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Extending the Distributor's Business Model



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Extending the Distributor's Business Model

How G.L. Huyett Uses Culture and Technology to Support Distributors

Founded in 1899, G.L. Huyett – one of the oldest continually operated businesses in the State of Kansas – has worked to maintain its entrepreneurial heritage. In recent years that heritage has evolved to a culture that builds processes and utilizes technology to support the integrated supply model prevalent in the industrial fastener market.

"G.L. Huyett has worked to combine culture and technology in ways that allow us to become an extension of our Vendor Managed Inventory (VMI) distributors' business models," says Timothy O'Keefe, CEO.

"Many industry peers promote inventory reduction through scheduled releases, blind drop shipping, and broken box sell quantities," says Dan Harriger, Vice President-Sales, "but our VMI customers consider these to be table stakes."

The Company offers a diverse range of products and services that set them apart from other distributors in the fastener industry. Harriger specifically described how they support their VMI distributor customers.

How G.L. Huyett is Different

- With a direct sales force, G.L. Huyett is among but a handful of companies that have full North American coverage. The Regional Sales Managers (RSMs) are highly trained and equipped with significant technology assets to help customers make winning decisions and enable their success.
- The Company offers full-functioning ecommerce website with rich product attribute data displays real-time counts of stock on hand, quantity/price breaks, complete account history, automated order tracking, and free Material Test Reports (MTRs) and Certificates of Compliance (CofCs) at the lot level for nearly every SKU (*some exclusions apply*). Customers can access information directly from mobile devices, tablets, or desktops.
- G.L. Huyett doesn't just quote parts. When inquiries are received from VMI

partners, actions are taken to understand the customer's needs and objectives before crafting solutions that help them win new business or better manage existing business. G.L. Huyett's Customer Service Team also tracks the receipt and response time of every quote to ensure that their VMI customers get quotes back quickly in order to meet their bid requirements.

- G.L. Huyett has in-house engineering to provide Value Analysis and Value Engineering (VA/VE) consultation, and multiple machine shops capable of producing custom specials, all designed to support the distributor's own sales and engineering teams in the field.
- With three warehouse locations and inventory strategically placed in Arizona, Kansas, and Tennessee, customers are assured that they can get what they need, when they need it, every time.
- G.L. Huyett structures its product lines as a Manufacturer and Master

Distributor to fill voids in the marketplace through domestic and global sourcing to provide cost saving solutions that result in best-in-class outcomes.

- The Company has those "small strokes" such as "The Pack List That Will Change Your Life™" that is not only barcoded down to the lot number, but is automatically arranged to print in the same order as the Purchase Order and Receipt of Goods to improve receiving efficiency.
- G.L. Huyett's Customer Service team is fluent in multiple languages, including Spanish.
- The Company maintains a Corporate Scorecard as well as scorecards at the distributor level that are used to ensure accountability for Service Level, Quality, Experience, and On-Time Performance.
- G.L. Huyett has a specially-designed blind drop ship program in which the shipping documentation can bear custom logos so that orders appear to have shipped directly from the distributor.



Results Driven

Regional Sales Manager, Jason Mizner, recently delivered parts from Arizona to a California customer to help prevent a production line shut down.



"The Pack List that Will Change Your Life"



PO Box 232
Minneapolis, KS 67467
Sales Phone: 785.392.3017
Main Phone: 785.392.1000
Fax: 785.392.2845
Web: www.huyett.com

PACK LIST

ORDER NUMBER: 2456827
Date & Time: 7/13/2020 11:40
Invoice Number: 5184968
Your PO Number: ACME43562

BILLED TO	ORDERED BY	SHIPPED TO
ACME Supply 123 Road Runner Lane Santa Fe, NM 87501 505-867-5300	Mr. Wile E. Coyote Phone: 505-367-5300 Fax: 505-867-5301 Email: wcoyote@acme.com	ACME Supply 123 Road Runner Lane Santa Fe, NM 87501 UNITED STATES
	YOUR HUYETT REPRESENTATIVE Speedy Gonzales	SHIPPING METHOD 1952MB UPS Ground - Collect
CUSTOMER ID # 09171949		

Thank you for your order!
Please report any shortages or problems within 30 days. Please retain all original packaging materials so that a complete investigation can be performed. Regrettably we cannot guarantee the shelf life of plain finished parts.

