

## Optimas Solutions Upgrades Inventory Management



Optimas Solutions upgraded its inventory management solutions. Improvements implemented over the last 12 months have focused on technology enhancements, process automation changes and contactless delivery protocols. “The pace of business and delivery expectations for fasteners, C-Class components, and indirect consumables have increased significantly in 2020,” stated Daniel Harms, president of the Americas for Optimas Solutions. “This new dynamic for manufacturers and distributors is grounded on unprecedented demand coming out of the COVID-19 disruption and subsequent economic reawakening. We anticipated this change and made improvements in inventory management to adapt to this customer demand.”

According to the latest 2021 Thomas State of North American Manufacturing Report, 83% of manufacturers are planning to add North American suppliers to their supply chains within a year. This is a significant increase from 54% in March 2020. Daily challenges around inventory availability, lead times, and delivery schedules have become the norm.

“In a market environment where ‘inventory is the new king,’ timing, efficiency, and organization have never been more critical,” Harms stressed. “It’s these three characteristics of supply chains that call for inventory management solutions like ours that simplify and automate the process of replenishing high-volume parts.”

Optimas is focused on two sides of the equation to improve inventory management – the front-end collection of a variety of customer data that paints a clear picture of what’s needed to meet future demand mapped to supply chain partners’ inventory availability and production capabilities.

“Having a true understanding of demand and supply is the chief factor of our data driven approach,” Harms emphasized. “This type of sophistication and analysis enable us to collaboratively optimize planning, fulfillment, and financial investments for replenishing parts at smart manufacturers of all sizes.”

“This delicate balance of consumption and delivery, highly influenced by transportation timing is critical to successful, efficient customer inventory management,” said Paul Przyby, senior vice president of sales and marketing for Optimas Americas. “We have applied some of the best technology and thinking in the industry to our inventory management system. This gives customers the most valuable insight possible into their inventory and closes the gap between suppliers, distributors, and manufacturing customers.”

Optimas’ innovative OptiTech inventory management solutions use the latest technology to automate inventory replenishment. A secure, cloud-based just-in-time platform receives and processes orders from any OptiTech Solution with scanning and barcode technology and RFID. RFID is becoming more pervasive because it offers a higher degree of accuracy. In fact, RFID increases inventory accuracy from an average of 65% to more than 95%.

“More and more, customers are accepting the use of RFID as an investment for increasing sales,” Przyby said. According to Przyby, Optimas has a very skilled and experienced Demand Planning Team whose sole responsibility is to work with customers and ensure the company delivers accurate inventory forecasting and replenishment based on historical data, trends, and known upcoming events. “The team has been around for quite some time, but they have been empowered even more today with AI-based systems and technology that make customers and us smarter,” Przyby said.

## Private Equity Firm Acquires EFC International

EFC International was acquired by Chicago private equity firm Frontenac for an undisclosed sum. Founded in 1983 by the late Doug Adams, EFC is a global supplier of specialty engineered metal and plastic fasteners and other component parts to OEMs and distributors. St. Louis, MO-based EFC has locations in North America, Europe and Asia.



CEO Matt Dudenhoeffer and the current executive team will continue in their roles for EFC. “We have enjoyed strong growth over the past several years as we executed on a number of key initiatives that have expanded our global reach as well as our customer and supplier base,” stated Dudenhoeffer. “With Frontenac as our new partner, we are excited to leverage their industrial distribution expertise to continue our expansion plans, both organic and inorganic, and continue to increase market share both domestically and abroad.”

