



Storage Solutions Suite

THE MOST TRUSTED LINK IN YOUR SUPPLY CHAIN

# The Way to a Greater Competitive Advantage ...

## ModusLink's Storage Solutions Suite

After many years of developing successful, high-return custom solutions for the storage market, ModusLink has documented and standardized the best processes, technologies and operating methodologies available and now offers them as part of a comprehensive Storage Solutions Suite. This integrated suite is comprised of several "solution packages" that have been optimized to manage a particular supply chain activity common to the storage market — efficiently and cost-effectively. By combining a set of synergistic core services into a single, easy to deploy, packaged solution, we are reducing the complexity of global supply chain management and helping clients to get products to market faster, with less inventory excess and risk.

Available Solution Packages include:

### FORWARD SUPPLY CHAIN SOLUTIONS

- **Optimized Configuration** – optimized models that determine the best global location and timing for manufacturing, configuration and distribution of products.
- **Digital Content Load** – manages content load processes with a globally-integrated content management infrastructure, including loading of digital content to various media and re-flashing of firmware.
- **Factory Supply (with optional VMI)** – all services required to source multiple components and materials and deliver to factory consumption points with optimum efficiency, inventory management and customer service, including processes that optimize hub operations using intelligent VMI techniques and direct-line feed supply models.

### REVERSE SUPPLY CHAIN SOLUTIONS

- **Service Parts** – all services required to effectively manage spare parts inventory for warranty repairs, including inventory optimization, screening and repair.
- **Reverse Logistics** – full design and execution of reverse logistics processes that minimize non-value repair and accelerate the identification of no fault found products and components for rapid return to market. This solution includes testing, repair, replacement, refurbishment and asset disposition, among other services.

### GO-TO-MARKET SOLUTIONS

- **Channel Solutions** – the Retail Direct Solution includes all services and processes required to manage, and ship directly to, the retail channel. Our e-Business Solution includes all services required to maximize the lucrative direct-to-end-customer channel from e-commerce, CRM and financial management to integrated fulfillment and returns management.
- **Gateway to Market (Asia, Europe and Americas)** – all services required to help clients quickly and cost-effectively enter or optimize geographic markets. In addition to all of the key supply chain processes, such as sourcing, configuration, fulfillment and returns, this solution manages such complex activity as regulatory compliance, taxation, customs and local language support.

### CUSTOM SOLUTION BUILDER

For clients whose needs do not fall neatly within any of our predefined solution packages, ModusLink offers a Custom Solution Builder that allows clients to leverage any of our comprehensive, end-to-end services to create a customized solution that meets their specific supply chain operating requirements.





# ModusLink, the Partner of Choice for Storage Companies ...

## Growth of Digital Content Challenges Supply Chain Efficiency

Digitization of all types of media is happening across the globe, resulting in compounded growth of digital content. This digital content growth is resulting in strong demand for hard disk drives (HDD) as the market increasingly wants their data to be mobile. In turn, this demand increases the amount of product passing through the forward — and reverse — supply chain, exacerbating the supply chain challenges of HDD suppliers and manufacturers.

The ability to have the right amount of product, in the right place, at the right time, to meet the growing demand has become a critical challenge and it becomes more difficult for companies whose product is very technical in its design and sensitive to handling — like the hard disk drive.

To address demand more precisely, many HDD manufacturers completely assemble the final product in their factory and then transport high levels of variously configured inventory to their distribution centers throughout the world. This abundance of “safety” inventory often results in product excess and obsolescence, lower margins and higher costs.

To support HDD manufacturers in their quest for more lean inventory management, expedited time to market, greater customer satisfaction and lower total supply chain costs, ModusLink offers a customized Storage Solutions Suite to deliver the highest possible value throughout the complete product lifecycle — from sourcing, configuration and fulfillment to repair, returns and disposition.

