



Quality Service Creates Successful Business

When Norman Tu decided to start a software duplication service he never expected to see DisCopyLabs as it is today: a full-service production facility providing quality service by a dedicated staff.

DisCopyLabs has grown from a 200 square foot space in Menlo Park to over 7200 square feet of production and warehouse space in Santa Clara, from one person to a staff of 23. DisCopyLabs now has a production capacity of 15,000 disks per day and annual sales approaching \$4 million.

Third Anniversary

June 1985 marked the beginning of DisCopyLabs's fourth year as one of the leading software duplication services in the microcomputer industry. With 15 years of experience in software and hardware engineering for Hewlett-Packard and Xerox, Norman Tu opened DisCopyLabs in June 1982. His aim: to market a duplication service that provided quality products on quality media using high performance duplication equipment. DisCopyLabs was profitable after six months of operation.

Full-Service Production Facility

DisCopyLabs serves as an extension of customers' production departments by adding services to meet their needs. This past year DisCopyLabs added: final assembly and packaging; Lock-Guard family of copy protection; text translation services; IBM AT duplication; free delivery in the South Bay.

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DisCopyLabs Staff

President's Message

DisCopyLabs plans to inform customers about new product introductions, new services, and key personnel changes through this quarterly newsletter. We will cover topics of interest in the areas of software duplication, packaging, and copy protection.

In the past three years, DisCopyLabs has established a standard of quality and service that others feel they must meet. Our motto, "each a perfect original" is our commitment to you of a zero-defect product.

Despite the recent shakeout and consolidation in our industry, DisCopyLabs continues to grow and thrive. I believe the major reason for our continued success is the hundreds of duplication customers who believe in our philosophy.

We thank you for your support and will continue to work hard for your trust and business.

We appreciate any comments you may have about this newsletter.

Norman Tu



Norman Tu, President



Antonia Tu, Vice President

Production Update:

New Packaging Equipment and Services

The finished goods assembly and shrink wrapping area has increased dramatically. Since acquiring two additional units at the Koll complex, we have doubled our packaging and warehouse space. A high speed labeler has been installed, and additional shrink wrapping equipment will be added.

We continue to expand our packaging consultation and assembly services. Mary Kung, Packaging Manager, and I are available for consultation on your packaging needs, including custom shipper boxes and drop-shipment to your dealers. DisCopyLabs can print your labels — or you may continue to provide your own labels — and help design your package. For more information and specifications, call us for an appointment.

Antonia Tu

Marketing Overview:

Response and Timing

Providing duplication, component assembly, and shrink wrapping to the software publishing industry requires response and timing. The lowest price is worthless if one cannot meet the customer's schedule. DisCopyLabs exists to deliver finished goods to the customer on time, every time. Our staff knows that is our goal and performs so that customers' needs are met.

In today's world, profits are hard to realize. Casual copying of expensive software is best curtailed with copy pro-

Technical Report:

Masters and Evaluation Copies

DisCopyLabs requests two program masters for duplication orders. We check that the two master programs are identical. Our test procedures include: checksum calculation, chkdisk, directory of the files, diskcompare. If any of the tests fail, we immediately call to verify the problem and to discuss how the masters were created.

During production, if one master errors out on our duplication machines, we try using the other master. Having the second master on file allows us to proceed with production rather than waiting for another master and completion of the check tests.

Evaluation Copies

A customer may allow us to run their program if both masters are identical, though other customers prefer to have two evaluation copies before production approval. Sometimes a customer will find a "bug" in the program or a problem because of copy protection, serialization, or both.

Part Numbers

Some customers ask us to assign part numbers to their software. A part number differentiates later program versions from earlier ones. Our part number scheme is:

co.name fmt. prog. mo. day yr.
i.e. Doe IBM T 10 14 85

Using part numbers allows customers to place subsequent orders by phone.

John Tan



John Tan, Production Manager

Experienced Managers Assist Customers

The managers at DisCopyLabs strive to provide the best service to customers.

Production Manager John Tan coordinates all phases of production, including scheduling orders and managing duplication, quality control, downloading processes.

Steve Chandler, Production Supervisor, has worked in quality control, label programming and shipping. He supervises the duplication and quality control technicians and coordinates the production process.

Mary Kung, Packaging Manager, supervises the packaging and warehouse staff and assists customers with their packaging requirements. Mary brings experience as an office manager and production coordinator.

Office Manager Nancy Smith is in charge of accounting and invoicing. One of DisCopyLabs' first employees, Nancy has worked in office administration, purchasing, production processing.

Antonia Tu is Vice President in charge of customer service. She assists customers with all of DisCopyLabs' service, including consultation about orders and packaging options.

Staff Profile:

Production Manager Keeps Orders Moving

Over the last three years DisCopyLabs has developed a dedicated management staff which upholds the DisCopy tradition of quality service.

John Tan, recently promoted to Production Scheduling Manager, has broad experience in the organization.

