

# Perfect Original Quarterly

FALL 1987, VOLUME 3, NUMBER 1

## Reflections on Five Years In Business

*Norman Tu, President of DisCopyLabs, and Antonia Tu, Vice President of Operations, shared their views about being in business in interviews this past July. July marked the company's fifth anniversary and the beginning of its sixth year in operation.*

**Q.** What goals did you have when you started DisCopyLabs?

**A.** DisCopyLabs was one of the first independent software duplicators not affiliated with a media manufacturer. When the company started in 1982, our foremost goal was to provide quality reproduction services at competitive prices to software companies of all sizes.

We may not be the largest, but DisCopyLabs has been geared to be the best in the business. We are pleased when others use us as a measure of their own performance.

**Q.** What changes have you seen in the software duplication industry?

**A.** In five years the industry has gone through many changes. Many vendors are disappearing. The industry is more competitive, with many well-financed companies. Because the cost of disks has declined, duplication prices have also followed a downward price spiral.

**Q.** What goals do you have now?

**A.** Our goal is to replicate software on any media—all sizes and shapes. An example of how we are meeting this goal is our duplication of quarter-inch data cartridges. Responding to customer requests, we were one of the first software duplicators to offer this service.

**Q.** What makes DisCopyLabs unique?

**A.** Although DisCopyLabs started as a software duplication service, multiple services have been added over the past five years.

Besides software replication, packaging and shipping, DisCopyLabs also offers copy protection, format analysis, inventory management, warehousing of

materials and inspection of incoming and outgoing raw materials. Generally, DisCopyLabs acts as the manufacturing arm of software companies.

By having DisCopyLabs coordinate complex logistics, our customers reduce production costs substantially and save on expensive project management fees.

**Q.** How have you become the leader in your business?

**A.** In any service business it is important to keep good, quality people on staff. We attract talented individuals, promote from within and provide career paths. A business like ours can grow only as fast as it develops and keeps its employees.

As principals of DisCopyLabs, we keep involved in the daily activities of the company. We make every effort to know all of our customers. The challenge we face this year is to continue providing the personal service that we are known for while we grow.

**Q.** How do you plan to meet the challenge of growth?

**A.** DisCopyLabs' success is that we develop relationships with customers and grow with them. We do not forget that customer input is very valuable. We encourage customers to call us, discuss concerns and suggest improvements.

Our priority is to service our present customers before reaching out for more business. Organizations that need a zero-defective product with absolute reliability will find satisfaction with work done by DisCopyLabs.

**Q.** Why should someone use a service like DisCopyLabs?

**A.** Using a reliable software duplicator like DisCopyLabs saves

*Continued on page 2*



## Reflections

customers time and money because we have production experts to worry about perfecting procedures and using costly equipment and labor. Customers do not have to take the risk of committing capital resources for production or shipping services. We provide the expertise to take products to market.

In addition, DisCopyLabs can help with packaging requirements to decrease costs there. When requested, we work with customers before the design or printing of packages in order to plan packaging investments effectively.

We think the question should be rephrased, "Can you afford not to use DisCopyLabs?". We concentrate on the business software market where clients sell products that are from \$100 to \$5,000 each. Many software products we produce are multi-disk sets. For every order, the most important task is quality reproduction throughout the manufacturing cycle.

### Q. What is the viability of this business?

A. Five years ago there were few software duplicators available, so business was spread nationwide.

## Production Expansion



DisCopyLabs acquired 7,000 square feet of additional offices and warehouse for the Production and Packaging Divisions. DisCopyLabs now occupies a 35,000 square foot office and production facility.

As the market developed, more software duplicators were established in major cities. Customers tend to use duplicators in their local area. DisCopyLabs concentrates on serving small and medium-sized companies in the western states and primarily on the West Coast.

We have a diverse customer base including software developers, value-added retailers, peripheral and hardware manufacturers and Fortune 1000 organizations. This diversity minimizes the impact of any industry consolidation.

### Q. What is your philosophy about running this business?

A. Our philosophy is to be the front-runner in this exciting industry. We were one of the first duplicators to develop its own copy protection product, to offer packaging and fulfillment services, and to provide quarter-inch data cartridge duplication.

DisCopyLabs was one of the first to introduce free delivery service in the South Bay. We were one of the first to install a computerized inventory control, electronic mail and a FAX system to increase communication with customers.

DisCopyLabs was also one of the first to offer downloading and data translation services, which we have continued doing over the past four years.

### Q. What new services do you plan to introduce?

A. We constantly look to our customers to clue us in on services they need. As the market demands, DisCopyLabs will introduce the following new services this year: Duplication of mini-data cartridge tapes and half-inch tapes; an MRP inventory control system that customers can monitor; and the capability to duplicate high-density 3½" diskettes (2 megabytes).

As a leader in the business, we want to provide services demanded and are willing to make investments now for the future.

