

# NFDA TODAY: Your National Fastener News

October 2017



## President's Message

By Kevin Miller

I trust everyone enjoyed a safe, relaxing and fun summer with their families in 2017! This year continues to be a solid one for NFDA. The association's financial health continues to be strong and our membership is growing. In fact, we have had the privilege of welcoming 9 new members and 3 returning member so far this year!

As we look toward the fall, we have lots of industry events coming up. Of course, there is Las Vegas and I'm sure we will see a lot of you there. Please stop by our booth (#1178) and say hello! We are also looking forward to the inaugural Leadership Academy, which has been organized with the Young Fastener Professionals. This event's content is focused on developing the next generation of leaders in the fastener industry. If you have any potential young stars, please make sure to register them for this event. In addition to great networking and educational opportunities, we will have content geared towards developing leadership skills. As of the writing of this column, the event is already half full, so don't delay!

Thinking ahead, don't forget about the 50th Anniversary celebration next March in Costa Rica! We have selected an excellent resort, the JW Marriott Guanacaste, and have scheduled several activities, including golf and snorkeling, which are sure to please everyone in attendance. This meeting will also provide a great opportunity to reflect on the organization's past and think about what we want for NFDA's future. You can find more information about the schedule and register for the event at [nfda-fastener.org](http://nfda-fastener.org)

Lastly, I want to remind everyone it is all of you who create value for each other. Involvement in committees, the board, the profit and compensation surveys, etc., are paramount to providing useful and valuable resources to the entire membership. The lasting relationships you develop through your participation will prove to be invaluable throughout your careers in the industry as well. I encourage everyone to participate as much as possible, whether through attendance at meetings or remaining active on committees, so we can all have the best experiences NFDA has to offer. In addition, the board is continually seeking ways to improve your member experience. If you have any ideas or would like to become more active, please don't hesitate to contact me. I can be reached at 980-207-5273 or [kevinm@bamal.com](mailto:kevinm@bamal.com)

All the best,  
Kevin



## Associate Chair's Message

By Adam Pratt

First I would like to thank Kevin Miller and the board for the opportunity to serve NFDA and the associate members for the second year as associate chair. This is also my last year on the board, and I remember Kameron Dorsey telling me in my first board meeting that it would go by fast, and he was correct!

2018 also marks the 50th anniversary of NFDA. This is such a significant milestone that we thought it should be celebrated in a unique place. For this special event, this March we'll be in Costa Rica! And it reminds me of the responsibility we have as members, to guide the association as we begin the journey through the next 50 years.

I believe this starts with a strong membership. I would like to ask each of you to find a company in our industry, who is not a member of NFDA, and get them to join this year. New members join because of strong programming, networking opportunities, the ability to learn from peers, and great subject matter which NFDA continues to deliver. Not only does this grow our businesses, it also grows and strengthens NFDA. I am also proud of the work we are doing to foster opportunities for learning for the next generation of leaders in the fastener industry. Let's work hard in the coming year to lay the foundation for another 50 years of NFDA.

See you in Vegas!  
Adam

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## NFDA Events

2017 NFDA/YFP Leadership Academy  
November 2-3, 2017  
Crowne Plaza  
Rosemont, IL

2018 50th Anniversary Meeting  
March 14-16, 2018  
JW Marriott Guanacaste Resort & Spa  
Hacienda Pinilla, Costa Rica

2018 Annual Meeting & ESPS®  
June 5-6, 2018  
Embassy Suites Chicago Downtown  
Magnificent Mile  
Chicago, Illinois

## Welcome New NFDA Members

Applied Design & Fastening Solutions  
317-413-8284

Carver Consulting  
[carverfact.com](http://carverfact.com)

Volt Plastics  
[voltplastics.com](http://voltplastics.com)

## Join Us for NFDA's 50th Anniversary Meeting!

The National Fastener Distributors Association was created in 1968 and has had 50 wonderful years as an association since then. Such a momentous milestone deserves to be celebrated in a special place. We thought Costa Rica would be the perfect location! This special meeting will take place March 14-16, 2018 at the JW Marriott Guanacaste Resort & Spa in Hacienda Pinilla, Costa Rica. Along with options for snorkeling, golf and poolside gatherings, this meeting will have the following exceptional opportunities for education.

