

Perfect Original Quarterly

SUMMER 1989

DisCopyLabs Builds Factory of the Future

Company To Expand To New Home In Fremont: Larger Facility Will Be Ready In January

DisCopyLabs will enter the decade of the 1990's with a new, larger facility that will be one of the most advanced software manufacturing operations in the country, announced Norman Tu, President.

Construction on the 65,000 square foot production, warehouse, and headquarters building in Fremont began in early July and is progressing on schedule. It will be located on Milmont Drive just behind LSI Logic, one block east of Highway 880, not far from the Dixon Landing Road exit.

The target date to begin operations in the new building is the first week of January, 1990.

"The new facility will allow us to better meet the increasing demands of our customers for the high quality, turnkey services we provide," said Tu. "It also will enable us to expand our capabilities in preparation for the continuing substantial growth in software development and manufacturing expected throughout the next decade."

DisCopyLabs' new home will be

organized and equipped to achieve zero defect operations in manufacturing and customer support. It will provide a spacious and comfortable work environment for employees that will facilitate offering excellent service to customers.

The new building will have twice the production area as the existing plant in San Jose, and three times the warehouse space.

"We have designed the manufacturing floor to optimize the work flow, arranging work stations in sequential order for maximum production in the shortest possible time. The same will be true for assembly, packaging, shipping, order processing, in short, for every function and department in the company," he stated.

The plant will be mechanized and automated with features including advanced conveyor equipment and computerized control systems, such as Work In Progress (WIP) and bar code systems. These and other processes will make possible, for example, faster and more accurate tracking and inventory management of materials and

finished products.

The warehouse section is being built with a full 24 feet of ceiling clearance
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People Make The Difference In Successful Companies

By Norman Tu, President



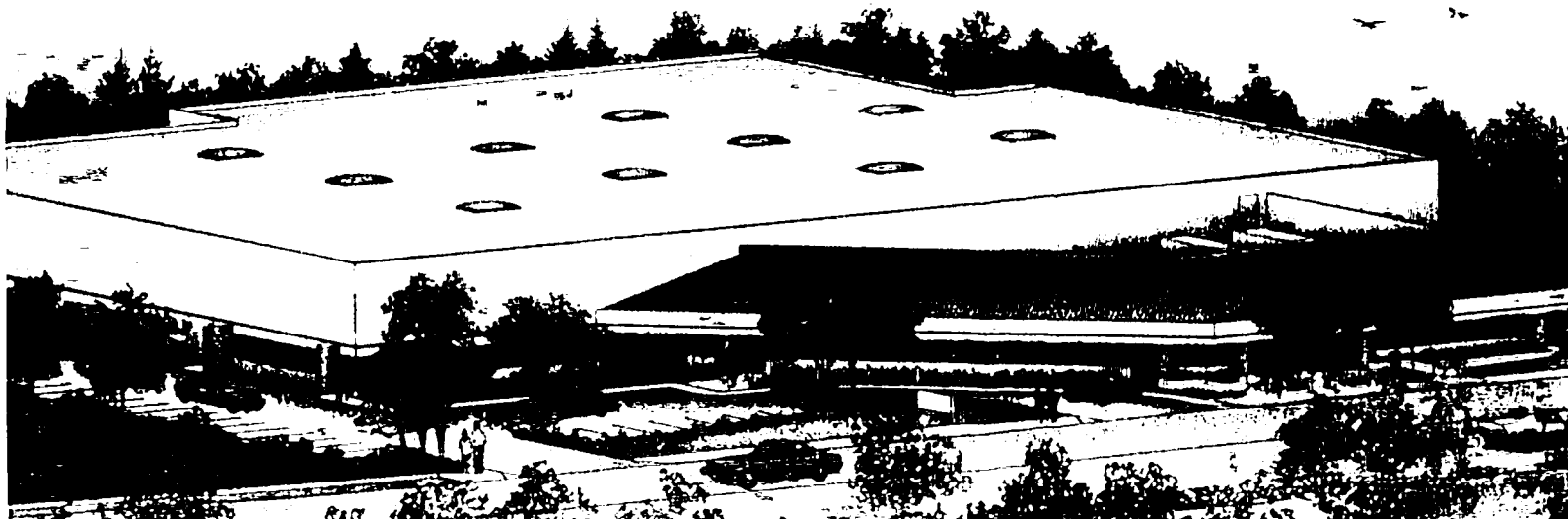
If there's a secret to the success of DisCopyLabs, it is people.

