

# Perfect Original Quarterly

FALL 1990

## New Turnkey Services Give Customers More Product Options



Norman Tu, President

As the software industry continues to expand and mature, there is a growing demand from software publishers for more specialized support.

With strong growth and tough competition projected throughout the decade, software companies want to concentrate on their strengths— product development and marketing. At the same time, they want to minimize their involvement in the labor- and resources-intensive area of software production.

Many publishers have depended on software manufacturers for duplication, warehousing, assembly, inventory control, and order fulfillment. Now, more and more DisCopyLabs customers also want us to purchase materials and do project management, relieving them of manufacturing concerns.

Customers prefer to order the parent part and quantity on a monthly or quarterly basis, and leave it to DisCopyLabs to coordinate the purchasing of various components and assembling of the product to meet their just-in-time delivery dates.

This development reflects the trend for turnkey services in the software industry, a movement we anticipated some time ago. Consequently, DisCopyLabs is now well-prepared to offer full turnkey services to customers.

### ANTICIPATING CUSTOMER WANTS

DisCopyLabs' corporate strategy, as our history demonstrates, is to provide customers what they want. Over the years, we've developed a large menu of product offerings for customers to pick

from. In fact, by anticipating market needs and making the necessary capital investments, we've been able to introduce a new service about every six months. This large selection of services has been an important reason for our fast growth.

### TURNKEY CONSIDERATIONS

A software publisher should carefully evaluate if his or her company is

organized to receive maximum benefits from turnkey support. Turnkey support is not for everyone and could be much more expensive than pick and choose manufacturing services.

For instance, a potential customer ought to have achieved a certain size level for turnkey support to be cost-effective. Sales should be no less than \$25 million annually, or at least 5000 units shipped

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### Expanding Turnkey Services

## Art Director Named For DisCopyLabs; Adds New Design-Printing Capability



Richard Sakai, a graphic design specialist in the area of high technology products and their packaging, has joined Dis-

CopyLabs as Art Director.

Ric, who also operates his own design agency - Sakai Design Group, will provide full graphic services and consulting to customers of turnkey services, according to Norman Tu, President.

"Through Ric's function, DisCopyLabs now offers total art and packaging support to customers in a way that most effectively complements their own capabilities and preferences," said Norman.

"We are now able to provide a wide range of design and production services, from consulting to design to complete handling of all art and production projects for software packages and documentation. This new capability continues our expansion of offerings to simplify life for our customers," he said.

Ric's responsibilities cover both consulting and hands-on work for customers. They include:

- Helping to clarify the customer's design and printing needs, advising on how best to meet them, including preparing proposals for printers and other suppliers, and evaluating vendor bids;
- Serving as the expert interface between customers and the various vendors they utilize, such as printers, photographers, and packaging suppliers, and monitoring vendor performance;
- Handling the total manufacture of a software

package, from art concepts to design to printing, delivering a finished product to the customer.

Ric, a graduate of San Jose State University with a degree in graphic design, has had a number of software companies as clients of his design firm. He previously operated his agency out of San Jose for the past 10 years.



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## Turnkey Services Mean More Customer Options

each month. These are approximate numbers but they give an idea of how much business and financial resources are generally required to go to turnkey operations.

### CORPORATE STRATEGY FIT

Another consideration for a software company is its corporate strategy. What's the company's philosophy regarding make-buy decisions? If it favors outside services, chances are that turnkey solutions are going to meet their objectives.

A related aspect is management's willingness, and its freedom of action, to place a great deal of confidence in outside resources. Will it be comfortable assigning one or more key vendors as "project managers", with responsibilities for handling several critical steps?

Flexibility of operations is another consideration for the company thinking about turnkey services. Suppose a software company introduced a product that soon became a big hit, and demand builds very quickly.

Can the company respond fast enough on its own to meet the growing demand, without sacrificing product reliability, or without causing havoc in the organization?

Could it phase back in a short time from producing 5000 units monthly to 500 without some of the same problems and dislocations? Most software companies' in-house production operations will have difficulty keeping up with wide swings in volume.