### Value-Added Selling with Paul Reilly

What are the greatest challenges facing sales organizations? Reilly Sales Training conducted a recent study in which, in addition to price, salespeople said their 3 greatest challenges were:

- Getting in front of the ultimate decision maker
- Differentiating their solution
- Getting credit for the value-added they deliver

Distributors can't sell value unless they overcome these challenges. In this presentation, Paul Reilly will introduce you to the Value-Added Selling message and demonstrate how and why this is a viable go-to-market strategy. Topics will include:

- Defining value in customer terms
- How to sell value-added
- Selling to high-level decision makers
- Differentiating in a commoditized market
- Reinforcing your company's value-added



*Paul Reilly is the owner of Reilly Sales Training, a St. Louis-based, privately owned company that specializes in training business-to-business sales professionals and sales managers. He has more than 10 years of business-to-business sales experience.*



### Innovate! How to Create Relevancy in The Age of Disruption

Most companies agree that they must reinvent their businesses before someone else does. But, as you continue to operate your business for today, how can you unleash the spirit of innovation to create a relevant, stronger, and more profitable future? In this presentation, Dirk Beveridge will help you explore The Innovative Distributor™ framework which provides practical lessons for creating transformative and innovative change. Both seasoned and emerging leaders will learn that the status quo is the enemy and they have a new responsibility to create a relevant and sustainable future.

In the afternoon workshop, Dirk will lead you through a proven framework that will help you identify your "biggest, baddest, boldest" idea to lift and shift this game changer into your business. You'll identify your desired end result, the critical importance of your idea, all the obstacles that will attempt to prevent you from executing, how to obliterate those obstacles, and then a specific plan for moving forward.

For more information visit [nfd-fastener.org](http://nfd-fastener.org) or give us a call at 714-484-7858.

See you there!

*After studying and researching hundreds of organizations, Dirk Beveridge created a framework for innovation that significantly shifts companies into better performance. His clients have included the National Association of Electrical Distributors and the National Association of Wholesalers.*



## 2017 Joint Meeting in Boston, Massachusetts





## NFDA Fastener Standards Activity Update - Q3 2017

By John Medcalf

With the annual break in standards committee meetings between May and September, I wanted to use this space to bring awareness to a particular standard that can benefit nearly all of those who buy and sell fasteners.

ASTM F1941/F1941M is titled "Standard Specification for Electrodeposited Coatings on Mechanical Fasteners, Inch and Metric." Most commonly, it is used to prescribe the processing and performance requirements for zinc electroplating. In a fairly mature industry, it is one standard that continues to be revised and improved as coatings change and we learn more about topics such as hydrogen embrittlement – a potentially disastrous failure mode.

One particular aspect of hydrogen embrittlement avoidance is the use of baking to relieve hydrogen absorbed during the cleaning and plating processes. The ASTM F1941 standard has mandated baking for high hardness parts that are electroplated since it was first issued in the year 2000. However, based on a lack of data, the standard noted that baking times between 2 and 24 hours may be suitable depending on the situation and that "eight hours is considered a typical example of baking duration." As a result, baking times of 4 or 8 hours have become industry defaults.

In the years since publication, much research on the topic has been done, with results pointing to the need for longer baking times in order to be effective. In fact, studies have shown that baking 4 to 8 hours may actually be detrimental! As a result, starting with the 2015 revision, ASTM F1941 required baking times of 14 hours to 24 hours for susceptible parts. (However, if the process was shown to be non-embrittling through monitoring such as described in ASTM F1940, then baking could be reduced or eliminated.)

Unfortunately, it appears the industry has been slow to react. Baking longer costs more, and a lot of history has been built on 4 and 8 hour bakes. However, a lack of failures is most likely due to the part or application not being susceptible, not because the baking was beneficial. If we can eliminate the baking of parts that are not susceptible (SAE J429 Grade 5, or Grade 8 when properly heat treated), then the cost impact may be mitigated.

Fastener standards should represent the "state of the art" for fastener manufacturing and processing. This is one area where the standard does, but the industry has not followed. I would encourage all readers to consider the adoption of ASTM F1941/F1941M for zinc electroplating – it may save you big in the long run.

