

Smartsizing electronic distribution, from Long Island to the world

Moving from one business location to another generally involves upsizing or downsizing. However, in the case of Peerless Electronics Inc., a distributor of electromechanical and passive devices, their recent move involved smartsizing.

Moving can be exhausting for businesses regardless of type or size. Decision-makers have to balance vision with reality in considering the entire process. There is also much to consider: projected expenses, interminable planning, on-the-fly adjustments, contingency options and concerns about key people. The potential for downtime, interruptions in service and a litany of other vital items must be planned for. Moving is a challenge and requires thoughtful planning and a strategy to ensure success.

Peerless Electronics experienced a number of challenges while also dealing with fast-changing markets, governmental flip flopping and the ever-present need to stay ahead of the competition, but the 74-year-old distributor was motivated to achieve a seamless transition. That's where smartsizing became a solution for the company.

Carpe diem

Peerless Electronics Chief Executive Officer Robert M. Levine explained the strategy behind the move. "The impetus for smartsizing originated with becoming an employee owned company (ESOP) in 2012. We reassessed how we conducted business and implemented a plan to achieve better business today and in tomorrow's world. Smartsizing our processes, procedures and operations were at the forefront, including switching to an integrated ERP system. The final step was the physical move to a facility that enabled us to incorporate more advanced automation into our warehouse."

Armed with a goal and a purpose, Peerless' leadership seized the day and took a long, hard look at its future and the industry's future as well. The scope of the vision was expanded to modernize the distributor's identity, including image and logo modification, positioning and branding, in the same way that they were modernizing facilities and capabilities.

Smartsizing ins and outs

Smartsizing an organization that was one of the founders of the electronics distribution industry following World War II required careful ergonomic streamlining with an emphasis on quality and total customer satisfaction. Efficiencies were realized ranging from warehouse and office space to trying on new marketing protocols for size, and an invigorated



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web presence — all of which would benefit from the redefined identity and clarified mission.

"Smartsizing became a reality early on in our process of evaluation that went far beyond a physical relocation," Peerless President Bill Gallucci stated. "We needed better utilization of space, so an initial goal was to identify and utilize the appropriate size space. It was important to have space that was dedicated and efficiently designed to electronic distribution needs in order to achieve maximum efficiency. Similarly, we extended smartsizing on all fronts, including our positioning within the distribution industry, in our vertical markets, to our customers and end users and to our own people. This included revitalization of our messaging, our mission and our brand."

Out with the old, in with the new

The Peerless executive management team considered several geographies, scoured available locations, but ultimately elected to relocate within the Long Island area. Smartsizing dictated that any new facility needed to be:

1. Conveniently located to enable Peerless' long-standing, highly skilled employee owner (ESOP) work force to commute quickly and easily.
2. Capable of being repurposed for a modern distributor of electromechanical and passive devices and to accommodate time and labor saving practices proprietary to Peerless.

(continued on page 28)

DISTRIBUTOR UPDATE: Smartsizing electronic distribution

(continued from page 25)

3. Able to easily accommodate expansion and growth.

The new facility headquarters at 85 Adams Avenue in Hauppauge, N.Y., met the requirements. It was centrally located in western Suffolk County in Long Island's largest industrial/manufacturing area.

"This geography is eminently reachable for our workforce and also features close proximity to Islip MacArthur Airport," Gallucci noted. "It is the heart of Long Island's manufacturing area, has a strong business association and includes an international Foreign Trade Zone. This location made perfect sense for us as we distribute some of the top leading lines all over the country and internationally."

Spacious and in good repair, the facility was gutted to a shell and repurposed for present and future efficiencies and distribution realities. For example, a new state-of-the-art barcode scanning system was put in place which allows for random inventory placement. The end results are greater efficiency, significant manpower savings and better space utilization.

Designing space ergonomically

"We recognized that in growing our business we needed to be increasingly more efficient over time,"

Gallucci said. "That meant starting with a better layout for inventory placement and warehousing management that would reduce time locating, checking, packing and shipping the electromechanical and passive components that our customers required."

"We also rethought our Value-Added Department in order to more efficiently handle the numerous operations that customers want such as assembly, kitting, military qualified packaging and soldering. Our VA offering includes over 50 services. Now, with rededicated space and improved capabilities, we are capable of tackling more types of VA services under one roof, a decided advantage for customers, offer faster turnaround time as well as compete better on cost while maintaining the commitment to quality that we are known for."

Updating Peerless' identity

While brick and mortar may be the most recognizable aspect of smartsizing, albeit one that most distributor customers will never encounter in person, the smartsizing of Peerless included more visible aspects.

Peerless Marketing Manager Edward Combs explained: "We understood the need to update our outreach and approach to both customers and suppliers. Our old Peerless logo had been in place longer than any existing employee could recall.

"We asked ourselves: Why change something that many saw as an icon of the electronics distribution industry itself, since Peerless has been around since 1945?

"A strategic survey conducted by an independent firm validated many beliefs held by our employees, and the decision to modernize, rather than to completely replace the symbol, was made. Today, our new identity involves the best of both worlds. The new logo design and color palette are reminiscent of their predecessors and all the good things that they stood for; however the star burst looking forward and embracing the future better reflects what we at Peerless are striving to do."

The same held true for the way Peerless addressed existing customers and prospects. Smartsizing identity meant development of and adherence to a revamped mission to enable OEMs and other customers to meet their manufacturing and maintenance needs by providing them with the highest quality products from an extensive inventory, in an expedient timeframe backed by unparalleled levels of knowledge, expertise and service.

The results of smartsizing

"The electronics components distributor of today must be agile, consultative and solutions-oriented," Gallucci remarked, "and must be able to assist designers, engineers as well as purchasing agents and buyers. Our new mission statement addresses those facts and includes something that we practice day in day out, 'We do it all for you.' It's true. And we will be able to do it even faster and better from this new dedicated distribution facility with a new identity and the expertise of our experienced team."

Gallucci summed up the smartsizing initiative at Peerless.

"Peerless Electronics has been an employee stock ownership plan (ESOP) organization since 2012, so the smartsizing of Peerless provides a stronger foundation built with loyal employees, loyal customers and loyal suppliers. That's the Peerless brand in a nutshell. We feel confident that this focus will help the organization to prosper now and into the future." ■



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