

FASTENAL[®]

OEM FASTENERS

IMPORT SERVICES • QUALITY CONTROL • ENGINEERING SUPPORT
CUSTOM MANUFACTURING • LEAN INVENTORY CONTROL SOLUTIONS



Fastenal combines the industry's most extensive local service network with best-in-class sourcing, logistics, engineering, and manufacturing resources to provide high-quality parts in ways that optimize productivity and profits. With 2,600+ stores spanning North America and the world, we offer a compelling value proposition for our OEM customers: dedicated local inventory and personnel, backed by consistent contract pricing and wide-ranging services, solutions and specialists.

Documented Cost Savings

Through lean practices and exceptional service, we will work to reduce your expenditures and inventory assets, increase revenues and productivity, and continually improve your processes. Hard and soft cost savings will be captured through our point-of-sale system and reviewed on a regular basis along with accountability reporting and key performance indicators (KPIs), providing a clear snapshot of our business impact.

Key Cost Savings Drivers:

- Inventory Control & Reduction
- Global Sourcing/Import Services
- Vendor Consolidation
- Product Standardization and Substitutions
- Contract Pricing (globally, nationally or regionally)
- Reduced Freight Expenditures
- E-Business Solutions
- Lean Six Sigma Support



**Local people and inventory
at 2,600+ store locations**



Creating Flow, Eliminating Waste

Utilizing the Lean Six Sigma process known as DMAIC, our team of belted specialists can collaborate with your personnel to collect baseline data and do a “lean waste walk” – traveling the path of material flow and conducting interviews to uncover non-value-added activities. Based on the information gathered, a Gap Analysis is presented along with a business plan to achieve a specific cost savings goal. Implemented solutions can include kanban, just in time (JIT), 6S, industrial vending, point-of-use delivery stations, and other lean concepts. *Learn more about our inventory control capabilities on page 6.*



Supply Chain & Value Stream Analysis

Engineering Support

Our team of fastener application engineers will be available to answer technical fastener questions and offer solutions to standardize fastener usage, avoid application issues, and ultimately build a better product, more efficiently. Fastenal's engineering services and resources include:

- Technical Advice re: Fasteners and Fastener Standards
- Bolted Joint Design Analysis
- On-Site Fastener Trainings and Seminars
- Application-Specific Testing
- Product and Process Analysis (teardowns to identify opportunities for part reduction, consolidation and standardization)
- Reverse Engineering
- Extensive Technical Resources (including online resources at www.fastenal.com)



On-Line CAD Resource Center



Quality Management System

To ensure strict product quality, we've built our corporate functions around the ISO 9001:2008 standard, and we're registered at locations worldwide, including our distribution centers, our Asia-based global sourcing/importing operations, and our manufacturing facilities.

In addition to supporting the standards our customers require, our Quality and Engineering teams play an active role in the organizations that define global fastener standards in terms of dimensions and chemical properties, participating in more than 40 committees within organizations that include ASTM, ASME, ISO, NACE, ASM, API, RCSC and SAE.



In-House A2LA Labs

To support our quality system, we operate five ISO 17025 accredited (A2LA) product testing laboratories around the world (Minnesota, Connecticut, China, Malaysia and Taiwan). With a multimillion-dollar investment in lab equipment, our testing capabilities range from dimensional inspections to destructive and non-destructive evaluation, including charpy, tensile, salt spray, hardness, positive material identification through XRF and spectrometer, mag particle, and liquid penetrant.

Our Current Quality System Includes:

- Documented and implemented supplier approval program with scheduled on-site audits
- 100% full product traceability
- Sample approvals, 1st article approvals
- Production part approval process (PPAP)
- Tracking key internal and external and supplier performance metrics to enhance customer satisfaction
- Documented, implemented and audited customer-specific quality management systems (including enhanced traceability, additional testing, and specialized training for local store personnel)



Malaysia Test Cert # 1046.05
Shanghai Test Cert # 1046.04
Taiwan Test Cert # 1046.03
Winona Test Cert # 1046.01
Winona Calibration Cert # 1046.02
HOLO-KROME Test Cert # 1046.06

*Complete scope of accreditation
available upon request.*

Fastenal Import Services

Working with our network of 500+ corporately approved manufacturer-partners in the Asia Pacific region, Fastenal's Import Services team provides turnkey global sourcing and importing services with complete risk mitigation.