*John Medcalf is Engineering and Business Lead for Peak Innovations Engineering and is NFDA's technical representative.*

*Communication between NFDA members and NFDA technical standard representative (the "Representative") through email or otherwise is provided by NFDA as a courtesy to its members. NFDA provides no assurance as to the accuracy, completeness, or timeliness of any statement made by the Representative to the member or fastener technical standards organizations. Neither NFDA nor the Representative makes any representation as to whether any statement of the Representative is consistent or compliant with fastener technical standards. Neither NFDA nor the Representative shall be responsible for any loss or damage suffered by the member or any other person as the direct or indirect result of any statement made by the Representative.*

**John Medcalf** was appointed as the NFDA technical standards representative to allow the NFDA membership not just visibility of standards activities, but also a voice in the process.

NFDA members are encouraged to express their comments or concerns relating to fastener standards. The only way to influence the process is to stay engaged and participate.

Members can:

- Inquire about changes in drafts noted in the quarterly reports
- Raise suggested revisions or technical updates to standards
- Ask general standards related questions
- Offer feedback to continue refinement of these articles

Please email your standards related comments, concerns or questions to John at [standards@nfda-fastener.org](mailto:standards@nfda-fastener.org)

### Member Benefit Spotlight - Profit Improvement Report

The Profit Improvement Report (PIR) is a series of quarterly essays on key profit improvement issues, written by Dr. Albert D. Bates, founder of the Profit Planning Group. This is a research and executive education firm that works exclusively in the area of corporate financial planning.

This is a benefit for NFDA members only! Access this information via the members-only article archive at [nfda-fastener.org/articlearchive](http://nfda-fastener.org/articlearchive) under the "Profit Improvement Report" section. The September 2017 PIR is titled "Cash May be King, But the Coronation Could Get Ugly."

### NFDA Awards Scholarships for Fastener Training Week

NFDA has approved four scholarships for Fastener Training Week, an advanced fastener technical training program produced by the Fastener Training Institute®. The association is pleased to announce the following winners:

- Derek Dandy, market development engineer, Bodycote
- Mark Champion, warehouse/inventory specialist, Falcon Fastening Systems
- Mike Parkman, client advocate, Falcon Fastening Systems
- Andrea Smith, quality inspector, NSK Industries

Applicants were evaluated based on the recommendation from their employer, personal achievements, work experience, and an essay. Identifying information was redacted, so that the team evaluating the applications did not know the names or employers of those applying.

This is a benefit for NFDA members only! The next deadline to apply for a Fastener Training Week scholarship is December 1. The application can be found at [nfda-fastener.org/FTIScholarship](http://nfda-fastener.org/FTIScholarship)

For more information about Fastener Training Week, visit [FastenerTraining.org](http://FastenerTraining.org)



Derek Dandy



Mark Champion



Mike Parkman



Andrea Smith



## NFDA 2017 Profit Report

### Making a Good Business Even Better

Most distributors can justifiably feel pretty good about their recent operating performance. A growing, if not booming, economy has helped generate reasonable sales growth for most firms. There is a chance for firms to collect their breath and plan for the future.

At the same time, there is continual pressure on gross margins from both existing and potentially new competitors. Upward pressures on costs, particularly payroll, refuse to go away.

Given this mixed environment, this report will address three key questions for NFDA distributors:

- How are we doing?
  - What is the typical level of profitability in the industry?
- How good can we be?
  - What results are being generated by the most successful firms?
- How do we get to high-profit results?
  - Which of the Critical Profit Variables (CPVs) appear to drive profitability?

In trying to move from typical to high-profit, the key is to understand the nature of the CPVs. Namely, which ones are most important and how did they impact performance for the typical and high-profit firms.

One of the common misunderstandings regarding the CPVs is that to be a high-profit firm it is necessary to 1) do a lot better than the typical firm and 2) do a lot better in all CPVs. Nothing could be further from the truth.

As it turns out, some of the differences in the CPVs between typical and high-profit are often extremely small. The small differences tend to multiply to produce major changes in profit margin. This perspective has been repeated constantly by the Profit Planning Group as "little things mean a lot."

The CPVs that are the most important contributors to enhancing profit are sales growth, gross margin, payroll expenses and non-payroll expenses. Each factor must be planned carefully to ensure adequate profits.

The high-profit firms produce great results virtually every year. They also reflect the fact that there are no industry barriers to success. The key to improved performance is to develop a specific plan for each of the CPVs and combine them in a positive way. The goal is not perfection. The goal is to do a little better across the board. It is an opportunity which is open to every firm.

