

Fastenal Supplier Spotlight



Improving the order-to-cash cycle

Customer Profile

Fastenal is North America's largest fastener distributor and one of the world's fastest growing full-line industrial suppliers with 2300 stores worldwide and 13 regional distribution centers. Each store is a one-stop source for roughly 825,000 industrial products.

The Challenge

Fastenal's decentralized distribution model presents a unique challenge in creating systems and processes to support eBusiness strategies. Each company store is responsible for order accuracy, line item number, PO entry, and other aspects of electronic order fulfillment. Ariba is a key partner in Fastenal's transition to click-and-mortar and with careful planning and strategy, this hybrid model has proven to be effective in servicing the changing needs of their customers.

"Ariba Spend Management has received Fastenal's highest ranking in terms of functionality, adaptation, and supplier on-boarding... A true benchmarked win-win for the customer and the electronically enabled supplier base."

— Keith Klos, E-Business Sales Manager

The Solution

As an Ariba supplier since 2000, Fastenal wanted to leverage the Ariba® Supplier Network™ to market eBusiness capabilities, support automated invoicing and increase customer participation in their eCommerce program.

Fastenal now supports Ariba® PunchOut™ catalogs, CIF catalogs, purchase orders, change orders, order cancellations, order acknowledgment, PO-Flip™ and cXML invoicing, as well as 'Off-Catalog' ordering and 'Quote to Order' functionality.

To reduce "days out" on customer invoices—and maximize opportunities for discounts on vendor invoices—Fastenal automated their order-to-cash processes. To increase eBusiness sales, Fastenal also assists customers in selecting and implementing an eProcurement solution. With Ariba, Fastenal simplified processes to on-ramp customers to the Ariba Supplier Network. Using previous cXML set-ups, a new customer could be set up in minutes.

To further promote their participation on the Ariba Supplier Network, Fastenal uses the Ariba® Ready Platinum™ designation in eMarketing efforts and at regular Cost Savings Seminars.

Adding Up the Benefits

Fastenal has experienced major improvements in their order-to-cash cycle. The purchase order error rate has dropped by 83%. PO-Flip and cXML invoicing have helped reduce days outstanding to an average of 9.5 days compared to 37 days for hardcopy invoices. Purchase orders can now be electronically delivered to any Fastenal store in near real-time and order acknowledgements are automatically delivered in real-time.

Using Ariba PunchOut, Fastenal is introducing more product lines, and with more customers on the Ariba Supplier Network, it is easier to automate business processes and ultimately grow the business.

For Fastenal, the Ariba Supplier Network has evolved from a technical application to a full strategic application that is actively being sold through an outside sales force. Customer-focused eBusiness capabilities give Fastenal instant credibility as a technology-savvy company and support long-term strategies to increase sales while maintaining a decentralized business model.

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