Value Proposition:

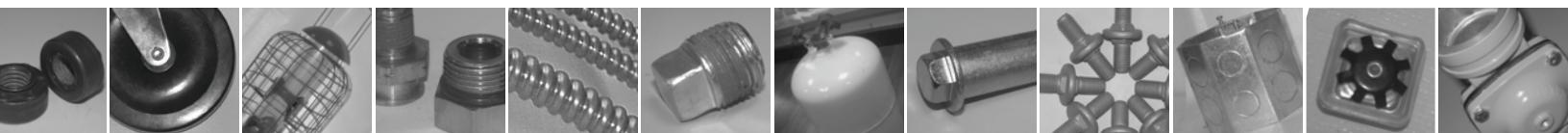
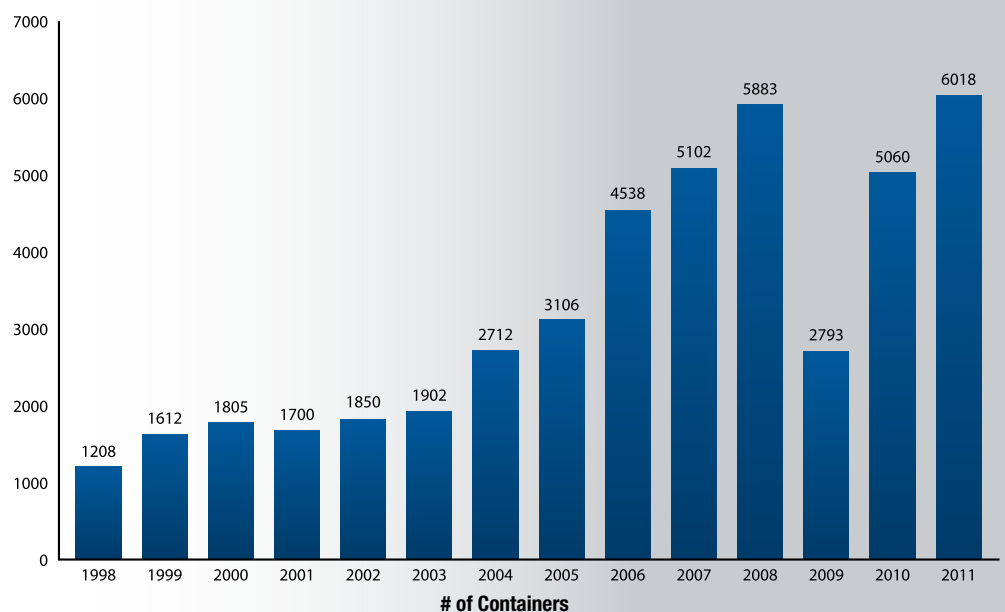
- 200+ Asia-based employees working directly with factories to drive our requirements for quality and delivery
- Supplier Quality Engineers on staff
- Deep experience in the region – management of 80,000 Fastenal SKUs in addition to per-print customer requirements
- Rigorous global supplier approval process, including factory audits and manufacturing process studies
- Pre-shipment inspection and testing involving our three Asia-based ISO 17025 accredited (A2LA) labs
- Reserved capacity with steamship lines to ship 6,000+ containers annually
- Logistics management – expediting team, in-house customs clearance
- Liability and transportation insurance
- Supply chain transparency – status reporting of production, transit and delivery
- Flexible delivery – receive product as part of a VMI program or receive full container direct shipments (customized delivery solutions)
- Customers deal with their local Fastenal store team – same time zone, no language or cultural barriers
- Total risk assumption – Fastenal is importer of record to US Customs
- DDP Pricing – all prices include delivery to the customer's door, duty payments and customs clearance



Core Competencies – Customer Per Print Parts:

- Machined Parts
- Fasteners
- Injection Molded Parts
- Castings
- Stampings
- Metal Fabrications
- Forgings
- Bearings
- Rivets
- Steel and S/S Balls
- Fittings
- Kitted Components
- Commodities
(Casters, Wire Rope, Slings, and much more)

Overall # of Containers Imported



Fastenal Manufacturing

With nine locations and 350+ skilled machinists, Fastenal Manufacturing can produce per-print and reverse-engineered parts with shortened lead times and quality ensured by our in-house A2LA labs. In addition to our U.S. locations, we operate facilities in strategic economic zones around the world, providing fast, local manufactured solutions for multinational customers operating in those regions.

North America: Winona, MN; Modesto, CA; Wallingford, CT (HOLO-KROME); Rockford, IL; Indianapolis, IN; Houston, TX

Europe: Brno, Czech Republic

South America: Joinville, Brazil

Asia: Johor, Malaysia

Manufacturing & Machining Centers – With well over 100 units of CNC equipment and diverse hot heading capabilities, we can produce highly engineered parts and accommodate virtually any fastener/bolt need from #0 to 4" in diameter. Specialties include Hot Forging, Multi-Function Turning, Machining, Bending, Threading, EDM and Water Jet Cutting.



