

# The garage that stopped ringing

Why owner-run UK tools, pneumatics and hardware distributors lose margin to rekeyed orders and trade customers who drift away, and how to measure it

## Owner-run tools and pneumatics distributors are losing margin where their reports cannot see: in the hours spent cross-referencing emailed orders, and in trade customers who stop reordering consumables without a word

A garage, fabricator or maintenance team rarely changes supplier in one decision. They buy their discs, fittings and service kits somewhere else once, then again, and the account fades. The capital sale made the relationship; the consumables and spares keep it alive. That loop, from the emailed order to the next reorder, is where a small distributor wins or quietly loses.

1

### The independent channel is under structural strain.

Troy, the UK's largest independent buying network for tools and maintenance supplies, with 450+ member distributors and £260m turnover in 2023, entered administration in February 2025<sup>1</sup>. Meanwhile machining firms, a core trade customer, fell 20% in number between 2022 and 2024<sup>2</sup>.

2

### Ranges are brand-led and import-heavy, so every order needs translating.

China supplied 71% of the value and 83% of the units of hand-held electric drills imported into the UK in 2023<sup>3</sup>, while European-made units carry two to ten times the unit value. Customers quote whichever part number is on the old tool in their hand.

3

### Buyers want less contact, yet still email their orders to a person.

67% of B2B buyers prefer a rep-free experience<sup>4</sup>, but emailing a rep was still the most preferred way to order (39%)<sup>5</sup>. Reps spend only 30% of their week selling<sup>6</sup>.

4

### Consumables accounts leak silently, and retention is worth far more than it looks.

Bain's research links a 5% rise in retention to a 25% to 95% rise in profit<sup>7</sup>; 96% of customers who face a high-effort interaction become more disloyal<sup>8</sup>.

5

### The usual fixes miss the gap, and the cost is material.

More than 70% of recent ERP initiatives will fall short of their business case<sup>9</sup>, and 71% of firms trying to hire report difficulty<sup>10</sup>. In our **ILLUSTRATIVE MODEL** a 12-person distributor loses around £45,025 a year, mostly in margin on regulars who drift.

# What this paper covers, and how the numbers were built

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## About this paper

This paper is written for owners and managing directors of tools, pneumatics and hardware distributors in the UK, typically employing 5 to 20 people. It is about problems, not products.

**Evidence.** Every published figure carries a numbered footnote to the source list at the back: official statistics (ONS, GOV.UK, UN Comtrade via the World Bank), industry bodies, and named research firms. Figures were gathered in October 2026.

**Models.** Where we combine published figures with assumptions to estimate a cost, the result is labelled **ILLUSTRATIVE MODEL** and the assumptions are shown. These are not data from any real business.

**Limits.** Official statistics do not separate tools and pneumatics distributors from other wholesalers. They sit mainly within SIC 46.69 (wholesale of other machinery and equipment) and SIC 46.74 (hardware, plumbing and heating supplies). Where we use a wider category, we say so.

## Key terms used in this paper

### Regular

A trade account that orders on a recognisable pattern: weekly consumables, monthly spares, annual service.

### Drift

A regular ordering less often or across fewer product groups without telling you, usually before leaving altogether.

### Reorder rhythm

The normal interval between a regular's orders, used to judge when an order is overdue.

### Cross-reference

Translating a manufacturer's or competitor's part number into your own stock code and an equivalent brand.

### Consumables and capital

Consumables (abrasives, bits, fittings, filters) are bought repeatedly; capital items (compressors, tools) are bought rarely but create a stream of consumables and service.

### First-time accuracy

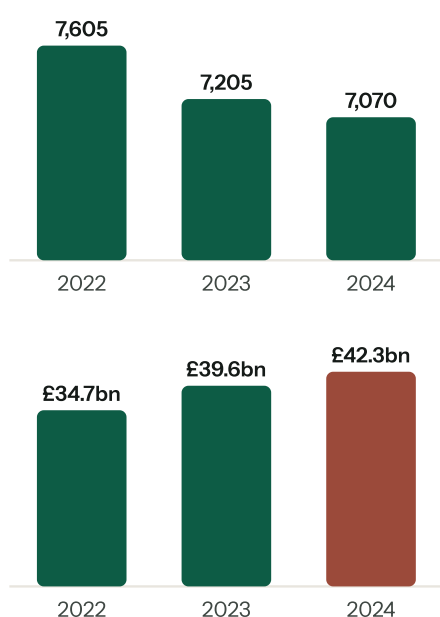
The share of orders keyed, picked and delivered correctly without any later correction.

## The independent tools channel is fragmented and under strain, with turnover concentrating in fewer firms and the largest buying network gone into administration

There is no official count of tools and pneumatics distributors. The nearest proxy is SIC 46.69, wholesale of other machinery and equipment, which contained 7,070 enterprises employing 106,668 people in March 2024, an average of about 15 per business<sup>2</sup>. Between 2022 and 2024 the number of enterprises fell by 7% while nominal turnover rose by 22%<sup>2</sup>.

