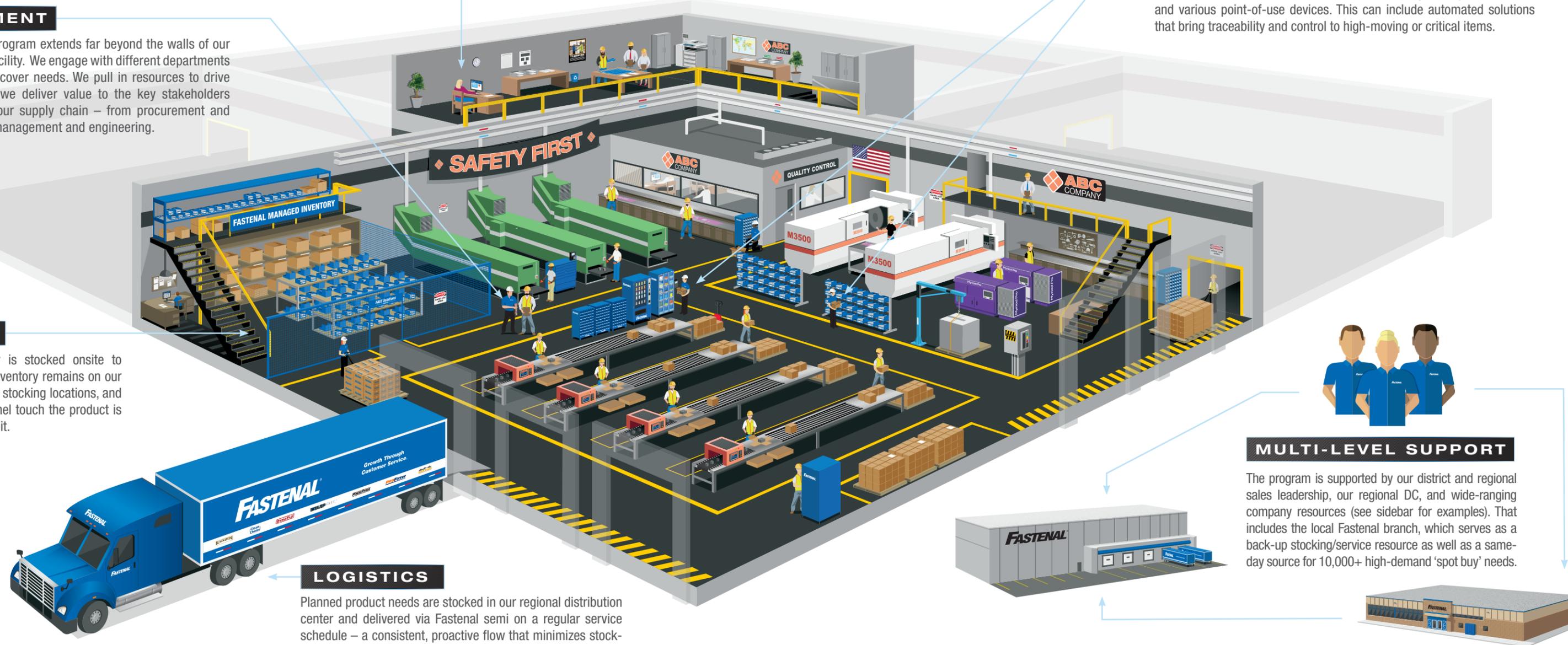
Technology
A suite of solutions to bring efficiency, visibility, and control to indirect supplies.



Vendor Consultations
Drawing on our supplier partnerships to assist with product trials, trainings, and special projects.



Third-Party Logistics
Utilize our outbound trucks to transport product at a significantly lower cost.



OUR IMPACT. THEIR WORDS.

CUSTOMER PROFILE

SELLEN CONSTRUCTION // SEATTLE, WA

INDUSTRY:

Commercial Construction

FACILITY FOOTPRINT:

Facility: 20,000 sq ft. / Yard: 216,000 sq ft.

PREVIOUS CHALLENGES:

Consumables management, invoicing, labor utilization, space utilization

FASTENAL ASSET INVESTMENT:

\$200,000

DEDICATED FASTENAL EMPLOYEES:

1 FT, 1PT

SERVICES USED:

Vending (onsite and jobsite), Tool Repair, Bin Stock, Construction Specialists, Ladder Inspections

Sellen operates a central equipment/supply warehouse to support their building projects throughout the Puget Sound region. The core focus of this facility is equipment and tool rentals, but they were also tasked with supplying consumables (to minimize spot buys and delays at individual job sites). According to Sellen's operations manager, Tim Bowman, "When the market started heating up, we were getting run over because we were unorganized. We didn't have the consumables that we needed, and it reached a point where we were just delaying the schedules of the jobs."

