

WHO: Companies in this industry manufacture a wide variety of goods; major project groups include: food products & tobacco, industrial and commercial machinery & equipment, lumber, wood products & furniture, machined & fabricated parts, mills & foundries, rubber & plastic and many more. The profitability of individual companies depends on efficient production and distribution.

POSITION



**C-Level Executives
(CEO, COO, CFO, Owner)**

Responsible for profitability, cost reductions, and efficiencies for business.



Safety Director

Responsible for the safety of the employees.



Shop Foreman, Maintenance Manager

Responsible for the crew on the floor of the facility and performing maintenance as needed on machines.



Purchasers

Responsible for purchases required by the business.

PSYCHOGRAPHIC

PERSONAS - Not just the position a customer has but how customers tend to think, process information, what they are motivated towards.

ERNIE END USER

Interested in production impact being zero, wants to make sure the solution will work for them and their team, change adverse generally due to reduced productivity from past experiences.

http://fastnet.fastenal.com/sites/marketing/Documents/Market%20Research/Personas_EndUserErnie.pdf



LASER FOCUS LOU

Interested in base line price, quick accurate information, ease of purchasing experience.

http://fastnet.fastenal.com/sites/marketing/Documents/Market%20Research/Personas_LaserFocusLou.pdf



CHANGE AGENT ALLY

Interested in efficiency, collaboration, metrics, KPIs.

http://fastnet.fastenal.com/sites/marketing/Documents/Market%20Research/FMPM-8055_Personas_ChangeAgentAlly.pdf



INTEGRATED IVAN

Interested in Total Cost of Ownership, responsible for organizational transformation, looking for high impact with a partner doing all the heavy lifting.

http://fastnet.fastenal.com/sites/marketing/Documents/Market%20Research/Personas_IntegratedIvan.pdf

SAFETY SAM

Interested in an ounce of prevention at all times, awareness, plans for pro activity, reduction in the potential for injury, effective PPE.

http://fastnet.fastenal.com/sites/marketing/Documents/Market%20Research/Personas_SafetySam.pdf

RESULTS RALPH

Interested in Total Cost of Ownership, responsible for organizational transformation, recognizes value versus price.

<http://fastnet.fastenal.com/sites/marketing/Documents/Market%20Research/Results%20Ralph.pdf>

COMPETITOR'S CORNER

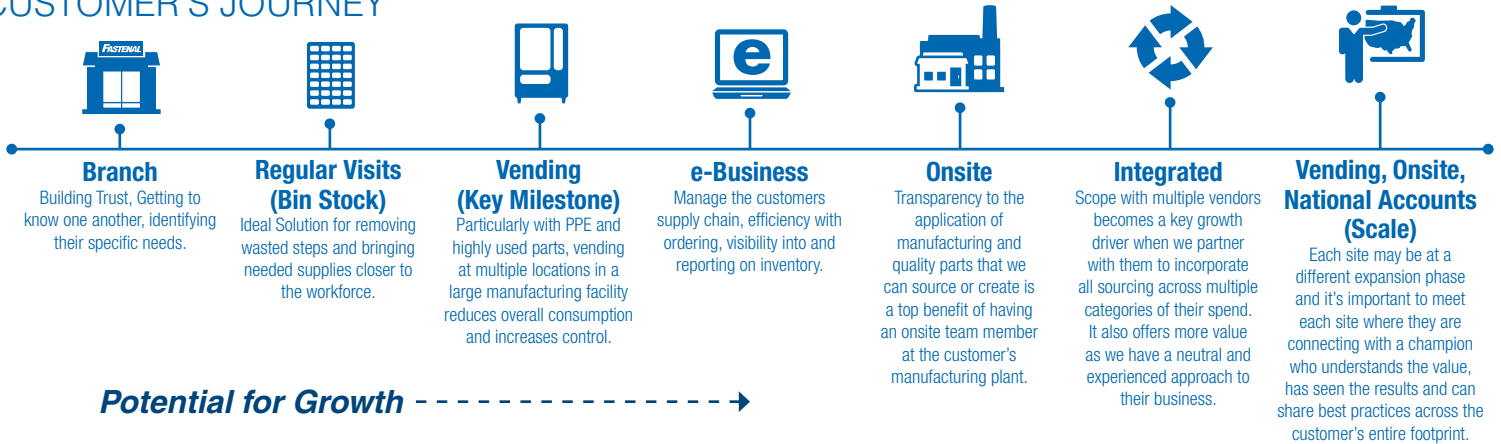
- #1 Grainger #2 MSC
- #3 Wurth/Vallen/Lawson Products

As compared to these companies, we have a much larger and more experienced Sales Force to serve this industry better. Our footprint in particular is more expansive and our experience with this industry sets us apart from this pack. None of these companies offer the full gamut of what we do with as much expertise and scope. The key differentiator is the local focus with the national support of a strategic partnership. Grainger in particular talks from a consultant more than partner perspective, MSC touts various value #s but overall doesn't provide the full-depth of services and expertise. Wurth brings a proprietary innovation perspective that competes with our Quality group in a way but they just don't have the same depth of manufacturing applications that we bring. Vallen is attempting to be an integrator but is relatively new and Lawson Products focuses more on the piece purchase than the overall strategy.



