

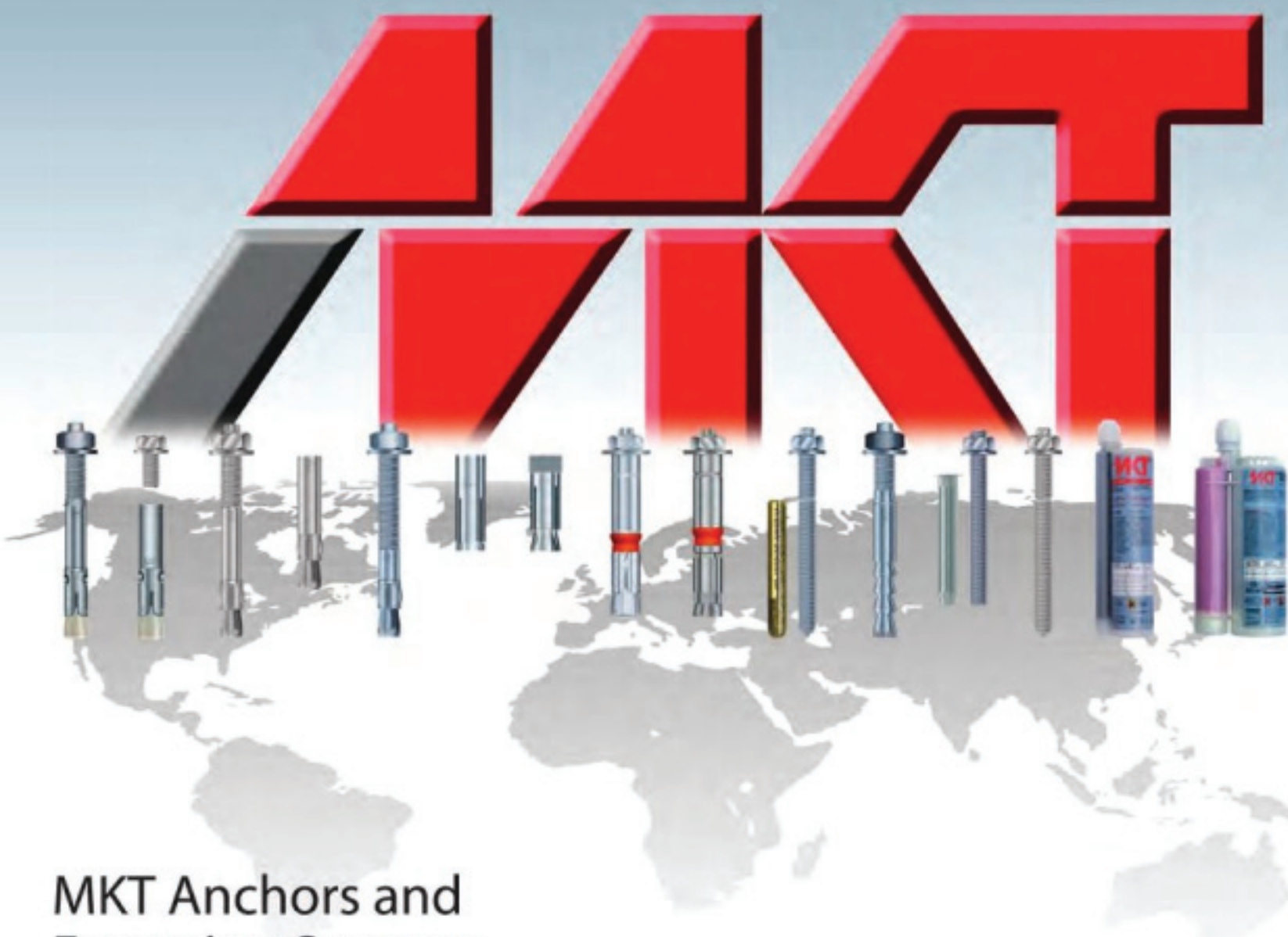
FASTENER + FIXING MAGAZINE

In this January issue...

Fastener Fair Stuttgart preview

Tightening torque explained

Adhesive application technology



MKT Anchors and
Fastening Systems.
Worldwide ...