### Q. What about new technologies?

A. As new technologies develop, DisCopyLabs expects to be the first to investigate the possibilities and to offer services needed by customers. As software becomes more complex and on multiple-disk sets, DisCopyLabs is prepared to meet the challenge to deliver software quickly and accurately.

### Q. How do you plan to meet increased production demands?

A. We are going to maximize the assets we have by filling out our third shift and moving into additional production space. We have recently doubled our capacity in packaging and fulfillment and doubled the duplication capacity for 3½" and 5¼" disks.

### Q. How has production been automated?

A. We are bringing in automated production equipment for our workers that will increase the speed and accuracy of completing orders. For instance, a machine for diskettes will collate 18 sets per minute, or 1000 packages per hour. This compares to manually collating 125 packages per hour.

The production division now uses an automatic labeling machine and automatic sleeve insertion and counting machine. In QC, autoloaders attached to computers assist with the quality control process. Our new MDC duplication system can schedule total runs, load programs into memory and deplete for counts per day. There is better production control with this new system.

In packaging, we now have automated shrink-wrap equipment with a conveyor belt that speeds up packaging. In shipping and fulfillment, bar coding is in place and the FAX machine accepts orders and decreases our response time.

### Q. What production changes do you plan for next year?

A. The packaging process will become more automated. With more autoloaders, QC technicians will be able to do more visual inspection of orders. We have more 3½" duplication equipment and a new high speed labeling machine that does wrap-around labeling.

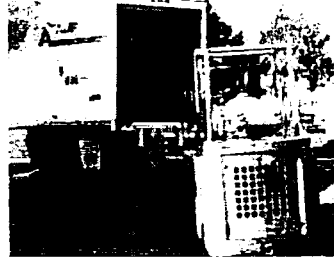
### Q. Did you anticipate the success you now have? What is your outlook for the future?

A. We never envisioned in our wildest dreams that DisCopyLabs would be the company it is now. We are more optimistic than ever before about our future success because DisCopyLabs has a solid customer base and a solid reputation in the software industry. DisCopyLabs will be here tomorrow and in the distant future to service customers.

# The Making Of A Company



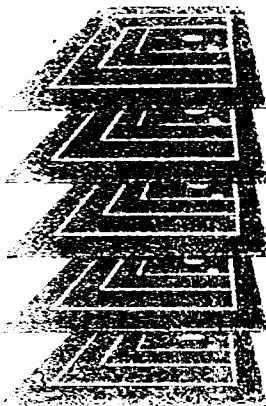
July 1982  
Started  
DisCopyLabs



January 1983  
Moved to Santa Clara



Santa Clara  
production  
offices

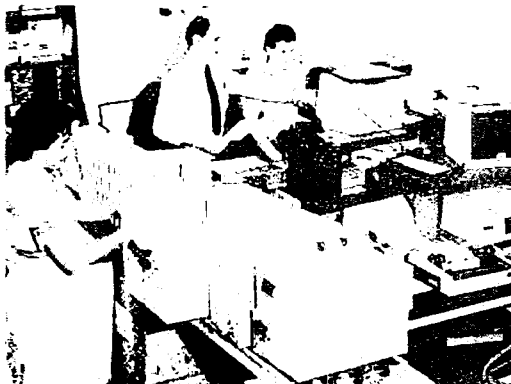


- 1982 JULY — Started operations in Menlo Park
- 1983 JANUARY — Moved to Santa Clara  
FEBRUARY — Initiated downloading services
- 1984 MAY — Began delivery service to South Bay • JULY — Created the Packaging Division  
NOVEMBER — Introduced LockGuard copy protection
- 1985 MARCH — Started duplication of 3½" diskettes • OCTOBER — Started automatic labeling  
NOVEMBER — Began diskette certification • DECEMBER — Moved to San Jose
- 1986 JANUARY — Installed computerized inventory system • JUNE — Created the Fulfillment Division  
OCTOBER — Installed computerized shipping system  
NOVEMBER — Started ¼" data cartridge duplication • DECEMBER — Installed FAX
- 1987 JANUARY — Expanded warehouse; 28,000 square foot facility • FEBRUARY — Installed electronic mail system • JULY — Announced duplication of 3½" high density disks  
OCTOBER — Expanded offices; 35,000 square foot facility  
DECEMBER — Anticipate duplication of ½" magnetic tapes  
DECEMBER — Anticipate duplication of mini-data cartridges

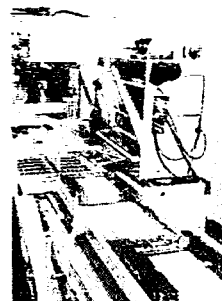
March 1985  
3½" disk  
duplication  
started



December 1985  
Moved to  
San Jose;  
15,000 square feet

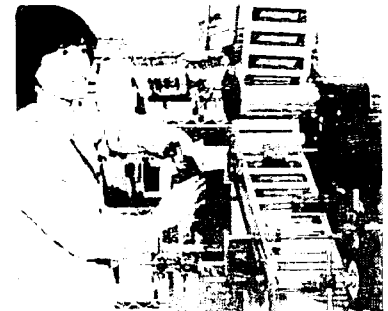


June 1986  
Created  
Fulfillment Division



July 1984  
Packaging  
Division  
formed

October 1985  
Automatic  
labeling  
started



January 1987  
Expanded  
warehouse;  
28,000  
square feet



# Announcing Expanded Tape Duplication

After successfully providing one year of 1/4" streaming tape duplication, DisCopyLabs is planning to expand duplication services to include 1/2" magnetic tape duplication by the end of 1987.