Typically, it takes a specialist vendor organization to respond quickly enough with the timely manufacturing support companies need to do well in dynamic market situations.

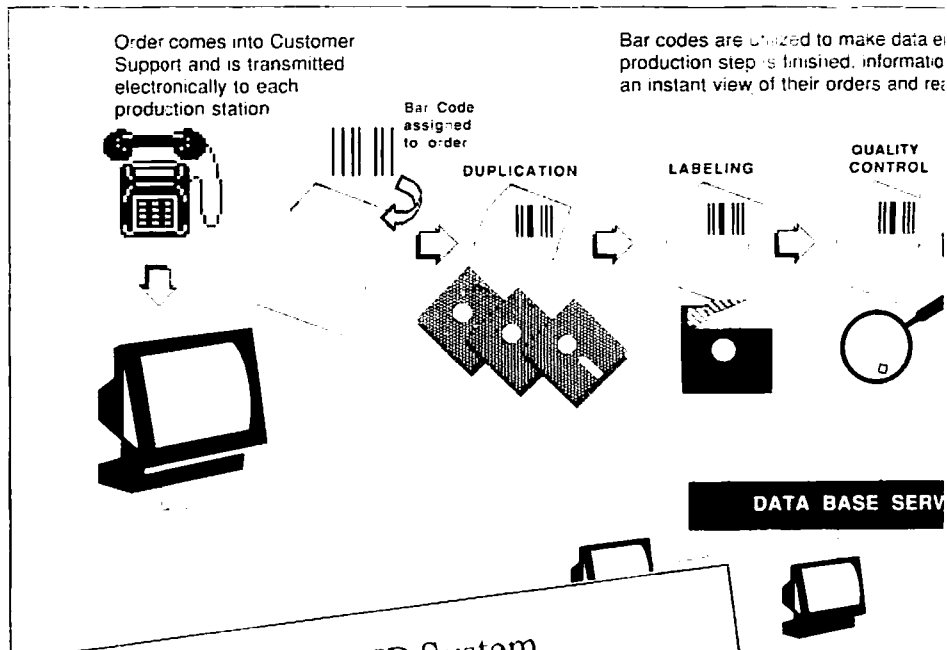
### PREPARING FOR THE FUTURE

Since two years ago, when we decided to offer turnkey services, we have been putting new capabilities in place, expanding and strengthening our infrastructure.

We designed, built and equipped our new 85,000 sq. ft. facility for automated, state-of-the-art software production.

We developed a unique software order processing system that systemizes such important processes as disk duplication, labeling, printing, inspection and collation. In addition, we installed an MRP system that automates such important processes as master scheduling, production, purchasing, and shipping.

We also installed networks into our



## Enhanced WIP System Gives Customers Timely Reports

The company's Work In Process system has been significantly upgraded to give real-time, detailed status reports to customers, according to David Tu, Vice President.

The automated program, called SHOPS II, enables employees at each production station to enter such data as to how much of a customer's order is completed and how much remains to be done. Product inventory, shipment status and similar information is transmitted to a central data bank. A LAN links all the communication terminals in the company, providing convenient and easy access from any point in the facility.

A customer can get an up-to-the-minute report about his order from virtually any DisCopyLabs person he contacts, should the Accounts Manager or Customer Support Representative be out of the office.

"We designed SHOPS II to be extremely user friendly for our employees, and often no more is needed than the name of the customer to obtain a full WIP report," said David.

customer locations through electronic mail for better communications. These management tools allow customers and our staff to keep current with the status of projects and exercise real-time control.

### REAL WORLD EXPERIENCE

We brought in a widely experienced art director to take charge of the design, printing, and other aspects of software package production, and an experienced sales manager to market and to directly support turnkey customers.