## Knowing Your Business ... Is Our Business

ModusLink has more than 20 years of experience and a successful track record for helping the industry's leading storage manufacturers take redundancy, inefficiency and risk out of their supply chains; while simultaneously boosting quality of service and customer satisfaction. We are the first and only supply chain service provider in our industry to offer an end-to-end solution that handles the complete supply chain product lifecycle for hard disk drives, including sourcing and supply base management; optimized configuration; software and content management; advanced logistics; returns management; testing, repair and refurbishment; and product disposition.

We have extensive experience working with storage manufacturers helping them to reduce the cost and complexity of their supply chains so they can focus their resources on furthering their core business. The cumulative knowledge we have gained over the years has enabled us to establish and document proven, repeatable business processes that provide clients with a competitive edge in their markets. Our results-oriented planning, design and execution capabilities can help to expedite time to market, reduce capital investment, lower total costs and maximize inventory value throughout the product lifecycle.

We touch some of the most popular and innovative storage products available in the market today and are committed to maintaining our reputation for excellence in the storage market.

# We are Uniquely Positioned to Help You Succeed ...

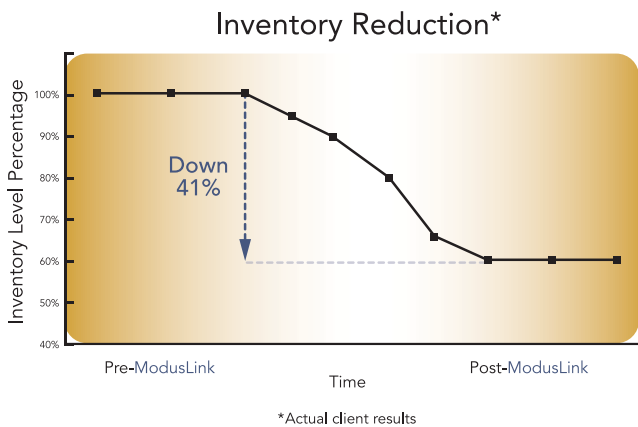
## ModusLink Services and Solutions

ModusLink offers clients a complete suite of storage supply chain solutions designed for effective management of specific processes and activities within a storage supply chain environment. (See alternate page for complete list of “solution packages” available.)

Our comprehensive Storage Solutions Suite includes many unique and robust capabilities and focuses on continuous process improvement — differentiating us in the outsourcing industry.

**Optimizing Configuration.** To help storage manufacturers walk the fine line between maintaining sufficient supply to prevent order loss and mitigating the high cost of carrying extra inventory — which can result in inventory depreciation, excess and obsolescence — ModusLink helps manufacturers postpone configuration of products until the right time and place in the supply chain to meet demand more precisely.

With its tailored Optimized Configuration Solution, ModusLink enables HDD manufacturers to complete the final assembly of a disk drive in the factory, but not configure the drive for a specific customer until it is needed to fulfill actual, confirmed orders. Final configuration can take place in one of ModusLink’s Solution Centers in a low-cost sourcing destination, like Eastern Europe, Mexico or Asia; in a center closer to your end customer; or a hybrid model can be used which leverages a combination of locations and processes. Optimizing configuration can lower the cost of transportation, eliminate the need for reconfiguration of product due to forecast inaccuracies, and minimize the amount of inventory in transit or sitting in a distribution center — which also reduces excess, obsolescence and administrative costs.