### Fewer firms, more turnover

SIC 46.69 enterprises (count) and total turnover (£bn), UK, 2022 to 2024



Source: ONS, Enterprises by SIC Class 2022 to 2024<sup>2</sup>. Count axis starts at 6,000. Turnover is nominal.

## 450+

independent tool, maintenance and industrial supplies distributors were members of Troy, the UK's largest independent buying network, with £260m turnover in 2023. Administrators were appointed in February 2025<sup>1</sup>.

## \$1.3bn

UK power tools market in 2025 on IMARC's definition, where drill bits are the largest segment<sup>11</sup>.

## \$331m

UK pneumatic tools market in 2025, forecast by Grand View Research to reach \$615m by 2033<sup>12</sup>.

Market sizes are from research firms' public summaries and use their own definitions.

### What the end of the largest buying group means for an independent

Buying groups gave independents national supplier terms, shared data and a collective voice against the national chains. Troy grew from 140 members in 2014 to over 450 in 2023 before administrators were appointed<sup>1</sup>. Whatever replaces it, the lesson for an owner-run distributor is that scale advantages can disappear quickly, and the advantages that cannot be taken away are local: knowing each customer, answering faster, and getting the order right.

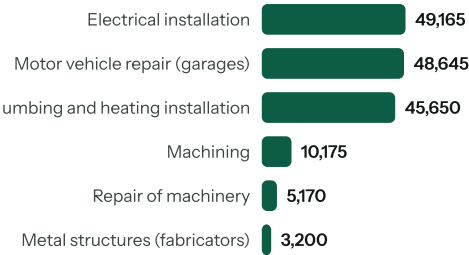
"Fed up with regular customers going quiet before anyone notices, because the reps are stuck in spreadsheets working out who to ring."

An owner of a UK distribution business, in their own words

# The trade customer base is vast and made of very small firms, some of it is shrinking, and the cost of serving it has risen sharply since 2020

## Who buys tools, fittings and consumables

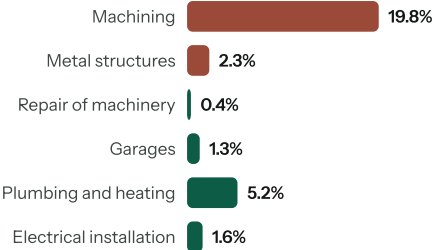
UK enterprises in selected customer SIC classes, March 2024



Source: ONS<sup>2</sup>.

## Change in number of enterprises, 2022 to 2024

%, same customer classes



Source: ONS<sup>2</sup>. Red bars are falls.

Over 48,000 garages employ about 242,000 people, an average of five each<sup>2</sup>. Customers this small rarely run purchasing systems: they order by phone, by email, from the van, or at the counter. And in machining, one of the most valuable trade segments for cutting tools, abrasives and pneumatics, the number of firms fell from 12,690 to 10,175 in two years<sup>2</sup>. When a segment is shrinking, every lost account is harder to replace.

## National Living Wage: up 46% since 2020

£ per hour, rate from April each year



Source: GOV.UK<sup>13</sup>.

15%

Employer National Insurance from April 2025, on earnings above £5,000 a year (previously £9,100)<sup>14</sup>.

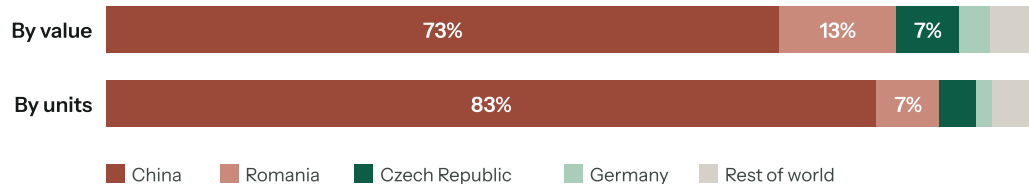
71%

of UK firms trying to hire in Q3 2026 reported recruitment difficulties<sup>10</sup>.

## Ranges are brand-led and mostly imported, so the same customer need arrives under many part numbers and every one has to be translated before it can be sold

### UK imports of hand-held electric drills (HS 850810), 2023: China is 71% of value and 83% of units

Share of UK imports by origin. Total \$187.1m and 2.08m units



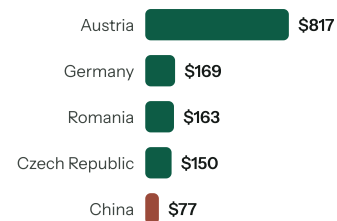
Source: World Bank WITS / UN Comtrade<sup>3</sup>. Origin is country of manufacture, not brand ownership.

The UK's drill imports show two worlds in one product line. Chinese-made units averaged about \$77 each, against \$169 for German-made and \$817 for Austrian-made units<sup>3</sup>. Pneumatic hand tools follow the same pattern: China and "Other Asia, nes", the Comtrade category that typically records Taiwan, supplied 46% of the \$20.6m imported in 2023<sup>15</sup>.