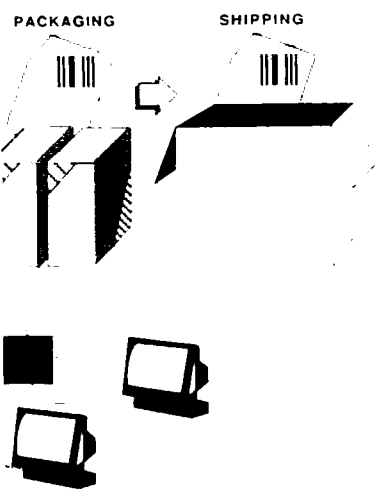
One of the most beneficial turnkey preparations is the gaining of invaluable experience. For the past 10 months, we have provided turnkey services to selected customers. Now we are ready "to go public" with turnkey.

Along with this important new product, we continue to provide our traditional cafeteria selection of services. In light of our overall capabilities and strategy, DisCopyLabs is firmly positioned to be competitive in all levels of software manufacturing. We are determined to continue to provide exceptional customer values throughout the 1990s.

If you wish to learn more about our turnkey services, or any of our products, please contact your DisCopyLabs Accounts Manager. You are always welcome to visit our new facility to evaluate for yourself how DisCopyLabs can meet your software manufacturing and distribution needs.

I thank our many customers for their on-going support.

Simple, fast, and accurate. As a customer, you can enter. WIP provides customers with detailed status reports.



# DisCopyLabs Cited By Silicon Graphics for 'On-time Delivery of Defect-Free Products'

Silicon Graphics Inc. awarded DisCopyLabs its World Class Quality trophy and certificate "in recognition of (the company's) selection to the Silicon Graphics Dock-to-Stock Program."

The program, part of Silicon Graphics' Supplier Partnership Program and its zero-defects campaign, recognizes outstanding quality performance by key suppliers.

The award expresses appreciation for DisCopyLabs' "tireless efforts and commitment to quality (which) have been demonstrated by the on-time delivery of defect-free products."

According to Antonia Tu, Executive Vice President, the award is bestowed on deserving vendors every six months by Silicon Graphics. DisCopyLabs has been providing software production services to the manufacturer of scientific, 3-D computer systems for the past two years.



## New Tape Products Introduced As DisCopyLabs Adds Service Offerings

In a continuing expansion of product offerings, DisCopyLabs announces the availability of a number of new, important software manufacturing services for several new media:

- **8 mm Tape Cartridge** - DisCopyLabs is the first software manufacturer to provide duplication of the high capacity 8 mm tape cartridge in the new Exabyte format. The small cartridge, the size of a standard audio tape cassette, holds up to 2.3 gigabytes of data, and is manufactured in lengths of 15-, 54-, and 112-meters. The small footprint and extremely high storage capacity is becoming popular with system integrators.

The per megabyte storage cost of this media is extremely low and it can be easily integrated with applications utilizing 5-1/4 inch diskettes, such as networking, according to Bob Benevento, Sales Manager.

- **NeXT 3-1/2" ED Microdiskette** - DisCopyLabs will duplicate software developed for NeXT's new computers in the 2.88 MB format. DisCopyLabs is the software production vendor for NeXT and its third party software developers.

- **3480 Tape & Cartridge** - This IBM 3480 computer in 200 MB is suited for the large mainframe storage environment. The 1/2" chromium oxide tape cartridge, developed in the mid-1980s, is primarily used as a back-up storage device. The lower media cost, plus the storage space saved, make this an appealing media over the old 9-track tape technology.

- **HP DAT Cartridge** - Hewlett

Packard's DAT (digital audio tape) cartridge in a 4 mm form-factor, is one of the first DAT-type computer media with an extremely small footprint and high storage capacity of about 2 gigabytes. The 4 mm helical scan recording of DAT is generating interest in the HP world.

- **AS/400** - DisCopyLabs will duplicate the AS/400 for IBM mid-range computers. The AS/400 uses the 1/4 inch data cartridge developed by 3M, with a storage capacity of 125 MB. It is expected that most software developed for the AS/400 will be in cartridge format. DisCopyLabs is currently duplicating the high density QIC 120 in the AS/400 format.

- **HP 1/4" Data Cartridge** - DisCopyLabs becomes one of the first independent software duplication services on the West Coast to duplicate HP preformatted tapes or 3M IOTAMAT data cartridges for use in the HP world.