2 Order Note: Please consolidate shipments as often as possible.

Dock Receipt

Your PO Number: ACME43562  **3**  **4**
Our Pick Ticket #: 4103716 **Tracking #:** 1Z4818640310082573 **5**
Tracking #: 1Z4818640310082574 **5**

Items Shipped From KS

Your Item ID Your Item ID (Barcoded) Our Item ID Item Description	Ordered	Previously Shipped	This Shipment	Remain	UOM
1  6 66072 7  6 CLP-0375-2000/B Clevvis Pin 3/8 x 2 LCS PL Lot Number:  152964-21	400	0	400	0	EA
HTS #: 7318290000 Country Of Origin: USA QTY:  400					
Box #: 001					
2  6 Please Provide your Part Number CLP-0375-2625/B Clevvis Pin 3/8 x 2-5/8 LCS PL Lot Number:  1013282-052108	350	0	350	0	EA
HTS #: 7318290000 Country Of Origin: USA QTY:  250 3					
Lot Number:  908568WD Country Of Origin: USA QTY:  100					
Box #: 002					
Total Pieces: 9 750 Total Lines Shipped: 2 Total Boxes: 2 Total Ship Weight: 31 lbs.					

This sale is subject to G.L. Huyett Terms of Sale, which can be viewed at <http://www.huyett.com/terms>. Please note that no return of goods will be accepted without a properly authorized Return Goods Authorization (RGA). Thank you for trading with us.

 **10**
REACH
ROHS / REACH / MATERIALS OF CONCERN
Items shipped conform to the restrictions and provisions set forth at:
www.huyett.com/ROHS, www.huyett.com/REACH, and
www.huyett.com/TOXIC

 **11**
HELP LINE
785-392-3017
help@huyett.com

 **11**
ISO
9001:2015
CERTIFIED

How a Pack List Saves Time

- 1** Indicates what box each Line Number from your order is packed in, and boxes are labeled accordingly as "Box 1 of x"
- 2** Your Order Notes are printed on all documents
- 3** Key data is barcoded for quick scanning to speed up the receiving process and eliminate errors during receipt
- 4** In most cases, your carrier's logo is clearly displayed on your Pack List
- 5** Tracking Numbers are included on your Pack List and automatically emailed to your Purchasing Agent
- 6** Part icons make identifying parts easy
- 7** Your unique Item IDs are displayed and barcoded to expedite receipt
- 8** Line Numbers align with line numbers listed on the Purchase Order and print in the same order as the Receipt of Goods
- 9** The Order Summary lists data to reconcile to the Bill of Lading and other documents
- 10** Compliance and Conformance information
- 11** G.L. Huyett's Help Line number is on every Pack List for easy problem resolution
- +** Download free MTRs and CofCs at huyett.com (some exclusions apply)

Now you know why we call it "The Pack List That Will Change Your Life!"

"Ultimately," explains Harriger, "our mission is to be an extension of the VMI distributor's enterprise and enable their success."

Reducing the Distributor's Cost

Invoice cost is important and G.L. Huyett works arduously to offer competitive pricing. But there are other costs as well, like handling costs. Since G.L. Huyett's product offering spans a broad range of engineered and non-threaded fasteners, the Company makes it easy for customers to consolidate vendors to reduce costs.

"Suppose a distributor receives one 200 lb. order from G.L. Huyett vs. four 50 lb. orders from four unique vendors?" offers Dave Audia, Director of Sales. "If both are shipped Zone 2 UPS, the 200 lb. skid costs \$62, where four 50 lb. boxes cost \$122 for a freight savings of \$60. If you assume \$25 to process and handle a PO, then total savings are \$135, or about \$0.67 a lb."

