

Strengthening the supply chain for distributors in Europe

With the ongoing challenges within the global fastener industry, and wider global markets, it has never been more important for businesses to adapt quickly and efficiently to meet the needs of customers. That's why global fastener distributor Fastbolt is preparing to be one of the first companies worldwide to pilot an automated compact storage system to further increase its efficiency.

Ekkehard Beermann, managing director at Fastbolt Group, explains: "We see various trends in these times of constant change and one challenge we have been experiencing for some years now is recruiting qualified labour for all sectors of our company. Although we focus on promoting young talents by offering various education and training models for commercial, logistics and IT job profiles, external recruiting is not easy. In our market position, as an importing wholesaler, efficiency in handling goods receipts and order preparation is likely to be one of the keys to success in the future and without automation we will not be able to increase our output in the years to come – partly also because skilled logistics staff are extremely hard to find on the employment market. With that in mind we decided to work with proven external logistics experts on a consultancy project on how we could benefit from a much higher level of technology and automation at our central warehouse in Germany."

The first stage of this long-term consultancy project included an extension of Fastbolt's warehouse and the installation of an innovative automatic bin storage system – the Jungheinrich PowerCube.



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The Jungheinrich PowerCube will add 20,000 bin locations to Fastbolt's current 20,000 manual pallet locations, increasing the efficiency of handling smaller quantities and a wider range of stock items – whilst also increasing overall storage capacity by at least 30% as smaller volumes will be transferred from pallets to bins.

"Being only the second company in the world installing this new automated compact storage system, Fastbolt is very excited to be a pilot customer and therefore part of the technical evolution of intralogistics," states Ekkehard. "This first step into automation will certainly not be our last and we now have a clear idea on what areas of our intralogistics need further technological support to be more efficient in the future."

The Jungheinrich PowerCube will create a more ergonomic workplace for Fastbolt's staff and increase work safety, but at the same time will free up pallet locations creating room for stock range extensions, something Ekkehard believes to be key in light of the current market challenges impacting the fastener industry.



"With all the exceptional but very significant market developments and changes in the past three to four years – such as the Covid-19 pandemic, the introduction of anti-dumping duties against China for carbon steel fasteners, the Russian attack on Ukraine, with all its consequences to European economies, as well as the extremely volatile market for sea freight – the main challenge for the past two years has been adapting the business to these drastic changes, which is certainly very demanding."

Managing CBAM

Another regulatory change has been the recent introduction of CBAM regulations – something that, as a business trading mostly standard fasteners that have traditionally been sourced in many different supply markets outside the EU, will have a massive impact for Fastbolt Group. "It came as a surprise for the entire industry that fasteners were added to CBAM at the last minute, with only very little preparation time," explains Ekkehard. "While I fully support the general principles behind CBAM of trying to reduce carbon emissions worldwide, rather than only in Europe, I still see the inclusion of fasteners as being very problematic for our industry and creating massive risks for the European economy as a whole."

He continues: "Looking at the regulation itself it becomes obvious that it had been designed for upstream products and certainly not for complex downstream products such as fasteners – with multi-stage production processes and traded through fragmented supply chains. The small to medium sized, but extremely relevant, manufacturers of fasteners all over Asia are having severe problems obtaining and providing the CBAM relevant emission data, which puts us importers under extreme pressure as we need to know and report specific emission data in order to import the product. Therefore in our view, fasteners should be taken out of the CBAM product scope, as the system is far too complex for our product and its supply chain. In any case it would have been much more realistic to exclusively focus on the CBAM based compensation of emissions caused by the production of the steel raw material in comparatively only very few different steel mills. It is these emissions anyway that count for the vast majority of total emissions caused by the production of a fastener. Relevant compensation would still be achieved while the unnecessary collection of minor but very detailed, as well as hard to collect and verify, emission values caused within thousands of different fastener manufacturing places outside the EU could be set aside. The effort of collecting, reporting and monitoring this particular data by far outweighs its relevance."