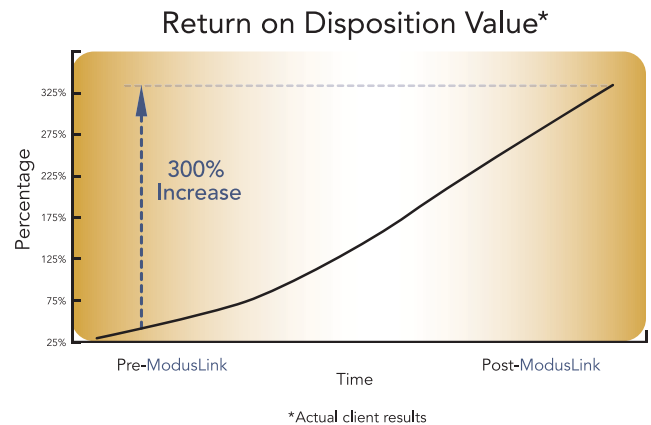


**Effective Reverse Logistics.** Additionally, ModusLink’s Storage Solutions Suite provides a comprehensive Reverse Logistics Solution to assist manufacturers with product returns, warranty management, testing, repair and refurbishment. All of these capabilities are built on ModusLink’s core competencies and designed to meet customer demands, while driving out unnecessary costs.

Product returns and warranty management have become very complex requirements based on the massive number of product configurations and the need to provide immediate replacement units to customers. Manufacturers are continually looking to drive down the cost of a disk drive and warranty management or Returns Material Authorization (RMA) are areas where manufacturers look to reduce the overall cost of disk drive ownership. With a “single source” provider handling multiple reverse logistics processes, a storage manufacturer can lower administrative management, minimize transportation costs and reduce the amount of inventory that previously sat idle — taking up costly floor space and eroding in value — as it waited to be sent to third-party repair vendors. This offering incorporates the necessary services and expertise required to:

- Establish and validate Return Materials Authorization (RMA)
- Manage warranty and non-warranty products
- Recover product through Level 1 and Level 2 repair
- Facilitate advanced exchanges
- Coordinate financial management of replacement purchases
- Refurbish into high quality devices

Instead of having a world-wide central clearing house for all product returns, ModusLink enables manufacturers to utilize regionalized, yet integrated locations for more rapid and cost-effective management of the entire return process.



**Value-Driven Inventory Asset Disposition.** ModusLink can assist manufacturers in determining an appropriate method, including return of the device for warranty program use or selling the device (branded or re-branded) into the tertiary markets via online auctions.

If disposal into secondary markets is warranted, ModusLink refurbishes the devices into high quality drives and facilitates the sales process via its highly-effective Online Auction Service — [www.moduslinkauction.com](http://www.moduslinkauction.com). Using this service, ModusLink enables the client to sell the restored drives under the manufacturers’ own brand for maximum exposure or gives them the option of using our “White Label” program — an established

alternative brand that offers the manufacturer anonymity and eliminates competition with the primary brand.

ModusLink's remarketing and disposition services help clients receive maximum return on asset conversion and inventory value by mitigating the high cost of traditional disposition methods and garnering higher prices for drives than offered by other remarketing channels. Our clients frequently receive bids up to three times higher than if they limited their scope to include only the traditional post-market buyers.

The Online Auction Service includes customized auction site design; product cataloging; market intelligence and research; buyer identification, invite and registration; payment processing and collection; performance reporting; and coordination of shipping, transportation and customs clearance processes.

## Unmatched Global Footprint

ModusLink's global footprint is unmatched in the outsource industry. With numerous facilities strategically located in

13 different countries across the globe, ModusLink can help you achieve your goals.

Whether you are entering a new geographic market, looking to get closer to your target customer base, or seeking to leverage the benefits of low-cost countries, ModusLink has the integrated infrastructure needed to succeed — quickly and cost-effectively.

ModusLink works with clients to develop a supply chain model that meets their specific operating, budgetary and location needs. We have solution centers throughout the key economic regions of Asia, Europe and the Americas; including a number of facilities in low-cost operating destinations — such as Mexico, China and Eastern Europe. Our facilities in these regions help clients to successfully leverage the lower cost of labor and favorable trade policies to reduce their total costs and improve return on investment.



## We Can Deliver the Results You Need ...

### Client Benefits

ModusLink is quickly becoming the supply chain partner of choice for the storage market. With many years of experience and a proven track record for success, we have earned our reputation for excellence by delivering measurable results for our clients. Our award winning solutions, expansive global footprint and robust technology infrastructure, differentiate us in our industry and can help differentiate you in yours — for a true competitive advantage.

