

Fastenal Installs 10,000+ Industrial Vending Machines

Winona, MN – Four years ago, Fastenal’s FAST SolutionsSM (industrial vending) program didn’t exist. Today, more than 10,000 FAST Solutions machines are being utilized by industrial companies ranging from local manufacturers to Fortune 500 corporations. The 10,000+ machine milestone was achieved last week, when more than 200 machines were installed at various Fastenal customer locations.

The milestone comes at a time of surging momentum for the FAST Solutions program. On March 31, 2010, there were only 892 machines installed. A year later that number had increased to 2,659; and by the end of last month (March 31, 2012), there were 9,798 machines in place. In the first quarter of 2012 alone, Fastenal contracted more than 4,500 machines for installation, establishing a trend line that would see the company install its *next* 10,000 machines within nine months. To put this in perspective (relative to a very different vending technology), at some point in 2013 there could realistically be as many FAST Solutions machines in operation as Red Box video kiosks (approximately 29,000).

“When you factor in the cost savings, the productivity gains, and the minimal expense and risk involved, it’s easy to see why so many companies are adopting our FAST Solutions,” said Russ Rubie, Fastenal’s Vice President, FAST Solutions. “It’s simply a better way to manage the consumption of industrial products.”

FAST Solutions help increase worker productivity by providing 24/7 self-service access to wide-ranging industrial supplies – from high-use safety and maintenance products to high-cost production tooling. As a result of the system’s controls and web-based usage reporting, businesses are also seeing significant reductions in product consumption, typically 25 to 35 percent.

“We’ve saved about, I would say conservatively, 60 to 75 percent over our expenditures from last year,” said Glen Shipman, a purchasing manager at Dakota Missouri Railroad Company, which utilizes one of Fastenal’s FAST 5000SM machines. “I don’t have to worry about regulating inventory. I don’t have to look at who uses what and how much. It [the machine] does it for me. It couldn’t be a better system.”

One thing that sets the FAST Solutions program apart from competitive offerings is Fastenal’s ability to provide local service and support at more than 2,600 Fastenal stores. Local store personnel monitor vending activity online and make sure the machines are continually filled with the right mix of products, with no paperwork or labor required by the customer. The local store absorbs the capital cost of the equipment, and through an optional consignment plan, customers pay only for vended items, eliminating inventory carrying costs.

Installations of FAST Solutions began to rise sharply in mid-2011 after the company

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ramped up its investment in personnel and infrastructure to support the vending program. This includes 13 regional “build centers” (providing machine configuration, testing, installation, and training), a 24/7 tech support team, and 70-plus display vehicles which bring the technology to customer sites for live demonstrations. In all, Fastenal employs approximately 200 individuals dedicated to industrial vending. That’s in addition to the thousands of Fastenal store personnel who continually replenish the machines and support customers in the field.

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