For a distributor this means a range built from many brands, sourced through many importers, at very different price points. A customer asking for "the same fitting as last time" may mean a manufacturer's code, a competitor's code, or the number stamped on a worn part. The knowledge needed to translate it, and to suggest an equivalent when a brand is out of stock, usually lives in one or two heads.

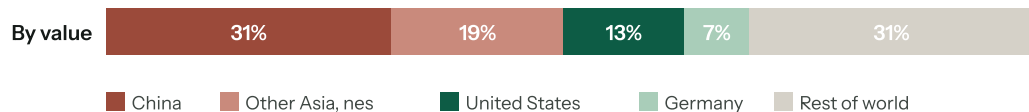
### Average import value per drill

US\$ per unit, HS 850810, 2023



Our calculation from WITS value and units<sup>3</sup>.

### UK imports of pneumatic hand tools (HS 846719), 2023, by value



Source: World Bank WITS / UN Comtrade<sup>15</sup>.

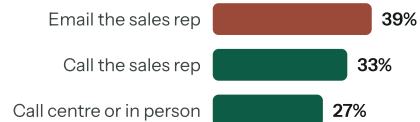
## Buyers want fewer conversations with reps, but the orders that reach a tools distributor still arrive as emails, photos and phone calls that someone has to interpret

Gartner's 2026 survey of 646 B2B buyers found 67% prefer a rep-free experience<sup>4</sup>. McKinsey's 2024 B2B Pulse found buyers use an average of ten channels, up from five in 2016, with preferences split into thirds between in-person, remote and digital self-serve<sup>16</sup>. Where suppliers offer e-commerce, it brings in more than a third of revenue<sup>16</sup>.

Yet when McKinsey asked decision makers how they most liked to order through a supplier's people, emailing a rep came top at 39%<sup>5</sup>. For trade customers who are five-person garages and fabrication shops, the email to "the rep who knows us" is the portal.

### Most preferred ways to order through a supplier's people

% of B2B decision makers, 2020



Source: McKinsey B2B Decision-Maker Pulse, 3,600 respondents, reported by MediaPost<sup>5</sup>.

### What "an order" looks like at a tools and pneumatics distributor

#### Mixed-code lists

Fittings, tube and FRL units listed partly by manufacturer number, partly by a competitor's code, partly by description.

#### Photos of old parts

A picture of a worn regulator or a nameplate, with "can you get me one of these by Thursday?"

#### Calls from the van

Reps take orders on site and relay them by text, voicemail or a note keyed in at the end of the day.

#### Repair and service jobs

A compressor or tool in the workshop needs a spare ordered from a supplier, and the customer needs telling when it lands.

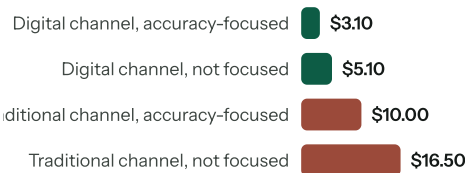
**"Someone losing half the morning retyping emailed orders and price requests."**

An owner of a UK distribution business, in their own words

# An emailed order costs around three times as much to process as a digital one, and in a brand-led range most of that time goes on translating part numbers

## Median cost per sales order, US\$

APQC Open Standards Benchmarking, by channel and by whether the organisation focuses on first-time data accuracy



Source: APQC, 2018<sup>17</sup>. Mostly large organisations; shown for the ratio, not the absolute cost.

APQC's benchmarks show orders through traditional channels such as email, fax and phone cost roughly three times as much to process as digital ones<sup>17</sup>, and that fax and email orders traditionally carry higher error rates and slower fulfilment<sup>17</sup>. The absolute dollar figures come from larger organisations; the ratio is the point.

In tools and pneumatics, the slow part is rarely the typing. It is the lookup: finding the manufacturer's code, cross-referencing it to your own, checking which brand is in stock, picking an equivalent if not, and applying the customer's price. Every line of a fittings list can involve two or three systems or catalogues.

## From seconds per line to hours per year

| Step                                                         | Illustrative |
|--------------------------------------------------------------|--------------|
| Lines on a typical emailed order or price request            | 10           |
| Seconds to look up, cross-reference, price and key each line | 30           |
| Minutes per order                                            | 5            |
| Orders and price requests per day                            | 30           |
| Hours a day                                                  | 2.5          |
| Hours a year (230 days)                                      | 575          |
| Share of one full-time role                                  | 35%          |
| Cost at £17 an hour (see section 10)                         | £9,775       |

ILLUSTRATIVE MODEL Assumptions, not data from any business.

575 hrs

a year spent looking up and retyping what customers have already sent, in the mid scenario: 35% of a full-time person.

### The know-how bottleneck

When the person who knows that a customer's "blue fitting" is a particular brand's 8mm push-in elbow is on holiday, orders wait, or go out wrong.

