



Industrial Distributor Grows Sales – by Helping Customers Buy Less

Winona, MN – April 2011 – Fastenal, a national distributor of industrial and construction supplies, is growing its business by doing something counterintuitive for a sales-based organization – helping customers buy *fewer* products. That's the concept behind the company's FAST 5000SM industrial vending program, and it's hitting home in an industrial market focused on cost savings and protecting jobs.

The program is built around Fastenal's 2,500+ store locations, which provide the machines to local customers and keep them filled with needed supplies, from safety gloves and batteries to lubricants and drill bits. This full-service business model is making industrial vending cost-effective not only for Fortune 1000 companies (nearly 10% of which are now utilizing the program) but also facilities with as few as 20 workers – a market range describing hundreds of thousands of current and prospective Fastenal customers.

"We're bringing industrial vending to market on a mass scale because it's a model that works for everyone involved," said Cory Jansen, Fastenal's executive vice president of internal operations. "Our customers are reducing downtime, inventory and product consumption; and in turn we're able to solidify those relationships and drive long-term growth. It's a perfect reflection of our company motto, *Growth Through Customer Service.*"

The FAST 5000 units function similarly to traditional vending machines, but with sophisticated access controls and reporting. To receive product, workers scan their ID cards or enter a code; and if the request is accepted, the transaction is completed and tracked by the system. Users can also be prompted to enter pertinent data before vending – for example, a cost center or job number – allowing management to track usage accordingly. Because the system is Internet-based, managers can go online to adjust access settings, monitor machine operation, and view real-time inventory and usage data.

The technology is key, but what really differentiates the program is the support provided by Fastenal stores and tech centers, which handle everything from machine installation and service to product packaging and testing (to ensure trouble-free vending). When stock for an item runs low, the system sends an automated order to the local Fastenal store for replenishment, eliminating stock-outs, expensive rush orders, and costs associated with cutting purchase orders. Through an optional consignment plan, customers pay only for dispensed items, allowing them to remove inventory costs from their books.

Fastenal has created more than 120 job positions to support its FAST program and plans to hire additional personnel to keep pace with the program's growth.

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About Fastenal

Fastenal [NASDAQ: FAST] is North America's largest fastener distributor and an efficient single source for a vast range of industrial and construction supplies. The company's distribution network is designed to provide *local* product and service at more than 2,500 stores, each offering tailored inventory to anticipate the needs of local customers, resulting in a high rate of same-day service. Fastenal customers benefit from regular on-site service calls, hands-on inventory management, and personal, can-do service that's recognized as the industry standard. Fastenal supports its product offering with a lineup of services and solutions, including flexible inventory control solutions, custom parts manufacturing, design and engineering support, and industrial services ranging from tool repairs to hose fabrication. Learn more at www.fastenal.com