



SYNNEX TO OPEN A NEW \$34M WAREHOUSE IN SYDNEY; CHANGES ERP SYSTEM

At a time when many technology companies are either cutting costs or delaying projects, Synnex is making a huge infrastructure push, with plans to open a new, fully-automated warehouse in Western Sydney in the next 12 months, according to Synnex CEO, Kee Ong.

The company has also just concluded changing its ERP system to complement the new warehouse, Ong said, adding that the switch has gone smoothly with "no major issues".

"The new [Oracle-based] system is running fantastically well at the moment," he said.

Synnex spent the last 22 months in planning the new system, including about four months that went into testing the new system, he added.

Its new warehouse will be located in Sydney's Western suburbs on Parramatta Road near Olympic Park, Ong said. It will be bigger than its existing Melbourne warehouse, with potential seating - in the office component alone - for 106 staff.

With ceilings reaching 29-metres, and solar panels to provide sustainable power, the "state-of-the-art" warehouse will become one of its two major logistics centres, said Ong.

Its 11-year old Melbourne logistics hub will also get a revamp eventually.

The initial cost of \$34 million includes costs related to secure the site, heavy machinery and imported technology from Japan, and building the warehouse, he said.

At least \$2 million has been spent on decontaminating the grounds from oil seepage from tanks from World War II, he said.

The company also plans to hire 100 additional staff for the warehouse.

The NSW government has classified the project as having a significant impact on Western Sydney's economy, Ong said.

Synnex's strong move comes at a time when some company's are hedging their bets as the worldwide economic situation remains fragile at best.

"Strong companies always invest in a downturn. There is no other time better than now to invest in yourself - your staff, your infrastructure, your capability to acquire new businesses," Ong said. "Downturn for me is a good time to invest."

In addition, Synnex plans to launch new microsites from its e-commerce portal www.synnex.com.au.

One microsite will be a licensing-focused microsite that will make easier the licensing of thousands of products, Ong said.

Synnex already has three microsites - with Intel, Acer, and IBM.

The company is also in talks with Microsoft for a new electronic software distribution project, which will be a new way to distribute software, Ong said.

He couldn't disclose further details of the project, however, he did say that Synnex hoped to start the project before the launch of Windows 8 operating system in October.

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