As part of a lean initiative, the decision was made to select a partner to take over consumable supplies. They evaluated a pool of five suppliers, conducted onsite trials with the top two selections (Fastenal and another large national supplier), and, according to Bowman, came to an easy decision: "Fastenal just blew it out of the water."

Today, an onsite Fastenal team orchestrates Sellen's consumable supply flow within the warehouse while Fastenal's specialists support the job sites with solutions like PPE vending, job site delivery, and safety equipment inspections. Key wins: newfound visibility into spend by GL code and job phase, improved ability to predict and meet project needs, increased profitability for the warehouse's core equipment rental business, and ultimately more time for Sellen personnel to focus on building.

▶▶ KEY IMPACT: REDUCED INVOICING COSTS BY \$800,000



"Being able to manage our supply chain in partnership with Fastenal has really enabled us to deliver that quality at every single point along the job. It takes one more variable out of the equation."

Adam Rohde

Vice President - Director, Operational Excellence and Engineering

CUSTOMER PROFILE

RED DOT CORPORATION // KENT, WA

INDUSTRY:

Commercial Vehicle HVAC

FACILITY FOOTPRINT:

300,000 sq. ft. (2 buildings)

PREVIOUS CHALLENGES:

Managing consumables and OEM parts along the assembly line

TOTAL FASTENAL ASSET INVESTMENT:

\$750,000

DEDICATED FASTENAL EMPLOYEES:

2 FT, 3 PT

SERVICES USED:

Vending, Bin Stock, Kitting, E-Commerce, Engineering & Quality

When Fastenal first partnered with Red Dot, we were asked to tackle three primary objectives: bring a fully managed c-stock fastener program that was market competitive, provide point-of-use delivery to the multiple work centers located throughout the facility, and eliminate stock-outs through a more robust inventory plan. The relationship has evolved from simply supplying products to collaborating in logistics and bringing efficiency to production process – for example, creating kitted parts assemblies for specific work cells and production runs, and implementing a point-of-use vending solution for gloves and other work cell needs.

"Our partnership with Fastenal frees up time for us to be focusing on other things," said Joseph Preiser, supply chain planner at Red Dot. "We'd always had a challenge with maintaining floor stock items – small cost items, but in large quantities. What Fastenal has done is given us control over that and a better, more efficient way to distribute to the work cells."

▶▶ KEY IMPACT: ELIMINATION OF STOCK-OUTS



"What I appreciate about Fastenal is that when we come to them with an idea – and it may just be an idea in its very raw form – they don't just dismiss it and say, 'No, that can't be done.' They'll sit down with us, bring in a couple of experts, and we'll start to talk through the process. What is it that we're trying to accomplish? What is it about the current process that we do and don't like? And then we come up with a map to bring us to the new state."

Joseph Preiser

Supply Chain Planner

CUSTOMER PROFILE

TRIUMPH GROUP // HOT SPRINGS, AR

INDUSTRY:
Commercial/Military Aerospace

FACILITY FOOTPRINT:
1,000,000 sq. ft.

PREVIOUS CHALLENGES:
High cost of inventory, product availability, multiple vendors

TOTAL FASTENAL ASSET INVESTMENT:
\$1,000,000

DEDICATED FASTENAL EMPLOYEES:
4 FT, 1 PT

SERVICES USED:
Vending, Custom Manufacturing, Bin Stock, E-Commerce,
Safety Audits, Quality Inspections

With this supply partnership, an onsite Fastenal team streamlines the flow of consumable products for Triumph's multi-site operations in Hot Springs, Arkansas. That includes managing 1,700 individual parts, making daily deliveries to all the departments, maintaining min/max inventory levels within multiple bin stock locations, and continually optimizing 50+ vending devices throughout 8 buildings, bringing accessibility and traceability to PPE, drills, abrasives, and other high-use items.

"It took our consumption way down because of the applied accountability factor and gave us more controls and more audible tools to see what we're using and where we can adjust," said Darren Hill, director of supply chain. "When you take all those burdens away – a 40% straight drop in consumption, plus the personnel it took us to manage that product before – it added a tremendous value to our company."

▶ **KEY IMPACT: 40 PERCENT REDUCTION IN CONSUMPTION**

"The services Fastenal provides allow us to reallocate our personnel so that we're not focusing on the MRO side – the shop supplies and the things that are not our core competency. They allow us to optimize all those resources so that we're focusing on the things that make us money: getting parts out to our customers on time."

Billie McMillian

Program Manager

YOUR TEAM IS **GREAT** AT WHAT YOU DO.

Our job is to **take away costs, burdens, and inefficiencies** so you can **shine**.

Our certified consultants have helped craft and implement successful solutions for organizations ranging from family-owned businesses to Fortune 100 corporations. They're standing by to answer your questions, discuss your vision, and begin the journey to a better supply chain – one that empowers your business to run leaner, move faster, and ultimately achieve more (with less) for your customers.

Contact your local Fastenal representative or email onsite@fastenal.com to get started.

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