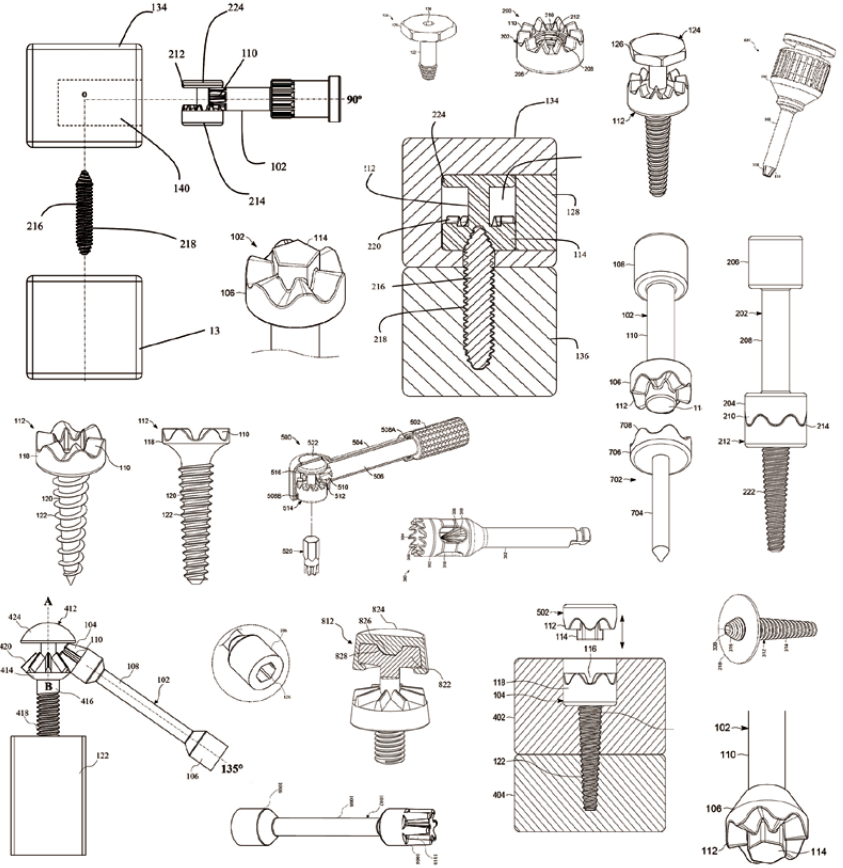


Ron Kuehl, Managing Director at Frontenac, added: “EFC has grown impressively and perfectly fits our target profile. We look forward to deploying our playbooks, working with the team to accelerate the pace of progress, and having another successful industrial distribution investment for Frontenac.”

Frontenac invests in lower middle market buyout transactions in the consumer, industrial, and services industries.

### UFS Reports Fastener Engineering Breakthrough

Universal Fastening System (UFS), Clearwater, FL, USA, announces versatile designs for the fastener industry. The company’s universally applicable system incorporates the best qualities of a screw, a bolt, a nut and a nail—all combined into one system, which can come in three, two or one-piece fasteners depending on the application. For example, a screw can be guided from an angle into its final position and a nail that can be inserted with built-in resistance to bending. And fasteners can be secured and tightened using non-skid, no-slip, dual internal and external hybrid connections that mesh closely together to resist stripping. UFS components can be made from any solid material such as metals, plastics, ceramics and rubbers in micro and macro sizes with various methods. The fasteners can be driven or accessed from angles of up to 180° and in the tightest of places with an effectively designed head that can act as a carrier for manual or automated use or as an anchor for a secondary process such as a permanent or non-permanent joint.



### Ramco Specialties Expands Capacity in Michigan

Ramco Specialties, Hudson, OH, USA, continues to make significant investments in its Michigan facility. Ramco has purchased a third building, adjacent to its two existing buildings, which provides 10,000 ft<sup>2</sup> of production space, resulting in a total of 45,000 ft<sup>2</sup> at Ramco’s Michigan location. The expansion is a part of Ramco’s ongoing goal of increasing production in the USA. With the national supply chain problems and lack of timely delivery created by international trade, Ramco has made a commitment to help alleviate these issues by boosting its manufacturing capacity and ability to get product to market quicker. Ramco Michigan will continue to focus on its expertise in precision machining, particularly for the automotive and aerospace industries.