... a solid connection

www.mkt.de

22 - 24 February 2011
Messe Stuttgart, Germany
Visit us at
Stand K30, Halle 6





The New The Big The Best



FASTENER FAIR STUTTGART 2011

Please visit us at International Exhibition for Fastener and Fixing Technology in Stuttgart **February 22-24, 2011** (stand E50, Hall 4).

OPEN HOUSE

We encourage our customers to visit our new premises and meet the team and get an insight into Brighton Best International at 10:30 am on the **2nd March, 2011**

Location:

Fastener Complex D1
Cradley Business Park
Overend Road,
Cradley Heath, West Midlands
B64 7DW U.K.



The Best in Customer Service

Customer service has always been a part of Brighton-Best's culture and is ingrained in each and every employee at BBI. Our goal is to return a customer's loyalty and commitment through excellent customer service at all levels.

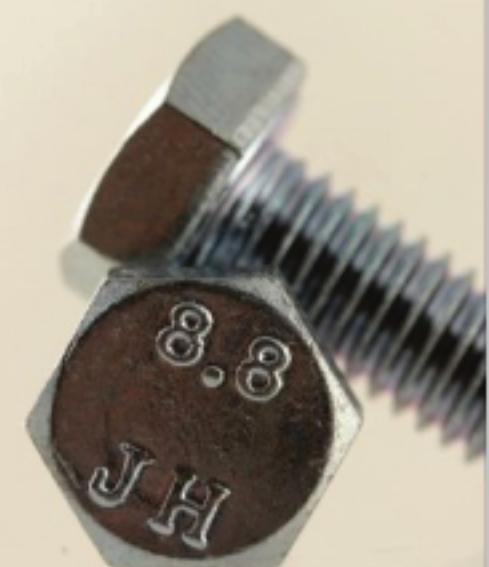
Warehouse Efficiencies

- A second working shift has been created in order to maintain customer service.
- NEXT DAY delivery service to the majority of the UK through our new parcel carrier UPS.
- Powered conveyors can assist the speed of which our warehouse operators can pack product for customer orders.
- A new packing machine to maintain and keep available packaged inventory, and our new wire guided order pickers including a state of the art turret truck, which enable us to maximize the full height of our location. (10m eaves)
- With BBI's continued partnership with vendors primarily YFS, all BBI inventory have unique labels containing LOT traceability and barcode identification.



BRIGHTON-BEST INTERNATIONAL

www.brightonBEST.org | Tel. +44(0) 1384 568144
sales@brightonbest.org | Fax: +44(0) 1384 413719



We are pleased to announce the arrival of our new range of Metric HT Bolting. We can offer from stock self colour and Zinc plated finish in both bulk and small pack quantities. Our new product range is available online through our web shop showing full inventory availability and price, with the addition of attracting a further 5% discount for all web purchases and material certification free of charge.



Hall: 4
Stand: E50

BRIGHTON BEST
INTERNATIONAL

Brighton Best International - a three year perspective



On 2nd January 2008 the Brighton Best group of companies was acquired by a consortium of investors from Taiwan, headed by Mr. Robert Shieh, president of Ta Chen International, Inc. On the third anniversary of the formation of Brighton Best International we asked Peggy Hsieh, executive operations manager, and Jun Xu, director of purchasing, to reflect on progress and look forward to developments in Europe.

It is three years since the formation of Brighton Best International. What do you feel are the most important qualities Ta Chen has brought to the business?

A customer once said that everyone in the industry focuses on becoming number one. They keep their heads down, work, work, work, then when they get there, they stick their heads up only to ask why they're all alone. Then they turn back to watch what everyone else is doing, only to have all their competitors catch up to where they are. With Ta Chen's financial strength, technological expertise, and evolution of the stainless steel wholesale distribution business in the United States, Brighton Best had a clear roadmap to follow thus allowing us to avoid this pitfall.

Brighton Best and Ta Chen International operate as separate and independent businesses. However, the two companies are fundamentally the same in business strategy and philosophy. The Ta Chen backing and resources allow BBI to continue investing into resources and talent in the industry to better service our customers and grow sales. In addition, Ta Chen provided an IT platform that

BBI was able to quickly use and adapt to create an online marketplace for customers to buy fasteners. The IT system not only allowed BBI to quadruple its tonnage sold by adding only 10% to sales costs but also brought transparency and convenience to our customers.

By focusing on ourselves and our customers, both companies have been able to build successful businesses focused on quality products, extensive inventory, competitive pricing, and the best customer service in the industry.