OPPORTUNITIES & CHALLENGES

**MANUFACTURING
CUSTOMER'S JOURNEY**



SPECIALISTS

Looking for expert consultants to bring best practices and new ideas to your customer's business?

For Manufacturing the most common specialists are: **Safety, Lean, Vending, e-Business, Metal Working and Industrial Services.**

MANUFACTURING	VENDING SALES	SAFETY SALES	NATIONAL ACCT SALES	ONSITE SALES	BRANCH SALES	ECOMM SALES
Industrial & Commercial Machinery & Equipment	20%	12%	67%	41%	59%	4%
Transportation Equipment	32%	17%	79%	57%	43%	12%
Metal Products - Machined and Fabricated Products	25%	16%	50%	28%	72%	4%
Electronic Equipment & Components	27%	17%	78%	46%	54%	8%
Food Products & Tobacco	25%	34%	68%	15%	85%	12%
Rubber & Plastic	32%	26%	54%	17%	83%	9%
Metal Products - Mills and Foundries	26%	25%	62%	21%	79%	11%
Chemicals & Allied Products	28%	30%	71%	34%	66%	10%
Lumber, Wood Products, & Furniture	20%	16%	31%	53%	47%	6%
Medical, Photographic, and Optical Products	22%	13%	81%	42%	58%	6%
Stone, Glass, and Cement Products	37%	37%	68%	13%	87%	11%
Paper Products, Printing, Publishing & Associated Products	30%	30%	71%	26%	74%	14%
Textile and Leather Products - Processing and Finished Goods	39%	34%	57%	11%	89%	11%
Misc	16%	13%	31%	8%	91%	3%

Breakdown of what percent of company sales filter through these channels for various industries. *There is cross over between solutions in these percentages other than Onsite and Branch.

**MANUFACTURING
INDUSTRY SALES BREAKDOWN**

{ \$3.4B 67.1% }

Regional & Subcategory Breakdown (2018 Sales in Millions)

REGION	INDUSTRIAL & COMMERCIAL MACHINERY & EQUIPMENT	TRANSPORTATION EQUIPMENT	METAL PRODUCTS - MACHINED & FABRICATED PRODUCTS	ELECTRONIC EQUIPMENT & COMPONENTS	FOOD PRODUCTS & TOBACCO	RUBBER & PLASTIC	METAL PRODUCTS - MILLS & FOUNDRIES
East	23.3%	10.2%	13.6%	9.5%	4.0%	6.0%	6.1%
North	27.3%	18.5%	14.0%	5.4%	6.1%	4.7%	4.3%
South	31.0%	10.0%	11.8%	7.7%	4.3%	5.1%	5.4%
West	24.3%	11.2%	13.4%	7.9%	7.4%	4.3%	2.7%
Company	26.3%	13.6%	13.4%	7.4%	5.3%	5.1%	4.9%
TOTAL SALES	\$669	\$346	\$341	\$187	\$135	\$131	\$124

REGION	CHEMICALS & ALLIED PRODUCTS	LUMBER, WOOD PRODUCTS & FURNITURE	MEDICAL, PHOTOGRAPHIC & OPTICAL PRODUCTS	STONE, GLASS & CEMENT PRODUCTS	PAPER PRODUCTS, PRINTING, PUBLISHING & ASSOCIATED PRODUCTS	TEXTILE & LEATHER PRODUCTS - PROCESSING & FINISHED GOODS	MISC.
East	5.7%	4.2%	5.3%	4.3%	4.4%	1.2%	2.2%
North	3.9%	4.1%	3.8%	2.9%	2.6%	0.3%	2.1%
South	5.5%	4.8%	3.6%	4.6%	3.4%	1.1%	1.7%
West	4.4%	5.8%	6.8%	6.3%	2.2%	0.7%	2.4%
Company	4.8%	4.5%	4.6%	4.0%	3.3%	0.8%	2.1%
TOTAL SALES	\$122	\$114	\$116	\$103	\$83	\$20	\$54

MANUFACTURING INDUSTRIAL SERVICES

Weld-to-Length Bandsaws

Made-to-length bandsaw blades, worked to your specifications and delivered to your location. More than 800 sizes and types are stocked in our distribution centers for fast lead times.