### SPIROL White Paper: Proper Pin Selection

Danielson, CT, USA-based SPIROL International Corporation has recently published a White Paper, titled, How to Select the Proper Pin for Your Application, and authored by Jeff Greenwood, Product Sales Engineer. Pins are some of the most common types of fasteners used in modern manufacturing. Ideally, the design engineer selects a pin that is simple to assemble, provides desired performance for the intended lifetime of the assembly and yields the lowest overall cost of the assembly taking into account the entire manufacturing process. With so many different types of pins to choose from, it is difficult for designers to be sure that they have selected the best pin for their specific application. It is for this reason that this White Paper was created by SPIROL. The White Paper specifically focuses on how to select “press-fit” pins for different types of applications, as these are the most common types of pins.





## Brad Gallagher Joins ND Industries as Business Development Manager

ND Industries, Clawson, MI, USA, has hired Brad Gallagher as Applications Engineer and Business Development Manager. Brad will be focused on the growing electric vehicle industry, as well as the aerospace and industrial markets, while fostering ongoing relationships with clients across the Western United States. As a trusted partner, Brad will work with new and existing customers to determine how ND can help solve their problems. Brad's career path allowed him to work with world-renowned chemical manufacturing companies that specialize in fasteners.

In today's world, businesses have fewer resources and less time to continually vet their sources. Supply chain issues are keeping Taiwan fastener imports down.

"It's not a shift away from Taiwan at all," Ruggles noted.

A lot of customers are going back to domestic fastener manufacturers due to 22-24 week lead time one year ago; now its 32-40, according to Jon Najeski, Manager of Purchasing of Screws Industries Inc.

"A lot of industries can't wait that long to get products."

"The capacity to meet demand is not there in the U.S., so we have to supplement with overseas suppliers," noted Ruggles. "This is nothing new."

Infrastructure spending in the coming years will drive ongoing fastener demand, Nagle predicted.



Taiwan exports 1.36 million tons of fasteners each year at a value of US\$3.99 billion. The U.S. imports 609,000 tons of Taiwan fasteners each year at a value of \$1.69 billion.

## Supply Chains Worsen for U.S. Importers

Supply chain issues are worsening for U.S. importers. But domestic manufacturers are not interested in orders that merely supplement what distributors are importing, according to Doug Ruggles, President of Martin Fastening Solutions.

While importers have been forced to change their business process during the pandemic, there is no substitute for face-to-face interactions, according to a forum from the Taipei Economic and Cultural Office and Crain's Chicago Business.

Importers buy fasteners from Taiwan because of consistent quality, Ruggles added.

"As soon as Section 301 tariffs went into effect, we utilized our Taiwan connection to meet our needs," stated Joe Nagle, Sr. Manager, Strategic Sourcing, Customer Solutions, Lawson Products.

## Bartel Advises IFE: Take Action on Inventory

While lead times rose in 2020 before the Covid-19 pandemic, Josh Bartel termed today's high demand and longer lead times as a "Covid double whammy."

Suppliers need to change their sales forecasting based on past sales, Bartel, CEO of Hydrian Inventory Optimization, said in an International Fastener Expo conference session. Upon Covid, Q2 "demand sunk" while orders were still arriving. By relying on sales, suppliers got "gun shy on buying" during 2020 Q2.

Since the summer of 2020, "demand has been recovering and lead times extending," Bartel said. Lead times have doubled in 2020.

A company may now have 10 days inventory, but the lead time has increased to 42 days. "We have nothing when the customer wants it."

He cited an example of having 20+ days inventory last year and being down to 12 days now.

If your inventory is dwindling, you can be losing sales, Bartel warned.

• "Take action right away" to restock, Bartel urged. If a supplier can't ship to one location, can shipments be diverted to a branch? Bartel suggested. "Working with your vendors is critical," Bartel declared.