Cold Forming – Through our cold forming facility in Rockford, IL and our HOLO-KROME® facility in Connecticut, we operate 70-plus cold headers capable of producing more than 30 million parts per week. Commonly produced items include: Cap Screws, Socket Shoulder Screws, Socket Pressure Plugs, Set Screws, Allenuts®, Jam Screws, Dowel Pins, Rivets, Large Head with Small Body Severe Upsets and Extrusions, Exotic Configurations, Semi-Special Manufactured Large Washer Heads, and Non-Standard Product with High Heads.



Raw Materials

Carbon & Alloy Steel
Stainless Steel
Super Alloys & Duplex Steel
Non-Ferrous & Plastics



Fastenal supports a wide range of standards required by our customers, including NASM, AN, MS, NAS, MilSpec, Aerospace, Defense and many others

Global Reach & Logistics

Fastenal's distribution system is built around our 2,600+ stores located in 19 countries and all 50 U.S. states – providing local people and product for our customers around the world.

Our North American stores are supported by 14 regional distribution centers as well as our internal transportation fleet (300+ big trucks, 5,000+ local delivery vehicles), enabling us to transport heavy materials with minimal reliance on costly third-party carriers. In short, no other supplier offers more products in more locations, and no one moves materials more efficiently.



Inventory Control

Drawing on decades of supply chain experience spanning thousands of OEM operations, we will tailor an inventory control program for each of your locations based on proven lean concepts and supply chain best practices. The foundation of our value offering is our local presence. Your dedicated local Fastenal team(s) will continually work to understand your usage patterns and production schedule, keep product stocked locally and regionally to anticipate your demand, and actively manage a lean flow of inventory to your points of use.

Value Proposition:

- Reduced inventory/increased inventory turns; local personnel will replenish bins as often as required to stay within established min/max levels – weekly, bi-weekly, daily, even multiple times a day
- Delivery to points of use means less inventory build-up and fewer inventory touches
- Elimination of stock outages – emergency stock can be pulled from local store inventory and delivered within an hour
- Bar-coded inventory with accurate item tracking
- Significant vendor consolidation opportunity, ability to supply virtually any fastener need
- Reduced paperwork via a touch-less reordering process (blanket P.O.s, P-Cards, etc.)
- Parts can be kitted, bagged and labeled to speed production time and increase traceability
- Quality reporting detailing usage by location

Solutions Include:

- Process Mapping/Gap Analysis
- Workstation Design
- Just-in-Time (JIT) Systems
- 2-Bin Systems
- Kanban (Inventory Signaling System)
- Point-of-Use Delivery Stations
- Consignment
- Kitting Analysis/Custom-Packaging
- In-Plant Location (On-Site “Store” Managed by Fastenal Personnel)
- Integrated Supply (Inventory Management of Non-Fastenal-Supplied Items at Lower Total Cost)



Our Goal: 90-Day Implementation



The goal of our Lean Implementation team is to complete any implementation within 90 days of their initial site analysis. This includes identifying your business goals, mapping your current process, and creating a custom supply system via each local servicing Fastenal store to support your local supply needs.

Implementation involves collaboration on the local and national levels – all coordinated through your national account representative to ensure open communication, minimal interruption, and a consistently high level of service for each of your locations.

Product Compliance Support

Green, Supplier Diversity, Country of Origin

- Broad range of domestic products available to service federally funded projects
- Vast Green initiatives including reusable storage and delivery packaging, REACH and RoHS compliant products
- Supplier Diversity product offerings, with detailed usage reporting available to support your goals and requirements



E-Business Solutions

Fastenal.com

- View your contract pricing
- Edit and approve eQuotes from local stores
- Use Order Templates to streamline ordering
- 55,000+ CAD illustrations for fasteners

Integration

You can utilize our e-business solutions to minimize paperwork, processing time and administrative costs. This includes integration via EDI, cXML, leading portals and B2B direct connections, as well as our FastConnect Punchout platform and fastenal.com.

Our integration solutions are built on industry standards, and we offer integration via most leading e-business systems and portals, including:



FAST ScaleSM Scale-Based Bin System

- View and adjust inventory levels via fastenal.com
- When stock falls below your “min” level, an automated order is sent to the local Fastenal store
- Reduces auditing time and eliminates stock-outs of critical parts



FAST CribSM Resource Management Software

- Real-time, web-based inventory tracking and reporting – access from any PDA or tablet
- Maintenance management, inventory management, asset management, and more
- Search, find and order from multiple supplier database (preloaded with 600,000+ Fastenal SKUs)



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