We began learning this lesson when we started DisCopyLabs nearly eight

years ago in a 200-square-foot room above a beauty salon in Menlo Park.

As our business continues to expand, there's no doubt that people are DisCopyLabs' most important resource.

Our experience in software manufacturing
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New Home In Fremont

for convenient storage and movement of large volumes of raw materials and finished goods.

The ceiling will have many skylights for natural light, contributing to an open feeling and a generally more pleasant



Antonia Tu and Norman Tu preparing to break ground at the site of DisCopyLabs' new facility in Fremont.

work environment.

Employees also will enjoy the use of larger, more attractive and comfortable lunch room and locker areas. Other features for employees include an outdoor plaza for eating or relaxing and a basketball court.

The single story structure will be air conditioned. A fire resistant storage vault will be available to protect master copies of programs. A voice mail system

will be installed to enable customers to automatically enter orders by telephone, if they wish.

David Tu, Vice President for Strategic Planning, is in charge of construction for DisCopyLabs. Before coming to the company, David had over five years of experience managing the planning and construction of high-rise commercial buildings for a large San Francisco real estate developer.

V. C. Wong, of Milpitas, is the new building's architect, and Devcon Construction Co., of Milpitas is the general contractor.

"Based on seven straight years experience of customer acceptance and rapid growth, we believe our new home will offer the finest capabilities

available in software manufacturing. We know that state-of-the-art equipment and modern facilities are important, but so are the dedication and abilities of employees to do what's necessary to win and keep customer satisfaction," said Norman Tu.

"Software developers and other customers will find both these capabilities in large supply in DisCopyLabs' new home," he said.

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People Make the Difference

turing convinces us that the entire organization is critical to success. Management can't do it alone. The company must function smoothly in order to have a winning team. Each member has an important role, cooperating with other team members in working toward the common goal.

As a team, and as individuals, our goal is to provide superior quality and service to customers. This goal can't be achieved just by adding equipment, increasing capacity or moving into new facilities. It's reached by people outperforming the competition -- all the time. For DisCopyLabs, this is our competitive edge.

Let's look at some of the ways DisCopyLabs makes this a fun and rewarding place for our people work.

- **Profit-Bonus program** - Twice a year we divide our profit into shares for full- and part-time employees. We have distributed profit for seven straight years.

- **Employees of the Month Awards** - Several are selected every month by an employee committee and are presented with gift certificates. Most winners say that recognition of their achievements in front of their co-workers and our public "thank you" are more appreciated than the gift.

- **Promotion Policy** - We advance people on merit, not seniority. Demonstrated skills and attitude are considered,

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Department Of Commerce Recognition

DisCopyLabs and Norman Tu Honored For Successful Minority Business

The U. S. Department of Commerce has chosen DisCopyLabs as Regional Service Firm of the Year and named founder and President Norman Tu as a candidate for the National Minority Entrepreneur of the Year honors.

These prestigious selections were made by the Department's Minority Business Development Agency, a Federal organization that assists and encourages the establishment and growth of minority businesses in the U. S.

The Agency's program seeks to recognize the "exemplary achieve-

ments" and contributions to the community and to the country by highly successful minority businesses.

DisCopyLabs and Tu were one of only six firms and minority entrepreneurs chosen from the several western states that comprise this region.

The company and Tu will be honored at an awards ceremony in late September in San Francisco. In addition, they will be in competition with other minority businesses from around the country for the unique distinction of National Minority Service Firm of the Year and the National Minority

Entrepreneur of the Year, respectively.

If selected, Tu will receive honors directly from President Bush in Washington, D. C., in October, in conjunction with the Department of Commerce's Minority Enterprise Development Week program.

