

# The quiet leak at the trade counter

Why owner-run UK fastener distributors lose margin to rekeyed orders and regulars who go quiet, and how to measure it

## Owner-run fastener distributors are losing margin in two places their reports never show: the minutes spent rekeying orders, and the regulars who stop ordering without saying why

The fastener itself is a small part of what a trade customer pays for. What they really buy is the right part, first time, without chasing. That makes the order-to-reorder loop, from the emailed part list to the next top-up, the place where a small distributor wins or quietly loses.

1

### **Costs have risen by close to half, and margins are measured in pennies per hundred.**

UK producer prices for basic metals and fabricated metal products rose 47% between 2019 and September 2026<sup>1</sup>. The National Living Wage rose 46% between April 2020 and April 2026<sup>2</sup>, and employer National Insurance rose to 15% in April 2025<sup>3</sup>.

2

### **Customers use ten channels, but the order still arrives as an email someone has to retype.**

B2B buyers now use an average of ten channels<sup>4</sup>, yet emailing a rep was the most preferred way to place an order (39%) in McKinsey's survey of 3,600 decision makers<sup>5</sup>.

3

### **Rekeying is expensive, and fastener orders are built for errors.**

APQC benchmarks put the median cost of a traditional-channel order at \$10.00 against \$3.10 for digital channels<sup>6</sup>. A controlled study found 0.95% of values keyed by hand were wrong<sup>7</sup>; on a 12-line part list that compounds quickly.

4

### **The largest leak is silent: regulars who drift away without complaint.**

Bain's research, cited by HBR, links a 5% rise in retention to a 25% to 95% rise in profit<sup>8</sup>. More than half of B2B buyers say they are likely to switch after a poor experience across channels<sup>4</sup>.

5

### **The usual fixes do not reach the gap, and the cost is material.**

Gartner expects more than 70% of recent ERP initiatives to fall short of their business case<sup>9</sup>; 71% of UK firms trying to hire report difficulty<sup>10</sup>. In our **ILLUSTRATIVE MODEL** a 12-person distributor loses around £44,067 a year, mostly in margin on regulars who go quiet.

# 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 fixings and fasteners 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 fastener distributors from other wholesalers. They sit mainly within SIC 46.74 (hardware, plumbing and heating supplies) and SIC 46.69 (other machinery and equipment). 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, monthly or on a kanban cycle.

### Drift

A regular ordering less often or less widely 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.

### RFQ

Request for quotation: a customer's list of parts they want priced, often by email.

### Kanban and VMI

Bin-based replenishment and vendor-managed inventory, where you keep a customer's stock topped up.

### First-time accuracy

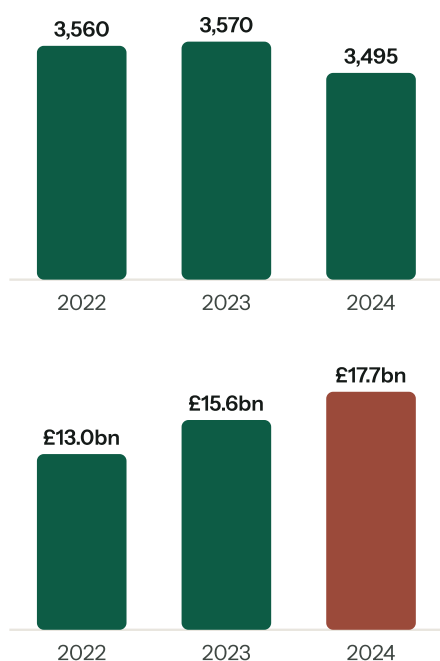
The share of orders keyed, picked and delivered correctly without any later correction.

## The independent fastener distributor competes in a fragmented, consolidating market where turnover is rising faster than the number of firms

There is no official count of fastener distributors. The nearest proxy is SIC 46.74, wholesale of hardware, plumbing and heating equipment and supplies, where most fixings and fasteners wholesalers are classified. In March 2024 it contained 3,495 VAT or PAYE registered enterprises employing 52,511 people, an average of about 15 per business<sup>11</sup>. A further 7,070 enterprises sit in SIC 46.69, wholesale of other machinery and equipment, which includes many industrial and engineering supply houses<sup>11</sup>.