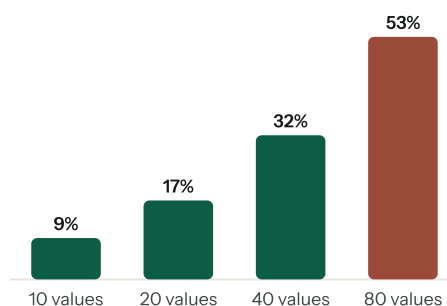
## Small keying error rates compound across a multi-line order, and in pneumatics and power tools a near-miss part number usually means a machine that stays down

In a controlled study of manual data entry, Barchard and Pace found 0.95% of values entered once by hand were wrong. Visual checking reduced that only to 0.82%, not a significant improvement, while double entry cut it to 0.027%<sup>18</sup>. The participants were students, so the rate is not a distributor benchmark; the compounding is what carries over.

A ten-line fittings order with part number, size, thread and quantity on each line is 40 separate values. And the near-misses in this sector are unforgiving: a 1/4" BSP thread instead of 1/8", 6mm tube instead of 8mm, a battery for the wrong 18V platform, a 230V tool for a 110V site, P80 discs instead of P120. Each looks plausible on a pick note.

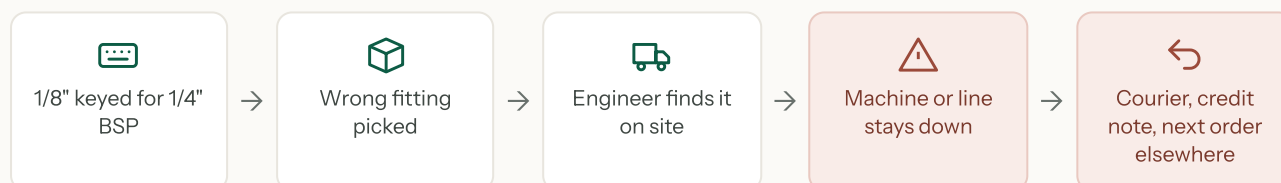
### Chance an order contains at least one keying error

By number of values keyed, at 0.95% per value



**ILLUSTRATIVE MODEL** 1 minus (1 minus 0.0095) to the power of n, using the single-entry rate from Barchard and Pace<sup>18</sup>. Before any checking.

### What one wrong fitting costs



## 1.6% → 0.4%

Order entry error rate at MEDRAD before and after it focused on first-time data accuracy, a case reported by APQC<sup>17</sup>.

## 2.8x

How much more likely organisations that measure and reward first-time accuracy are to rate order management as extremely effective at improving fill rates and on-time delivery<sup>17</sup>.

# The costliest event for a tools distributor is not a lost tender: it is a garage or fabricator that quietly starts buying its consumables somewhere else

**25 to 95%**

Rise in profits from a 5% increase in customer retention, in Bain research by Frederick Reichheld<sup>7</sup>.

**5 to 25x**

How much more it costs to acquire a new customer than to keep one, depending on study and industry<sup>7</sup>.

**96%**

of customers who had a high-effort service interaction became more disloyal, against 9% after a low-effort one<sup>8</sup>.

These are cross-industry figures with wide ranges, but they point the same way, and McKinsey adds that more than half of B2B buyers are likely to switch suppliers after a poor experience across channels<sup>16</sup>. In this sector the effort that drives switching is specific: a part that arrived wrong, a repair that waited a week for a spare, a quote that came back after the customer had already bought online.

## Capital sales create the stream; consumables are where it leaks

A compressor, a set of air tools or a fleet of cordless drills is bought rarely. What follows is a steady stream of filters, oil, service kits, fittings, hose, batteries, bits and abrasives. That stream is the profit in the relationship, and it is the easiest to lose, because no single order is large enough for anyone to notice when it goes elsewhere.

### How a fortnightly consumables account goes quiet

**ILLUSTRATIVE** Each missed order looks like nothing on its own



| Reorder rhythm          | Missed in a month | In a quarter |
|-------------------------|-------------------|--------------|
| Weekly consumables      | 4.3               | 13.0         |
| Fortnightly consumables | 2.1               | 6.5          |
| Monthly spares          | 1.0               | 3.0          |
| Quarterly service kit   | 0.3               | 1.0          |

**ILLUSTRATIVE** Orders an account would have placed before a monthly or quarterly review could notice.

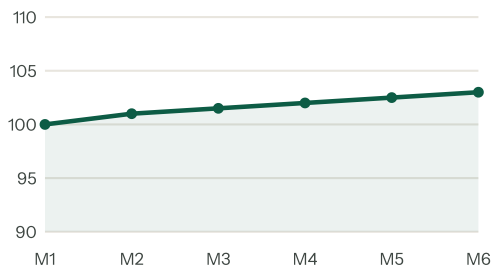
### Reps on the road see the customer, not the pattern

A rep visiting a garage sees a friendly face and a busy workshop. What they cannot see from the forecourt is that the disc and fitting orders have halved since spring.

