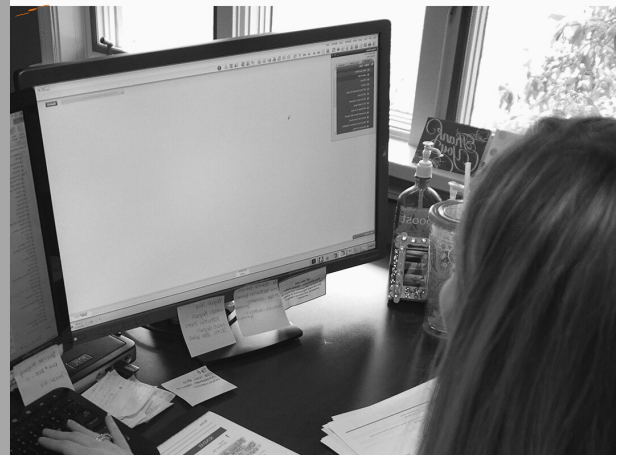
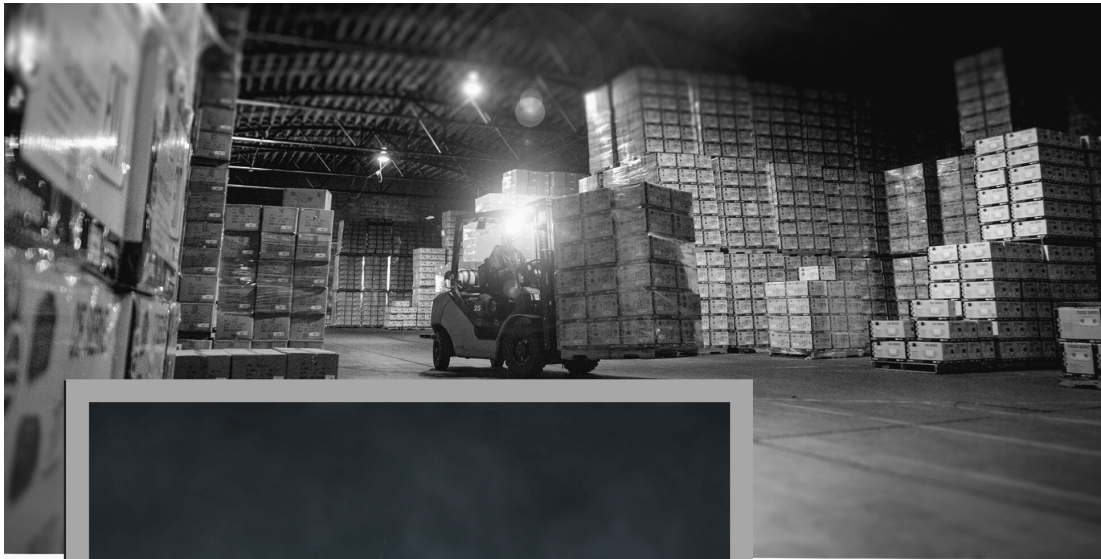


# Pace Electronics



## FROM THE DESK OF OUR CEO DAWN SMITH

The one thing that has always set us apart from competition is our ability to take the worry out of Asian outsourcing by providing complete program management Stateside. We have 50 years of experience importing products and we work closely with customs brokers and logistics professionals to make sure your products arrive on time and with the right documentation to clear customs.

While we offer direct full container shipments we also have custom programs tailored specifically to the needs of our customers. Whether it's JIT, blanket/buffer orders, consignment billed on usage or min/max LOI, we have managed it all. Are you looking for a program best suited for your business that requires different possibilities? Let us customize a program for you!

# NEW LIGHTING PRODUCTS



## THIN LINE ALUMINUM EXIT

NI-CD 1.2V AA1000mAh.

Meets CEC/DOE title 20 requirements.

## THIN LINE ALUMINUM COMBO

Li-ion battery 3.2V 2000mAh.

Meets CEC/DOE title 20 requirements.