### Fewer firms, more turnover

SIC 46.74 enterprises (count) and total turnover (£bn), UK, 2022 to 2024



Source: ONS, Enterprises by SIC Class 2022 to 2024<sup>11</sup>. Count axis starts at 3,000. Turnover is nominal.

## +35%

Nominal turnover growth in SIC 46.74 between 2022 and 2024, while the number of enterprises fell by about 2%<sup>11</sup>. Part of this is price inflation, but it also points to sales concentrating in fewer, larger hands.

## 155

UK enterprises classified as manufacturers of fasteners and screw machine products (SIC 25.94) in 2024<sup>11</sup>. IBISWorld puts that industry's revenue at about £790m in 2026<sup>12</sup>. Domestic production is small; most of what distributors sell is bought in.

### Consolidators are investing in exactly the work small firms still do by hand

The scale players are buying up independents and investing in systems. In 2022, United Tooling Solutions acquired three UK fastener suppliers in one move, taking its annual revenue to £85m and its network to 120 branches, with finance for new vending units to distribute to customers<sup>13</sup>. A buyer who is used to that level of service from a national group judges the independent by the same yardstick: how fast the quote comes back, and whether the order arrives right.

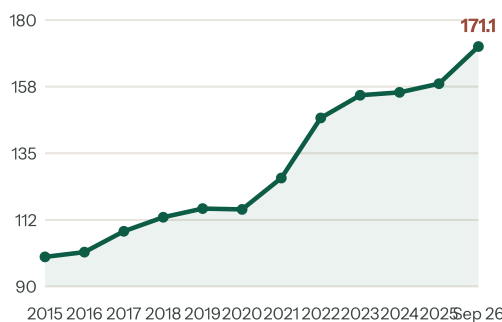
**"Fed up with regular customers going quiet before anyone notices, because the reps are stuck in spreadsheets working out who to ring."**

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

## Metal and labour costs have both risen by close to half since 2019 and 2020, while the part itself is only a small share of what the customer pays for

### Metal product prices: up 47% since 2019

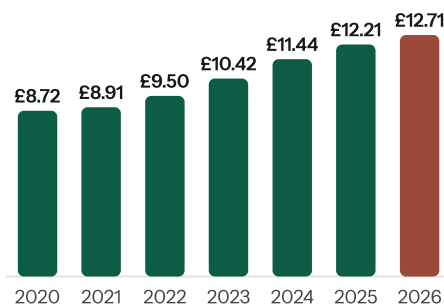
ONS producer price index, basic metals and fabricated metal products, domestic market, 2015 = 100



Source: ONS series GAX5<sup>1</sup>. Annual averages, final point September 2026.

### National Living Wage: up 46% since 2020

£ per hour, rate from April each year



Source: GOV.UK<sup>2</sup>. Age threshold fell from 25 to 23 (2021) and 21 (2024).

Two cost lines have moved together. Producer prices for metal products jumped 16% in 2022 alone and have kept climbing, reaching 171.1 in September 2026 against 116.3 in 2019<sup>1</sup>. On the labour side, the wage floor has risen every April, and since April 2025 employers pay 15% National Insurance on earnings above £5,000 a year, down from a £9,100 threshold<sup>3</sup>. The British Chambers of Commerce reports that 71% of firms trying to hire in Q3 2026 faced difficulties<sup>10</sup>.

### Customers are buying the 85%, not the 15%

Bossard, one of Europe's largest fastener specialists, describes the economics with its "rule of 15-85": on average the fastener itself makes up only around 15% of total cost, with the other 85% coming from procurement, inventory, logistics, assembly and related processes<sup>14</sup>. The figure is Bossard's own estimate, but the logic holds for any trade customer: a bolt that arrives wrong or late costs far more than its price.