## Monthly reports hide the warning inside a growing total, and with reps on the road nobody has the time or the trigger to build the list of who should have reordered

### What the monthly sales report shows

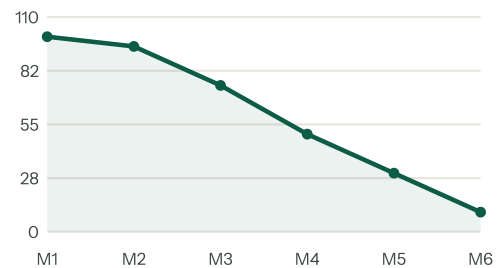
Total sales, index, month 1 = 100



**ILLUSTRATIVE** Total keeps growing as prices rise and new accounts open.

### What is happening inside it

One garage's consumables spend, index, month 1 = 100



**ILLUSTRATIVE** Spend falls product group by product group, not all at once.

Accounting and ERP reports answer "what did we sell, to whom, in which month?" They do not answer "which garages normally buy discs every fortnight and have not for six weeks?", which needs every account compared with its own rhythm and product mix. Drift in this sector is often partial: a customer keeps buying fittings from you but moves abrasives online, so the account still looks active.

### Three reasons the list never gets made

#### Reps are out

The people best placed to act are in the van. Salesforce found reps spend only 30% of their week selling<sup>6</sup>; evenings building call lists from exports eat into the rest.

#### No owner

The office owns orders, reps own relationships, the owner owns the numbers. The overdue-reorder list belongs to nobody.

#### No trigger

A missed order creates no document and no alert. Nothing lands in anyone's inbox until the account has gone.

**"Fed up with regular customers going quiet before anyone notices."**

An owner of a UK distribution business, in their own words

## Around every sale sit three quieter drains: chasing importers and brand suppliers, keeping repair customers informed, and chasing trade accounts for overdue money

### Goods in: many brands, many suppliers

A brand-led range means open purchase orders with several manufacturers and importers at once, each with its own lead times and its own way of confirming (section 3). When an imported shipment slips, someone has to notice, re-promise and tell every customer waiting. When a repair waits on a spare, the customer's machine waits too.

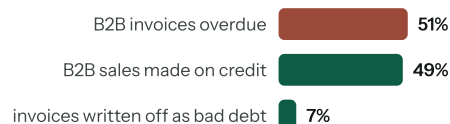
#### A simple test ILLUSTRATIVE

With 40 open purchase orders, a quarter needing a chase each week, and 10 minutes per chase including updating the customer, that is 100 minutes a week, or close to 80 hours a year. The bigger cost is the repair customer who rings to ask, and the one who stops asking and buys a new tool elsewhere.

### Money in: late payment is the norm

#### UK B2B payment practices, 2025

% of invoices or sales



Source: Atradius Payment Practices Barometer, UK 2025<sup>19</sup>.

## 63%

of small businesses spend time chasing overdue payments, at an estimated cost of up to £5,200 a year<sup>20</sup>.

## 5%

of small businesses regularly forfeit payments because chasing them costs too much<sup>20</sup>.

## £11bn

a year: the cost of late payment to the UK economy, which the government links to 38 business closures every day<sup>21</sup>.

Trade customers in this sector are small: an average garage has around five staff<sup>2</sup>. A slow payer is often a customer under pressure, and a customer under pressure is often about to change supplier. The same missing trigger that hides a quiet regular also hides a slow payer until month end.

# A new ERP, another hire, a web shop or simply working harder each solve something real, but none of them closes the gap between an emailed order and the next consumables reorder

### Why a new ERP does not fix this

An ERP records what happened; it does not read a photo of a nameplate or notice a garage that has stopped buying discs. Gartner expects more than 70% of recently implemented ERP initiatives to fall short of their original business case, and up to 25% to fail catastrophically<sup>9</sup>. Panorama's 2024 survey found 32.8% of projects ran over budget and 31.3% finished late<sup>22</sup>.

### Why a web shop or portal does not fix this

Suppliers that offer e-commerce earn over a third of revenue through it<sup>16</sup>, but preferences split into thirds<sup>16</sup>, and email remained the most preferred way to order through a rep<sup>5</sup>. A five-person garage with a photo of a broken part will still email it.

### Why hiring does not fix this

Another hire adds capacity to look up and retype, not a way to stop. It is harder and dearer than before: 71% of firms trying to recruit report difficulties<sup>10</sup>, the wage floor is £12.71<sup>13</sup>, and employer NI is 15% from the first £5,000<sup>14</sup>. Brand knowledge takes months to learn.

### Why working harder does not fix this

Checking your own keying barely helps: visual checking was not significantly better than none<sup>18</sup>. And reps already spend only 30% of their week selling<sup>6</sup>; more admin takes it lower.

