

The following case study documents the impact of Fastenal's FAST Solutions industrial vending system at Sunflower Electric Power Corporation, a consumer-owned, nonprofit corporation operated cooperatively by six rural electric distribution cooperatives that, along with Mid-Kansas Electric, LLC, serve people located in 55 central and western Kansas counties.

Initial Challenges

Sunflower's Holcomb, KS facility is a 360 megawatt plant with 180 employees. More than 11,000 industrial supplies are used to operate and maintain the facility, many of which are supplied by Fastenal. In the past, each of these items was issued and tracked manually. To obtain supplies, mechanics and electricians had to create a request in the system, generate a ticket, and then carry the ticket to the central storeroom to retrieve the needed item. "We had a situation where workers were taken away from their jobs for significant periods of time to obtain common items like batteries or flashlights," said Gary Ratts, Manager of Supply Chain for Sunflower. "For some items, the labor cost was several times greater than the value of the part."

Fastenal's FAST Solution

Sunflower's local Fastenal representative suggested industrial vending as a solution. "To be honest, I was thrown off guard at first," recalled Ratts. "When I thought of vending, I pictured the old candy bar machines that you had to bang on to get product out. But once I really saw how it worked, it sold itself."

In the summer of 2009 Fastenal implemented four FAST 5000 vending machines in strategic areas throughout the facility: the main shop, the lab, operations, and out in the coal yard. The machines are stocked with a range of high-use, low-cost items, including batteries, disposable protective suits, several sizes of gloves and duct tape.

Business Results

Now, when workers need supplies, they simply approach the nearest machine, enter their ID, and select what's needed. The system tracks and reports the details of the transaction – who, what and when. "Everything still gets charged out, but now it takes literally 20 seconds," said Ratts.

According to Ratts, the system has also eliminated administrative costs as well as inventory carrying costs. The local Fastenal store monitors the machines' inventory online and makes sure they're always filled at the appropriate levels, with no requisitions or purchase orders required by Sunflower. At the end of the month, they receive a single invoice from Fastenal for items that have been vended from the machines. "We no longer have to carry a bunch of extra inventory," added Ratts. "Everything is stocked in the machines, and we don't have to pay for it until we use it."

Because of these improvements at the Holcomb facility, FAST 5000 machines have since been installed in three smaller Sunflower locations, each with approximately 15 to 20 employees – Garden City, KS; Dodge City, KS; and Great Bend, KS. According to Ratts, the implementation at each location has gone smoothly and the results have been positive.

***"It's enabled us to save time and reduce purchase orders and requisitions for fast-moving items.
That's translated into cost savings and better productivity."***

- Gary Ratts, Manager of Supply Chain



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