

American News

Lawson Products Changes Name to Distribution Solutions Group



LAWSON Products

Powerful Solutions. Proven Results.



The specialty distribution company includes MRO C-parts distributor Lawson Products, OEM supply chain services provider Gexpro Services, and TestEquity, an electronic test & measurement solutions provider. “We are excited to reach this next step in the evolution and transformation of these businesses, and believe that Distribution Solutions Group, tagline *Powerful Solutions. Proven Results.*, exemplifies our strong leadership position,” stated chairman and CEO J. Bryan King.

Founded in 1952, Chicago-based Lawson Products distributes MRO products and services from facilities in all 50 states, as well as Puerto Rico, Canada, Mexico and the Caribbean. Lawson’s Bolt Supply House serves customers in Western Canada and the Kent Automotive brand supplies collision and mechanical repair products to the automotive aftermarket. In the first quarter of 2022, Lawson Products reported sales, including fasteners, rose 13.8% to US\$117.9 million. Average daily sales grew 12% to US\$1.84 million. The integrated Lawson/Partsmaster sales grew 12.1% through price, volume and sales rep productivity. Realization of price increases instituted during 2021 and the first quarter of 2022 led to higher sales on a sequential basis and compared to the prior year quarter. The Bolt Supply House sales improved 26.9% from continued strength in branch location sales and a recovery of direct sales to oil and gas customers. Q1 gross profit increased US\$5.9 million to US\$60.5 million, driven by higher sales. As a percentage of sales, reported gross margin decreased to 51.3%. Net income nearly tripled to US\$9 million. DSG serves 120,000 customers supported by more than 3,000 employees. DSG ships from distribution and service centers to customers in North America, Europe, Asia, South America and the Middle East.



Sustainable Procurement & External Manufacturing for Schneider Electric. “A company’s supply chain accounts for a much larger proportion of emissions, so engaging supplier partners is a critical step towards climate action. Energy is a major source of greenhouse gas emissions, and while we recognize that decarbonization is not easy, it’s necessary.”

Hilti Group Sales Rise in 2021



In the first four months of 2022, the Hilti Group achieved a 5.6% sales increase to CHF 2.03 billion (US\$2.04 billion). In local currencies, growth reached 9%. “The global supply bottlenecks, combined with massive price increases for raw materials and for energy and transportation, have been further exacerbated by the war in Ukraine and the current lockdowns in China,” stated CEO Christoph Loos.

In Europe, Hilti increased sales in local currencies by 8.8% with a positive development in Northern and Southern Europe. In the Americas, the increase amounted to 10.9%, supported by strong growth in Latin America. Influenced by the COVID-19 restrictions, sales in Asia achieved only slight growth of 1.1%. The Eastern Europe / Middle East / Africa region recorded double-digit sales growth (+15.4%) “as the effects of the war in Ukraine and the associated sanctions against Russia will only become visible in the business results in the coming months.”

The challenging market environment and rising interest rates increase the likelihood of an economic slowdown in the construction industry. “Nevertheless, the Hilti Group continues to expect double-digit sales growth in local currencies for the full year, driven primarily by price increases.”

The Hilti Group supplies the global construction and energy industries with products, systems, software and services. With about 31,000 team members in over 120 countries, the company generated sales of nearly CHF 6 billion in 2021. Headquartered in Schaan, Liechtenstein, since its founding in 1941, Hilti is privately owned by the Martin Hilti Family Trust.



Henkel Decarbonizing Supply Chain

Adhesives manufacturer Henkel has set a corporate goal to be climate-positive by 2030.

The company has partnered with energy and sustainability firm Schneider Electric to halve their operation’s CO2 emissions by 2025.

“Decarbonization is a fundamental part of meeting our ambitious sustainability targets,” said Ulla Hüppe, director of sustainability for Henkel’s Adhesive Technologies business unit. “We are fully committed to the Schneider Electric program, and we’re honored to have been asked to share our expertise to help other suppliers get started. Together, we can advance our positive environmental impact.”

As of 2021, Henkel’s CO2 emissions per ton of product have been reduced by 50% (vs. base year 2010), offering a model of success in sustainability.

“The catastrophic challenge that climate change presents cannot be overcome by a company’s actions alone,” said Christophe Quiquempoix, VP,



Soft Sales Slow FDI Growth

The seasonally adjusted April Fastener Distributor Index declined to 52.6 from 57.2 in March, driven by a decline in the sales index from a general market slowdown, limited material availability for specialty fasteners, lower “panic buying” and Spring Break-related softness. “Pricing continues to march higher – particularly on stainless steel – as evidenced by further improvement in the year-to-year pricing index,” according to R.W. Baird analyst David Manthey. “Overall, growth/market conditions remain nicely positive but slowing relative to recent months.”

The seasonally adjusted Forward Looking Index dropped to 55.1 from 65.4 the previous month, hurt by a weaker employment reading and lower six-month outlook. “Overall, with demand still in a healthy place and supply chain challenges leading to very extended backlogs, we believe the FDI should remain in growth mode ahead,” Manthey writes.

The most common theme in April was slowing growth. One respondent said they were “seeing some market slowing, however other parts of our business are still growing.” “Business is starting to taper, panic buying is over and product is [slowly] arriving,” another respondent noted. Availability of products and extended lead times continue to plague respondents.

“Incoming orders continue to be very strong,” Manthey explained. “Material pricing still on the rise, especially stainless steel but at least we are getting regular deliveries again. Lead times on new orders are stretching out to 4-6 months depending on material.” Despite supply chain challenges, many participants’ sales are still exceeding expectations.