How is BBI positioned today in the world fastener market – and in the European market specifically? How do you see that changing over the next two or three years?

Today, Brighton-Best International is the largest fastener wholesale distributor in the USA. When Brighton-Best was acquired in 2008, the company was mainly known as a socket screw distributor, where socket screws represented over 80% of its sales. Few people know that socket screws represent less than 17% of Brighton-Best sales as of 2010.

However, this does not mean that

Brighton-Best lost market share in sockets but rather it was able to grow market share in the other new product lines, such as medium carbon, low carbon, and stainless, much faster. We were able to capitalise on Brighton's reputation for quality, inventory, and customer service to quickly expand into all things fasteners to become the most convenient, one-stop-shop for customers in the US.

Although today Brighton-Best is still recognised as primarily a socket screw distributor in the European market, we hope to change that perception in the next one to two years as we have in the USA, by the continued expansion of inventory depth and range as we enter the medium carbon / low carbon / and stainless markets.

Online marketing and trading has become a hot topic in the US over the last year, with BBI's name featuring largely. Explain how BBI has approached the transition to these new channels and how you see that developing in the Group's strategy in Europe?

BBI is not the originator of online sales in the fastener industry, but we are





certainly the company that has made it mainstream. In the United States, our online store accounts for over 76% of our daily sales. The transition was a challenge for some of our customers and salespeople. The fastener industry is a very traditional business with long entrenched business practices. However, BBI was confident that our web platform would bring a new level of value to our distributors.

We often draw analogies between our website and an airline kiosk. There are two groups of travelers, those that go to an airport and get in line, and those that go to an airport and check in themselves at a kiosk. While it's certainly true the person at the kiosk has to do more to get his ticket, it is also true that the person at the kiosk can check in and get to the gate faster than an individual who has to wait his turn at the desk. Both methods gets you what you need, but in business, speed and execution usually leads to better market share, and in a commoditised business this speed and execution matters in differentiating yourself from your competitors.

We believe the web will be a tremendous asset to our distributors in Europe. Our web-sales in the UK is already at 45%, and we believe we can push this to the 70% range by the end of 2011.

Coincidentally, the vast majority of our web-sales come from Continental Europe and not from the United Kingdom. The English language, for all practical purposes, is the mostly widely used language in business, and English is often easier to read than it is to pronounce for many cultures. Hence, we believe there is an affinity for individuals whose mother

tongue is not English to use our website as it minimises the errors and time needed when ordering fasteners.

IT is clearly fundamental to the management ethos of BBI now – explain how systems and people balance in the business.

This is a very good question, as we believe many people confuse what are IT and what are human resources. To Brighton Best, there is no separation of the two. Everyone is IT, and everyone has a responsibility to make sure our IT is the best in the industry.

IT is a system that is developed by people. If left alone, it is only a tool. However, the logic of how our IT system works needs to come from everyone in the company. From the salespeople entering an order to the warehouse staff scanning an order out, everyone bears a responsibility to understand the current procedures; and if something does not make sense to them, for them to make recommendations to our IT department on how to streamline the program. In effect, our IT system is a living program, always evolving and learning how to be faster and more robust.

We strongly believe that there is no conflict between technology and people. We consider having an in-house IT staff of 40 professionals and internally developing all our systems one of our greatest assets. Our systems will never stop growing, we will continue to strengthen and push the envelope to bring new technologies and improve efficiencies for ourselves and for our customers.

There was a common misconception

that when BBI introduced its online ordering system we would have no need for salespeople. Although we have achieved online sales of 75%, we have actually increased our sales staff by 10%. Our salespeople are not just clerks quoting prices and inventory availability. They are now true salespeople taking care of the customer's more involved needs because the website has freed up their time to do so. We have always emphasised that the system is just a tool to provide quick answers to pricing and inventory questions. Use it when you don't feel like talking to a salesperson or call anytime if you do.

There has been a radical extension of the BBI product range in the USA and the installation of a major increase in warehouse capacity in the United Kingdom. What has happened so far and is planned for 2011 in terms of range development for the European market?

2008 was indeed our rebranding year as we worked to integrate Brighton Best. We moved or expanded about 15 warehouses in one year, which was a tremendous feat considering we had only 19 warehouses in the United States. Our square footage under roof expanded from about 400,000 to over 1 million, and to fill in the space we rapidly expanded into the medium carbon / low carbon / stainless families.