DisCopyLabs can reduce the time and cost for duplicating data cartridges and magnetic tapes. DisCopyLabs understands the painstaking task of duplicating both 1/4" and 1/2" tapes one at a time and the danger of duplicating on a mis-aligned drive.

DisCopyLabs' quality control department performs a random 10% cross-drive check on each order to insure that every tape is duplicated correctly and on center track. DisCopyLabs guaran-

tees 100% error-free copies.

DisCopyLabs can provide evaluation copies of master tapes at no charge. Simply provide a copy of your master and a blank tape, and DisCopyLabs will reproduce it so that you can sample DisCopyLabs' duplication quality.

Pricing for tape duplication is based on the amount of megabytes of information on the master tape.

For more information about 1/4" and 1/2" tape orders, call Patty Doherty, DisCopyLabs' Accounts Manager, at (408) 433-0900.

## Glossary

**DOWNLOADING:** Transfer of text files from one format to another. Not to be confused with duplication.

**DUPLICATION:** Copying a specific master to a specific format.

**FORMATTED DISKS:** Diskettes prepared for a particular operating system, such as MS-DOS, or a target machine operating system before data is added.

**DISKETTE SIZE:** Measured diameter of flexible media, usually 3 1/2", 5 1/4", or 8".

**3 1/2" Diskette:** Plastic shell with metal shutter for media protection. 640K to 1.2 megabytes of memory storage.

**5 1/4" Diskette:** Currently the most popular size for personal computers. 180K to 1.2 megabytes memory, depending on density and number of sides used.

**8":** Not widely used. 320K to 1 megabyte of storage.

**TPI:** Tracks per inch; 48 or 96.

**DISK DENSITY:** Single-sided (SS) 5 1/4" (48 TPI) has formatted memory of

180K. Single-sided 3 1/2" has 360K storage.

Double-sided (DS) 5 1/4" (48 TPI) stores 360K. Double-sided 3 1/2" contains 720K formatted memory storage.

Quad density 5 1/4" has 96 TPI and formatted memory storage of 720K. Not to be confused as high density.

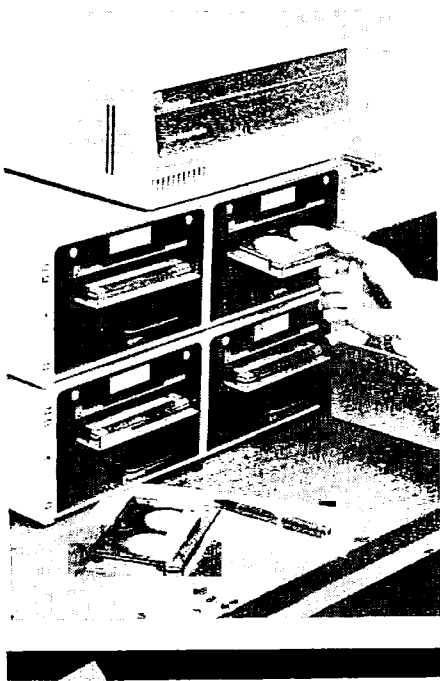
High density 5 1/4" (96 TPI) has 1.2 megabytes of memory (640K per side) and is used with miniature 8" drives that run at 360 RPM.

**NOTCHED DISKS:** 5 1/4" has a notch on the right side. Function in a normal capacity with the computer drives.

**NOTCHLESS DISKS:** 5 1/4" with no notch. Disengages the write function of the computer drive to prevent accidental end-user writing to software programs.

**WRITE PROTECT TAB:** A square tab placed over a notched 5 1/4" diskette to prevent accidental writing on software. Tab can be removed for software installation.

**SERIALIZATION:** Used to track licensed software. Internal—number placed internally in a specific location within the program. External—number is placed on the disk label.



**DISCOPYLABS**

The Complete Software Production Company

2610-B North First Street  
San Jose, CA 95134

### Service Directory

For information call: (408) 433-0900  
FAX: (408) 943-1209

- Quotation for services and new orders: Patty Doherty
- Order placement: Randy Powell, Steve Chandler, Sandra Woodrow, Mildred Low
- Downloading and conversion orders: Vincent Wan
- Copy protection and master evaluation: Raman Marwha
- Shipping and delivery status: Tony Bandith, Felix Tabora