Inventory carrying cost is another high cost of a VMI's supply chain, as is the risk of obsolete inventory. "Our Service Level hovers between 98% and 99% even though many customers do not share demand with us," notes Chris Bell, RSM in the Central and Southwest Regions. "Our inventory is often just-in-case to our VMI distributors, and if they cut safety stock by 30 days and rely on us, they'll see a 2% savings based on 24% annual carrying cost for the money and warehouse space that would otherwise be tied up."

Jason Mizner, RSM in the Western Region, recently illustrated just how far G.L. Huyett will go to save a customer cost when he drove parts from Phoenix, AZ, to Los Angeles, CA, on a moment's notice to prevent a line down for a customer. "It's all part of the job," he says, "and I'll do it again should the need arise."

The Company also helps reduce the total cost of ownership for VMI customers. Andy Roach, RSM in the Southern Region, helped a customer discover that it was more cost effective to have G.L. Huyett stock and release a customer specific, high volume coiled spring pin instead of importing the parts themselves. With G.L. Huyett's help, the



customer reduced inventory costs and minimized administrative expenses while gaining peace of mind in knowing that they will have what their customer needs when they need it.

Increasing the Top Line

"My job is to increase my customers' sales," notes Dewey Oxner, RSM in the Southeast Region. "I am constantly on the lookout for new opportunities that I can refer to my VMIs. But my favorite part of my job is doing line walks, where we often find new parts to add to the VMI customer's assortment, or we work with an OEM's engineers on behalf of the VMI to design in new ideas to reduce processing, assembly, or manufacturing costs. I also work with our VMI customers at the bin site level in an effort to help them consolidate vendors. I am often surprised by the number of vendors who have one or more SKUs in a VMI system. In most cases, there are multiple vendors who offer the same types of products."

"I am impressed with the amount of engineering prowess here," notes Tom Bello, RSM in the Northeast Region. "The Internal Sales Team is really focused, and by working with our in-house Engineering Team I am able to create new solutions to old problems." Bello describes a current project with a distributor in Canada where grease fittings used on the casters of material carts in a steel mill are being redesigned with an Inconel® spring so that the fitting can withstand temperatures as high as 700 degrees.

"Product innovation and understanding the application and assembly process leads to new sales," offers Jim Flannery, RSM in the Upper Midwest. Flannery currently has two large projects in development involving bearing shaft lock nuts with unique bend requirements on the mating tangs of the lock washer. "We have had to improvise and create new test fixtures to do the bending, and I have been in close consultation with the

customer to learn how the parts are installed so that the lubrication is calibrated correctly on the lock nut as lubrication is required when torquing this product."

Using Tech to Support VMI

Having fully embraced technology, G.L. Huyett opened a Technology Center in Sidney, NE, in 2019 and hired former technology team members from the Cabela's organization. The Technology Center's focus has been on data visualization and ecommerce. Recently the team released a Customer View dashboard to better equip the Sales Team with data to help lower customer costs and increase sales. "The mission of the Customer View is to bring feature-rich data to our team members efficiently," notes Sarah Sinnett, Vice President-Marketing and Technology, "it operates in real time with no download or report queue, and can be served up on any type of device."

G.L. Huyett's Customer View Data Visualization

Best JIT, Inc.
Industry: Industrial Logistics

Acct. No.: 1042031 | Total Sales: \$283,394 | GP: \$110,807 | Margin: 39.1% | Credit Status: **GOOD**

Date Range: Last 1 Years (7/1/2020 - 6/30/2020)

Sales by Product Line

Product Group	Sales YTD	Var	Unique Items
Lifting Hardware	\$44,818	\$26,546	--
Grease Fittings & Equipment	\$32,271	\$9,806	--
Flat Washers	\$27,197	\$2,396	--
Engineered Fasteners	\$16,256	\$1,372	--
Other Charge	(\$1,238)	\$644	--
Screws, Bolts, & Nuts	\$64	\$37	--
O-Rings	\$677	(\$434)	--
Bearings & Stock	--	(\$177)	--
Specialty Goods	\$252	(\$985)	--
Retaining Rings	\$17,632	(\$1,141)	--
General Commodities	\$25,270	(\$7,091)	--
Bars, Shafts, & Rods	\$55,861	(\$16,538)	--
Total	\$221,631	(\$67,157)	--