In the UK, we increased our warehouse space from approximately 20,000 sq ft to about 60,000 sq ft. We have already expanded into the 8.8 hex head, and are expecting to sell stainless fasteners in the second quarter of 2011. We will continue to expand our product range in



Ta Chen / Brighton Best International headquarters in Tainan, Taiwan



the medium carbon and low carbon lines throughout 2011.

The USA accounts for 80% of BBI sales today. However, we believe the European market is just as large as the United States and do have future ambitions to expand into Continental Europe. Brighton Best is in the standards business. Our business platform allows BBI to gain operating efficiencies through increased sales selling commoditised fastener products. We typically shy away from specialised products that although command higher margins do not allow mass scalability and carries risk of obsolescence.

Our objective for the European market is to bring to market the best value proposition for standard fasteners of any wholesale distributor in Europe. Brighton Best will:

- Put our own cash into inventory.
- Ensure quality of products from overseas factories.
- Carry the risk of steel price movements.
- Carry the cost of the warehouse / people / system.
- Purchase and carry the minimal order quantities required for unpopular sizes.
- Deal with the hassles of importing materials from overseas.
- All wrapped with quality service and competitive pricing you would expect from Brighton Best.

Going back to being three years down the line – where is BBI today in relationship to the vision at the time of the acquisition? Has the economic climate over the last couple of years modified that vision?

When Brighton Best was purchased in 2008, we made the proclamation internally

that we would triple our sales in two years. We were off by one year. By the end of 2010, our sales in the United States has indeed tripled, and our tonnage sold has quadrupled in size with the introduction of new product lines like our medium carbon / low carbon / and stainless product lines. It may surprise many to know that for Brighton Best USA, sockets as a percentage of sales has been reduced



to 17%, without Brighton Best losing any market share or tonnage sold in the socket business.

In 2009 when every major distributor stopped purchasing and factories had to reduce capacity, we bought. We tripled our inventory levels in 2009, and we tripled it with low cost inventory by purchasing strategically. When the economy started recovering, Brighton Best was one of the only well stocked companies in the United

States. Customers gained confidence from our investments into inventory, and we have not looked back since.

Fasteners have been around for hundreds of years, and will continue to be around for hundreds of years. It is one of the products that have built our economies globally, no matter which geography or which stage of the economic life cycle a country is in. It is akin to the

food and water that sustains our own bodies. Without fasteners, there would be no construction of new bridges, equipment to build roads, houses, no cars to roam our streets. Without fasteners, our factories would stop with no replacement of worn parts, and in effect, our world as we know it will stop. Everyone needs to eat. Maybe if the economy is slow, we eat less, but we still must eat. It's just an added benefit that fasteners don't spoil.

History of Brighton Best

Brighton Best Socket Screw was founded New York City in 1965 by Stan Sevell and Perry Rosenstein, both extensively experience in fastener distribution locally and nationwide. In 1971, the two entrepreneurs purchased the assets of Brighton Socket Screw Manufacturing, a manufacturer in Cincinnati, Ohio. The merger created Brighton-Best Socket Mfg. Inc., a company that would ultimately become a major supplier of socket screw products in the United States.

By 1975, Brighton-Best had opened 12 warehouse distribution centres throughout the US and was looking for expansion opportunities abroad. A warehouse in Toronto was followed by four other warehouses in Canada. Over the next 20 years, Brighton-Best Socket Screw continued to open distribution centers in the USA, UK, Brazil, Mexico, New Zealand, Argentina and Australia. Brighton-Best is currently located in 32 locations in 7 countries and supplies over 7,000 distributors throughout the world.

On 2nd January 2008, Brighton-Best Socket Screw Mfg. was bought by a consortium of investors from Taiwan, headed by Mr. Robert Shieh, president of Ta Chen International, Inc. In 1986, Mr. Shieh founded Ta Chen International, Inc., a dominant supplier of valves, pipe, bar, coil, sheet and flat plate in stainless steel and other non ferrous materials. Ta Chen has distribution warehouses in 8 major industrial markets in the United States with corporate headquarters located in Long Beach, California.

The newly formed company, Brighton-Best International, Inc. offers new products, more extensive inventory, world class service, quality products, and a 24 hour online web ordering web site.