For a small distributor this cuts both ways. It is the strongest argument for paying a little more to a reliable local supplier. It is also why admin errors and slow quotes hurt so much: they land squarely in the 85% the customer cares about.

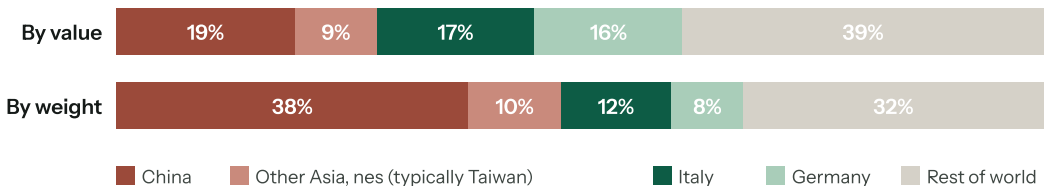
# 15 / 85

Share of total fastening cost in the part itself versus procurement, stock, logistics and handling, on Bossard's estimate<sup>14</sup>.

# Most bolts on UK shelves are imported, so a small distributor manages more suppliers, longer lead times and trade rules set elsewhere

## UK imports of bolts and screws (HS 731815), 2024: China is 18% of the value but 38% of the weight

Share of total UK imports by origin. Total \$613.3m and 122.7m kg



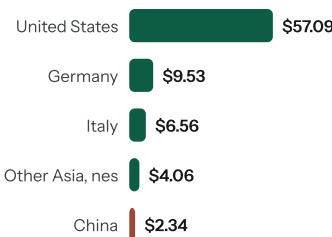
Source: World Bank WITS / UN Comtrade<sup>15</sup>. "Other Asia, nes" is the Comtrade category that typically records Taiwan.

The UK imported \$613m of bolts and screws in 2024, weighing 122.7 million kilograms<sup>15</sup>. Asian origins (China, Taiwan, India, Japan, Thailand, Korea, Vietnam and Malaysia) supplied 62% of that weight. The value and weight shares diverge sharply because unit values do: Chinese product averaged about \$2.34 a kilogram against \$9.53 for German product<sup>15</sup>. Most distributors stock both ends, which means more suppliers, more purchase orders and more lines to price.

Trade policy adds a further layer. In 2022 the EU imposed definitive anti-dumping duties of 22.1% to 86.5% on many Chinese steel fasteners<sup>16</sup>. The earlier EU measure that covered the UK was repealed in 2016<sup>17</sup>, and we found no equivalent measure for these products in force in Great Britain in published notices. China, for its part, extended its own anti-dumping measures on fasteners from the EU and UK for five years in 2022<sup>18</sup>. Rules set in Brussels or Beijing can shift supply routes and prices that a 12-person firm in the Midlands has to absorb.

## Average import value

US\$ per kg, HS 731815, 2024



Our calculation from WITS value and weight<sup>15</sup>.

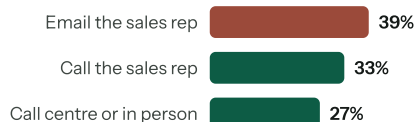
## Buyers have moved to ten channels, but for a small fastener distributor the order still most often lands as an email that someone has to read, interpret and retype

McKinsey's 2024 B2B Pulse found buyers use an average of ten channels across their journey, up from five in 2016, and that buying preferences split into thirds: one third in person, one third remote, one third digital self-serve, across industries and company sizes<sup>4</sup>. Among suppliers that offer e-commerce, it now brings in more than a third of revenue<sup>4</sup>, and McKinsey reports online ordering as high as 40% of orders in Western Europe<sup>19</sup>.

Two other findings matter more for a small distributor. Gartner's 2026 survey found 67% of B2B buyers prefer a rep-free experience<sup>20</sup>. And when McKinsey asked decision makers how they most liked to order, emailing a sales rep came top at 39%<sup>5</sup>. For an owner-run distributor without a trading portal, those two facts meet in the shared inbox.

### 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 fastener counter

#### PDF purchase orders

Generated by the customer's own system, in their layout, with their part codes. Every line has to be matched to yours.

