

Synnex earmarks \$20m for investment

Distributor looks to increase logistics capacity in every state

Nadia Cameron 22 May, 2008 16:57:53

Synnex is ramping up its Australian infrastructure investment as part of plans to grow its logistics and sales capabilities.

CEO, Kee Ong, said the distributor would spend up to \$20 million in the next couple of years expanding its local capabilities.

"Last year we just kept growing - we'd reached the point where we needed to invest in infrastructure. So I asked

our regional headquarters to invest," he said.

Earlier this month, Synnex announced a new Brisbane warehouse which more than doubled its warehouse capacity in that state.

"We will double the size of our Perth warehouse in August and expand our presence in Sydney in October," Ong said. "By 2010, we hope to have also doubled our size in Melbourne with a purpose-built warehouse."

The distributor is also bringing on an additional 15 trucks in Melbourne over the next couple of months, doubling its fleet to 30. This will allow it to provide same-day delivery to resellers within a 50km radius, Ong said.

Alongside physical capacity and logistics Synnex was also working on improving its business processes and ecommerce capabilities and will overhaul its website, he said.

Synnex's infrastructure growth spurt ties in with its plans to bring on more vendor products this year as well as retain more stock in each state. Ong hinted several big vendor announcements were on the way. He highlighted the retail and commercial markets as key areas of growth.

"Components as a whole is still one of our biggest categories, but as a segment it's decreasing because we have experienced growth in other areas, particularly consumables," he said.

Ong also confirmed Synnex had snatched a lucrative distribution agreement with Microsoft for its Xbox from Ingram Micro. It is also now stocking Microsoft's retail software product lines and hardware accessories