Custom Chain Sling Fabrication & Inspection

We fabricate all chain sling types and can help you design specialty slings to suit your needs. We also offer free chain sling inspections that satisfy OSHA requirements.

Cut-to-Length Metal, Chain & Cable

We can create special assemblies to suit your needs (for non-weight bearing applications only).

Hose Fabrication

We can cut, assemble, crimp, test and label virtually any type, quantity, or length of hose you require, from low pressure air hose to high pressure hydraulic hose.

Tool & Hoist Repair & Certification

Fastenal is an authorized service center for most leading brands of electric, cordless, pneumatic, and powder actuated tools. We also service nailers and pipe threaders as well as electric, pneumatic, manual, and lever hoists. Tools and hoists can be regularly serviced as part of a scheduled program to help you reduce downtime and replacement costs.

For a complete listing of services, visit fastenal.com

Top 10 Product Opportunities for Manufacturing

CHEMICALS & ALLIED PRODUCTS	LUMBER, WOOD PRODUCTS, & FURNITURE	METAL PRODUCTS - MILLS & FOUNDRIES	STONE, GLASS, & CEMENT PRODUCTS	TRANSPORTATION EQUIPMENT
Cleaning Chemicals, Detergents, and Deodorizers	Air Tools and Accessories	Brooms, Brushes, Dust Pans, and Dusters	Brooms, Brushes, Dust Pans, and Dusters	Adhesives and Glues
Disposable Garments	Eye Protection	Cabinets	Buckets, Pails, Lids	Coated and Non-Woven Abrasives
Filters	Filters	Cleaning Chemicals, Detergents, and Deodorizers	Eye Protection	Hand and Arm Protection
Label Maker and Laminator Accessories	Finished Products	Flashlights and Accessories	Hand and Arm Protection	Hose and Hose Assemblies
Lockout and Tagout Products	Hand Tools	Hand and Arm Protection	Head and Face Protection	Paint and Marking Products
Respiratory	Hearing Protection	Hearing Protection	Hydration Products	Tape
Snow and Ice Removal	Hose Couplers and Accessories	Hose Couplers and Accessories	Lubricants	Terminals and Wire Connectors
Trash Cans and Liners	Respiratory	Paint and Marking Products	Plumbing Valves and Accessories	Welding Safety Clothing
Water Treatment	Shop Cust Specific Parts	Respiratory	Respiratory	Wipers, Towels, and Rags
Wipers, Towels, and Rags	Stretch Wrap and Shrink Film	Ventilation Equipment and Supplies	Snow and Ice Removal	Wire Management
ELECTRONIC EQUIPMENT & COMPONENTS	MEDICAL, PHOTOGRAPHIC, & OPTICAL PRODUCTS	PAPER PRODUCTS, PRINTING, PUBLISHING & ASSOCIATED PRODUCTS	TEXTILE & LEATHER PRODUCTS - PROCESSING & FINISHED GOODS	MISC
Bolts	Fastener Assortment Kits	Batteries	Brushes and Deburring Products	Bearings
Finished Products	Finished Products	Cleaning Chemicals, Detergents, and Deodorizers	Coated and Non-Woven Abrasives	Coated and Non-Woven Abrasives
Hand and Arm Protection	First Aid and Emergency Products	Flashlights and Accessories	Collars, Couplings, and Components	Lifting Hardware
Non-Specific Work Orders	Marketing Materials	Hand and Arm Protection	Desk Supplies	Nuts
Pins	Mil-Spec Fasteners	Hand Tools	Finished Products	Rivets
Screws	Non-Specific Work Orders	Hearing Protection	Hand Tools	Screws
Threadlocking Chemicals	Pins	Layout and Measuring Tools	Sockets	Silicones, Caulks, and Sealants
Washers	Sockets	Lubricants	Stretch Wrap and Shrink Film	Sockets
Wipers, Towels, and Rags	Threadlocking Chemicals	Tape	Tape	Wire Management
Wire Management	Wipers, Towels, and Rags	Trash Cans and Liners	Wire Rope and Accessories	Wire Rope and Accessories
INDUSTRIAL & COMMERCIAL MACHINERY & EQUIPMENT	METAL PRODUCTS - MACHINED & FABRICATED PRODUCTS	RUBBER & PLASTIC		
Automotive Chemicals and Lubricants	Coated and Non-Woven Abrasives	Cleaning Chemicals, Detergents, and Deodorizers		
Bolts	Concrete and Asphalt	Eye Protection		
Clamps and Collars	Eye Protection	Gas Apparatus		
Fast Solutions	Fast Solutions	Hand and Arm Protection		
Non-Specific Work Orders	Finished Products	Hand Tools		
Nuts	Nuts	Hearing Protection		
Tape	Rivets	Hose Couplers and Accessories		
Threadlocking Chemicals	Stretch Wrap and Shrink Film	Skin Care and Personal Hygiene		
Washers	Ventilation Equipment and Supplies	Spill Containment		
Wire Management	Welding Rods and Wire	Wipers, Towels, and Rags		

*Products were selected based on criteria such as quantity sold, # of skus, unique customer sold to, and sum of total sales for 2018.