#### Part lists and RFQs

Spreadsheets or email bodies listing size, length, grade, finish and quantity, often "same as last time but in M6 and M10".



#### Kanban and bin top-ups

Scanned bin labels, counts phoned in after a site visit, or a photo of empty bins on a production line.

#### Phone and counter

Still the channel of choice for urgent work. The order is captured on paper or from memory and keyed in later.

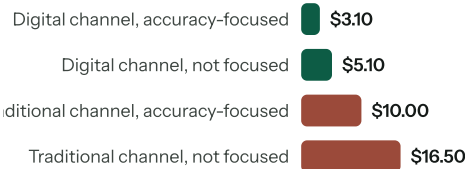
**"Someone losing half the morning retyping emailed orders and price requests."**

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

# An order that arrives by email or PDF costs around three times as much to process as a digital one, and in fastener distribution the effort scales with every line

## 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>6</sup>. Sample sizes 47 to 191 organisations. Mostly large firms; shown for the ratio, not the absolute cost.

APQC's benchmarks are drawn from larger organisations, so the dollar figures will not map neatly onto a 12-person firm. The ratio is what matters: orders through traditional channels (email, fax, phone) cost roughly three times as much to process as digital ones, whether or not the organisation is disciplined about accuracy<sup>6</sup>. APQC also notes that fax and email orders traditionally carry higher error rates and slower fulfilment<sup>6</sup>.

Fasteners make the traditional channel especially slow. A typical part list describes each line by thread, length, head type, drive, grade, material and finish. Each attribute has to be read, matched to a stock code and checked against the customer's price. The time is driven by lines, not orders.

## From seconds per line to hours per year

| Step                                            | Illustrative |
|-------------------------------------------------|--------------|
| Lines on a typical emailed order or RFQ         | 12           |
| Seconds to read, match, price and key each line | 20           |
| Minutes per order                               | 4            |
| Orders and RFQs per day                         | 40           |
| Hours a day                                     | 2.7          |
| Hours a year (230 days)                         | 613          |
| Share of one full-time role                     | 37%          |
| Cost at £17 an hour (see section 10)            | £10,427      |

ILLUSTRATIVE MODEL Assumptions, not data from any business.

613 hrs

a year spent retyping what customers have already typed, in the mid scenario. That is 37% of a full-time person, before any errors are fixed.

## The hidden queue

While orders wait to be keyed, RFQs wait to be priced. A quote that goes back the next morning competes against national groups that reply within the hour.

## At fastener scale, small keying error rates compound into a meaningful share of orders that need fixing, and each fix costs far more than the original keystroke

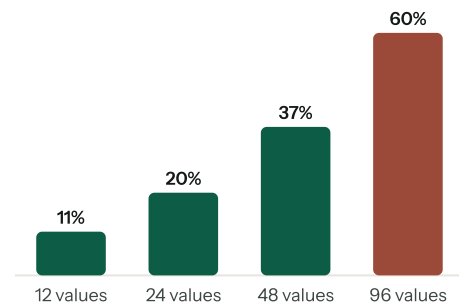
In a controlled study of manual data entry, Barchard and Pace found that 0.95% of values entered once by hand were wrong. Visual checking reduced that only to 0.82%, which was not significantly better. Double entry, where two people key the same data and differences are flagged, cut errors to 0.027%<sup>7</sup>.

The participants were students, not order processors, so the absolute rate should not be read as a distributor benchmark. What carries over is the arithmetic. Errors are per value, and a fastener order contains a lot of values: a 12-line order with size, length, grade and finish per line is 48 separate entries before quantity and price.

The strings are also unusually similar. M8x30 and M8x35, A2 and A4, 8.8 and 10.9, bright zinc and hot-dip galvanised: each pair differs by one or two characters and each mistake produces a part that looks right in the box.

