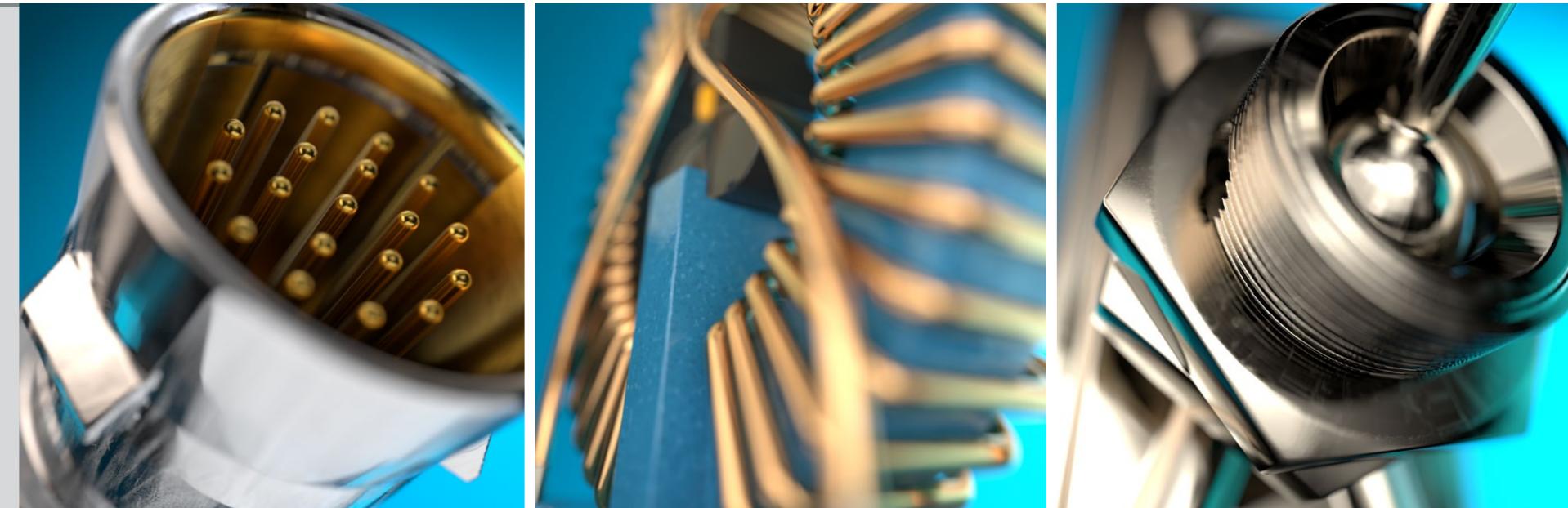




TTI brings European Distribution Center expansion online

By Glyn Dennehy, President EMEA, TTI Inc., Europe

One of the most important trends in the market today is the increasing emphasis for electronics manufacturers on the importance of having a solid supply chain partner for interconnect, passive and electromechanical (IPE) components. As organizations have embraced initiatives such as Industry 4.0 and the Industrial Internet of Things, the need for a higher proportion of electronics within industrial automation equipment has also increased dramatically. The use of more electrically sensitive, compute intensive, semiconductors has further accelerated the demand for passive components too, such that in some cases we've seen a five-fold increase in the number of passive components used on a PCB. In addition to the industrial markets we have seen similar demand from the aerospace, automotive and transportation sectors as more electronics-based systems are being developed.



Our continued growth has driven further investment in our European distribution facilities and I'm pleased to say that we recently opened an enlarged warehouse that provides an additional 15,000 m² on the existing site. Commenced in 2016, this new facility represents an investment of many millions of dollars, includes additional logistics and materials handling equipment, and triples the overall cubic meters of warehousing capacity on our site.



In our mind there was never a discussion as to our choice of location, such as building capacity in Eastern Europe. Granted operating costs would be lower there but Germany is our largest market in Europe, and has the highest concentration of manufacturing OEMs. Introducing operational risk and putting our successful value propositions in jeopardy, in return for incremental cost savings was not something we would consider.

For our customers and our suppliers, this investment is fundamental to our value proposition strategy of managing inventory and fulfilling it. Our growth comes from customers recognizing the value that TTI provides by stocking inventory and getting huge amounts of their BOM to them in a timely and trouble-free manner; this is not about price. This approach is as relevant to our customers as it is for our suppliers who respect us for the amount of the product we hold, and how we do the 'heavy lifting' to our customers. In many cases, we hold roughly twice as much inventory as our competitors, and work with a much more focused and select group of suppliers.

Our strategy in Europe continues to be what we set ourselves from the beginning, that of being recognized as the experts in demand fulfillment and inventory holding. Unlike other broad-line distributors that stock mainly the fast moving components, TTI has always recognized the value to our customers of the breadth of inventory we hold. Having a focus on particular product categories has also been vital to our success. We've become known in the industry as being the largest supplier of IPE components. Despite such products having relatively low unit values, typically equating to approximately only 7% of a product's BOM, however, in terms of the number of components on a PCB they represent typically 70 – 80% of the total component count. It's no wonder then that our customers look to us to perform the supply chain 'heavy lifting' for them. Customers cannot afford to move such low value components around their organization, each move costs money, so they simply want to order them and have them delivered to the production location ready to be used. Adhering to this strategy has meant we've grown our interconnect business from 8 % of European revenues to now over 32 % in the last 10 years. Overall, TTI Europe have grown revenues from less than € 200 million in 2005 to an anticipated € 800 million by the end of 2018. Also, it is worth noting that this is not only from market growth, but TTI commanding a larger share of the available market, and is a testament to how our customers value our services.

Looking towards 2019, we are expanding our technical resources, adding more people with specific technical expertise in new markets and applications that will complement our sales teams. We're ready to further engage with customer engineering teams to help them with their BOM challenges by doing what we do best; holding significant inventory and fulfilling it.

As you think about the challenges facing your business in 2019, if one of them is inventory or supply chain related for electronic components, we're pretty confident we can help you solve it.



About TTI

TTI Inc. is the world's leading authorized distributor specialist offering passive, connector, electromechanical, discrete, power supplies and sensor components. TTI's extensive product line and supply chain solutions have made the company the distributor of choice for industrial, defense, aerospace and consumer electronic manufacturers worldwide.

TTI's extensive product line includes: resistors, capacitors, connectors, discretes, potentiometers, trimmers, magnetic and circuit protection components, wire and cable, wire management, identification products, application tools, power supplies, sensors and electromechanical devices. These products are distributed from a broad line of leading manufacturers. TTI strives to be the industry's preferred information source by offering the latest IP&E technology and market information through the online MarketEye Research Center. MarketEye includes articles, technical seminars, RoHS, seminars, industry research reports and much more.

TTI's products, personalized service and custom supply chain solutions have earned us the most preferred passives distributor title by CMP Publications. TTI employs more than 5,600 people at more than 100 locations throughout North America, Europe and Asia.

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