

# Prevail's Perfect Organization

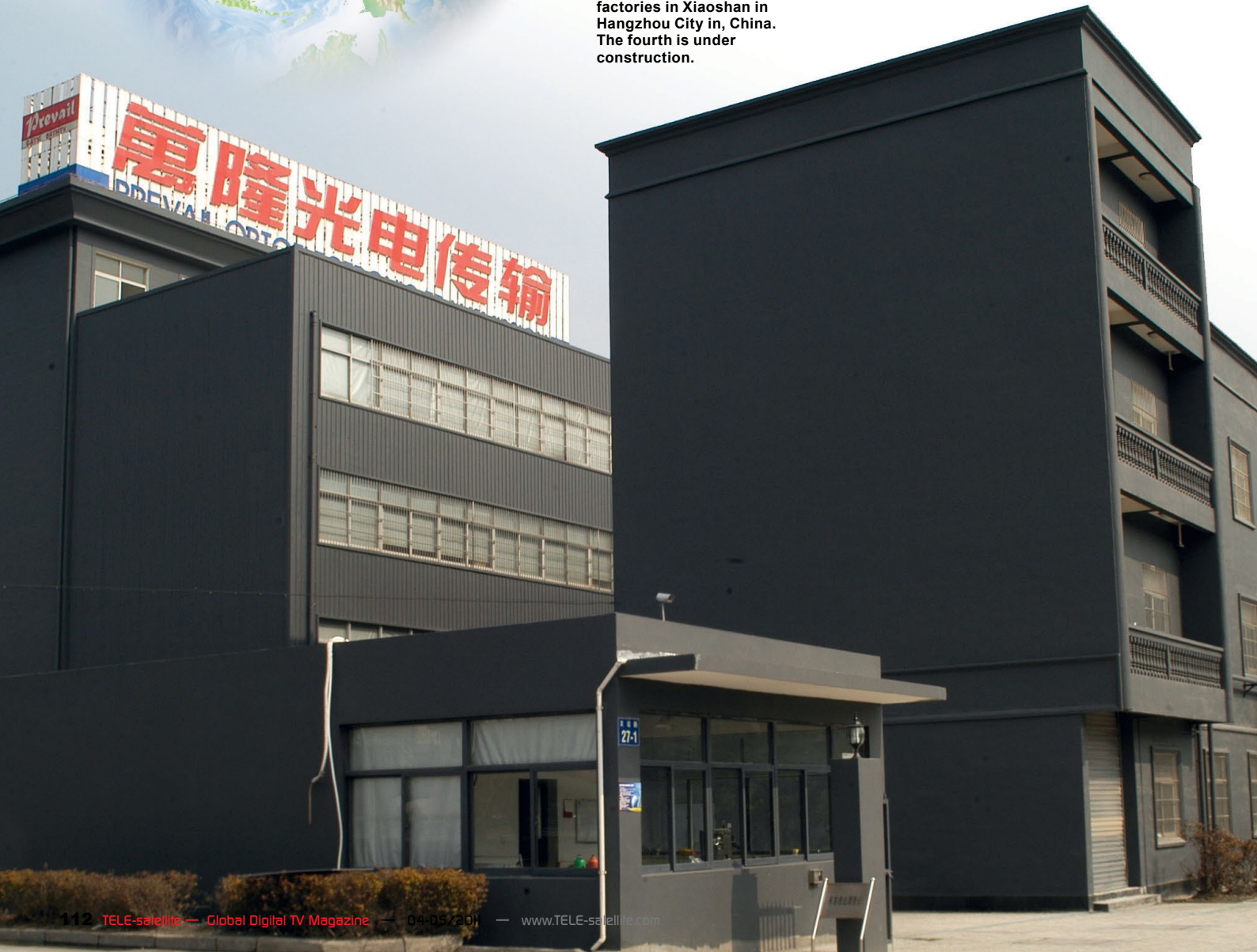


- **Substantially Increased Sales for 2011 Thanks to Rising Exports**
- **Additional Factory Soon to be in Operation**
- **Increased Number of Employees**
- **Four New SMT Machines in Operation**
- **Very Active R&D Team**

A recipe for the continued success of a manufacturer is a well-organized operation. A perfect example of this would have to be the Chinese manufacturer Prevail located in Hangzhou, the capital of the Zhejiang Province which is south of Shanghai. This company manufactures fiber optic products, CATV components and professional digital TV modulators and accessories for signal distribution.