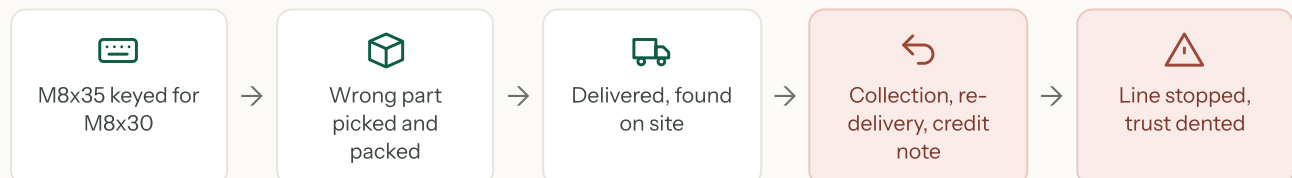
### Chance an order contains at least one keying error

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>7</sup>. Before any checking.

### What one wrong character costs



## 1.6% → 0.4%

Order entry error rate at MEDRAD before and after it focused on first-time data accuracy, one of the cases APQC reports<sup>6</sup>.

## 98 vs 86

Median perfect-order score for organisations that measure and reward first-time accuracy versus those that do not<sup>6</sup>. What gets measured gets fixed.

The most expensive event in a distribution business generates no complaint, no cancellation and no credit note: it is a regular customer who simply orders less

25 to 95%

Rise in profits from a 5% increase in customer retention, in Bain research by Frederick Reichheld<sup>8</sup>.

5 to 25x

How much more it costs to acquire a new customer than to keep an existing one, depending on study and industry<sup>8</sup>.

96%

of customers who had a high-effort service interaction became more disloyal, against 9% after a low-effort one<sup>21</sup>.

These figures come from cross-industry research, not fastener distribution, and the Bain range is wide because it depends on the business. But the direction is consistent: keeping an account is far cheaper than replacing it, and effort, such as chasing a quote or sending back a wrong part, is what drives customers away. McKinsey found more than half of B2B buyers are likely to switch suppliers if they do not get a smooth experience across channels<sup>4</sup>.

Why fastener accounts drift without anyone deciding to leave

A fastener customer rarely sacks a supplier. A new buyer joins and brings their own contacts. A national group offers to take over the bins. A competitor answers an RFQ an hour faster, and then again the following month. Each event is small. The pattern shows up only as a gap in the order history, and only if someone is looking at each account against its own rhythm.

How a three-weekly account goes quiet

ILLUSTRATIVE Each missed order looks like nothing on its own



| Reorder rhythm       | Orders missed in a month | In a quarter |
|----------------------|--------------------------|--------------|
| Weekly kanban top-up | 4.3                      | 13.0         |
| Fortnightly order    | 2.1                      | 6.5          |
| Three-weekly order   | 1.4                      | 4.3          |
| Six-weekly order     | 0.7                      | 2.2          |

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

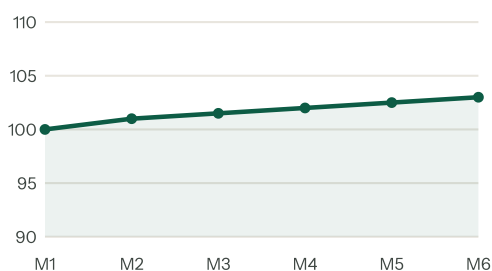
Kanban and VMI feel safe. That is the risk.

Bin-managed accounts are on a cycle, so nobody watches them closely. When top-ups slow because a line has moved or a competitor has been invited in, the drop hides inside a schedule that still looks busy.