### What each usual fix actually covers

Our assessment, based on the evidence above

| Fix                  | Reads and keys emailed orders                         | Matches customer and brand codes                               | Spots regulars who are overdue                      | Chases supplier POs                             |
|----------------------|-------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|
| A new ERP            | <b>No</b><br>Records orders once someone keys them    | <b>Partly</b><br>Only if every brand cross-reference is loaded | <b>No</b><br>Reports by period, not by rhythm       | <b>Partly</b><br>Holds POs; does not chase them |
| Another office hire  | <b>Yes</b><br>By hand, at £17 an hour or more         | <b>Partly</b><br>After months learning the brands              | <b>Partly</b><br>Only if given the job and the time | <b>Yes</b><br>By hand, when remembered          |
| A web shop or portal | <b>Partly</b><br>Only for customers who use it        | <b>Partly</b><br>Only for codes in the catalogue               | <b>No</b><br>Not its job                            | <b>No</b><br>Not its job                        |
| Working harder       | <b>Yes</b><br>Slower, with checking that barely helps | <b>Partly</b><br>From memory                                   | <b>Partly</b><br>In the evenings, after the van     | <b>Partly</b><br>When the customer chases       |

**The common thread.** Each fix adds capacity or a system of record. None gives anyone the job of reading every incoming order and watching every account's rhythm, every day.

## Most distributors sit at stage one or two on at least one dimension, and the weakest dimension sets the size of the leak

The order-to-reorder maturity grid describes how a distributor handles the full loop from a customer's order to their next one. Read across each row and mark the cell that best describes how things work on a normal Tuesday, not on a good day. Stages are cumulative: stage three assumes stage two is in place.

| Dimension                             | 1 · Reactive                                                        | 2 · Organised                                        | 3 · Systematic                                                   | 4 · Proactive                                                          |
|---------------------------------------|---------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------------|
| <b>Order capture</b>                  | Orders keyed from the inbox and van notes when someone gets to them | Shared inbox and a rough first-in, first-out routine | Every order logged on arrival with a target time to confirm      | Orders captured within minutes; people review exceptions only          |
| <b>Brand cross-reference</b>          | Lives in one or two people's heads                                  | A spreadsheet for common lines                       | Manufacturer and competitor codes held against stock items       | Every code mapped; unknown codes flagged once and learned              |
| <b>Quotes and pricing</b>             | Priced from memory or the last quote                                | Customer price lists updated occasionally            | Agreed prices held per account; margin checked on each quote     | Quotes priced the same day with margin floors applied                  |
| <b>Consumables reorder visibility</b> | Quiet accounts noticed at quarter end                               | Monthly sales by customer                            | Each regular's rhythm and product mix known; weekly overdue list | Daily list of overdue reorders by product group, sent to the rep       |
| <b>Service and repair follow-up</b>   | Customer rings to ask                                               | Job sheet on a board                                 | Every job tracked with promised dates                            | Customers told before they ask; service intervals prompt the next sale |
| <b>Supplier POs and imports</b>       | Late goods found when the customer chases                           | Open PO list checked occasionally                    | Open POs reviewed weekly                                         | Every PO confirmed and tracked; delays passed on automatically         |
| <b>Credit control</b>                 | Chased at month end                                                 | Aged debt report run monthly                         | Weekly review with set chase steps                               | Daily overdue flags, linked to ordering pattern                        |

### How to read your result

Two or more marks in stage one usually means the costs modelled in section 10 apply in full. A business mostly at stage three still tends to leak through whichever single row is weakest, because work piles up where the process is manual.

### What moves a business up a stage

Moving up is rarely about buying a bigger system. It is usually about making one thing explicit: who owns the overdue-reorder list, what counts as a complete order, how often open purchase orders are checked, and when an account is escalated.

## Ten questions that reveal, in under ten minutes, where the order-to-reorder loop is leaking

Answer honestly for the last four weeks. Score 0 for the first option, 1 for the second and 2 for the third.

- 1 How long does an emailed order or photo request wait before it is actioned?  
Over half a day · Same morning · Within the hour
- 2 How are manufacturer and competitor part numbers translated?  
One person's memory · A spreadsheet · Held in the system
- 3 How quickly does a typical price request go back?  
Next day or later · Same day · Within two hours
- 4 Can you name every regular who has missed their normal consumables order this month?  
No · Roughly · Yes, from a list
- 5 Can you see when a customer has moved one product group elsewhere?  
No · Sometimes · Yes, by product group
- 6 Who owns the list of overdue reorders?  
Nobody · Whoever has time · A named person, weekly
- 7 How do repair customers find out their spare has arrived?  
They ring us · We ring when we remember · We tell them the same day
- 8 How often are open supplier and import POs checked?  
When chased · Monthly · Weekly or better
- 9 How many wrong-part returns or re-deliveries did you have last month?  
Don't know · Rough idea · Counted and reviewed
- 10 When are overdue trade accounts first chased?  
Month end · Within two weeks · Within days, by routine

### 0 to 7

Most of the loop runs on memory and goodwill. The worksheet in section 11 will likely show a large number.

### 8 to 14

The basics are there but one or two rows of the maturity grid carry most of the cost. Find them first.

### 15 to 20

A disciplined operation. The remaining gains are in speed and in catching drift earlier.