This NFDA financial benchmarking study provides some key insights into exactly how the high-profit firms generate better profit numbers. The 2017 Profit Report is free to NFDA members who participated in the survey or it can be purchased for \$250. The non-member price is \$500. To purchase a copy of the report, go to [nfda-fastener.org/store](http://nfda-fastener.org/store)

### Going to the Fastener Show in Las Vegas?

Visit the NFDA booth #1178. We'll have a happy hour on Wednesday, October 18, 2:00 - 4:00 p.m. Also at the show, two NFDA members will be honored.

Bill Derry, Chairman and CEO of Field, is the newest inductee into the Fastener Hall of Fame. Bill will join the Fastener Show's 35 previous inductees at a ceremony that has been one of the unique hallmarks of the Fastener Show's long history. The special recognition award ceremony will take place on the show floor in the Sessions Area on Wednesday, October 18 at 3:30 p.m.

Adam Pratt, President of Sherex Fastening Solutions, is the newest recipient of the Young Fastener Professional Award. This award recognizes and honors a young professional under the age of forty who has made significant contributions to the fastener industry. Adam will also be honored on October 18 at 3:30 p.m.



### Save the Date!

The 2018 Annual Meeting & Executive Sales Planning Sessions® (ESPS) will take place June 5-6, 2018 at the Embassy Suites Chicago Downtown Magnificent Mile.

NFDA's ESPS events are hugely popular; attendees have lots of opportunities to meet one-on-one with their most valued partners. Nothing beats meeting face-to-face when it comes to establishing and strengthening the partnerships that bring the most benefit to your company. Plan to join us in Chicago!

### Training Opportunities

The Fastener Training Institute® has the following upcoming opportunities to increase your fastener knowledge:

- October 10 – Product Training Part 2 – Santa Fe Springs, California
- October 17 – Fastener Technology Workshop – Las Vegas, Nevada
- October 27 – Webinar: Processing Specials - Online
- November 7 – Product Training Part 3 – Santa Fe Springs, California
- November 17 – Webinar: Vibration Resistant Fastening – Online
- December 4-8 – FTI/IFI Fastener Training Week – Cleveland, Ohio
- December 12 – Fastener Basics – Santa Fe Springs, California
- December 15 – Webinar: Sheet Metal Screws – Online



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NFDA members receive discounted registration on FTI seminars and webinars. For more information and a list of all FTI events visit [FastenerTraining.org](http://FastenerTraining.org).

If you prefer to receive this newsletter electronically only, please visit [nfda-fastener.org/maillinglistoptout](http://nfda-fastener.org/maillinglistoptout)



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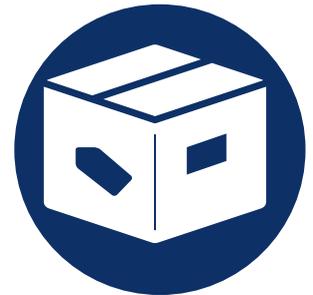
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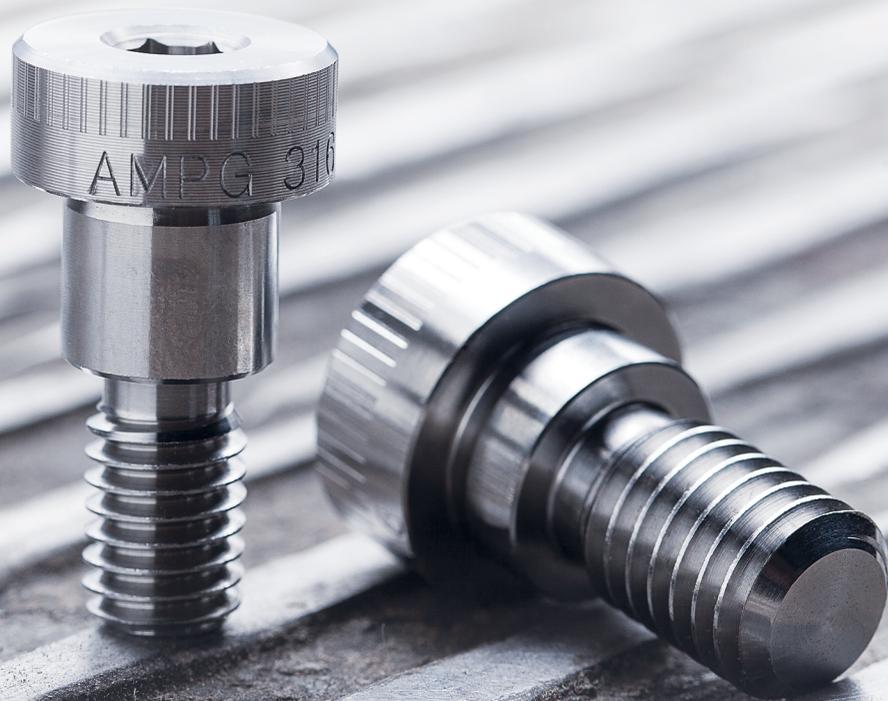


