



5 Min. to Get to Know the Largest Master Distributor of Steel and Fasteners in USA:

Chairman Robert Shieh of Ta Chen & Brighton-Best

by Tanya Shih, Fastener World Inc.

16 years ago, a visionary adopted a new method of marketing by building an online sales platform and revolutionized the model for distributing stainless steel products in the United States and Canada. 7 years ago, this innovator was the first to introduce a successful Internet-based sales platform to the fastener industry and soon captured a lion's share of the master distribution market. Last year, Brighton Best International sold more than two hundred thousand tons of fasteners. Currently the only man with this type of foresight can rise in such a short time to lead the two largest distribution companies in the US for stainless steel products and industrial fasteners. With a little more time, he will very likely become the most influential man in global standard fastener distribution. This man is Robert Shieh, the Chairman of Ta Chen Stainless Pipe Company Limited (TPEX: 2027) and Brighton-Best International, Inc (TPEX: 8415).

Mr. Shieh's new method of distribution unquestionably forces a positive revolutionary change in the production and sales of stainless steel products and fasteners. He will be nominated into the "Hall of Fame" at the National Industrial Fastener & Mill Supply Expo in 2015 in recognition of his contributions. The ceremony will be held at the dinner gala during the Expo this October. Fastener World Magazine is pleased to have interviewed Mr. Shieh at the headquarters of Ta Chen Stainless Pipe, who shared his feelings on receiving the honor, reflected on his career, and introduced new business ideas. We hope this interview would allow our friends in the global fastener industry to get to know Mr. Shieh!

Shieh's Sincere Appreciation to San Shing President Guo Ann Li

The "Hall of Fame" was established to recognize and honor those individuals who have made significant contributions to the betterment of the fastener industry. Individuals are

not selected based solely upon their personal achievements, tenure, or the financial success of their respective businesses but, rather, what they did to further the industry as a whole. Therefore, this honor is not presented annually after it was first presented in 1982 and there is no exact number of entrants for this honor, either. The historical significance and credibility of the "Hall of Fame" honor make it the top recognition of achievement in the fastener industry."

Mr. Shieh's entrance into "Hall of Fame" is a milestone in his career. He expressed his gratitude to President Guo Ann Li of San Shing. "I would like to thank him for hiring me. At the age of 24, I graduated from college and had the chance to be a salesperson for San Shing. Later, San Shing promoted me to become the global sales manager for the fastener machinery department. "After 6 years with San Shing, I got a clear picture of the global fastener industry and the experience helped me develop the blueprint for how I wanted to revolutionize the global fastener business. Although I left San Shing in



1980 and ventured into the stainless steel industry, the work I did at San Shing gave me the confidence to take over Brighton-Best (Sockets) (Today, Bright Best International or BBI is the largest fastener distributor in USA) in 2008 and adopt online production and sales system," said Shieh.

Not Being the Biggest, But the Leader Among Biggest Suppliers

The core business strategy of Ta Chen Stainless for stainless steel products and BBI for standard fasteners is: "The Taiwan headquarters maps out directions while purchase and sales are done globally." How does the company ensure that customers will receive the highest quality products after they place orders? Mr. Shieh responds, "The strategic cooperation with suppliers to allow for planned production is the key to quality assurance." Brighton Best International has long-term cooperation plans with global fastener giants like Jinn Her and Fang Sheng in Taiwan as well as Gem-Year in China. Brighton Best had also been a renowned distributor for Alloy Socket Head Cap Screws before it was acquired. Robert adds, "Instead of saying that we cooperate with fastener giants, it is more appropriate to say that we particularly look to

partner with industry leaders that strive to be best in class when it comes to quality control, production planning, and management philosophy. Only by cooperating with like-minded partners, we can benefit from each other and grow together." BBI ensures suppliers that every order for production will be placed consistently as scheduled, and therefore suppliers can guarantee high quality products with consistent delivery in return. Together, BBI and its supply partners have built a steady and firm supply/demand system in the fastener market. BBI welcomes first class companies to share ideas and goals and to work hand in hand, so we all can grow together to add more jobs in our respective local markets."

Widening Customer Base with Corporate Value, Outrunning Counterparts with Cost-effective Operation

Our corporate value is not always an easy idea to explain. To put it simply: "Demand is like a desire. If you can satisfy your clients' demand in the first place, then you have already won half the battle." However, the challenge is to ensure that your customers will come back and that is what the strong corporate values achieves. While introducing his products, Robert said, "I want to

build BBI into a best in class One-Stop shop for industrial products. We have the most specialized suppliers and the most diversified product lines. We give our customers the flexibility to decide

what they want and how many they want to buy through an easy online order system. They can place the order today and receive it tomorrow. By providing high quality products at fair prices by utilizing a convenient ordering platform that delivers efficient service, it is easy to see why customers keep coming back to us."

Mr. Shieh is firmly convinced that going to an online distribution system is an important new trend that will improve distribution efficiencies for old line industrial products." Brighton Best sells products ranging from the most expensive alloy steel fastener to the cheapest carbon steel fastener. During tough times when profit margin is low due to commodity price fluctuations, one has to reduce his sales and marketing cost in order to improve profit margin and outrun the competition." With a scalable business model with high operating leverage, Brighton Best is able to maintain or reduce overhead costs while the top line continues to ramp up once operating scale economies are achieved. Soon this may be the key advantage that allows BBI's to become the global distribution leader in standard fasteners.

Business Expansion to U.S. Professional Industrial Products Market

Brighton Best had historically only focused on alloy socket fasteners

prior to 2008. However, in the past 5 years, the sales volume of its low to medium carbon fastener has increased 10 folds. Last year the sales volume exceeded two hundred thousand tons and the sales value reached USD \$400 million. The alloy socket fasteners now represents only 10% of BBI's sales. The total area of BBI's warehouses in USA has increased from 440,000 sq. ft in 2008 to 2 million sq. ft in 2014 (with 23 locations in Long Beach (California), Denver (Colorado), Dallas (Texas), Atlanta (Georgia), Cleveland (Ohio), and Chicago (Illinois), and other major cities). In recent years the company has been also active in expanding its distribution networks in UK, Australia, Canada, Brazil, and New Zealand.

In response to customer needs, BBI is in the process of adding a new line

of hand tools and hopes to turn its Preferred® Tools line into a world-renowned brand through the effort of its 6,000 distribution clients around the world. Robert analyzed, "The size of U.S. professional industrial tools market is worth about NTD2.5 trillion but there are also many large hand tool companies with strong brand recognition. However, I am confident that we can have a presence in U.S. hand tool market in the near future through our distribution partners and we plan to further expand this line into the global market. We are very open to acquiring new technology and distribution routes through acquisitions. When we do it, we do it the best."

Every few years, Ta Chen Stainless Pipe will have interesting news for us. Fastener World is looking forward to the next interview with Robert Shieh. ■

