

# CASE STUDY: PARK CHRYSLER JEEP (BURNSVILLE, MN)

## FAST 5000<sup>SM</sup>

### Real Customers, Real Results

It isn't just a machine; it's a full-service inventory control solution that's helping customers:

- Reduce consumption by controlling and tracking who uses what
- Improve productivity by providing 24/7 access to product at the point of use
- Automate ordering – the local Fastenal store receives an automated order when stock runs low, eliminating stock-outs and PO's
- Know what they need to know about every transaction – user-defined tracking options allow customers to track each transaction by group, job, cost center, and other meaningful criteria



FAST 5000

*"I just can't imagine not having this technology in a dealership."*

- Steve Hofer, Parts & Service Director

### Overview

Back in 2009, Park Chrysler Jeep was procuring shop supplies from five different suppliers. Based on a proposal from the local Fastenal store, they decided it made sense to consolidate this business with Fastenal. Eighteen months later, Fastenal installed its vending technology to further reduce costs.

### Initial Challenges

Prior to installing the Fastenal vending machines, consumables used during repairs were stocked in the parts department. Not only did this take technicians away from the job every time they needed something, it also took up space on the parts department shelves. Without a good way to track and control usage, they were spending approximately \$2,000 per month on shop consumables. Missing diagnostic equipment was another issue. Because DBRs and scanning devices were unsecured, they had lost more than \$7,000 worth of equipment during the two years prior to the vending install.

### The Fastenal Solution

A FAST 5000 vending machine and a set of FAST lockers were installed on the shop floor as a solution to these issues. The FAST 5000 machine is stocked with high-use items like zip ties, gloves, batteries and abrasives (ROLOC discs). When a technician needs an item, he enters his ID and makes a selection. The machine automatically reports the details of the transaction. "The reporting is a key part of it," said Parts & Service Director Steve Hofer. "I can look at what people are using and have conversations with individuals rather than a group, based on facts rather than generalities." As a result of this accountability, shop supplies spend has been reduced from \$2,000 per month to \$900 per month. This includes an 80% reduction in the usage of nitrile gloves.

Technicians use their IDs to check out and return diagnostic tools from the FAST lockers. The web-based reporting makes it easy to locate devices in the shop, and automated alerts signal when a tool has been checked out longer than the predetermined limit (an indication that perhaps it was left in a car). Since the machines have been installed, no diagnostic equipment has been lost.

### Key Business Results

- Consolidated 5 vendors
- Made shop supplies more accessible to technicians
- Reduced shop supply spend by \$1,100 per month
- No lost diagnostic equipment (\$7,000 lost during the 2 years prior to vending)
- Fastenal's vending technology was named "BEST IDEA" at 20 Group