

VELOCITY VIDEO CASE HISTORY

A DC VELOCITY SPEED CHALLENGE

Easy pieces

TTI efficiently distributes billions of small parts each year from its new distribution center in Fort Worth, Texas.

WHEN YOUR BUSINESS MODEL IS BASED ON SELLING billions of small products with an average cost of less than a dime, you have to run an efficient operation in order to turn a profit and grow.

That's the case for TTI, an electronics distributor that's owned by Berkshire Hathaway. Connectors, capacitors, resistors, sensors, electromechanical devices, and discrete semiconductors are its stock in trade, and it ships billions of these small parts every year to customers worldwide.

"The electronic components range from the size of the tip of a needle all the way up to the size that you can't hold in your hands," explains Don Akery, president of the Americas & corporate SVP. "These are the components that are used in the products that you interface with every day—items like your coffee maker, your automobile, and the watch on your wrist. Our business is built on servicing customers, having the products they need to build the products the consumer would like to buy."

Skyrocketing growth combined with an ever-deepening number of SKUs made it challenging for TTI to serve its customers at the high level for which the company is known. The growth required TTI to expand operations to five buildings near its base in Fort Worth, Texas. But having operations spread over five facilities was problematic.

"Operating out of five different facilities made us less efficient and created challenges with service," recalls Hobey Strawn, vice president, Operations.

TTI partnered with Fortna to create a new facility that would consolidate all of its North American distribution.

"We looked at six or seven design companies and felt that their design tools and the comfort we had in their solutions set them apart,"

recalls Strawn. "With their FortnaDCmodeler tool, we could do a lot of iterations dynamically."

COMPLEXITY MEETS EFFICIENCY

TTI had several objectives for the new building. "Our number-one goal was to continue the record-level growth that we've been able to support before but were running out of space for. The second was to be a much better service provider to our customers," says Strawn, who adds that TTI provides a lot of complex value-added services for customers. "We're not just pick, pack, and ship. We handle bulk. We handle piece pick. We needed a facility that could handle that type of complexity and do it better than we did before. And then of course with that, bring on efficiencies and have a better cost to serve."

The new building holds 200,000 SKUs, and TTI has access to over 1 million different parts. The Fortna

design enabled efficient handling of this wide variety of products while still providing room for growth. It features a new three-level pick module with 80 pods of carousels. The facility also boasts 1.7 miles of conveyors, merges, and sorting systems. Also included are efficient pack areas, assembly areas, and value-added stations. All combine to provide an efficient workflow that allows a 7 p.m. cutoff time and has increased on-time shipping to greater than 99%. The end result is better customer service at less cost. It also allows for a deep inventory that provides customers the parts they need quickly.

"Fortna has been a great partner," adds Strawn. "They're very flexible with us, and they understand that things always change and react really well. Now, we're starting to look at what I call the 2.0 design. We want to keep growing our inventory and keep being able to grow. And we want to keep getting more efficient. The future is exciting."



To see a video of the new consolidated facility at TTI, go to dcvtv.com and click on the Velocity Video on Channel 2. For information on Fortna, please visit www.fortna.com.