LED wattage for the adjustable light-pipe is 3.5W.



## COLD WEATHER EMERGENCY

PAC0750/PAC0750C and PAC0545WLW.  
Added heater for temperature down to -25°C.

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# CHARLENE

## MANAGING DIRECTOR OF PACE MANUFACTURING FACILITY

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Ms. Yang was trained and raised to be a reliable successor to her father, Peter Yang, a successful and experienced businessman. Ms. Yang grew up and received her education in Taiwan. In 2013, she left her hometown to start a wonderful adventure by joining Pace Technology in Heshan, China. The more Charlene learns about the business, the more she feels interested and motivated in her career. She began by assisting in purchasing and finance, and after a year moved into the sales department. She hosts most Pace customers during their visits to the factory and handles all aspects for one of Pace's top customers. Given her accounting background, Ms. Yang also has responsibilities for very significant decisions, both financially and operationally.

Charlene now lives with her husband Manson and daughter Abby, in China and they make video calls to their lovely dachshund Mrs. HotDog, in Taiwan every night. Charlene loves to travel. The first time she traveled to America, she was only 19. She took a journey from Manhattan to Boston, and then all the way to Chicago by herself. She finds American culture to be irresistible, just like the taste of their pizza.

### THE CHINA ALTERNATIVE

With the enactment and escalation of punitive tariffs on nearly all Chinese imports, Pace has begun to look elsewhere to bring our customers high quality product without the additional burden of high tariffs. Charlene Yang, Managing Director of Pace Technologies, has been heading the search for alternative manufacturing facilities outside of China. Beginning in early 2019 Charlene and her team started working to make connections, set up visits, and perform feasibility analyses on factories in various countries throughout Southeast Asia. Charlene reports that the following show long term promise but have short term challenges:

**Vietnam:** Excellent proximity to China, with a 3-day transit for materials to cross from the border of Southern China to Northern Vietnam by lorry. Because of this, many Chinese factories have moved operations resulting in an overburdened and inefficient supply chain. The rapid expansion has led to increasing costs. For example, land rent is twice the cost of Heshan area. Wages are growing at a rate of at least 7% every year and is only 70% as efficient as Chinese labor. Laborers are becoming more difficult to come by because of the influx of manufacturing. Laborers lack in technical knowledge.

**Cambodia:** Labor is cheaper than Vietnam and China and is plentiful but is inefficient and not experienced in electronics. Land is cheaper than Heshan area. Infrastructure is very poor with no highways and many dirt roads creating logistical difficulties to get product to the port. There is only one international port and overcrowding leads to shipping delays. Electricity is very expensive- twice that at PT. Currency is not well controlled. Government policy is friendly to capital investment from overseas, yet bureaucracy and officials' corruption would be the questions for setting up branches there.

**Malaysia:** Labor rates are similar to China and there is no shortage of laborers. Basic industries, including the electronics industry are mature. The country is politically stable. Land rent is higher than Heshan area. Cheapest cost of electricity of any country visited. Infrastructure is in good condition. Currency is not well controlled. The well-educated and multilingual population provides a solid foundation in engineering and management areas.

After consideration of all the above factors for these and other countries in Southeast Asia, Pace has decided to choose Malaysia as a short-term solution to the tariff problem. Beginning in December, we will be conducting a trial production run and will keep our customers abreast of the results and potential to move their products. In performing these analyses, it is apparent that China is still the best option if and when tariffs go away. Their workers are the most efficient of the countries that were reviewed, they have the most developed infrastructure and most of the components used in production are of Chinese origin. With the move to Malaysia customers can expect to see an average increase in the base product cost of 15%. Charlene and her team will continue to work on a more palatable long-term solution for manufacturing outside of China in the event that tariffs do not go away in the near future.





## AN INTERVIEW WITH ROBBY REECE

-What is a typical work day like for you?

