

# identity

A Newsletter for Employees

## Restructured sales organization focuses on strategic opportunities

IDT is in the final stages of its transition from a commodity memory company to one focused on value-added, differentiated products. Although the company has made great strides in developing new products and reducing costs, it must continue to focus aggressively on customers and new product areas that will drive diversified growth.

To help ensure that IDT is able to develop the types of quality relationships necessary to penetrate new growth areas, the company recently restructured its sales organization.

"Just as IDT has changed the way it approaches product development, the sales organization needed to change the way it approaches its customers," said Vice President of Worldwide Sales Bill Franciscovich.

"In the old sales model, we often had the same person simultaneously calling on contract manufacturers (CMs) as well as original equipment manufacturers (OEMs) or strategic customers," Franciscovich said. "The immediate needs of the CMs (order logistics, backlog maintenance, consignment programs, etc.) often outweighed the longer-term needs of our OEM customers. It is often too easy to get fully consumed in the tactical side of the business and not spend any time nurturing the strategic aspects of the business."

**"Just as IDT has changed the way it approaches product development, the sales organization needed to change the way it approaches its customers."**

— *Bill Franciscovich, Vice President of Worldwide Sales*

The new sales organization more crisply defines each person's role by separating the CM team and the OEM team. The CM team now has a single-minded charter of becoming the best at order fulfillment. All of its efforts can be placed on becoming world-class at order logistics and optimizing the company's short-term market share and revenue potential. The OEM sales force also has a clearer charter — for example, to focus on longer-term design wins and

increasing the IDT value-added content in customers' systems.

"In several geographies we are also transitioning to a 'hybrid' model with both direct IDT sales personnel and independent sales representatives (reps)," Franciscovich said. "The new sales reps give IDT additional coverage and exposure in the marketplace. Reps typically have many more 'feet on the street' and access to more customers as a result of their diversified line card or product offerings. Their line card can also help IDT to get better access to key decision-makers early in the design cycle."

According to Vice President of North American Sales Goran Andersson, the streamlined organization increases the company's penetration at both OEMs and CMs, which each have very different needs.

"IDT sales staff and reps will focus on driving strategies to obtain deeper technical engagements with these customers and better understandings of their architectures and future component needs. When the OEM team wins a design, it can pass it onto the CM team knowing they have the resources and focus to book the business for IDT," he said.

### New Responsibilities for Senior Sales Management

Several long-time sales executives were promoted as part of the restructuring and have taken on new roles to help IDT reach its North American sales goals:

**Ron Maggiasco** is the new Eastern area sales director. He has been with IDT for more than 10 years in various roles, including regional distribution manager, regional sales manager and, most recently, area sales manager (ASM) for the Northeast. In his new role, Maggiasco is responsible for managing half of the United States, plus Canada. He will reside in Boston.



Ron Maggiasco

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### New Sales Approach Requires New Training, Tools

IDT has implemented new training and sales tools to help its sales force successfully sell solutions to customers. Historically, IDT focused on selling individual parts to customers, and training was focused on technologies and product lines.

"In our new sales approach, we're more focused on customer applications and positioning IDT as a solutions supplier in several strategically selected markets," explained Paul Wells, FAE manager.

This month, sales staff will begin online training that covers market spaces and applications. The first topics will address the cellular base station, virtual private networks (VPNs), and L-2/L-3 markets and applications. Future courses will cover storage area networks (SANs) and handsets.

In addition, sales team members will augment their knowledge with refined sales presentations and targeted collateral materials

that are more application-focused and enable them to explain the company's value across a number of different products.

New sales tools are also in the near future. The sales team will soon have access to two new software tools: InfoSyncPDA and InfoSyncPC.

InfoSyncPDA is an application that will allow sales and marketing staff to pull pertinent sales information — such as part listings, sales office listings, sales contacts, package guides and cross-reference guides to competitor products — onto their PDAs; InfoSyncPC will allow users to pull this same content, as well as some additional product-line information, onto a laptop.

"These new tools and trainings will allow our sales staff to engage the customer more meaningfully and, ultimately, increase the company's presence and market share where we desire," Franciscovich concluded.

# Driving growth through strategic planning



by Thomas Brenner, Vice President of Worldwide Marketing

IDT has begun its focused transformation from being a product-driven company to a marketing-driven company. This means that we need to fully evaluate and understand our markets and build products

that meet the overall market direction and requirements. This new focus will help ensure that we're creating complete, value-added solutions that can be designed into customers' next-generation systems.