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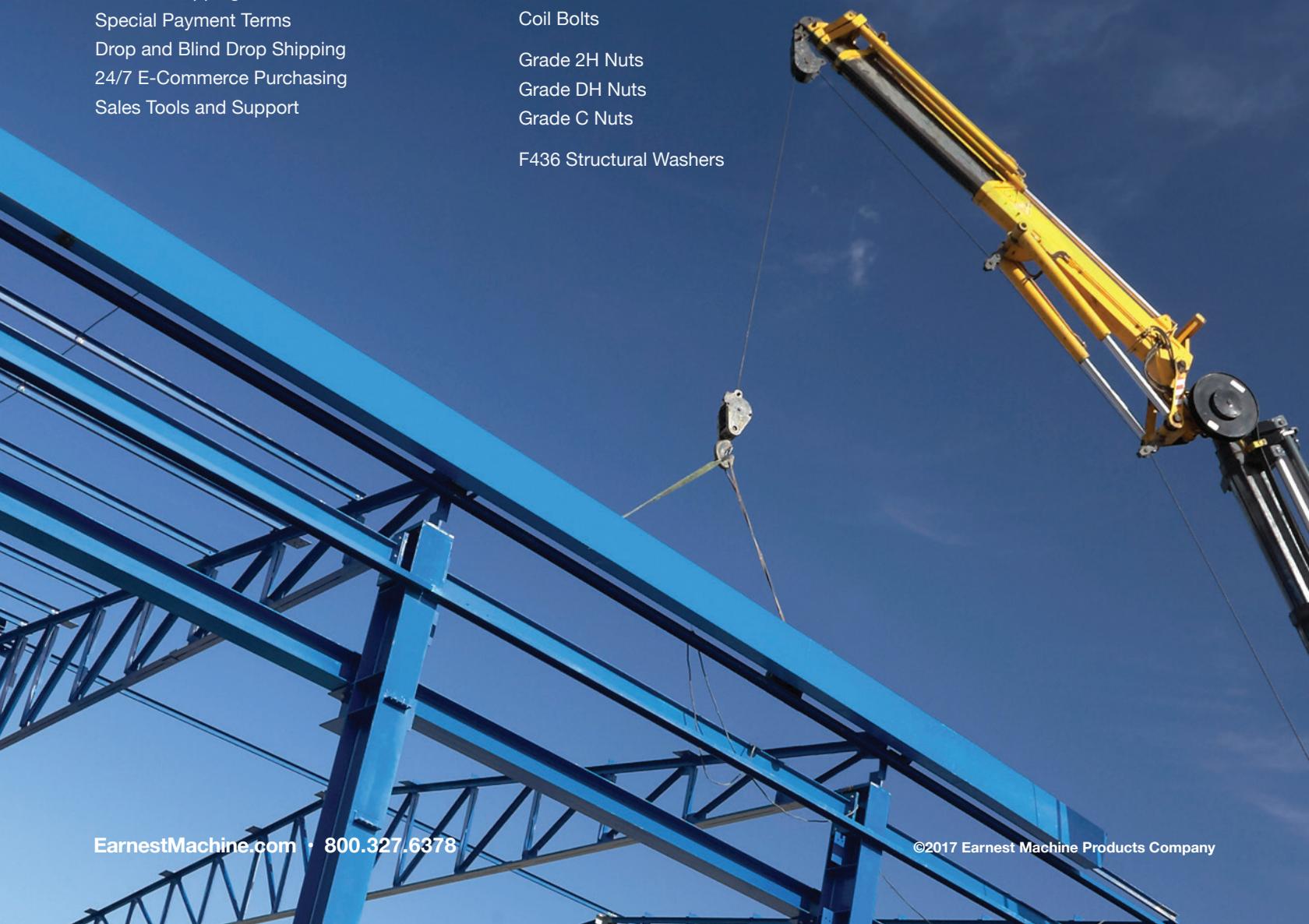
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