After ten years in the restaurant and food service business, John changed careers and joined DisCopyLabs. He was the first night duplicator. Within less than a year he transferred to day shift and subsequently became day shift Production Supervisor. In addition to supervising the duplication process John did quality control testing and downloading.

Not one to quit learning, John has studied general education and programming at San Jose State. He intends to complete his degree in the future.

This past spring, John studied Interpersonal Management at Mission College and plans to take additional management courses. John feels understanding human needs is a key component of management.

In retrospect, John attributes his success to opportunity, diverse learning experiences and hands-on application.

New Services

New duplication formats have been added including: TI Prolite, Data General One, and Macintosh. The most recent addition: high-density drives and formats for the IBM AT machine.

LockGuard copy protection programs for the IBM PC use only 7K disk space. LockGuard easily runs from the floppy disk or on the hard disk.

The new release of LockGuard "H.D." version 3.0 for hard disks, with improved patented finger printing is due out for beta tests in September. LockGuard "Mac" for the Macintosh will be available in late August.

Industry in Review: Software Protection

David Wiley of Kaiser Aluminum and Chemical's Information Center says that centralizing software purchases and keeping all serial numbers on file, along with visible and vocal policy against piracy, helps control their 400 personal computers. The six-page article, "Combating Software Piracy" in *Business Computer News*, February 1985, also covers LANs and site licensing.

The March 4, 1985, issue of *Electronics Week* covers the "Legal Defenses of Software," including a flow chart for deciding how to approach the problem.

Stanford University will host a five-day Seminar on Software Protection, August 19-23, 1985, instructed by Dr. W.M. McKeenan of Wang Institute of Graduate Studies. For information, phone (916) 873-0575 or write Joleen Barnhill, Program Manager, Western Institute in Computer Science, P.O. Box 1238, Maglia, CA 95954.

Al Westin, Professor of Public Law and Government at Columbia University, writes about "Protecting Piracy and Security in the Micro Environment" in the June issue of *Lotus*.

Spotlight:

Board of Directors

The DisCopyLabs Board of Directors bring varying business and technical perspectives that keep the company abreast of trends in the dynamic computer industry.

Denis Coleman, author of SpellGuard and Display Manager software packages, suggested the idea of a quality software duplication service to Norman Tu in 1981. He advises DisCopyLabs about developments in the software industry. Marketing executive **Bill Jacobson** is involved in a new leisure time service for executives. **David Tu**, a real estate development executive and DisCopyLabs co-founder, provides planning and operations perspectives. **Harold Tu** is on the faculty of the University of Nebraska Medical School and Dental School.

In this newsletter, we introduce Board of Director **Chris Paisley**.

Chris Paisley has been involved with DisCopyLabs's financial matters from the beginning, having known Norman at Hewlett-Packard. Well qualified to advise DisCopyLabs about tax, budgeting, and accounting issues, Chris spent five years at HP in controllership functions,

including one year in Puerto Rico with a start-up division.

Since 1982 Chris has been at Ridge Computers and serves as Vice President-Finance in charge of accounting, administration, information systems, facilities, and treasury. He has an MBA degree in accounting and finance from UCLA.



Chris Paisley



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Quotation for duplication, assembly/packaging,
copy protection

Order placement and inquiries

Downloading and text translation

Copy protection and master evaluation

Shipping and delivery status

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Published quarterly for
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DisCopyLabs provides duplication on 8", 5.25", and 3.5" media for all computer formats. Turnaround time is two to four working days after evaluation copy approval. If required by the customer, DisCopyLabs will deliver in 24 hours.

DisCopyLabs provides new services as the market changes. Norman expects 3.5" duplication and corporate data file duplication to increase.

Quality Means 100% Correct

Providing quality is the force driving Norman's business decisions. His goal is to be the best, not the largest. Quality and service at a reasonable price are the guides to serving customers. DisCopyLabs customers are the small to medium-sized business software publishers/writers.

DisCopyLabs tries to attain zero defects in its software duplication process. With over 4 million disks duplicated, DisCopyLabs' failure rate is close to zero. This is a result of having 1.5 trained quality-control technicians for every one duplication operator.

Staff Productivity

Quality is also a result of high staff productivity. Due to Norman's Hewlett-Packard background, the DisCopyLabs staff is given the freedom to make decisions, to work as a team, to be promoted. The result: little staff turnover.

Early Success

DisCopyLabs' early success was the result of several key decisions. Norman decided to use the most advanced and flexible duplication equipment. Norman assembled a Board of Directors to ad-

vice him in technical, marketing, financial, and planning issues. Norman feels his brother and co-founder David Tu was instrumental in turning the basic philosophy into a working operation.

When an early customer marketed a unique product, DisCopyLabs provided the fast delivery required and was recommended to other start-ups. Start-up customers include Hercules, Life-tree, Mouse, and Borland, which have grown along with DisCopyLabs.

In Retrospect

Looking back, Norman can see that DisCopyLabs has become more than he expected. Founded as a small business, DisCopyLabs has become a very successful business. Norman enjoys sharing his 15 years of experience with entrepreneurs in the software field.