The criteria for minority business awards consideration are many and include such factors as the obstacles to growth that the company has overcome, the new jobs and wealth it has created, recommendations by its customers, and the public service contributions of the business owners.

WIP, MRP Systems Installed

Automated Processes Keep Work Flowing, Customers Informed and Happy

The two latest additions to the company's continuing automation program, the Work In Process (WIP) and Materials Requirement Planning (MRP) systems, are being installed.

According to Antonia Tu, Vice President - Operations, these systems will enable DisCopyLabs to provide customers with timely and complete information on the status of their jobs.

As customers can be informed sooner and more accurately about their materials, they will be better equipped to plan and make decisions.

Installation of the MRP system and all its components are essential to effective inventory management. The MRP system will play a critical part implementing DisCopyLab's long term strategy of being a "complete software production company."

Using multiple networked stations located in various departments around the facility purchase orders are matched against raw materials or bills of materials for insertion orders and sample

packaging.

Through WIP, customers can call for a virtually up-to-the-second report on their products. The systems make it possible for DisCopyLabs employees to know at all times, for example, where the work is in the production flow, how much of it is completed, and when the entire job will be ready.

WIP also processes data about orders, shipping, inventory, pricing and any special customer instructions.

"Another advantage to working with WIP and MRP systems is that we get a clearer view of our present and coming work load, so we can more quickly and effectively utilize our resources to handle it. Consequently, turnaround time is shortened and the possibility of shortages of incoming raw materials or finished product inventory should be minimized. We now can plan materials, production and personnel needs with more accuracy to benefit our customers' requirements," Antonia said.

Helical Scan Cartridge, HP Data Cartridge And 9-Track 6250 BPI Are Newest Product Offerings

The company's newest service is duplication of the 8mm helical scan cartridge by Exabyte.

Utilizing a technology that's fairly new to data back-up and software distribution, the Exabyte cartridge is finding its main application in the engineering workstation computer market place. Its chief advantages are its small form factor, high storage capacity of up to 2.3 gigabytes, and lower cost per megabyte relative to the data cartridge solution.

DisCopyLabs, which is the first software manufacturer to announce this new service, believes helical scan is an emerging technology and a viable alternative to the standard data cartridge.

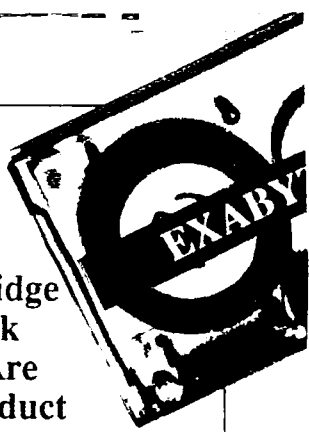
To serve the needs of Hewlett-Packard users, on September 1, DisCopyLabs will begin duplication services for HP format data cartridges, a format unique and proprietary to that company. The cartridge is used in HP minicomputers and engineering workstations.

Again, DisCopyLabs will be the first software manufacturer in the country to offer these services.

Another new service, duplication of 9-track 6250 cartridges, has already started. It augments the 1600 BPI tape duplication already available for the past two years.

DisCopyLabs is also looking into handling the Apple QIC 100 format and the requirements to copying optical disks. Because of their large capacities, some as high as a gigabyte, optical disks are being considered for large engineering programs and distributed database information applications.

DisCopyLabs is studying the market need for duplication of NeXT computer's read-write erasable optical disk. For information about this media and this prospective service, please call your DisCopyLabs Accounts Manager.



Data Cartridges Need TLC, Too

Data cartridges are so reliable that hardly any thought is given to their care and handling. A minimal amount of attention is still needed to keep them in good working condition.

Here are some suggestions, courtesy of 3M Data Storage Products Division, to keep your cartridges in excellent shape for long term use.