The first thing you notice when you visit Prevail is how neat and clean the entire factory is; nothing is out of place. Another small detail are the uniforms that the employees wear. It's not out of the ordinary to see workers on an assembly line wear uniforms, but at Prevail the office workers also wear uniforms. For the visitor it

■ Two of the three Prevail factories in Xiaoshan in Hangzhou City in, China. The fourth is under construction.





becomes immediately clear that the work here is very disciplined and organized. And of course the products themselves would also be associated with this high standard.

To confirm this we paid a visit to the three manufacturing plants and had a look around; a fourth factory is currently under construction.

Necy-xu is General Manager Sales & Marketing and provides us with a little history about the company: "Prevail was founded in 2001 by Managing Director Xu Quanhai along with ten other partners." The company is in private hands and continues to manufacture the same product groups that it did at the beginning: fiber optic products, CATV components and accessories as well as distributors and splitters for coaxial cable lines. Necy-xu remembers the early days: "In our first year 2001 we had sales of roughly 50 million RMB (5 million Euros) with about 100 employees. 70% were domestic sales and the rest were exported."

For 2010, however, this changed considerably. Necy-xu revealed to us that now only 50% of their products are sold domestically in China; exports have increased markedly. To what countries and regions does Prevail export to?

Helen is Prevail's International Sales Manager and tells us, "40% of our exports end up in the south Asian region and this includes India, Pakistan, Indonesia, The Philippines, Thailand and Vietnam. 30% land in South America, 20% go to Europe and the rest go to The Middle East, North America and Africa."

Necy-xu adds that sales in South America have picked up quite a bit and that Prevail is shipping more and more products to that region: "The cable TV providers there are expanding



■ Two elephant statues greet visitors in Prevail's entrance lobby.

significantly and we have exactly the right products for them." Exports to South America look to sharply increase for 2011, but Eastern Europe is also rapidly on the rise.

Prevail achieved sales of 200 million RMB (roughly 20 million Euros) in 2010. The number of employees has also been



on the rise: now about 450 employees work at Prevail. But for 2011 Neczy-xu is extremely excited: "The number of our employees will climb to over 500 and we also expect a jump in sales." Prevail is actually optimistic that they can be on the Shanghai Stock Exchange in 2012. That's quite an achievement for such a young company!

Who actually buys Prevail's products? "90% of our customers are the cable operators themselves", explains Neczy-xu, "only about 10% are shipped to distributors." The obvious reason for this is that at this point fiber optic products require a great deal of installation

know-how and that therefore cable operators prefer to tackle this on their own. This is not true for accessories although cable operators are still the largest customers for this product group as well since they need large numbers of these products.

As an international company, Prevail can be found at numerous trade shows. International Sales Manager Helen gives us an overview: "In 2011 we'll be exhibiting at CCBN in Beijing, Cabsat in Dubai, CommunicAsia in Singapore, ANGA in Cologne, Cable-Tec in New Orleans as well as three shows in South America: one in Columbia and two in Brazil." This provides

**1. Neczy-xu is General Manager Sales and Marketing and takes care of the company's exposure, such as, at trade shows and in the press.**

**2. Helen is International Sales Manager and is constantly in contact with customers all over the world. She can often be found at trade shows at the Prevail stand.**

**3. This man is very critical for a quality manufacturer like Prevail: he is Yu Xinghong and with his 20 engineers he is responsible for quality assurance during production.**

**4. He manages production: Ren Guorui is Production Manager and organizes the entire production process at Prevail.**

quite a few opportunities to take a closer look at Prevail's product line and learn more about their capabilities. "We always have at least one engineer present at our booth to answer any technical questions", explains Helen regarding Prevail's strategy.

Prevail is a company that is clearly geared for expansion and is perfectly organized to do just that. Prevail's product segment offers the best opportunities for further growth since, for example, the Triple Play service offered by cable networks or IPTV offered through fiber optic networks are in ever-increasing demand requiring Prevail's carefully manufactured products. Prevail's perfect organization knows only one way to go: up!



**PREVAIL**  
Fiber Optic and CATV Manufacturer, China  
[www.prevail-catv.com](http://www.prevail-catv.com)

**Company Details**

Engineers in Research & Development | Total Number of Employees  
0 ..... 250 ..... 500

Average Turnover (Previous, This, Next Year Estimates)  
0 ..... 12.5 ..... 25 Mio €uro

