

American Bolt Builds For Next Wave

American Bolt Corporation just finished 10 years of double digit growth. They have a broad customer base. They sell to manufacturers, construction companies and utility companies among others. They moved into a 50,000 square foot building in 2005 and just last year, they added another 15,000 feet to it. In addition to the building expansion, this year they have implemented a new computer system to streamline their operations and take them into the future.

Economic Slow Down

We recently talked to Larry Egofske, Vice President. He said, "We have been distributing fasteners since 1962. While we have continued to grow for more than 45 years, our focus has remained the same. We try to give our customers exceptional service by maintaining a large inventory of standard and non-standard hardware. We've looked at this economic slowdown as a chance to build our infrastructure for the next wave of business growth. We're starting to see the growth already. We added several new customers for our Vendor Managed Inventory program just last month."

Vendor Managed Inventory Program

Businesses are always looking for ways to reduce cost. American Bolt takes a hands on role in the management of the items they provide. They help reduce their customers' inventory costs. They accomplish this by employing properly trained individuals with modern technology with a system that is called a Vendor Managed Inventory or Bin Stocking Program. The system consists of the following:

Technology: They use hand held scanners, eliminating writing errors and the scanners create orders immediately.

Labels: They offer a variety of different bar coded labels to meet all the various requirements. Labels can show size, description, customer part number, minimum and maximum amounts, and location.

Inventory: The goal is to reduce the customer's inventory levels, by analyzing the usage of all the parts in inventory. They work with the customer to determine the correct amount of turns a year for each part. American Bolt will also inventory, in their facility, a minimum three-month supply for parts on their customer VMI program. This valuable service helps avoid outages due to spikes in production.

Bins: If the customer's current bins are not adequate, American Bolt will supply them.

Reports: Information is a key component of the program. They provide customers with a variety of usage reports. Since each bin receives its own unique tag number, reports can be generated for separate locations throughout a customer's facility or for their cumulative usage. Their reports can be created for any time interval.

Flexibility: Their VMI programs are designed around each customer and are tailored to their unique requirements. Flexible billing schedules can be arranged and since parts are delivered with American Bolt trucks customers won't be charged for freight.

Consignment Programs: If the customer signs up for their Consignment Program, American Bolt will invoice the customer only after they have used the parts.

Blanket Orders: Parts can be held in American Bolt's warehouse and released at predetermined dates or at the customer's request. This allows the customer to lock in a price based on their annual usage and receive the parts whenever they need them.

Offering a program with this amount of flexibility and commitment meant that American Bolt had to expand their facility, perfect their inventory management and improve their technology.

As part of their overall strategy to improve their infrastructure, they decided to replace their computer system. They had been using fastener specific software for years and it had served them well. However, the technology was becoming obsolete. In the meantime they were facing increasing demands by customers for more reporting. The bigger warehouse also created the need for a wireless warehouse. Ease of use and up to date technology became a high priority.



Kevin Gogin, President,
American Bolt



Larry Egofske, Vice
President, American Bolt

Year-Long Selection

They literally spent a year looking at systems, going through demos, checking references, etc. and they finally decided on one. Larry said, "The process was very difficult. Unlike building an addition to the building or buying more parts, the software selection involved talking with computer people who seemed to be speaking a foreign language. We described our needs as best we could. The software vendors all assured us that they understood what we meant. They also all assured us that their systems would easily handle our needs."

He elaborated, "We finally chose one and it turned out to be a huge mistake for us. The system had lots

of bells and whistles and they claimed that they could do anything with its SQL Server architecture. It might be perfectly good, but it didn't meet the needs that we firmly believe we described to the vendor. We spent over six months trying to implement it. Each time we asked for something that we thought we were promised, it always seemed to be an extra. In addition, the people training us didn't understand fastener processes, which caused more frustration. We finally gave up. We spent a lot of money making that mistake, but at least we were smart enough not to go live on the system and jeopardize our business."

Smarter the Second Time

Undeterred by their lack of success, they went back out to software vendors in an attempt to find someone who actually understood their needs and would be able to help them. That's when they began looking at The BUSINESS EDGE from Computer Insights, Inc. in earnest. Larry was pleasantly surprised. He knew a lot more about how to choose a software package and computer vendor this time. He was not going to accept "salesman's answers". This time they did their due diligence with a new intensity and they left no stone unturned.

Larry said, "We got it right the second time. The closer we looked at The BUSINESS EDGE, the more certain we were that it would actually meet our needs. We talked to many of Computer Insights clients and we went into great detail about our sometimes complex requirements. Denny Cowhey, the CEO of Computer Insights patiently, knowledgeably and truthfully answered all our questions."

Up and Running in 90 Days

Continuing his praise, Larry said, "It was quite a refreshing experience. We bought The BUSINESS EDGE in March and we are already completely up and running on it. We went live on July 1st. They converted

our entire database including all the Sales and Purchase history. We have been surprised in a different way during this installation. Things keep showing up as better than we expected. Special little tweaks that we need are done quickly, effectively and without extra charges.

He stated, "We were comforted by the fact that Computer Insights is located nearby in a suburb of Chicago, but we found that wasn't so important after all.



Wireless Warehouse Increases Efficiency

They guided us through the entire installation without ever visiting our place. Instead of sending consultants out to bill us by the hour for endless unproductive meetings, things are handled quickly over the telephone or by E-mail. We don't have to explain our business to them, they already know it. The best part is that we have established a relationship with a fine company that we can grow with for many years to come. Their people are a pleasure to deal with. They don't talk down to us and they really understand the fastener industry. This time we found the software partner that we were looking for in the first place."

Poised For The Future

Now American Bolt is poised for the inevitable upturn and when it comes, they will be able to exploit it with greater ease and with more profitability. Things are good.

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