

### CASE STUDY: DONALDSON COMPANY

*The following case study documents the impact of the Fastenal Managed Inventory (FMI) bin-stock solution at the Donaldson facility in Riverbank, CA. The case study was written and submitted by Donaldson Riverside Buyer Kristen Nieves.*

#### Before FMI

In the past we had a common bolt storage bin in the shop. This was checked, inventoried and stocked by our personnel at least twice a week, and our people pulled bolts as needed. Oftentimes it would run out of bolts, causing employees to search or request “emergency” bolts, which disrupted parts room personnel. It took time to communicate the inventory needs to the purchasing department, which then received quotes, issued purchase orders, checked incoming shipments, etc. Once here, the hardware needed to be unpacked and transferred to the bolt bin. Finally, because there was a single bin in a central location, shop personnel spent significant time walking to and from the bolt bin storage area.

#### After FMI

Through the FMI program, Fastenal provided new bins free of charge (based on an up-front spend commitment) and installed them at strategic point-of-use locations in the plant. With the FMI program, our local Fastenal representative inventories, delivers and stocks our bins for us. So far this has been a big benefit to us and a substantial cost savings.

The following are estimates of time saved by the people involved in these processes:

**Ordering hardware:** 1 hour x 1–2 days/week (1.5 avg.) = 1.5 hours/week x 50 weeks = 75 hours saved

**Packaging/stocking:** 6 hours x 1–2 days/week (1.5 avg.) = 9 hours/week x 50 weeks = 450 hours saved

**Employees searching for hardware** (very conservative group consensus): 30 minutes x 4 times/week = 2 hours per week x 50 weeks = 100 hours saved

**TOTAL ANNUAL HOURS SAVED = 625 x CRR of \$35.70 = \$22,312.50 ANNUAL SAVINGS**