TOP 3 MARKETING PIECES



FOR INTERNAL FASTENAL EMPLOYEE REFERENCE ONLY

Manufacturing Customer:

"We have a lot of our product that's called de-controlled, which means there's no cost in our system and it's not tracked on the product itself. So we wanted a tool to be able to have traceability on where the product was on the manufacturing floor as well as allocate a cost to what we were spending. So not only traceability on the parts themselves but also on our spend. Fastenal is internal. They're actually an onsite for us. And with the majority of our spend in that particular area with Fastenal, I basically went to them and said help. They introduced Fast360 and everything about it has worked."

"One of my stipulations is I don't want to deal with anybody that's more than 30 minutes away from our plant."

"We've had to set-up entire maintenance divisions, all of it, so it's been get the tools in, get this ordered and that, the hardware, pipe fittings, everything. A start to finish partnership, tools, shop set-up and vendor managed inventory set-up as well with Fastenal."

"I've looked at the vending machines and think they're a good idea. I just want to make sure I give my guys everything they need so that we get our stuff done when we need to get it done."

VOICE of the **Customer**

2018 | COMPANY SURVEY | # of Surveys Completed: 19,792

Fastenal surveys customers every year to gather valuable feedback and gain deeper insights about what our customers think about the service they're receiving. This infographic depicts some of the key takeaways from our most recent survey.

Company Scores | All rating questions are answered on a scale of 1 to 7: 1-Strongly Disagree to 7-Strongly Agree.

93% of customers that completed the survey indicated they have purchased from Fastenal within the last 3 months.



Customer Satisfaction

Overall Satisfaction & Loyalty: 5.84
Experience with Fastenal Representative: 6.13
Communication & Execution: 6.04
Order Fulfillment: 5.90
Total Score: 5.97

{ 5.97 OVERALL CUSTOMER SATISFACTION }

"Fastenal came in and categorized our products in a planogram to ensure everything was covered and visually accounted for."

The higher scoring questions are related to *branch visits* and *sales representatives' professional conduct* and *eagerness*:

- Overall, the branch personnel were courteous and attentive during my visit (6.50)
- The branch had a clean and organized appearance (6.43)
- The assistance I received [in the branch] was helpful (6.38)
- My Fastenal rep adheres to professional standards of conduct (6.34)
- My Fastenal rep is eager to help me (6.23)

The lower scoring questions are related to *Fastenal.com* as well as *value and cost savings*:

- FAST 360° provides useful information (5.45)
- The [vending] machine has provided inventory cost savings (5.57)
- Fastenal provides competitive pricing (5.58)
- I am able to easily find products that I am looking for [on Fastenal.com] (5.63)
- Fastenal has added value to my business (5.63)

Tips for lowest scoring questions: *Make sure your customers are comfortable using Fastenal.com and understand the overall cost savings, value and pricing provided.*



Position/Association with Fastenal

Buyer/Purchaser: 6.01
- Percent of Responses: 55%
User: 5.97
- Percent of Responses: 20%
Management: 5.87
- Percent of Responses: 20%
Accounting/Administration: 5.97
- Percent of Responses: 5%



Population Density

Major Metro: 5.95
- Percent of Responses: 51%
Small Metro: 5.98
- Percent of Responses: 20%
Non-Metro: 6.01
- Percent of Responses: 29%

Customers in non-metro areas tend to be more satisfied with Fastenal than customers in major metro areas.



Frequency Purchasing from Fastenal

Daily: 6.05 / Weekly: 6.01
- 59% of customers surveyed purchase daily or weekly from Fastenal.



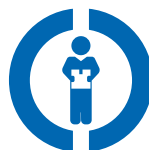
Meeting Customers' Expectations

Meeting/Exceeding Expectations: 6.35
- Percent of Responses: 90%
Not Meeting Expectations: 3.63
- Percent of Responses: 10%



Compared to Other Industrial Suppliers

Above Standards: 6.62
- Percent of Responses: 42%
Within Standards: 5.85
- Percent of Responses: 51%
Below Standards: 3.39
- Percent of Responses: 7%



My Fastenal Rep Made a Positive Contribution to My Business

My Fastenal rep...
is a good problem solver: 6.03
understands my business needs: 6.04
responds to urgent situations appropriately: 6.11
listens to my needs: 6.09
is appreciative of my business: 6.21