



Case Study: End-to-end Solutions

Techtronic Industries (TTI): Multinational Power Tool Company

To accommodate rapid growth, TTI needed a new semi-automated Distribution Center.

PROJECT SUMMARY

LOCATION

Oceania

INDUSTRY

Hardware
& Building
Supplies

TMX partnered with this leading electronic equipment producer to design and deliver their new distribution center for improved operations and future growth.

Client Challenges

Rapid year-on-year growth: YOY growth of 30% presented challenges in managing expansion with a historically disjointed approach to facilities.

Diverse SKU profile and facility design uncertainties: The varied current and future SKU profile, varying in size, weight, and shape, created uncertainties in facility design.

Complex distribution network and upcoming critical date: 75% unit volume distributed into the primary distribution network and 40% across Victoria, Tasmania, South Australia, and Western Australia, necessitating a comprehensive future network solution.

Lease expiry: An upcoming critical date limited negotiating leverage for procuring a property solution.

Limited site availability for facility expansion: Limited supply of sites capable of accommodating a 73,920sqm (795,668sq ft) facility within a 10km (6.2mi) radius of the client's existing premises.

Approach

A glimpse of what TMX did:

- Undertook an operational review, establishing the optimum warehouse and network design developing an "as is" baseline model and managing the growth expectations and throughout to 2027.
- Prepared a comprehensive business case report with financials quantifying an optimum transformation solution.
- Coordinated a two-stage property procurement process negotiating all the commercial terms and conditions via Heads of Agreement.
- Utilized a robust technical design brief and accompanying architectural drawings, defining the base building needs.

- Oversaw the legal process so both the Agreement for Lease and final lease were executed in a timely manner.
- Project managed the delivery of the facility, attending all design, construction, and PCG meetings.
- Coordinated and programmed the fit-out elements into the construction phase.

Solution

Here are the benefits that TMX's efforts brought to the client:

- **Designed a semi-automated distribution center** using a combination of VNA and selective racking for reserve storage, an A4 station with 30,000 tote locations GTP system for all split case and smaller full case picking, six decant stations, automatic carton erectors and induct, fully integrated full case pick module, dedicated small order / e-commerce packing stations and 11 sortation lanes.
- Established the **optimum network strategy with a 2031 design year** (28,000,000 units – throughput). Additional volume post 2026 to be re-directed through a new facility in Victoria, Australia.
- TMX negotiated a **significant savings (AUD\$9.2m)** from the success owners first offer in the highly competitive two-stage RFT process to the final agreed offer.
- In addition to the incentive, TMX included **AUD\$3.6m of provisional sums** into the base building definition.
- Sourced a **future property solution** within the desired 10km (6.2mi) radius of existing facility so key staff were retained.
- Project managed the delivery of the facility **on time and to budget**.

Transform your supply chain

TMX Transform is an end-to-end supply chain consultancy, providing expert advice and practical, innovative solutions to businesses globally.