Average Order: \$314.81 | **Order Count:** 1,046 | **RGA: (2) \$297.41** | **GLH Score: 91**

Item Detail

Item ID	Sales	Var	GP	GPM	Total Qty	Hits
COL014	\$13,573.21	\$5,539	\$3,691	27.2%	26,635	2
DINO12	\$8,665.78	\$7,028	\$2,937	33.9%	4,450	1
YK12-13	\$7,894.06	\$8,550	\$3,220	40.8%	3,692	1
CD0166-1422-4V	\$6,171.36	\$4,208	\$1,413	22.9%	2,200	8
SNAP3122500S	\$5,212.30	\$4,350	\$2,053	39.4%	1,675	2
ZJLG3421656	\$4,868.18	\$3,219	\$1,158	23.8%	3,985	4
CD0166-1420-3B	\$3,133.52	\$734	\$811	25.9%	1,750	3
MEBG34	\$2,923.58	\$6,930	\$704	24.1%	1,000	5
DWL424	\$2,413.11	\$431	\$313	13.0%	4,840	4
HSH038-M10	\$1,072.90	\$725	\$230	31.8%	425	1
CLP-875-1750/B	\$200.00	\$60	\$84	42.0%	100	5
Total:	\$56,128	\$41,774	\$16,614	29.53%	50,752	36

Locations

City	State	Phone	Contact	Title
Cleveland	OH	216-828-4496	Angela Marinas	Purchasing Manager
Detroit	MI	313-159-1545	Patrick Hersmitt	Purchasing Manager
Frankfort	KY	502-225-6201	Cecilia Meis	Purchasing Manager
Goshen	IN	574-064-2918	Glenn Argoss	Purchasing Manager
Hazel Park	MI	248-333-7730	Stefan Brennerman	Purchasing Manager

Losers

Item	Sales	Var
HSH028	\$20,279.50	(\$24,263)
DINO10-ZP	\$89,631.06	(\$21,098)
NPP36T	\$38,691.48	(\$20,658)
YK12-13-ZP	\$20,023.90	(\$17,151)
YK12-13-ZF	\$25,915.61	(\$16,814)
CRP016	\$27,788.15	(\$14,377)
NSP111	\$15,831.18	(\$13,728)
ENG036	\$24,145.34	(\$13,072)
PTO50011-598/B	\$0	(\$3,660)

Unique Inventory*

Item ID	Value	Qty	Turns	Other Customers
C495-3011014204	\$9,672	25,000	2.2	0
CLP-333-1365	\$5,648	12,232	3.5	0
BFPCR1992020S-173	\$1,100	71,200	0.9	1
CRP5-4MM3200375	\$2,740	22,730	2.2	0
CLPZ-1250-2500/B	\$1,450	500	1.2	1
HCGP-333-08R-500	\$435	450	1.0	2
IDOW5-500-3750	\$220	109	1.0	1

*88% of last 12 month sales is for this customer

Each member of G.L. Huyett's Sales Team is equipped with data visualization tools to aid them in providing distributors with data-driven support that enriches the distributor's own insights into their product mix and business potential.



G.L. Huyett's Distribution Support Team

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G.L. Huyett Corporate Office
Manufacturing and Warehouse
Minneapolis, KS

G.L. Huyett Tech Center
Sidney, NE

G.L. Huyett Tennessee Warehouse
Collierville, TN

G.L. Huyett Arizona Branch
Tolleson, AZ

G.L. Huyett maintains a highly-trained sales force throughout North America.

Sinnett continues, "It's the small things that save cost. It may seem trite, but our Pack List probably saves a distributor 1-2 minutes per line item at check in because of the barcoding." G.L. Huyett also provides free MTRs and CofCs online in their account order history. "Most suppliers charge \$25 or more for certs," offers Audia, "and we even automatically send email tracking numbers for every order so our customers don't have to call to request them."