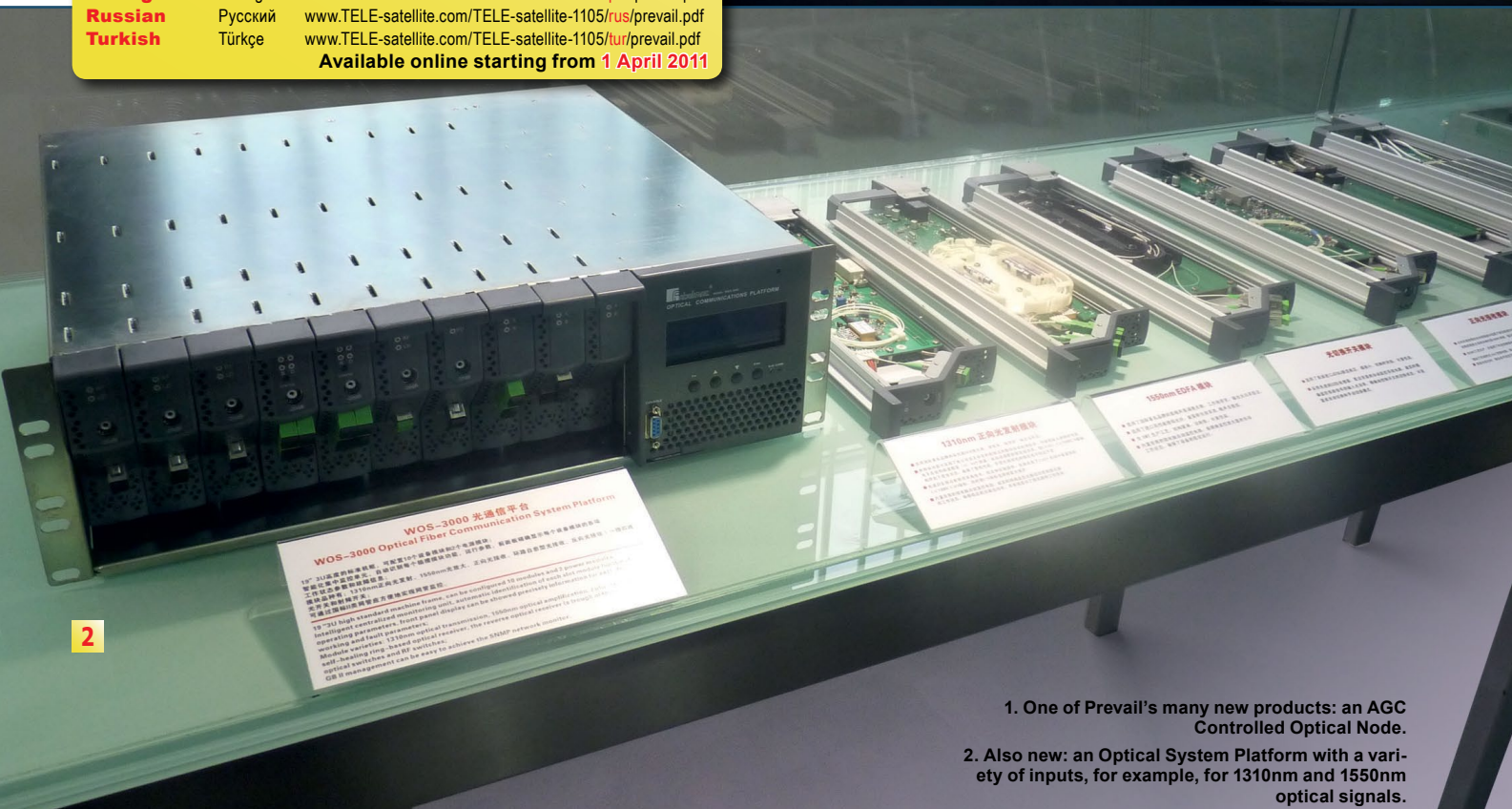
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OEM  
Main Products  
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Available online starting from 1 April 2011



1. One of Prevail's many new products: an AGC Controlled Optical Node.  
2. Also new: an Optical System Platform with a variety of inputs, for example, for 1310nm and 1550nm optical signals.