There are two strategic planning processes underway today at IDT. The first one is the three-year planning process that the product lines started a year ago. The second process involves investigating new market segments for additional growth opportunities.

For the past year, the product lines have been working on three-year strategic plans that address the target markets for their products. The identified target markets include wireless base stations; storage area networks; enterprise gateways and wireless access points; broadband access systems including DSL, cable, and wireless; edge routers; enterprise LAN switches; server/load balancers; wireless handsets; telecom line cards; and DIMM modules.

The plans include analysis of markets to determine revenue potential and profitability, industry trends that enable

**"This new focus will help ensure that we're creating complete, value-added solutions that can be designed into customers' next-generation systems."**

new opportunities, target customers and strategies to increase our customer relevance, competitive offerings, and three-year product roadmaps. The ultimate goal of these plans is to determine how IDT can become the dominant player in the identified target market segments. Most of the initial three-years plans have been finalized and were presented to management during the past few months.

While the product lines are strengthening and extending the life of our existing businesses, Corporate Strategic Marketing has been tasked to identify two to three new markets segments for additional growth. The growth objectives for the company include growing at least twice as fast as the semiconductor market during the next few years. To help accomplish this, we've developed a new strategic marketing planning process that is currently underway.

This new market planning process is yet another step in becoming more marketing driven and involves an in-depth evaluation of other potential markets to serve in the future. The process will result in a formal plan that will be a living document, providing an evolving vision of where we want to be as a company during the next three

to five years. I will present this plan and the company strategy to IDT employees in the third calendar quarter.

This strategic planning process involves analyzing high-growth market segments in the communications, consumer, computer, automotive and industrial markets. This effort is expected to yield a prioritized set of product concept opportunities in select target markets, an initial assessment of the value of each target opportunity for IDT, and a profile of the resources and activities required to pursue each of these growth options. Once this is complete, we plan to build these concepts into viable business plans to grow our business.

In addition to evaluating new applications and markets, we're also exploring new technologies, such as high-speed I/O, that may be necessary to meet the requirements of our product roadmaps. Since it may be difficult and time-intensive to internally develop all the technologies required to produce highly valued products, we will continue to license technology and partner with other companies in order to obtain the necessary intellectual property.

The strategic planning process is not a one-time event. For the product lines, it will be a yearly event in the fourth quarter of each calendar year. For the Corporate Strategic Marketing group, it will be a continuous process with new markets being identified and tracked on a quarterly basis.

This concerted teamwork between Corporate Strategic Marketing and the product lines — backed by a strategic planning process — will help to drive new growth and ensure our company's future success.



- **IDT Welcomes Two New Executives:** *Clyde Hosein* joined IDT as chief financial officer on March 17, overseeing the company's finance, investor relations, tax, legal, information technology and

human resource functions.

*Scott Sarnikowski* joined IDT as vice president and co-general manager of the IP Co-Processor division,



Clyde Hosein, Chief Financial Officer

also on March 17. He manages the business strategy for network search engines (NSEs) and content inspection engines with primary responsibilities including strategic and product marketing, business development, and management of customer relationships and partnerships.



Scott Sarnikowski  
Vice President and  
Co-General Manager,  
IP Co-Processor Division

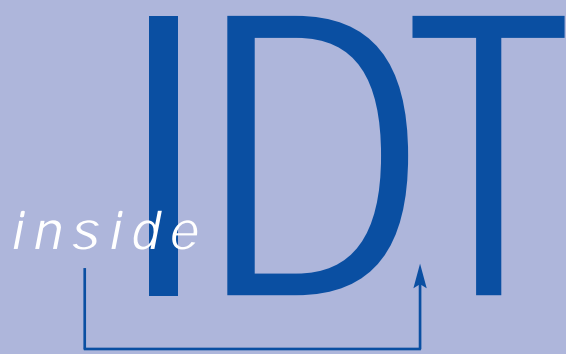
- **IDT Participates in Embedded Systems Conference (ESC):** IDT exhibited at ESC, held April 22-25 at the Moscone Center in San Francisco, California. The company's 20- x 30-foot booth (#802) focused on the IP co-processor and Interprise™ integrated communications processor families, featuring examples and demos from both product lines.