## FDI Hampered by Supply Chain & Labor Issues

The seasonally adjusted August 2021 FDI (55.4) moderated from last July's 59.6, reflecting "lower employment levels and a softer seasonally adjusted sales index (-7.7 m/m)," according to R.W. Baird analyst David Manthey.

Pricing, however, continued to accelerate amid raw material inflation, inventory/labor shortages at the supplier level, and robust demand. This resulted in further improvement in the FDI Pricing month to month index.

"In addition to extended lead times, labor shortages, and freight delays impacting respondents' ability to meet orders, the ongoing semiconductor chip shortage continues to have negative impacts on demand (most likely in auto) for some respondents," Manthey writes.

After four months of decline, the seasonally adjusted Forward Looking Index rose to 73 due to "extremely low (and weakening) customer inventory levels, which could be a positive for future demand, as well as a better outlook," according to Manthey. With the exception of the employment index, which continues to be impacted by labor shortages, all other FLI components (respondent inventory levels, customer inventory levels, and six-month outlook) improved last August.

The FDI employment index declined to 53.8 from 61.3 last July. Just 19% of respondents saw employment levels as above seasonal expectations vs. last July's 26% as the job market remains extremely tight, "although the recent expiration of enhanced federal unemployment benefits could spur additional return to the labor force."

Labor and logistics constraints continue to be respondents' top concerns.

"Continued supply chain challenges due to port/rail congestion, raw material availability," one respondent commented. "Labor remains scarce."

"In my 30+ years in the business I don't think I have ever had such a difficult time meeting demand," another noted.

Lastly, semiconductor chip shortages also remain a headwind for some respondents: "With delay in imported material and computer chips our sales are down by as much as 15% and doesn't look like it is going to improve anytime soon."

## Bufab to Acquire Component Solutions



Bufab agreed to acquire all outstanding shares of Dayton, OH-based Components Solutions Group, Inc. (CSG) for \$26 million.

Founded in 2000, CSG distributes fasteners and other C-class components, with annual sales of approximately \$30 million. CSG also owns three subsidiaries - two in Ohio and one in Kentucky. Under the leadership of current president Ernie Riling and minority owners Matt Coy, Ken DeCrane, Thomas Girgash and Rick Clark, CSG has 85 workers and generates a 10% operating profit. "By joining Bufab, we will be able to continue to improve our customer offering, grow our business and strengthen our team," stated Riling. "I am pleased to continue as President and CEO at CSG."

Founded in 1977 in Sweden, Bufab has operations in 27 countries. Bufab has 1,350 employees. Bufab's net sales amounted to Swedish Krone 4.2 billion (US\$432 million) and the operating margin was 9.5%.

## UK's Trifast Acquires Falcon Fastening



Trifast plc



UK-based Trifast plc acquired Falcon Fastening Solutions Inc. NC-based Falcon is a North American fastener distributor and will be Falcon. Trifast paid US\$8.3 million for Falcon.

Trifast CEO Mark Belton said the "Carolinas region is a strategically important area for us where a number of our global OEMs have facilities." "We believe that the combination of Falcon and Trifast's locations, experience, knowledge base and skill sets will open significant opportunities to expand the service and portfolio offering to both existing and new customers on a domestic and international basis. We look forward to working together to create a stronger presence for Trifast in North America."

Falcon Metal Corporation was founded in 1979 by Bruce Roberts and Nancy Roberts. Don Nowak joined Falcon in 1997 from Hoyt Fasteners in Chicago and acquired the distributorship in 2008. The name was changed to Falcon Fastening Solutions in 2014. Current president and major shareholder Giovanni Cespedes, who joined Falcon in 2008 and acquired it from Nowak in 2018, will remain with the business.

Today Falcon Fastening distributes industrial fastenings and class C components and from locations in North Carolina and Kentucky. Over 90% of production components supplied by Falcon are customer specials. Falcon specializes in customized supply chain solutions that support lean principles. Trifast announced it intends to retain all staff at both Falcon and US operations.