## Standard reports average the warning away: a falling account hides inside a rising total, and nobody owns the list of who should have ordered by now

### What the monthly sales report shows

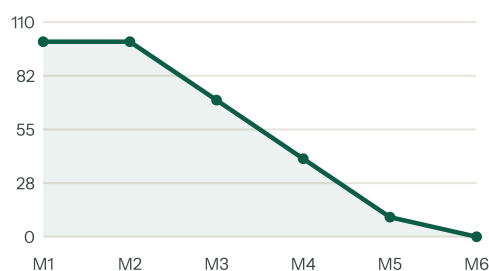
Total sales, index, month 1 = 100



**ILLUSTRATIVE** Total keeps growing as other accounts and prices rise.

### What is happening inside it

One regular account, index, month 1 = 100



**ILLUSTRATIVE** The same six months for one account drifting away.

Accounting and ERP reports are built around periods: sales by month, by customer, by product. They answer "what did we sell?" They do not answer "who should have ordered by now and has not?", which needs each account compared with its own normal rhythm. With prices rising, a total can grow even while the number of active regulars falls: metal product prices rose 47% between 2019 and September 2026<sup>1</sup>, which flatters any sales line measured in pounds.

### Three reasons the list never gets made



#### No owner

The office owns orders, the reps own relationships, the owner owns the numbers. The overdue-reorder list falls between all three.



#### No time

Salesforce found sales reps spend only 30% of their week selling<sup>22</sup>. Building a call list from exports is exactly the non-selling work that crowds it out.



#### No trigger

A missed order does not create a document, an alert or a task. Nothing lands in anyone's inbox until the account has already gone.

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

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

## Two quieter drains sit either side of every sale: chasing suppliers for goods coming in, and chasing customers for money that is overdue

### Goods in: more suppliers, more open purchase orders

Because most product is imported and sourced at different price points (section 3), a fastener distributor typically runs open orders with several importers and mills at once. Each purchase order needs confirming, a delivery date needs checking, and a late consignment needs passing on to the customer waiting for it. None of this is captured in a sales report, and it usually lives in one person's inbox.

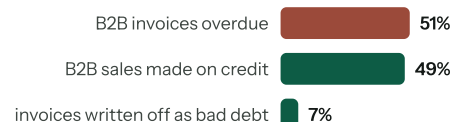
#### A simple test ILLUSTRATIVE

If 30 purchase orders are open, a quarter of them need a chase each week, and each chase takes 10 minutes including the update to the customer, that is about 75 minutes a week, or close to 60 hours a year. The bigger cost is the customer who hears about the delay from their own production line.

### Money in: late payment is the norm, not the exception

#### UK B2B payment practices, 2025

% of invoices or sales



Source: Atradius Payment Practices Barometer, UK 2025<sup>23</sup>.

## 63%

of small businesses spend time chasing overdue payments, at an estimated cost of up to £5,200 a year<sup>24</sup>.

## 80%

of small businesses still rely on manual bank transfers to get paid; 24% use Direct Debit<sup>24</sup>.

## £11bn

a year: the cost of late payment to the UK economy, which the government links to 38 business closures every day<sup>25</sup>.

For a distributor on 30-day terms, an overdue trade account is a double risk: cash is tied up, and an account that has stopped paying is often an account that is about to stop ordering. The same lack of a 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 reorder

## Why a new ERP does not fix this

An ERP records what happened; it does not read a PDF in the inbox or notice an account that has gone quiet. Gartner expects more than 70% of recently implemented ERP initiatives to fall short of their original business case, with as many as 25% failing catastrophically<sup>9</sup>. Panorama's 2024 survey found 32.8% of projects ran over budget and 31.3% finished late<sup>26</sup>.

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

Digital ordering works where customers want it, and suppliers that offer e-commerce earn over a third of revenue through it<sup>4</sup>. But preferences split into thirds<sup>4</sup>, and email remained the most preferred way to order through a rep<sup>5</sup>. A long-standing account that sends a PDF from its own purchasing system will keep sending it.

## Why hiring does not fix this

Another hire adds capacity to retype, not a way to stop. It is also harder and dearer: 71% of firms trying to recruit report difficulties<sup>10</sup>, the wage floor is £12.71 an hour<sup>2</sup>, and employer National Insurance is now 15% from the first £5,000<sup>3</sup>. And a new person takes months to learn which M10 a customer means.

## Why working harder does not fix this

Checking your own keying barely helps: visual checking produced error rates that were not significantly better than no checking at all<sup>7</sup>. And every hour a rep spends building a call list is an hour out of the 30% of the week that reps actually spend selling<sup>22</sup>.