- **Investor Conferences:** On April 29, President and CEO Greg Lang presented at the Merrill Lynch Hardware Heaven Technology Conference, held at the Palace Hotel in San Francisco, California from April 29-30. Lang will also present at the JP Morgan Tech & Telecom Conference to be held at the St. Francis Hotel in San Francisco, California from May 5-8. **After the events, employees can access Webcast replays of the presentations on [IDT.com](http://www.idt.com). From the home page, select Investor Information from the About IDT pull-down menu.**
- **IDT Announces New IP Co-Processor Division Naming Conventions:** To better identify itself in the classification and content-inspection markets, IDT has evaluated and finalized the naming conventions for its IP Co-Processor division. The general term for the entire portfolio of products is IP co-processors, which consists of a family of network search engines (NSEs) and a PAX™ family of content inspection engines. Any previous naming conventions will be removed from all marketing and sales materials. **Information on NSEs can be found at <http://www.idt.com/products/nse.html>, and information on content inspection engines can be found at <http://www.idt.com/products/ccp.html>.**
- **New Market-Research Tool on Intranet:** Employees involved in product planning, market analysis or financial forecasts can now locate strategic information on the Corporate Marketing intranet site. The site includes a listing of market-research companies along with descriptions of their services. From the home page, select **Corporate Marketing** from the department pull-down menu. On the Corporate Marketing page, select **Market Research** from the left menu. IDT has corporate licenses with many of the listed market-research companies, while others have restricted-use licenses. **For assistance with restricted-license services, or for more information, contact [Talley.Polland@idt.com](mailto:Talley.Polland@idt.com).**

- **IDT Signs New Bay Area Sales Representative:** Effective April 27, Norcomp, Inc. will be the IDT Bay Area sales representative, serving north of San Luis Obispo to the Oregon border, the entire state of Nevada except Clark County, and Hawaii. Norcomp is located at 1267 Oakmead Parkway, Sunnyvale, California 94085. Phone number: (408) 733-7707. Web site: [www.norcomp.com](http://www.norcomp.com).
- **IDT Earns Product-of-the-Year Award from analogZONE:** On March 25, the IDT RC32438 integrated communications processor was recognized with a 2002 Product-of-the-Year award. The award came from analogZONE, an information source for electronics design engineers. Editors selected the RC32438 — part of the IDT Interprise family of integrated processors — from hundreds of products for its marketability and exceptional merit.



Pictured on right, Phil Bourekas, vice president of the IDT Internetworking Products Division (IPD), accepts award from Lee Goldberg, senior editor of NETWORK ZONE, a division of analogZONE.com.



## Guiding next-generation technologies through industry forums

IDT has a long history of developing innovative, industry-leading products. To continue this legacy, IDT must remain at the forefront of technology development and industry standards.

One way the company accomplishes this goal is through participating in industry forums. These forums bring industry leaders together to develop standards for implementing interfaces and product features.

"Participating in industry forums provides us leadership opportunities to influence industry direction in a way that supports our product development," explained Michael Miller, chief technology officer (CTO) and vice president of the Systems Technology Group (STG). "They also provide a venue for building product and marketing partnerships with other industry leaders and the opportunity to learn what our competition is doing."

IDT currently participates in more than 10 forums, such as: the Network Processing Forum (NPF), Optical Internetworking Forum (OIF), Internet Ethernet Task Force (IETF), Joint Electron Device Engineering Council (JEDEC), Quad Data Rate (QDR) Consortium and Peripheral Component Interconnect Special Interest Group (PCI-SIG).

Industry forum members — representatives from various companies interested in the forum's technology focus — serve on various committees, under a board of directors. Forums generally assemble several times per year to discuss various technology topics. Participants also have phone discussions and meetings in between these formal sessions.

The process of creating standards documents is much like the parliamentary procedures followed in a democratic government, including reporting, requirement assessments, proposals, motions and voting to ensure all members have input. As a result, it can take more than a year to complete standards documentation.

### IDT Leads the Way

One of the more recent technology successes resulting from the company's participation in industry forums is the Look-Aside Interface (LA-1) from NPF, and the IDT 9-Mbit network search engine (NSE) that uses this interface.