Culture – The Secret Sauce

While technology is important, G.L. Huyett's culture is far more important. The Company sponsors and supports multiple projects and charities in its locale. "We're a family first," says Carol O'Keefe, President. "Business and revenue are necessary, but family and love carry the highest priority here. Our mission is not to be the biggest, but the best that we can be. We're not perfect, but we try and we will keep on trying." ■

What G.L. Huyett Does for Its Suppliers

While G.L. Huyett adds value to distributor supply chains by becoming an extension of the distributor's business model, value is extended to their manufacturing partners as well.

"Our suppliers have best-in-class manufacturing standards of quality and excellence," notes Zac Chamberlain, Corporate Controller. "They have choices in how to invest their own capital, and with distributors seeking to minimize inventory in their own investment models, that can create conflict in the supply chain. That's where we fit in."

Chamberlain notes that by partnering with G.L. Huyett, fastener manufacturers benefit from:

- Higher average orders and higher minimum orders.
- Fewer emergency orders, as distributors can rely on G.L. Huyett for safety stock.
- Standard package sales and no broken boxes or partial lots to manage.
- Lower transaction costs for product certifications using G.L. Huyett's

automated free MTRs program (*some exclusions apply*).

- Reduced warehouse space for finished goods.
- Reduced investment in warehouse personnel for packaging and picking, thus allowing the manufacturer to invest in research, engineering, and innovation.
- Greater market penetration by leveraging G.L. Huyett's sales force.
- Enriched opportunities to design in new product with G.L. Huyett's Engineering and Field Sales Teams.
- Greater online presence with rich product content for designers and engineers at www.huyett.com.

"We know our place in the supply chain," says Dan Harriger, Vice President of Sales. "We provide our manufacturing principals point-of-sale reports monthly that provide detailed transaction history for their SKUs in our supply chain so they can see what we are selling and to whom. It allows for greater partnering in the field to expand business and lower costs for our suppliers."



TOTAL VMI

AS A DISTRIBUTOR:

- ▶ Your **CUSTOMERS** expect bins to be stocked (but not too full).
- ▶ Your **PURCHASING AGENTS** want to manage fewer orders.
- ▶ Your **WAREHOUSE MANAGER** wants more shelf space.
- ▶ Your **SALES TEAM** wants more business.
- ▶ Your **CONTROLLER** wants less inventory.
- ▶ Your **OWNERS** want lowered costs.
- ▶ Your **CUSTOMERS** want lowered costs.

AS A CUSTOMER YOU EXPECT TO:

- | | |
|--|---|
| ✓ Search and order from any device | ✓ Eliminate safety stock and excess inventory |
| ✓ Enjoy highly-trained customer support | ✓ Deal with fewer vendors |
| ✓ See transparent pricing | ✓ Get free MTRs* |
| ✓ Get fast responses | ✓ Receive auto-emailed tracking numbers |
| ✓ Utilize engineering support to solve customer problems | ✓ Receive an easy to use pack list |



Low Minimums • Great Prices • Easy Ordering

SUPPORT



WELL, WE CAN HELP!

- ▶ We don't just quote, we ASSESS YOUR NEEDS.
- ▶ We do LINE WALKS to identify potential content additions.
- ▶ We TEAR DOWN products in support of design and assembly cost downs.
- ▶ We provide APPLICATION ENGINEERING for new product designs.
- ▶ We craft SOLUTIONS.
- ▶ We help YOU WIN new business.
- ▶ We help YOU MANAGE existing business more profitably.
- ▶ We become an extension of YOUR business process.

To achieve **HIGHER SALES** with **LOWER COSTS**, visit with your in-field G.L. Huyett sales professional today.

Visit huyett.com/totalvmisupport to learn more.

* Some Exclusions Apply



ELECTROLOC™

LOW HALOGEN, PRE-APPLIED THREADLOCKER

**Powerful, epoxy-based, microencapsulated threadlocking
for electronic components**



Electroloc is a high-strength, microencapsulated epoxy threadlocker designed for use in systems requiring a halogen content of under 500ppm. By utilizing extra-small microcaps, Electroloc exhibits minimal material extrusion on electronic fasteners during installation, providing a clean environment and consistent torque values. Electroloc arrives at your factory dry to the touch and ready for immediate assembly.

Industrial Aerospace Medical Consumer Technologies



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