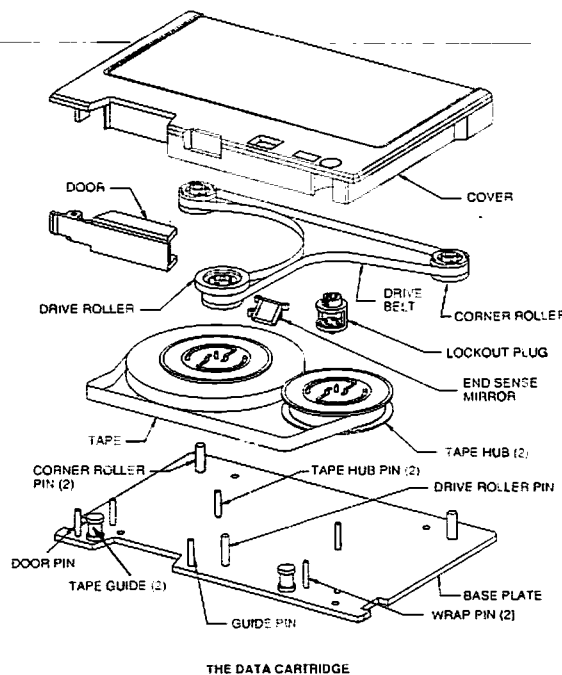
Environmental Considerations

Data cartridges should be stored in a room where the temperature remains between 68°F and 9°F, and 50% to 20% relative humidity.

Conditioning

Prolonged operation over the same short length of tape, or continuous stop/start operations anywhere within the data area, could lead to "thrown tape loops". This occurs when a strand of tape slides off the tape pack inside the cartridge, resulting in severely damaged tape.

It is recommended that, for any drive with more than 9 tracks, a streaming



pass from beginning of the cartridge to its end, or from end to beginning, be made before it is put in service. This will redistribute tape tension irregularities which may be present.

It is also a good idea to do the same when the cartridge has been operated in a stop/start shuttle mode for an hour or more; the cartridge has been used 50

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People Make The Difference

not time of service. We always attempt to promote from among employees and look to the outside only after we're sure we must.

• **Professional Development** - We invest in the future of our people by offering a number of business seminars and training programs.

We stress the necessity of English language skills to our foreign-born employees who want to be promoted. We sponsor free English lessons through a local college at the company as a convenience to those who want to help.

• **Scholarship Foundation** - To encourage higher education, we provide five \$1,000 college scholarships a year to children of employees.

• **Company Meetings** - Twice a year, we report to employees. At the July session, department managers, with input from their people, submitted to senior management a list of their ten most important target objectives for the coming year.

We incorporate many of these ideas into the company plan. Our planning and strategy is built from the employee base up.

• **Open Door Policy** - An employee who thinks he or she is not getting a fair shake from his manager may bring the matter to a vice president or to me. All we ask is that an effort is first made to resolve the issue with the first level supervisor.

In nearly all cases, we find the difference of opinion between managers and subordinates is simply based on miscommunication or misunderstanding and can be resolved with improved communications.

In 1990, DisCopyLabs will be in business at its new showplace facility with advanced equipment, automated processes and huge warehouse space. We won't forget that ultimately it's people who produce quality products, satisfied customers, profit and growth, and new jobs and opportunities.

We learned that a long time ago in a small room above a beauty salon in Menlo Park.

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Data Cartridge Care

times in a unique applications whose length requires less than the full length of tape, or the cartridge has been exposed to a temperature swing greater than 30°F.

Storage

When removed from the drive for storage, a cartridge should be rewound to its end or beginning. This protects data by winding it onto the tape pack where it is protected by at least one lap of unrecorded tape.

Cleaning

Drive read-write heads should be cleaned after 500 passes for brass heads and 2500 passes for ferrite heads. The motor puck should be cleaned at the same time.

Cartridges should be cleaned only according to the manufacturers' recommendations and never disassembled. To do otherwise, will likely cause damage that cannot be repaired and a loss of recorded data.



DISCOPYLABS

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- | | |
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Sandra Woodrow |
| • Orders - Diskettes | Mary Hand
Lori Grim
Don Scott |
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| • Orders - TextScan | Laurie Butler |
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