Misha Nossik, director of network processing business development, STG, helped launch NPF and is currently the chairman. "NPF's mandate is to facilitate the use of network processing technologies, so we're concerned with advancing software and hardware interfaces, performance benchmarks for network-processing components, as well as educating



the market and promoting the benefits that network processing brings to the communications industry," he explained.

Nossik has been an NPF board member since 2001 — when it first convened. Initially he represented Solidum, where he was founder and executive vice president, until IDT acquired the company in 2002. For two years, Nossik served as treasurer and vice chair. In 2002, the board — elected by the full NPF membership — elected him president and chairman.

Nossik's position in NPF demonstrates and furthers the company's industry leadership in this important market segment. He sets the agenda, presides at all board meetings, acts as a liaison and spokesperson for the board, and participates in long-term planning, among other duties.

Harmeet Bhugra, systems engineer, STG, is the current IDT representative for the NPF Look-Aside committee. He is also the committee's technical editor — leading efforts to write specifications for next-generation LA-1 interface standards.

Bhugra is responsible for understanding the requirements of the IDT product lines and ensuring they get addressed at the forum. "I work with our product lines to get a consensus on what they need, then take that to the forum and push for the features we require," he explained. "The goal is to help IDT remain a leader in NSEs."

Bhugra adds that he works closely with NPU partners, such as Intel and AMCC, to iron out technical features.

### Technology Success Stories

Scott Darnell, manager of system engineering, IPC, used to be the IDT NPF representative and now is a member of the Rapid I/O consortium, which is creating a standard to make Rapid I/O applicable to different markets.

"Now it's an embedded architecture, but we want it to be targeted for more types of communications applications," he explained. "For example, as Internet Protocol (IP) goes wireless, this standard would enable transfers from cellular base station to base station instead of just I/O to I/O. The bottom line is that this increases the company's opportunity for penetration into various market spaces with this technology."

Stanley Hronik, project supervisor for memory systems, STG, and others from IDT attend various JEDEC standards

meetings. At the meetings, Hronik helps develop standards for electrical interfaces, memory devices, logic components and clock drivers. "Participating in these meetings allows IDT to closely track industry direction and take a leadership role in developing industry roadmaps," Hronik said.

One example of the company's JEDEC successes is a standard called JESD-



65, "Definition of Skew Specifications for Standard Logic Devices." IDT proposed the standard several years ago to define datasheet parameters and test conditions for clock drivers and other logic devices. The standards, now awaiting publication of the third edition, formalized the IDT datasheet parameters as the industry standard, cementing the company's leadership role in the area.

Currently, JEDEC is establishing and launching the standards for the DDR2 DIMMs (computer memory modules), a business area of high interest for IDT. IDT has several proposals before JEDEC, with the goal of aligning future standards directions with the company's interest and capabilities.

Hronik and Bhugra are also involved with the QDR Consortium — a group of companies including IDT, Cypress, Hitachi, NEC and Samsung that is defining next-generation QDR SRAMs.

"This forum's goal is to ensure that a customer can pick up a part from any supplier and fit it into the socket," Hronik said. "As a consortium, we can help establish the industry direction and more successfully introduce new products than if we tried to enter the marketplace alone."

In some cases, industry forums cross paths. For example, in addition to chairing NPF, Nossik serves as a liaison between the NPF and the OIF

"OIF is a large organization, so it covers many issues," Nossik



explained. "NPF is mainly concerned with OIF's physical and link-layer interface group, so I'm responsible for ensuring that OIF's interface standards and technology are suitable for network-processing applications." Nossik also makes sure NPF considers reuses of the same technology as OIF to avoid reinventing the wheel.

Darnell sums up the value of industry forums, which goes beyond the standards themselves: "IDT also gains valuable access to contacts. Industry forums allow us to join forces with other key players and find solutions to common problems. Sometimes the relationships we can build are the most important, because they are why companies put their resources behind the technology created or implemented by the forums."

## Employees Benefit from Industry Forum Membership

When IDT joins an industry forum, employees who need information can gain access to password-only information that resides on the forum Web site. Some of the sites, including NPF at [www.npforum.org](http://www.npforum.org), OIF at [www.oiforum.com](http://www.oiforum.com) and JEDEC at [www.jedec.org](http://www.jedec.org), offer an automated process for employees to get these required member passwords. In other cases, employees can contact the forum's IDT representative for access.