"There really isn't a "typical" day in this business. It depends if I'm on the road or in the office, but it usually starts early in the morning responding to messages from China and Hong Kong. The rest of the day is filled working on new projects with customers, following up on opportunities from new and existing customers, setting up meetings with customers, and of course answering countless emails from Bre and Crystal. The day usually ends sending, and answering, messages with China and Hong Kong."

-What is your favorite part about working at Pace?

"The relationships built with customers and the Pace team. I enjoy the contract manufacturing side – winning new business and working with the customers and our Pace team to see a product through from concept to production."

-What do you enjoy doing in your spare time?

"I enjoy fishing, baseball (Ole Miss, Atlanta), watching whatever sport the grand kids are playing, and spending time with the family."

-Favorite quote?

"If you don't know where you are going, you'll end up some place else." Yogi Berra

## Upcoming Tradeshows

Paul  
D2P  
Indianapolis, Indiana  
Nov. 6-7th

Charlie  
Amcon  
Detroit, Michigan  
Nov. 19-20th

## ROBBY REECE'S HISTORY WITH PACE

1985 – 1989

I was first introduced to Pat Kehoe and Pace as the Purchasing Manager for a large audio manufacturing company, where Pace was a supplier of passive components.

1989 – 1996

Account Manager for a large manufacturer's representative based in Huntsville, AL. Represented Pace at accounts in MS, AL and TN.

1997 – 2009

Established PhaseOne Electronics in 1997, an independent manufacturer's rep for Pace in the Southeast USA.

2009 – Present

Joined Pace as the Southeast Regional Manager responsible for Pace sales in the Southeast USA.



DID YOU  
KNOW?

## The History of Peter Parts & Pace Electronics

AS TOLD BY PETER PARTS

I started working for Pace in 1982, selling for 4 years, the last two as Eastern Sales Manager and on the road all the time. It was an exciting time because of all the new technologies that were being invented and starting up. To put it in perspective, top modem speeds then were made by Hays and were 2400 baud! The IBM PC cost close to \$10,000. Typewriters and \$4,000 WANG word processors were still the major way of putting contracts together and voice mail was a \$5,000 add on to a phone system. There were new opportunities everywhere, Pace was selling large volumes of Pace branded components and was starting in the electronic assembly business. In 1986, I decided to take a jump with Steve Crane as my business partner and started a company that would find the best discreet component manufacturers in Asia. We developed a national rep network that would sell them in smaller volumes under the manufacturer's own brand across the U.S. We held true to form, selling components branded with the actual manufacturers name and we would customize the components if needed. Meanwhile, Pace continued to grow their business with a focus on volume component sales, contract manufacturing and sub assembly. With over 32 years working together it was getting time for Steve and I to think about retirement. We wanted to find a home for our employees and transition the business to a new owner and Pace was on top of the short list. The sale made a lot of sense because Pace was able to use many of our sources and deal directly with all of our suppliers. They also incorporated all of our full time employees worldwide into their team, many who had more than 20 years of experience. This was a great opportunity for everyone and one of those events where 1 and 1 equal 3, a great joining of two very complementary and non-competing companies!

# Anniversaries & Milestones



David Rockefeller celebrated  
30 years with Pace Electronics

*T G I F*

## STAFF MEETINGS

On Fridays our team meets in the conference room to discuss weekly matters. Once all work related discussion is covered we move into the word and quote of the week as well as the knowledge jar. Each week someone volunteers to do the word and quote of the week and the knowledge jar is passed on from the predecessor.

Our favorite word, quote, and knowledge jar from this quarter was....

*Word:* Coruscate (KOR-uh-skayt) (verb) - to give off or reflect light in bright beams or flashes. The Autumn sun shining made the leaves on the trees coruscate like they were on fire.

*Quote:* "A year from now you may wish you had started today." - Karen Lamb

*Knowledge Jar:* More than 30 million people will spend an estimated \$480 million on pet costumes this Halloween.



Pace will be closed for holiday on:  
November 28th & 29th  
December 20th - January 1st.

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