## For a typical 12-person tools and pneumatics distributor, the cost of doing nothing runs from about £13,000 to over £110,000 a year, with a mid case near £45,000

**ILLUSTRATIVE MODEL** The model below is not based on any real business. It combines published figures (footnoted) with assumptions (shown) for a business with around 12 staff: an owner, two or three in the office, two or three reps, warehouse and drivers. Three scenarios show how sensitive the answer is to the inputs.

| Assumption                                     | Low    | Mid    | High   |
|------------------------------------------------|--------|--------|--------|
| Emailed orders and RFQs per day                | 20     | 30     | 50     |
| Minutes to read, check and key each one        | 3      | 5      | 7      |
| Orders reaching the customer with an error (%) | 1%     | 2%     | 3%     |
| Cost to put each error right (£)               | £30    | £45    | £65    |
| Regular trade accounts                         | 150    | 200    | 250    |
| Regulars drifting away unnoticed per year (%)  | 3%     | 5%     | 8%     |
| Average yearly spend per regular (£)           | £4,000 | £6,000 | £8,000 |
| Gross margin (%)                               | 25%    | 30%    | 35%    |
| Reps building their own call lists             | 2      | 3      | 4      |
| Hours per rep per week spent doing so          | 2      | 4      | 5      |
| Rep hourly cost (£)                            | £20    | £20    | £20    |

Working year: 230 days or 46 weeks. One full-time equivalent (FTE) is taken as 1,650 hours. Error and attrition rates are assumptions chosen to be conservative; they are not published benchmarks for this sector.

### Where the £17 an hour comes from

Median gross pay for UK administrative and secretarial occupations is £15.20 an hour, or £26,154 a year<sup>23</sup>.

Employers pay 15% National Insurance on earnings above £5,000 a year<sup>14</sup>, adding about £3,173.

That gives roughly £17.04 an hour, rounded to **£17**. It excludes pension, holiday cover, desk space and management time, so it understates the true cost.

### What the model leaves out

- Quotes lost because they went out late
- Customer line stoppages caused by wrong parts
- Supplier chasing and late payment (see section 7)
- The owner's own time

## In every scenario the largest single cost is not the typing: it is the margin that leaves with regulars nobody noticed going quiet

**ILLUSTRATIVE MODEL** Results of the assumptions on the previous page. Sales lost is shown for context; only the margin on those sales is counted in the total, so the total is deliberately conservative.

| Result                                                         | Low            | Mid            | High            |
|----------------------------------------------------------------|----------------|----------------|-----------------|
| Rekeying time (hours a year)                                   | 230            | 575            | 1,342           |
| Rekeying time (FTE)                                            | 0.14           | 0.35           | 0.81            |
| Cost of rekeying                                               | £3,910         | £9,775         | £22,808         |
| Orders needing a fix (a year)                                  | 46             | 138            | 345             |
| Cost of fixing errors                                          | £1,380         | £6,210         | £22,425         |
| Regulars lost (a year)                                         | 4.5            | 10             | 20              |
| Sales lost                                                     | £18,000        | £60,000        | £160,000        |
| Margin lost                                                    | £4,500         | £18,000        | £56,000         |
| Rep time on list-building (hours)                              | 184            | 552            | 920             |
| Cost of rep list-building                                      | £3,680         | £11,040        | £18,400         |
| <b>Yearly cost of doing nothing (cost lines + margin lost)</b> | <b>£13,470</b> | <b>£45,025</b> | <b>£119,633</b> |

### Where the mid-case cost comes from

£ a year, illustrative model, mid scenario



# 40%

of the mid-case total is margin lost on regulars who drift away. Retyping is the visible cost; attrition is the expensive one.

The spread between low and high is wide on purpose. The worksheet that follows replaces every assumption with your own number.

# The cost of doing nothing, in your own numbers

Fill in the white column. The shaded column repeats the mid scenario from section 10.

ILLUSTRATIVE ONLY, NOT DATA FROM ANY REAL BUSINESS

| Input                                                                                                        | Your numbers         | Illustrative |
|--------------------------------------------------------------------------------------------------------------|----------------------|--------------|
| <b>A. Emailed orders and RFQs per day</b><br>Consumables reorders, spares, fitting lists, price requests     | <input type="text"/> | 30           |
| <b>B. Minutes to read, check and key each one</b><br>Including brand and competitor cross-referencing        | <input type="text"/> | 5            |
| <b>C. Staff hourly cost (£)</b><br>Wage plus employer NI (see section 10)                                    | <input type="text"/> | £17          |
| <b>D. Working days per year</b><br>Usually around 230                                                        | <input type="text"/> | 230          |
| <b>E. Orders reaching the customer with an error (%)</b><br>Wrong part, quantity or price that needed fixing | <input type="text"/> | 2%           |
| <b>F. Cost to put one error right (£)</b><br>Collection, re-delivery, credit note, admin                     | <input type="text"/> | £45          |
| <b>G. Regular trade accounts</b><br>Garages, fabricators, contractors, maintenance teams                     | <input type="text"/> | 200          |
| <b>H. Regulars drifting away per 100 a year</b><br>Your honest estimate                                      | <input type="text"/> | 5            |
| <b>I. Average yearly spend per regular (£)</b><br>A rough figure is fine                                     | <input type="text"/> | £6,000       |
| <b>J. Gross margin (%)</b><br>Your average across the range                                                  | <input type="text"/> | 30%          |

