



>> Sager Electronics Uses PTC's MOVE to Establish Digitally-Enabled Distribution Network During Rapid Company Expansion

Grounded in over 130 years of innovation and service, Sager Electronics is a North American electronic component distributor of interconnect, power and electromechanical products, and provider of value-add solutions.

Headquartered in Middleborough, MA, Sager Electronics operates a national network of field sales representatives and power systems sales engineers, strategically located service centers across North America, and a 64,000 square foot Power Solutions Center and distribution center located in Carrollton, TX.

The Challenge

Digital transformation of B2B commerce has created immense pressure on distribution centers to provide accurate and rapid order fulfillment. Inventory volumes continue to rise, requiring organizations to create more shelf space, better utilize existing facility square footage, and revamp operational workflows and processes to keep up with the change and increased business costs.

As a leading distributor of electronic components, Sager Electronics' growth strategy included acquiring regional power supply and value-add distributors and opening additional sites to service its expanding network of customers and suppliers. Sager, like many organizations in the digital age, was facing rapid inventory growth and managing the subsequent operational complexities that came with it.

During this time, the company's power and thermal portfolio was hitting new highs in customer demand. As a result, Sager began to outgrow its 100,000 square foot center in Middleborough, MA, and needed more space to accommodate the the robust inventory of power supplies,

thermal management solutions and specialty components that move in and out of its facilities. To meet its distribution requirements and expand its value-add production and warehousing footprint, Sager opened a 64,000 square foot state-of-the-art facility in Carrollton, Texas. The Southcentral location would house a 40,000 square foot distribution center, a 20,000 square foot value-add Power Solutions Center, and the company's Southcentral sales service center. In all, the new location would account for one-third of Sager's overall revenue and inventory.



The Approach

With the Carrollton facility set to increase the company's distribution capabilities by 25%, Sager developed a digital transformation strategy to ensure seamless communications across its entire network. Sager realized it needed to implement a smart, connected warehouse management system (WMS) capable of supporting increased service levels across both locations, while improving operational efficiency, time to market and third-party logistics spending. Additionally, it needed a scalable solution that could be continuously re-configured to accommodate anticipated growth and changes in operational flow.

The initial concern for many organizations adopting a new WMS is how to get it implemented quickly and effectively, minimizing crippling production downtime. With the opening of the Carrollton facility approaching, Sager turned to its longtime partner, PTC, to assist with its digital transformation objectives.

Working with a trusted partner and solution for the past two decades has provided us stability in an industry of change. PTC's ability to keep up with growth and support evolving operational requirements helped us better manage resources and costs to meet rising demands. Expanding MOVE to our new facility will continue to help improve operational efficiencies across the company and we look forward to the next 20 years of success with PTC."

Shannon Freise

VP of Operations, Sager Electronics

For more than 20 years, Sager had leveraged PTC's MOVE to enable, coordinate and optimize activities within its Middleborough facility. MOVE directs the flow of inventory and information by automating the entire order lifecycle, empowering workers with more control over operations. Because of its demonstrable success with the solution and long-term history with PTC, Sager realized that expanding this technology to its Carrollton facility would be the most seamless and cost-efficient approach to establishing a fully-automated distribution network.

Central to Sager's decision to operate on the same WMS was the scalability and operational extensibility that MOVE offered. Designed with a flexible architecture, users can start small and scale implementation as needed to support increases in users, transaction volume, and business processes, all while maintaining performance levels. As Sager's power and thermal product distribution requirements continue grow and evolve, the employees will have the ability to quickly update process flows and operational specifications in real-time without having to make source code changes to the system.

The Results

MOVE's ease of use, coupled with Sager's internal resources and knowledge of the solution interfaces, dramatically cut deployment time and cost. Working closely together, the Sager team had the technology up and running in only two and a half days. The process was so seamless that the sales cycle was not affected, orders were not delayed, and PTC personnel were not required onsite during the go-live period. In fact, Sager handled the entire roll-out, only using around 10 percent of the budget dedicated to support configuration and launch support.

Since the grand opening of the Carrollton facility in January 2019, PTC has provided Sager with a full array of logistical capabilities across its two sites. Working with an integration solution across facilities not only eliminated the hassle of dealing with multiple vendors and lowered the ongoing costs to maintain integration between disparate systems, but it also has given Sager streamlined visibility. With a fully-automated distribution network, the company can easily track inventory from receiving to shipping in near real-time on one common managerial dashboard, allowing them to become more demand-

driven in their decisions, resulting in an increase in order fill rate and reduction in inventory carrying costs.

Moving forward, Sager will be working with PTC to bring even more insight into shipping and receiving procedures by implementing new technologies such as 2D and barcode scanning. This will allow for increased visibility across the distribution centers, helping Sager closely monitor site productivity and establish operational best practices.



For more information, visit

www.ptc.com/en/products/move

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