

Homeland Security

Local contract manufacturer secures global results for TSA-certified luggage screening solution

“Segue has the ability to source and integrate components from low cost regions and configure the product locally at a competitive price point resulting in a sustainable competitive advantage and a 20% cost reduction.”

Purchasing Manager

Shipping logistics escalated costs and delayed on-time deliveries

Following 9/11, the need for high-quality, cost-effective, screening solutions at airports and public events became critical to the security and operation of airports and other public venues. The Transportation Security Administration (TSA) increased their demand for the luggage screening systems dramatically and the requirements were immediate. The current

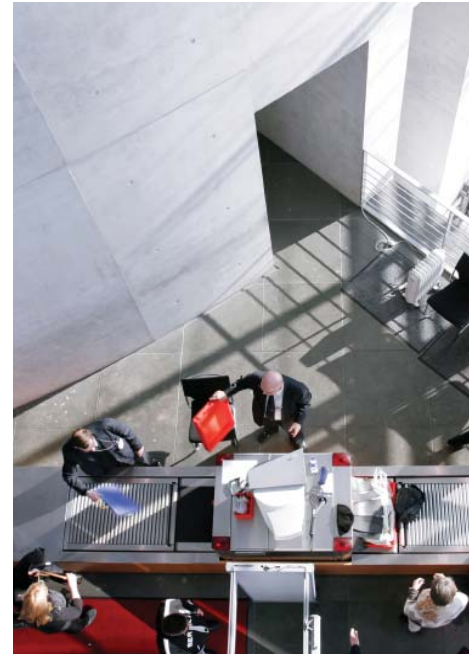
supplier of the same sub-system for the screening systems was located in Kentucky and logistics of trucking to the northeast-based customer started to drive-up costs and delay deliveries. In addition, ECO implementation was slow and quality was slipping. It was necessary for the customer to start looking at alternative suppliers.

Segue leverages global supply chain to reduce costs by 20%

Segue Manufacturing Services had already successfully engineered the cable and harness assembly and was shipping to Kentucky for final assembly. It was a logical choice to offer this local contract manufacturer the opportunity to manufacture the complete assembly. “We knew that to be competitive in this market, we would have to beat the price of the current manufacturer,” recalls Peter Frasso, President at Segue Manufacturing Services. “Utilizing our established global supply base, we were able to source the weldments from China and deliver to the customer the benefits of global sourcing in the form of a 20% cost reduction.”

Segue, now the primary supplier of the assembly to the customer, has analyzed the demands of the customer

and properly sized its Kanbans to take full advantage of Demand Flow Technology (DFT). The customer dictates the demand, which is upwards of 50 units per month, and Segue manages the different components, including managing the long shipping times and variability of product from China, to provide consistent on-time deliveries. “As a local supplier, we have collaborated closely with the customer to help with design changes, ECO implementation and shifting demands,” concludes Frasso. “In addition, our ability to analyze and reduce costs, has created a trusted partnership with a customer who is delivering a solution critical to our national security.”



Benefits:

- 20% cost savings
- Local support
- Global sourcing

Processes:

- Global sourcing
- Cable and harness assembly design
- DFT, Kanban
- JIT, lean manufacturing



**Your Partner for
Global Competitiveness**

Segue Manufacturing Services, LLC
70 Industrial Ave East
Lowell, MA 01852
Phone 978-970-1200
Fax 978-970-5511
www.seguate-mfg.com