## 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 codes are set up per account | <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 of learning             | <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>For portal users only                | <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>When there is time                 | <b>Partly</b><br>When the customer chases       |

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

## 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 when someone gets to them; no record of what is waiting | Shared inbox and a rough first-in, first-out routine   | Every order logged on arrival with a target time to key and confirm    | Orders captured within minutes; people review exceptions only        |
| <b>Part matching</b>      | Matching customer codes to yours relies on one or two people's memory               | A cross-reference spreadsheet for the biggest accounts | Customer part codes held against each account in the system            | Every customer code mapped; new codes flagged for a one-off decision |
| <b>Pricing and RFQs</b>   | Quotes priced from memory or the last quote                                         | Price lists by customer, updated occasionally          | Agreed prices and rules held per account; margin checked on each quote | RFQs priced the same day with margin floors applied automatically    |
| <b>Reorder visibility</b> | Quiet accounts noticed when the owner looks at quarterly sales                      | Monthly report of sales by customer                    | Each regular's normal rhythm known; overdue list reviewed weekly       | Daily list of who is overdue or due to reorder, owned by named reps  |
| <b>Kanban and VMI</b>     | Bins topped up when the customer phones                                             | Visit schedule kept in a diary                         | Top-up volumes tracked against each site's normal usage                | Falling usage on any site flagged before the next visit              |
| <b>Supplier POs</b>       | Late goods discovered when the customer chases                                      | Open PO list checked when someone remembers            | Open POs reviewed on a fixed weekly cadence                            | Every PO confirmed and tracked; customers told before they ask       |
| <b>Credit control</b>     | Overdue accounts chased at month end                                                | Aged debt report run monthly                           | Weekly review with set chase steps                                     | Overdue flags daily, linked to the account's 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 wait before it is keyed?  
Over half a day · Same morning · Within the hour
- 2 Who checks keyed orders before they are picked?  
Nobody · The person who keyed it · A second person or a system check
- 3 How do you match customers' own part codes to yours?  
Memory · Spreadsheet for some accounts · Held in the system for all accounts
- 4 How quickly does a typical RFQ go back priced?  
Next day or later · Same day · Within two hours
- 5 Can you name every regular who has missed their normal reorder this month?  
No · Roughly · Yes, from a list
- 6 Who owns the list of overdue reorders?  
Nobody · Whoever has time · A named person, reviewed weekly
- 7 How do you spot a kanban or VMI site whose usage is falling?  
We don't · On the next visit · Flagged from the data
- 8 How often are open supplier POs checked?  
When chased · Monthly · Weekly or better
- 9 How many wrong-part returns 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 a set 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 fixings and fasteners distributor, the cost of doing nothing runs from about £16,000 to over £110,000 a year, with a mid case near £44,000

**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                | 25     | 40     | 60      |
| Minutes to read, check and key each one        | 3      | 4      | 6       |
| Orders reaching the customer with an error (%) | 1%     | 2%     | 3%      |
| Cost to put each error right (£)               | £30    | £40    | £60     |
| Regular trade accounts                         | 120    | 150    | 200     |
| Regulars drifting away unnoticed per year (%)  | 3%     | 5%     | 8%      |
| Average yearly spend per regular (£)           | £6,000 | £8,000 | £10,000 |
| Gross margin (%)                               | 25%    | 30%    | 35%     |
| Reps building their own call lists             | 2      | 3      | 3       |
| Hours per rep per week spent doing so          | 2      | 3      | 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>27</sup>.

