



Charles Liang tells Michael Sharkey small companies can succeed by designing a high-quality product that customers can't ignore.

## **Supermicro Computer**



# **Quality Driven**

Phone 971-984-  
Fax 971-984-



**C**harles Liang believes in a universal truth: there will always be those in the technology industry who need a product of higher quality and greater performance. So despite the cynics who warned that a fledgling company would never last in the mature PC industry, especially one based in the high-cost Bay Area of California, Liang started Supermicro Computer in 1993.

Twelve years later, Liang's unwavering focus on quality, performance, and reliability has created the fastest growing server company in the world. Supermicro has been profitable in every year of its existence, always growing at an annual rate between 20% and 150%.

"We started first with the design, and customers loved our product right away," Liang said. "From the very beginning, because the product was so outstanding, customers were willing to pay COD—we were a cash only business. I was sure we would need venture capital or an investment of some kind, but we never did due to the high quality and strong performance of the product we created. Supermicro has been focusing on creating products of higher quality and performance ever since."

#### From COD to BIG

Supermicro designs industry leading motherboards, chassis, and server systems, specializing in server building-block solutions for mission-critical applications such as high-end graphics, modular computing, and enterprise storage system development. The company is headquartered in San Jose, California, with production facilities in the US, Taiwan, and China.

It didn't take long for Liang's company to garner national recognition for its outstanding products. In September of 1994, less than a year after launch, PC Magazine reviewed the top 40 computer systems in North America; of those 40, 30% were using Supermicro's motherboards. "Even though Supermicro at that time was still COD only and had seven employees, 50 companies were using our product," Liang said. "That was because of product performance and quality."

But the real boom would come two years later in March of 1996 when Intel introduced the Pentium Pro CPU. The powerful chips were



eagerly anticipated, and the first company to bring to market a motherboard designed to handle the Pentium Pro was Supermicro. In a five-month time frame, the company experienced record sales and exploded from 15 employees to more than 60. And the Super P6DOF motherboard was just the first in a long line of innovative products.

In 2000, the company released the SuperServer 8050, the most advanced, highest performing quad server/workstation at that time. Building off the success of the SuperServer, the company developed the world's first socket Xeon motherboard in 2002. It was the first server Supermicro built using the popular Intel Xeon processor, a product the company would become renowned for. Today, the sales volume for Supermicro's Xeon server product is approaching 20% of the total worldwide market.

#### Family marketing

You won't see or hear many Supermicro television ads or radio spots. That's because Liang pursues a different, yet highly effective, marketing strategy. Since its inception, the company has worked closely with its customers, technology providers, and employees to develop partnerships and cultivate family-like relationships.

"Our customers really trust us," Liang said. "They know our continual focus will be on

CORPORATE  
SPOTLIGHT



bringing them quality technology at an affordable cost. As our customers grow, we grow. It's a mutually beneficial relationship."

Those strategic relationships extend to technology partners as well. System integrators who prefer promoting their own brand-name products can conveniently decrease their time-to-market by applying their brand to Supermicro's white-box server solutions. Further, the company's close ties with leading chipmakers like Intel positions Supermicro to introduce new technology to the market first. The strategy is simple: use the money competitors invest in marketing and put it into research and development to stay on the cusp of innovation.

Critical to the company's relationship marketing strategy is its employee base. Liang said the company only hires people with high standards and a forward-looking vision, and every employee brought into the fold understands from day one that the company is dedicated to creating quality products and to serving the customer.

"Every employee we hire, we make sure they agree to maintain a better quality product than the competition—always," the chief executive said. "So we have a very clear company philosophy. Around that, we've built a family-style culture through teamwork and open communication."

### First again

Another component in Supermicro's quality strategy has been to try to not grow too quickly. "Every year we grow at an average of 50%," Liang said. "But we have grown by as much as 150% in some years. We've tried not to grow too quickly, but some years the demand is just too great. We'd be comfortable growing anywhere between 50% and 80% annually."

Today, there are 400 employees working at the company's San Jose headquarters and 200 others working in facilities in Europe and Taiwan. As the company continues its rapid growth, Liang said the plan is to dramatically increase production in Taiwan and China to meet the market demand as the company begins



producing its latest innovation—the world's first Serial-Attached SCSI (SAS) server.

Through a partnership with Adaptec and Fujitsu, Supermicro is launching a complete line of SAS-optimized products, including servers, serverboards, chassis, and storage mobile-racks. Mike Chenery, VP of advanced product engineering for Fujitsu Computer Products of America, commented on the achievement. "The delivery of a small form-factor SAS solution is an important milestone for the storage community," he said. "Supermicro and Fujitsu have consistently led the industry in SAS product development, and we were very excited to bring this new solution to market."

"Working together with Supermicro, we are regularly able to deliver industry first technology to the white box server market," said Tim Connolly, vice president of marketing for the components division of Adaptec. "Clearly the availability of these Supermicro motherboards with embedded Adaptec Serial Attached SCSI technology and RAID software is an indication that SAS has reached its next level of maturity and is ready for mass market deployment."

For Liang, it's just another example of how Supermicro has found success by focusing on providing higher quality, better performance, and more reliable products. "Our SAS product is ahead of our competitors by two to six months, depending on the company," he concluded. "We're providing our customers with a window of opportunity to gain market share. Product quality, features, and time-to-market are our strengths; our customers' satisfaction and ultimate success is our passion."

### ► SUPERMICRO

*Supermicro Computer, Inc. emphasizes superior product design and uncompromising quality control to produce outstanding industry-leading motherboards, chassis, and server systems that offer maximum functionality and compatibility. With a staunch commitment to quality and a leading tradition of being first to market, Supermicro's high-end motherboards and server systems consistently deliver cutting-edge performance and reliability.*



### CORPORATE SPOTLIGHT