To accommodate its rapidly growing tape operations, DisCopyLabs recently added a 7,000 square foot facility dedicated to tape products. DisCopyLabs software manufacturing facility now totals 85,000 square feet. For more information on DisCopyLabs software production services, call your Accounts Manager or Bob Benevento, Sales Manager, at 415-651-5100.

## New Sales Manager Is Veteran of Media Business

Bob Benevento, a sales professional with more than 10 years experience in the magnetic media industry, has been promoted to Sales Manager for DisCopyLabs. He joined the company in April as a Senior Accounts Manager.

Bob spent six years with Memorex Corp in media sales and marketing, servicing end users, distributors and OEM customers.

In 1987, he joined UNISYS in Santa Clara, as Marketing Programs Manager for all computer related supplies and products.

Immediately before coming to DisCopyLabs in 1990, Bob served as OEM Accounts Manager for BASF Corp., responsible for media sales to OEMs throughout the Pacific Northwest.

"Bob's broad and varied experience, including three years in the packaging industry, adds significant customer support and problem-solving capabilities to our marketing/sales organization. He will greatly strengthen our ability to support customers and meet their needs, especially for turnkey services," said Norman Tu, President.

"I urge customers and others with software manufacturing requirements to call him with questions or for ideas."



## 8 Receive Awards for Five Years Service

A number of employees with five years or more service with the company were recently recognized for their contributions. The most senior of this group is **Phuong Ngoc Tran**, Labeling Lead, who has been with the company since July 1983.

Others who received service awards were: **Nu Thai**, Labeler, who started February 1984; **Ann Liang**, Hardware Technician, September 1984; **Sandra Woodrow**, Accounts Manager, December 1984; and **Mary Kung**, Packaging Division Manager, July 1985.

Two part-time employees have also worked five years: **Jimmy Vuong**, Hardware Technician, July 1984, and **Steve Vuong**, April 1985, Production Specialist.

**Raman Marwha**, Technical Support Manager, who began in

August 1985, **Louis Wong**, Hardware Supervisor, and **Peter Lee**, Accounting Manager, who joined the company in November, 1985 will be recognized in January 1991 with others who have been with the company for five years.

"Long-term service with one organization in our industry is not common, so it's an indication that DisCopyLabs is a good organization in which to build a career," said **Antonia Tu**, Executive Vice President and Director of Human Resources.



From left to right, sitting: **Ann Liang, Mary Kung, Phuong Ngoc Tran, Nu Thai**. From left to right, standing: **Sandra Woodrow, Peter Lee, Raman Marwha, Louis Wong**

## Company Expands New Facility To Handle Increased Activity

Increased order activity and new turnkey product offerings are changing plans for space utilization at DisCopyLabs' new headquarters facility in Fremont.

"We originally planned to reserve 20,000 square feet of the plant's 85,000 square feet for 'future' expansion -- to be utilized in late 1991 or early 1992," remembers **David Tu**, Vice President and Director of Facilities. "That was the idea less than a year ago."

"It now makes sense to dedicate a fair-size area to our fast-growing tape reproduction services. We also added a Class 7000 clean room for media that requires special handling.

"Sooner than expected, we're bringing that set-aside 20,000 square feet to accommodate various new uses," David said.

By moving into the reserved space and modifying the factory floor layout and production flow, capacity will be increased by approximately 25 per cent, according to David.

The company began operations in the new building this past January.



**DISCOPYLABS**

The Complete... Software... Production Company

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### Service Directory

For information call: (415) 651-5100

FAX: (415) 651-1679 Production & Packaging  
(415) 651-1751 Shipping  
(415) 651-1806 Administration

- Quotation for services and new orders      Sandra Woodrow  
Peter Young
- Orders - Diskettes      Bob Benevento  
Lori Grim  
Carol Castillo  
Stacy Hanel  
Vanessa Lugo  
Kathy Tabke  
Diane Lopez
- Order placement-tape & data cartridge
- Packaging specifications      Jeannie Chai
- Downloading      Phillip Presentation
- Copy protection and master evaluation      Vincent Wan

### FIRST CLASS MAIL