Employers pay 15% National Insurance on earnings above £5,000 a year<sup>3</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)                                   | 288            | 613            | 1,380           |
| Rekeying time (FTE)                                            | 0.17           | 0.37           | 0.84            |
| Cost of rekeying                                               | £4,888         | £10,427        | £23,460         |
| Orders needing a fix (a year)                                  | 58             | 184            | 414             |
| Cost of fixing errors                                          | £1,725         | £7,360         | £24,840         |
| Regulars lost (a year)                                         | 3.6            | 7.5            | 16              |
| Sales lost                                                     | £21,600        | £60,000        | £160,000        |
| Margin lost                                                    | £5,400         | £18,000        | £56,000         |
| Rep time on list-building (hours)                              | 184            | 414            | 690             |
| Cost of rep list-building                                      | £3,680         | £8,280         | £13,800         |
| <b>Yearly cost of doing nothing (cost lines + margin lost)</b> | <b>£15,692</b> | <b>£44,067</b> | <b>£118,100</b> |

### Where the mid-case cost comes from

£ a year, illustrative model, mid scenario



# 41%

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>PDF orders, part lists, price requests, kanban top-ups          | <input type="text"/> | 40           |
| <b>B. Minutes to read, check and key each one</b><br>Matching size, grade and finish to your codes           | <input type="text"/> | 4            |
| <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"/> | £40          |
| <b>G. Regular trade accounts</b><br>Customers who order on a pattern, including kanban and VMI sites         | <input type="text"/> | 150          |
| <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"/> | £8,000       |
| <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"/> | 613            |
| 2. Cost of rekeying                    | $1 \times C$                            | <input type="text"/> | £10,427        |
| 3. Cost of fixing errors               | $A \times D \times E \div 100 \times F$ | <input type="text"/> | £7,360         |
| 4. Regulars lost a year                | $G \times H \div 100$                   | <input type="text"/> | 7.5            |
| 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>£35,787</b> |

## Harder to count, but worth writing down

- Wrong-part returns from mis-keyed lines (M8x30 for M8x35, A2 for A4), per month: \_\_\_\_\_
- RFQs that went back the next day or later, per week: \_\_\_\_\_
- Kanban or VMI sites where top-ups have slowed and nobody has asked why: \_\_\_\_\_
- Hours a week your reps spend in spreadsheets working out who to ring: \_\_\_\_\_
- Open supplier POs nobody has checked this week: \_\_\_\_\_

## The distributors that hold their regulars treat the order-to-reorder loop as a process with owners and measures, not as a by-product of being busy

Practices drawn from the benchmarks and research cited in this paper, in the language of a fastener business. None depends on a particular product.

### 1. They measure first-time accuracy

APQC found organisations that measure, track and reward first-time data accuracy are 2.8 times more likely to rate their order management as extremely effective at improving fill rates and on-time delivery<sup>6</sup>. Count wrong-part returns every month and review the causes.

### 4. They watch every account against its own rhythm

Rather than reading monthly totals, they keep a list of regulars who are overdue against their normal reorder interval, and a named person works it every week. Kanban sites are watched on usage, not visit dates.

### 2. They run one intake queue with a clock on it

Every emailed order, part list and RFQ is logged on arrival and has a target time to confirm. The queue is visible, so nothing waits in one person's inbox.

### 5. They protect rep selling time

With reps spending only 30% of their week selling<sup>22</sup>, the call list is prepared for them, not by them.

### 3. They hold each customer's codes and rules once

Customer part codes, agreed prices, pack sizes and delivery rules are recorded against the account, not in someone's head, so a new starter can key a regular's order correctly on day one.

### 6. They sell the 85%, and run it like they mean it

If the part is only around 15% of the customer's total cost<sup>14</sup>, the rest is speed, accuracy and certainty of supply. Open purchase orders are checked weekly and customers are told about delays before they ask.

## 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 supplier deliveries are late?

| 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>  | Orders supplied with no correction                       | Count a month of credit notes                      |
| <b>Part-code match rate</b> | Customer codes found without asking                      | Log every "which one did they mean?" for a week    |
| <b>Regulars overdue</b>     | Accounts past their normal reorder gap, by value         | List the top 50 accounts and their last order date |
| <b>Open POs</b>             | Stock POs with no confirmed 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. Fastener distributors have no SIC class of their own; we use SIC 46.74 and 46.69 as the nearest published proxies.
- 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 fixings and fasteners 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 fastener 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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