| Calculation                            | Formula                                 | Your answer          | Illustrative   |
|----------------------------------------|-----------------------------------------|----------------------|----------------|
| 1. Hours a year rekeying               | $A \times B \div 60 \times D$           | <input type="text"/> | 575            |
| 2. Cost of rekeying                    | $1 \times C$                            | <input type="text"/> | £9,775         |
| 3. Cost of fixing errors               | $A \times D \times E \div 100 \times F$ | <input type="text"/> | £6,210         |
| 4. Regulars lost a year                | $G \times H \div 100$                   | <input type="text"/> | 10             |
| 5. Margin lost a year                  | $4 \times I \times J \div 100$          | <input type="text"/> | £18,000        |
| <b>6. Yearly cost of doing nothing</b> | <b>2 + 3 + 5</b>                        | <input type="text"/> | <b>£33,985</b> |

## Harder to count, but worth writing down

- Wrong-part returns or re-deliveries (wrong thread, size, voltage, platform), per month: \_\_\_\_\_
- Price requests answered the next day or later, per week: \_\_\_\_\_
- Repair jobs waiting on a spare nobody has chased, right now: \_\_\_\_\_
- Regulars your reps would ring today if they had the list: \_\_\_\_\_
- Open supplier or import POs nobody has checked this week: \_\_\_\_\_

## The distributors that keep their trade accounts treat consumables, spares and service as a loop with owners and measures, not as whatever happens to come in

These practices are drawn from the benchmarks and research cited in this paper and translated into the language of a tools and pneumatics business. None depends on a particular product.

### 1. They measure first-time accuracy

Organisations that measure, track and reward first-time data accuracy are 2.8 times more likely to rate order management as extremely effective at improving fill rates and on-time delivery<sup>17</sup>. Count wrong-part returns by cause every month.

### 4. They watch accounts by rhythm and product group

A weekly list of regulars who are overdue, or who have stopped buying one product group, goes to the rep who owns the account, before they set off, not at quarter end.

### 2. They make cross-reference knowledge shared

Manufacturer, competitor and customer codes are recorded once against each stock item, so any member of staff can turn a photo or a mixed-code list into a correct order.

### 5. They protect rep selling time

With reps spending only 30% of their week selling<sup>6</sup>, call lists and account summaries are prepared for them so the van time goes on customers.

### 3. They link capital sales to the consumables that follow

Every compressor, tool fleet or installation sold creates an expected stream of filters, service kits and accessories. They track that stream per customer and notice when it stops.

### 6. They tell customers before customers ask

Open supplier and import POs are reviewed weekly; repair customers hear the day a spare lands. That keeps effort low, and low effort keeps customers loyal<sup>8</sup>.

## Five measures worth tracking, and where to start

The test of all six is the same: on any given morning, could someone who is not the owner say which orders are waiting, which regulars are overdue, and which repairs are waiting on parts?

| Measure                            | What it tells you                                                         | A first reading                                    |
|------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------|
| <b>Order entry time</b>            | Minutes from an order arriving to it being on the system                  | Time 20 orders on a normal Tuesday                 |
| <b>First-time accuracy</b>         | Share of orders supplied with no correction or return                     | Count credit notes and swaps for a month           |
| <b>Cross-reference match rate</b>  | Share of photos, old part numbers and descriptions matched without asking | Log every "which one is it?" for a week            |
| <b>Consumable accounts overdue</b> | Accounts past their normal reorder gap, by value                          | List the top 50 accounts and their last order date |
| <b>Repairs waiting on parts</b>    | Open repair jobs with no confirmed parts date                             | Count them on a Monday morning                     |

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### Methodology notes

- Desk research of public sources, October 2026. Where a figure comes from a paid report, we cite only the publisher's public summary.
- ONS enterprise counts are VAT and/or PAYE registered businesses on the Inter-Departmental Business Register, rounded to base five. Tools and pneumatics distributors have no SIC class of their own; we use SIC 46.69 and 46.74 as the nearest published proxies, and customer SIC classes to size the trade customer base.
- Trade figures are UN Comtrade data as published by the World Bank WITS service, in US dollars, using the HS 1988/92 nomenclature. Unit values (dollars per kilogram or per item) are our own division of published value by published quantity.
- Survey figures (McKinsey, Gartner, Salesforce, BCC, FSB, Atradius) reflect each survey's own sample and are not specific to tools and pneumatics distribution.
- The keying error figures come from a controlled study with student participants. We use them to show direction and compounding, not as a measured rate for any distributor.
- All modelled figures are labelled illustrative, and assumptions are shown alongside them.

# Get your free audit

Find out what the quiet leak is costing your tools and pneumatics business, in your own numbers.

It takes about 15 minutes. We will work through the worksheet in section 11 and the maturity grid in section 9 using your own inbox and account data, and show you where the loop is leaking. If the leak turns out to be small, you will know that too.

## GET IN TOUCH

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