

CASE STUDY: XCEL ENERGY

FAST 5000

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



"Fastenal offers a great VMI opportunity through its vending machine service. The implementation process went quickly and without a hitch. The machines have performed very well. Anytime we have needed their assistance with service, they have been quick to respond. I would recommend the Fastenal [FAST 5000] program to anyone needing a quality vending solution."

- Doug Johnson, Xcel Energy Category Manager, Sourcing

Company Overview

Xcel Energy is a leading electricity and natural gas energy company that offers a comprehensive portfolio of energy-related products and services to 3.3 million electricity customers and 1.8 million natural gas customers. The company has operations in 8 Western and Midwestern states.

Challenges

Xcel Energy was not new to the concept of using vending machines to meet their supply needs. The company previously experimented with pilot vending programs in several plants in MN, TX and NM but had issues that included:

- Expensive program and implementation costs
- Multiple reporting sources and databases to maintain
- Long lead time on repair and service along with high service call fees and miscellaneous expenses; service personnel were not local and unfamiliar with the plant's needs

The FAST 5000 Solution

Based on the initial success of the program, 32 FAST 5000 machines and locker sets were incrementally installed in 5 different Xcel sites. The machines dispense consumables ranging from safety glasses, grease guns and grinding discs to aerosols, kneeling pads and hard hat liners. Program features include:

- Employee ID card access, providing complete usage accountability
- Restrictions limiting which products each user can vend, and how much they can vend over time
- Management can view detailed usage data online, in real time, and through automated reports
- Automated ordering and replenishment by Fastenal

Key Business Results

- Reduced crib travel/socializing time
- Reduced inventory – Fastenal keeps the machines filled and owns the inventory until it's vended
- Consumption for high-use items reduced 30–35%
- Total program costs reduced 30–50% (vs. previous vending machines)

FASTENAL®

Calculate your potential savings by searching for "FAST 5000" at fastenal.com. Contact your local store to learn more.