The data on the members-only areas of these Web sites are considered confidential and should not be shared with anyone outside IDT unless authorized by the IDT representative.

## Sales organization (continued from page 1)

**Toby Preston** is the new strategic account and Western area manager. Another long-term employee with more than 10 years at IDT, Preston was most recently global account manager for Lucent. In his new role, he will manage the Bay Area sales organization, including Oregon, Washington and British Columbia. Preston will also be responsible for the following strategic accounts in North America: Lucent, Nortel, IBM, EMC and Motorola. Preston will be based in Santa Clara.



Toby Preston

**Wally Metzger** was promoted to director for CM sales and logistics. In the more than 10 years Metzger has been with IDT, he has served in many roles in Florida and southern California, and most recently was ASM for the Southwest territory. He will be based in Santa Clara.



Wally Metzger

**Tom Mailhot** will continue in his role of director of Cisco sales and will now manage the Western area. During the past two years, Mailhot has been helping to manage the Northwest area, which has been so effective that he is taking on more territory. Mailhot will continue to focus on Cisco and also manage

all the Western area except Northern California, Oregon, Washington and British Columbia. Mailhot will reside in Santa Clara.

Andersson adds that there have been other changes, as well as a push to hire several key reps, in an effort to ensure the sales force is as efficient and effective as possible.



Tom Mailhot

"I'm confident that our new structure and team will allow IDT to increase its market share in target areas," he said. "Our entire sales team is dedicated to facilitating the relationships and design wins needed to secure the company's leadership into the future."

# faces of IDT

## The Team Behind Your Paycheck

The Santa Clara Payroll department is tasked with several responsibilities — the most visible being processing the company's bi-weekly payroll for approximately 1,200 domestic employees.

The Payroll team, comprised of four individuals reporting directly to the financial controller, ensures the accuracy and timeliness of payroll-related deductions and benefits. This includes health insurance, the Flexible Spending Plan, 401(k), the Employee Stock Purchase Plan (ESPP), Deferred Compensation, the 529 College Savings Plan and Commuter Benefit Plan.

In addition, the team oversees payroll tax reporting for federal, state, local income and unemployment taxes. Other responsibilities include employment verifications, relocation, expense reports and year-end W-2 reporting.

"It's critical for us to stay well-educated about new and changing tax regulations," said Carlina Niu, Payroll manager. "Implementing tax-law changes and monitoring compliance in accordance with laws, regulations, and accounting policies and procedures is a major challenge for us. We also work closely with the HR department to make sure all corporate policy and procedures that affect the payroll function are applied accordingly."

**The Payroll team, comprised of four individuals reporting directly to the financial controller, ensures the accuracy and timeliness of payroll-related deductions and benefits.**

In 2002, the team successfully deployed a Web-based version of Kronos, a system that helps managers and Payroll track employee hours and time off, to a beta group of approximately 350 U.S. employees. The Web-based program enables more IDT employees to use paperless timecard processing, which has been standard in the Hillsboro fab for some time. The new Kronos process improves the efficiency of processing timecards, tracking and reporting employee vacation hours and other time-off exceptions, including jury duty and sick time.

"Prior to installing the new system, we went through rigorous testing to confirm that all interfaces and system configurations were



The Payroll team, left to right: Carlina Niu, Antoinette Cao, Ellie Cerezo and Jean Kersch.

functioning accurately," Niu said. "We hope to roll out the new system to all domestic employees in the near future."

Jean Kersch, Payroll lead, compares the Payroll team's responsibilities to assembling a puzzle. "You have to make sure you comply with the laws and obtain the right information from all involved parties in order to produce an accurate paycheck," she said. "When all the pieces fit together, you have a perfect payroll — which makes everyone happy."

Antoinette Cao, Payroll coordinator, says the company value of **accountability** frequently comes into play in her job. "We place a large focus on processing accurate paychecks, and the employee satisfaction this generates is very gratifying," she said.

The Payroll team also exemplifies the core value of **quality**. "The most rewarding part of my job is interacting with employees and providing a high level of customer satisfaction," said Ellie Cerezo, payroll coordinator, responsible for processing U.S. employee expense reports. "The biggest challenge is educating employees about the company's Travel and Entertainment policy and its guidelines."