Ekkehard continues: "At Fastbolt we are working with a high-level of effort to handle CBAM and its consequences to our business. However, we also know that we will not be able to place orders anymore to suppliers that are not able to provide the required data. Looking at the current stage of CBAM it becomes a certainty that it will therefore have a massive negative impact on the fastener supply for the European economy. As it is not too late yet, we still hope that fasteners can be taken out of CBAM, or at least necessary amendments to the regulation can still be made by the EU during the current transition period so that damages to our industry can be avoided."

Committed to customers

To continue trading in an extremely competitive and challenging market environment, Fastbolt Group has a commitment to quality to ensure

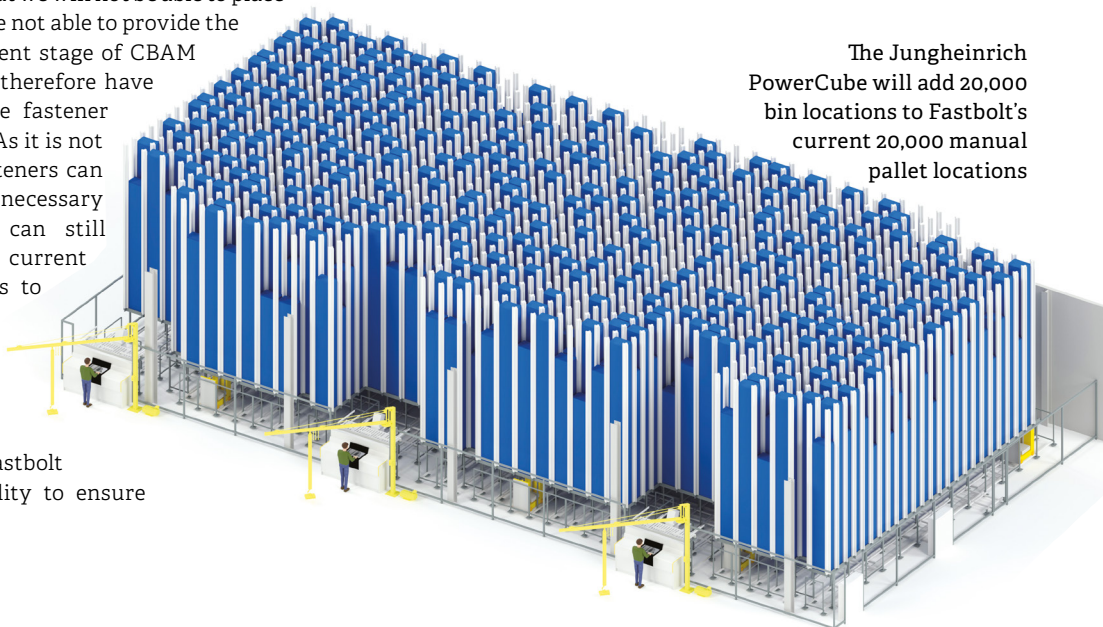


consistency on all levels of activity. The company maintains an increasing amount of high-quality stock in its warehouses in Germany, the UK, and Portugal, as well as having strong relationships with competent supply partners all over Asia, looked after and supported by its own Asian sourcing team.

Exclusively supplying distributors, Fastbolt also offers customers efficient digital supply solutions from EDI via API up to FOnline, its in-house developed eCommerce solution that was introduced almost 20 years ago and has been developed consistently over the years. "Our services offered to distributors go far beyond just providing a comprehensive and competitive range of products," proudly states Ekkehard. "We strive to be the best choice supplier for distributors – offering the best overall package. The need to be extremely efficient, error-free, reliable and innovative is huge. There is constantly more data involved and a higher level of system integration required in order to maximise the advantages and to comply with an increasing level of regulatory demand."

He adds: "We have continued to invest in systems, more advanced inspection equipment and machinery, as well as spend more and take additional time to ensure we are a highly qualified supplier to distributors and continue to be in the years to come. In an increasingly complex global trading environment of more demanding regulations and documentation requirements, Fastbolt has the infrastructure, competence and processes to strengthen the supply chain for distributors in Europe."

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