ModusLink's Storage Solutions Suite is designed to:

- Lower total supply chain cost of ownership
- Reduce order cycle time
- Reduce inventory liability with lower excess, obsolescence and reconfiguration
- Reduce complexity and cost with a single source provider
- Improve visibility and control of end-to-end processes
- Reduce transportation time and costs
- Increase end-customer satisfaction, loyalty and sales potential

# Technology and Infrastructure

Globalization adds complexity and risk to supply-chain processes making seamless integration all the more critical for efficient management of storage products across geographies. As supply chains become more dispersed, visibility, control and productivity can begin to erode. ModusLink offers an un-paralleled operating and technology infrastructure that serves as the backbone of a client's fully-integrated global supply chain. ModusLink's services and solutions infrastructure is comprised of:

- Globally Integrated Operations
- Global Technology
- Supply Chain Expertise
- Supply Chain Planning and Execution
- Managed Logistics
- Account Management

This highly-efficient infrastructure provides the visibility and control needed for better decision making, quicker response to customer and global market dynamics and more effective asset utilization across services and across geographies. By leveraging its robust operating infrastructure, ModusLink proactively delivers continuous process improvement to clients enabling them to gain accolades with customers, a competitive edge in their industry and operating advantages in the global marketplace.

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## GLOBALLY INTEGRATED OPERATIONS

With numerous ModusLink sites strategically located around the world, our global footprint and operating efficiency is unmatched in the industry. Our world-class infrastructure leverages an integrated global systems platform, standardized process execution, industry expertise and local market knowledge to provide clients with more effective global operations management.

With Solution Centers around the world executing common high-quality processes, clients benefit from a single, standardized view of operations, assets and inventory. Clients can seamlessly manage and migrate inventory between multiple Solution Centers and across services functions for maximum asset utilization and minimal waste, excess and obsolescence.

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## GLOBAL TECHNOLOGY

Our state-of-the-art, globally integrated information technology platform is a key differentiator for ModusLink and its clients. At the core of ModusLink's operating infrastructure is its world-class information technology platform which combines the leading ERP system with

best of breed technology applications, seamlessly configured and integrated across the globe, to execute your supply chain processes for maximum efficiency. Additionally, ModusLink has extended the core functionality of its ERP system by integrating the industry's best technologies for business intelligence, standardized messaging, CRM, logistics management, e-commerce, financial management and client reporting — delivered via your desktop in real time.

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## SUPPLY CHAIN EXPERTISE

Clients benefit from a professional services organization that includes subject matter experts in all key supply chain disciplines with multi-geography and vertical market experience that helps reduce the complexities of global supply chain management. The result: a differentiated, top-performing supply chain.

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## SUPPLY CHAIN PLANNING AND EXECUTION (SCP&E)

Using a combination of proven, internally-developed tools, vertical industry knowledge, VMI techniques and standard MRP and planning methods, our innovative SCP&E solution improves materials availability and inventory turns with lower investment. Our solution helps clients determine appropriate replenishment levels and production models, and accurately factors in the impacts of migrating parts of the supply chain inventory to new geographies when shifts in global demand arise.

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## MANAGED LOGISTICS

Our world-class solution integrates the capabilities of leading 3PL organizations from a single platform available on the client's desktop. This flexibility enables clients to leverage cross-carrier route and mode selection for optimal service performance at the best possible price points. We provide proactive, event-driven shipment exception reporting; customer-specific packaging and labelling specification; retail shipment compliance; volume shipment consolidation; multi-vendor route selection; export compliance processing; delivery track and trace capabilities and more for the best price and fastest time to market.

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## ACCOUNT MANAGEMENT

We provide our clients with a team of resources responsible for being the on-site voice of the client in our operations. Because of our unique position in our clients' supply chains, the Account Management function typically becomes a valuable member of our clients' organization; advising on opportunities to improve service, cost, and quality performance to deliver greater shareholder value within our clients' organizations.