The team demonstrates the core value of **innovation** by constantly reviewing and implementing new processes and system enhancements to improve efficiency. The team members also understand the core value of **respect** — focusing on confidentiality and the varying needs of departments and employees and providing customized levels of customer service.

"My group's dedication and willingness to get the job done at any cost is refreshing," Niu concluded. "I'm very proud to manage such a well-functioning and hard-working team."

## hats off to IDT long-timers

Congratulations to the following employees, celebrating their 10- and 15-year anniversaries at IDT during the month of April:

### 15-Year Anniversaries

Richard Guilhamet, Santa Clara  
Teo Jin Hwa, Penang  
Kamal Bin Mat Sahat, Penang  
Ong Goon Sim, Penang  
Edward Tilke, North Carolina  
Rodel Victoria, Santa Clara

### 10-Year Anniversaries

Teh Miew Fook, Penang  
Norizan BTE Hassan, Penang  
Johari Bin Hussain, Penang  
Ahmad Bin Ibrahim, Penang  
Suliana Binti Mohamed Noor, Penang  
Noor Aini BT Saad, Penang

## identity



is published monthly for all IDT employees by the Corporate Communications department. Its mission is to advance employee understanding of and commitment to the company's strategic goals and to accurately reflect the diversity of the company's people, products and programs.

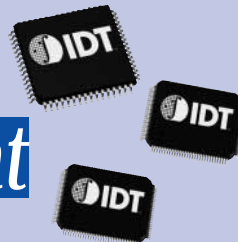
Managing Editor  
Carrie Flores

Your feedback is important to us!  
Comments or suggestions?

(408) 654-6452

E-mail: [carrie.flores@idt.com](mailto:carrie.flores@idt.com)

## chipchat



## Innovative RC32365 device marks IDT entry into security market

Security technology is constantly evolving as a result of the increasing number of threats from network-based attacks. With the rise of high-speed, "always-on" access in small office/home office (SOHO) and residential markets, the need to protect end-user data is becoming increasingly critical. As companies extend their networks to include telecommuters, mobile workers and small-/branch-office connectivity, the need for greater security and virtual private network (VPN) functionality is imperative.

Unlike large enterprises that can allocate hefty budgets toward building complex security infrastructure, the SOHO and consumer space is driven by cost-sensitive products and integrated solutions that include advanced security features.

"IDT recognized the need of this fast-growing market segment and developed an innovative solution to capture this opportunity," said Alex Soohoo, strategic marketing manager for the IDT Internetworking Products Division (IPD). "We plan to drive security into the SOHO gateway and wireless access markets with cost-effective products that blend the right level of integration and performance."



Pictured is the IPD team behind the RC32365.

On April 7, IDT entered this security-accelerated market with the launch of the RC32365 (internally code-named "Cedar") processor, the newest member of the Enterprise™ family of integrated communications processors. Targeted specifically at SOHO gateways, wireless access points and VPN systems, the RC32365 processor integrates key on-chip communications peripherals and provides hardware security acceleration for Internet Protocol Security (IPSec). Notably, the device supports the Advanced Encryption Standard (AES), which is the latest and most advanced Internet encryption technology.

"It took IPD less than one year to develop the on-chip hardware security acceleration engine for the RC32365 processor," said IPD Marketing Manager Matt Jones. "The IPD design and marketing teams in Santa Clara, California and the IPD architecture and design team in Warren, New Jersey joined forces to develop an advanced feature set that truly differentiates the chip from other products currently on the market. With this security IP, we possess proprietary technology that cannot readily be duplicated by other companies, which gives IDT an advantage when compared to the competition."

The successful collaboration among the marketing, manufacturing and design teams exemplifies the IDT core values of **team**, **respect** and **innovation**.

"The Fab 4 wafer manufacturing team in Oregon made significant contributions to the program and exhibited outstanding teamwork, delivering first silicon to the IPD validation team well ahead of schedule," Jones said. "Their ability to go from mask delivery to first wafer out of fab in 16 days was outstanding and set a new mark for fab cycle time on a new product."

To solidify its commitment to staying abreast of evolving security technology, IDT is partnering with Intoto, a company that provides security software solutions for network processors.

"By working with Intoto, IDT stays on top of the latest software developments not only for VPN technology, but also for firewall, intrusion detection and other technologies that protect corporate users from external threats," Soohoo said.

This partnership demonstrates a dedication to serving customers as a provider of complete solutions.