Fastenal’s 20.3% overall April daily sales growth was a touch below 22.2% estimate. Fastener sales were very strong at 25.5% y/y (essentially consistent with last month’s 25.2% growth).


STAFDA: Employee Retention About More Than Money

A company’s culture is what can keep stand-out employees from quitting to go down the street for 50 cents more an hour, a “chief appreciation strategist” told participants of a Specialty Tools & Fasteners Distributors Association webinar. Lisa Ryan recalled intrigue with the welding consumables industry drawing her into a job with Lawson Products where she was the only woman in the orientation class. She “fell in” by learning


about metal preparation, joining assemblies and the “smell of welding.” But it was the culture of the company led by the boss that “kept me there” for seven years, Ryan recalled.

At a Premier Automotive Supply Co. picnic, new employee Ryan approached CEO Mort Mandel. He took interest in meeting her and in doing so created a fan. Traditionally it could be layers of management asking “if it is ‘okay’ if Lisa says ‘hello’ to Mr. Mandel,” she said. Such personal contact can be lost in remote jobs. Particularly with working remotely during the pandemic the personal connection of “hallway conversations” are missed, Ryan found. To retain “human connections” with remote employees, Ryan suggested “keep the camera on” during remote meetings.






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Often an employee departing is “not about the money. They are leaving you, they are leaving your culture,” Ryan said. A positive company culture means the chance of employees leaving “goes down substantially.” Ryan said she has known employees who have taken wage decreases – even 20% less money – for a better work culture.

Ryan recommends a seven-point program for employee relations:

1. Acknowledge excellence.
2. Be accessible. Employees want access to company leadership – particularly younger ones, Ryan said.
3. Express empathy. Your other employees will see and realize “they will have my back” in time of need. If you show empathy, a certain number of employees will take advantage of you, but 97% will appreciate that you will assist them.
4. Flexibility. Does every job have to be 8-to-5 or can working hours be adjusted for an employee due to babysitter availability or other situation?
5. Conduct ‘Stay’ interviews. Employers traditionally conduct “Exit” interviews, but should add “Stay” interviews too. Start by asking for three things the employees like. Then instead of asking the negative of what they “don’t like,” ask the positive of “If you were me, what changes would you make?” Ryan said in the first round of “Stay” interviews, employees tend to “tell exactly what they think you want to hear,” but in subsequent sessions many tell more.
6. Invest in training. Many are reluctant to pay for training because the employee leaves. But Ryan asks: “What if you don’t train them and they stay?” She suggested offering \$1,500 to employees for a variety of training programs. That can be lunch and learn, sending an employee to a trade show or even participating in a group such as Toastmasters. The 3% to 5% who take advantage of the training “are your future leaders,” Ryan predicted.
7. Thank your people. Ryan recalled that while a salesperson in the welding division of Lawson Products, the boss hand wrote a compliment on her commission statement.

Field Announces Leadership Succession

Rockford, IL, USA-based Field Fastener, a family owned, global supplier of inventory management, technical support services and complete supply chain solutions for fasteners and other “C” class items, has announced the company’s



leadership succession plan. Jim Derry, President/CEO of Field, has announced that Adam Derry will be promoted to succeed him as President. In addition, Chris Pauli will be promoted to Executive Vice-President and Chief Financial Officer (CFO). Jim Derry will remain the company’s CEO.

In 1990, Jim and Bill Derry acquired Field from Dick Field. Since that time, Field has seen aggressive growth, achieving an 18% average growth rate per year due to its world-class culture and staying customer centric. Field currently has operations in Rockford, IL, USA; Tyler, TX, USA; Florence, SC, USA; Troy, IL, USA; Monterrey and Monclova, Mexico; and Kaohsiung, Taiwan. As Field CEO, Jim Derry will focus on key customer relationships, acquisitions and strategic planning. As Field President, Adam Derry will provide strategic direction for the entire organization, ensuring Field achieves its financial and organizational objectives. Adam will have overall accountability towards Field’s operating plan, and ten-year strategic plan, as well as protecting and enhancing the Field culture as it continues to grow.



Copper State Bolt & Nut Celebrates 50 Years

Copper State Bolt & Nut is celebrating 50 years as a distributor/manufacturer providing quality products, great service and strong relationships with customers in construction, mining, manufacturing and renewable energy. Martin Calfee began the business in 1972 in Phoenix, AZ, USA, with six employees and a 6000 ft² warehouse, and he knew building a foundation of quality customer service was key. “My goal from the start has been to be the best distributor in the USA,” said Calfee. “I wanted to provide the best customer service around town, and I wanted my suppliers to think of me as their best customer.” To achieve this, Copper State focuses on ensuring all employees, customers and vendors know they are part of the family. This emphasis on putting relationships first is why the company has been able to expand to 500 employees in 30 sites across 10 western states serving more than 20,000 customers.



Rotor Clip & LISI Automotive Partnership

Rotor Clip and LISI Automotive NOMEL have partnered to serve the industrial market. With over 200 years of combined manufacturing excellence serving industries like automotive, aerospace, medical and more, Rotor Clip and LISI are the global leaders in Application Driven Solutions™. As the global leader in the manufacture and design of Circlips, retaining rings and wave springs, Rotor Clip now expands its reach of products, engineering and service to the market through LISI Automotive, and the two companies have synergy with their established manufacturing and distribution facilities in the EU marketplace. “The two brands, both well known and well established in Europe, will offer advice and technical expertise to their customers as well as a wide range of locally manufactured products,” says Christophe Martin, General Manager of Business Development at LISI Automotive. “This collaboration will guarantee increased stability of the supply chain to a European market undergoing profound change.” ■

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