

Sequoia Communications Chooses Serus IOM Advantage for Operational Visibility and Financial Control

Sequoia Communications is a fabless RF semiconductor company focused on multimode solutions for the mobile handset market. The company has designed the industry's first single-chip multimode RF transceiver – the SEQ7400 – based on its patented polar FullSpectra™ architecture. The chip is currently being integrated into several baseband reference platforms targeting 3G phones later this year.

Situation Analysis

In November 2006, Sequoia Communications hired Dee Morgan as CFO & Vice President of Operations to prepare the company for volume production. Her first priority was to map out the business processes in an efficient and scalable way. Ms. Morgan was seeking an automated operational solution to replace spreadsheets as the method of process management.

According to Ms. Morgan, start-ups often wait too long to implement an automated order-fulfillment system. "Once a company is in production, it's simply too late. At that point, internal resources need to be focused on the production ramp and getting to revenue, not managing a system implementation and figuring out all the tool conversion issues."

Ms. Morgan also wanted to make sure that the chosen solution could fulfill requirements that lie at the intersection of finance and operations. "It's typical for start-ups to use accounting software packages that are less expensive and hence less comprehensive. We wanted to make sure that the operational solution we selected could help in inventory tracking and valuation and product costing, among other critical business areas," said Ms. Morgan.

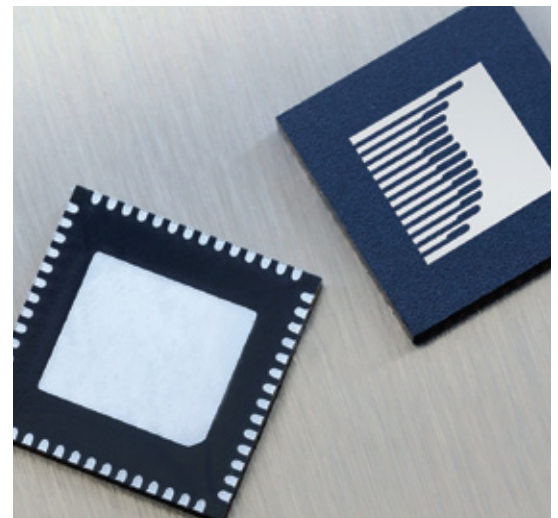
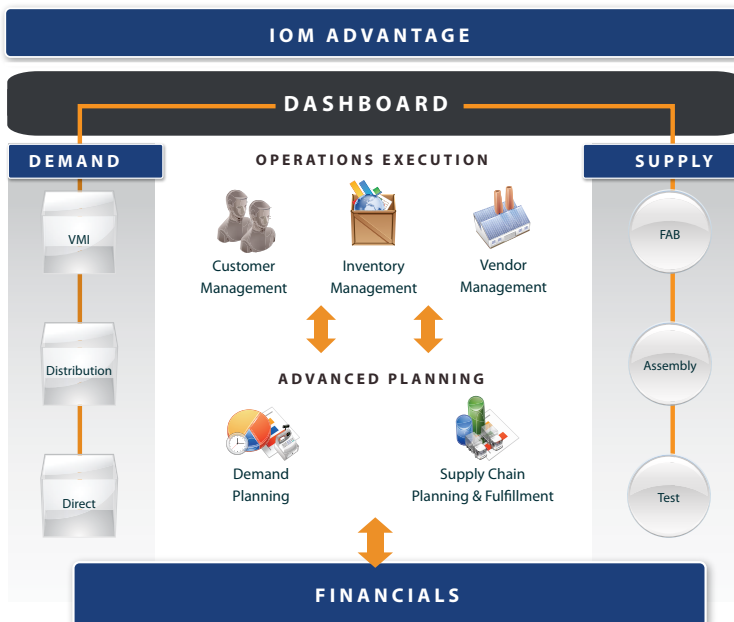


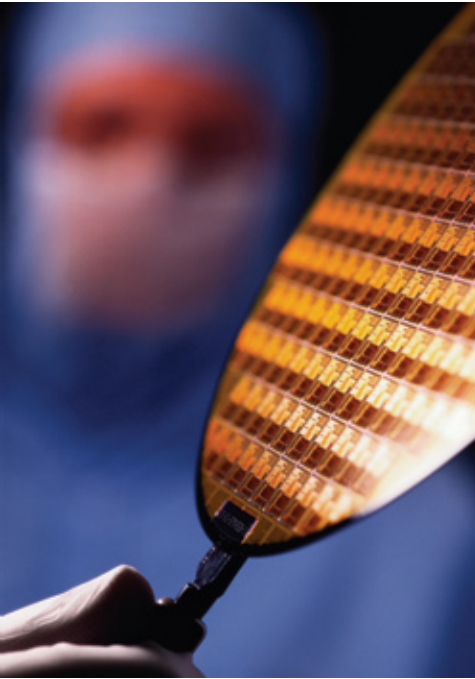
Dee Morgan

CFO & Vice President of Operations

Dee Morgan brings to Sequoia Communications over 18 years of leadership experience in the semiconductor industry. Ms. Morgan joined Sequoia Communications in November 2006 as CFO & Vice President of Operations.

Before joining Sequoia Communications, Ms. Morgan was Director of Finance and Operations of the Digital Signal Processing Systems business at Texas Instruments (TI), which included DSP, broadband, digital imaging and audio, communication infrastructure and voice products. During her 16+ years at TI, Ms. Morgan also served as Director of Finance and Operations for the Broadband Communications Group and the Sun Business Unit, as well as Asia Region Finance Manager, Planning Manager for EDA Software Development and various positions in Internal Audits.





System Selection

Sequoia Communications compiled a list of system capabilities required to obtain the visibility and control necessary for scaling its operations. The list included:

- Automated sales order management process through a single system, thereby eliminating the need to manage multiple spreadsheets
- Ability to obtain daily, automated WIP snapshots from global manufacturing partners
- Robust planning capabilities, including automated supply-demand matching with the ability to run scenarios and easily define priorities and constraints
- Ability to obtain rapid inventory valuation
- Visibility into product costing details, including delta items such as purchase price variances and yield variances
- Proactive alerts and notifications of production delays, reduced yields and other operational variances
- Seamless integration of operational data with the existing financial system

In summary, Sequoia Communications was looking to streamline operations by implementing a system that offers integrated order management, near real-time inventory visibility via automated connections to outsourced manufacturing suppliers, and easy to use, robust planning capabilities. The intent was to be ready with a world-class system that can support the company's growth and production ramp.

Sequoia Communications evaluated multiple vendors based on this criteria and selected Serus. "We like the ease of use and comprehensive capabilities in the Serus system. We were also very impressed by Serus' willingness to listen, respond rapidly and maintain flexibility in working with us. We not only have a great system in place, but also a solid partner," added Ms. Morgan.

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*—Dee Morgan
CFO & Vice President of Operations, Sequoia Communications*