For 2020, Falcon reported EBITDA of US\$1.27 million. Trifast chair Jonathan Shearman described the Falcon acquisition as “our next step into the North American market, and we are confident that this business, alongside our existing Houston operation provides a springboard to further develop our presence within this important region.” Cespedes termed the acquisition a “fantastic opportunity for Falcon’s employees, customers and suppliers. Becoming part of Trifast gives all of us at Falcon the opportunity to work more closely with a well-respected international business.”

## NUCOR®

### Nucor Expanding Fastener Division

Nucor Corp., Charlotte, NC, USA, will expand its Nucor Fastener division with the acquisition of an existing state-of-the-art coil processing facility in Shelbyville, IN, USA. This facility includes an automated clean and coat line, two STC® furnaces and wire drawing capabilities. In addition to coil processing, Nucor will also expand fastener manufacturing capabilities by installing bolt making equipment at the Shelbyville facility. This new operation will employ some 33 team members with the potential to double those jobs. “We are excited to grow our Fastener Division with the acquisition of these assets,” said Joey Loosle, Nucor Fastener GM. “Adding bolt making capability to the Shelbyville facility will help expand our offerings to the automotive, heavy truck, industrial/MRO and structural fastener markets.”

By recycling steel in electric arc furnaces, Nucor is among the cleanest steel producers in the world, with greenhouse gas emissions that are one-third of the global steelmaking average and nearly one-fifth of the average blast furnace steel producer. Nucor’s Fastener Products are made with 97% recycled content, which is far more sustainable than fasteners produced from blast furnace steel made overseas.



### BUMAX Expands in USA

As part of a strategy to increase its presence in the North American market, Swedish leading manufacturer of high-strength stainless steel fasteners, BUMAX, has hired Bo

Andersson to the position of Business Development Manager for the USA. “We see the USA as a strategic focus market for BUMAX with huge potential for our premium stainless steel fasteners in a variety of industries,” said Lars Holm, Managing Director at BUMAX. “We will increase our efforts to capture new clients and new projects in North America in sectors like marine, oil and gas, energy, defense, pulp and paper and construction where durable and high-strength fasteners are increasingly required.” Industry veteran Bo Andersson will be responsible for growing the American market and making sure that BUMAX continues to provide excellent customer service as a “solutionist”.

### Threaded Fasteners, Inc. Acquires RTC Threaders

Threaded Fasteners, Inc. (TFI), Mobile, AL, USA, a 100% employee-owned business specializing in the manufacturing, custom packaging and distribution of steel fasteners, has acquired RTC Threaders, formally Ruja Tooling Corp., based in Churubusco, IN, USA. RTC was founded in 1971 by Jack Pease, and today RTC runs under the direction of his son, Rick Pease, and it is the premier manufacturer of planetary threading equipment in the USA. RTC has been the USA leader in manufacturing planetary threaders since 1971 and continues to innovate and develop new lines of threading machines. Also making the transition is long-term business associate Chuck Wilcoxson, who has been an integral part of the success of RTC from the beginning and is looking forward to this new chapter in the life of RTC.

“We are thrilled to have Rick and the RTC team join the TFI Family, I have had the privilege of getting to know Rick during this time and I was not only immediately impressed with the quality of the machines that he designed, but most importantly the quality of his character,” says Billy Duren, President and Chief Motivational Officer of Threaded Fasteners, Inc. “I had heard of RTC, but I really didn’t know much about their operation. I interviewed several people who had an RTC Planetary. One owner described the machine as a ‘beast,’ and another stated that it was a ‘workhorse.’ So, over the course of several months of conversations, both Rick and I began to see the value of combining our efforts and knowledge by making RTC part of the family of companies owned by TFI.” Depending on diameter the RTC Threaders Eagle Planetary Threading Machines can manufacture over 100 parts per minute. Machines are custom made to order and are available with quick change, modular, and single or double end units.