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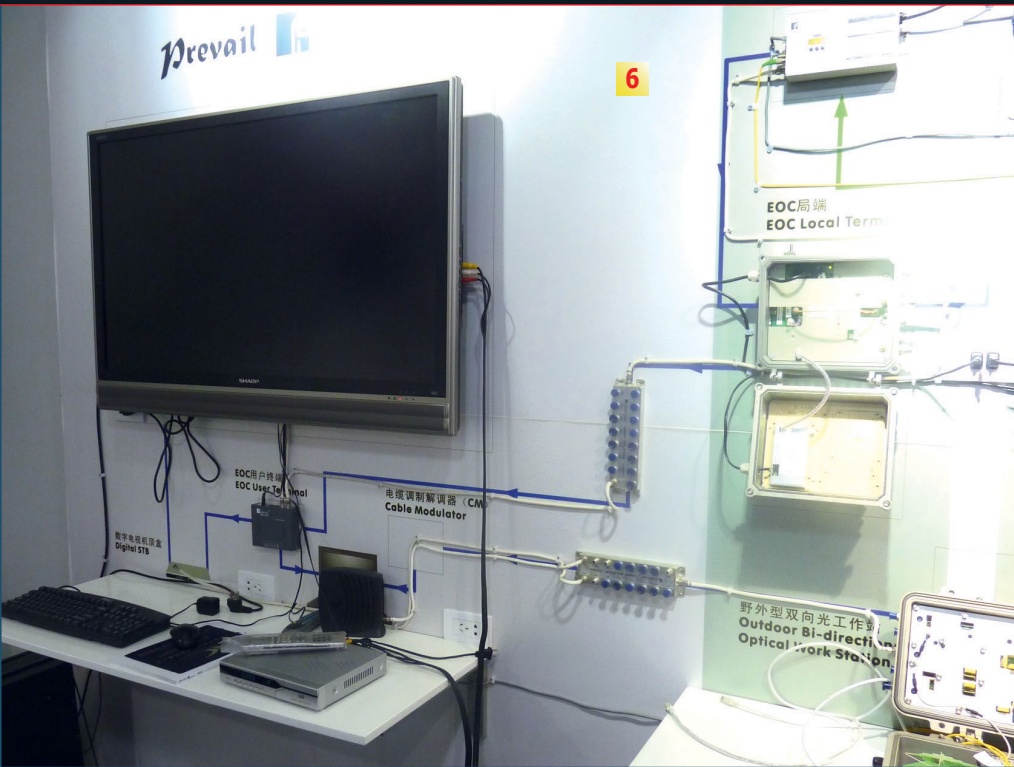


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1. The export sales team works here. 10 employees take care of international customers here while 20 employees serve the domestic market in China.
2. The employees at 10 packing stations ensure that every product is carefully packaged in the correctly sized carton.
3. Hu Chei He runs the shipping department with five employees. She ensures the proper shipping of customer-ordered products.



## Fiber Optic and Amplifier R&D Team at Prevail



1. A look into the perfectly organized R&D lab. Each of the 20 engineers here has an expansive work area with all the necessary test equipment.
2. Zhu Shuihu is in charge of the fiber optic R&D team. He can be seen here working on a fiber optic transmitter.
3. New from Prevail: an E-pon system terminal for Triple Play. The connections on this terminal that would be installed at the end-user's home are the coaxial input from the cable provider and the three outputs: a coaxial jack for the TV, an Ethernet jack for the Internet as well as another Ethernet jack for VoIP (telephone). Prevail is just introducing this product and a test report will appear in TELE-satellite shortly.
4. This engineer is working on the design of a coaxial cable splitter.
5. This employee is troubleshooting a problem with an optical receiver. He has all the necessary test equipment at his fingertips to help him solve the problem.
6. Block diagram of a Triple Play system: in a local terminal at the distribution point the TV and Internet signals are combined and then sent via a coaxial cable to the a receiver at the other end.



## Fiber Optic Production

7. Fiber Optic Nodes are assembled here. Hu Chan Song is in charge of this department with 80 employees. Not only are the optical nodes assembled here, but the optical receivers, transmitters and amplifiers as well.
8. Fiber optic product Quality Control. Every product is checked out here.





## SMT at Prevail

1. Huang Yang is in charge of the SMT department. "These machines started operations in November 2010", he explains to us, "20 employees work here in two shifts." A total of four Yamaha SMT machines were installed.
2. A fully automatic PCB pressing machine. It delivers the boards that are then stuffed with components by the SMT machines.
3. A semi-automatic pressing machine for smaller product versions.
4. The stockroom is fully stocked and thoughtfully organized.
5. Optical controllers for the completed circuit boards.

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## Accessories Assembly

1. Huang Li Mao is Production Manager and is responsible for mounting of the accessories. Each employee has their own vacuum connection to exhaust the solder smoke
2. Production line for circuit board installation for splitters and taps.
3. An employee installs components on a circuit board that will ultimately be installed in a splitter housing.
4. Completed splitters at the end of the assembly line that are being fully tested by this employee before the QC sticker is placed on them.
5. Many of the assembly lines at Prevail are already 'lead-free' and are therefore RoHS certified. The products produced here are, for example, for export to Europe. This is one of the RoHS compatible assembly lines for accessories.



Prevail 

## Power Supply Production

6. Prevail also manufactures the power supplies

7. A look in the burn-in room in which the power supplies need to function correctly for 24 hours before they can be shipped out.

