



Maplewood, NJ USA

The Ideal Almanac

The Official Information Source of Ideal Jacobs Corporation



Xiamen, China

Issue 58

Written by Andrew Jacobs

IDEAL JACOBS CORP.

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Welcome

Hello and welcome to the September edition of the Ideal Almanac.

Business:

Once again the possibilities of the marketplace have wrapped themselves around my personal life.

About two years ago, my partner Ben told me about a new type of machine that used selective shots of radiation to help eradicate cancer and tumors. He thought it might be good for my Dad since he was having some health problems. Nothing came of that initial discussion until a month ago when Ben and I were in Mexico helping to setup our new distribution center, Ideal Jacobs Mexico. He brought up the Gamma Knife machine again, as it is called, and began to give me more details about it.

The group manufacturing and using it in China had developed prodigals where they were able to reduce and often kill various types of tumors and cancers. The results have been amazing and Ben knew the people involved. The owners of the machine wanted to get it used all over the world but that can be a very difficult thing to accomplish unless you have actual people on the ground in the desired areas.

In this case they spoke to Ben about him becoming one of their representatives for various parts of the world. After hearing more about the machine I got excited at both its capabilities to help people and the chance to make money and agreed we should look into it closely. Since we would now have a presence both in Mexico and The Netherlands, the site of our other new distribution center, I thought it could be good jumping off places to introduce the machine in other countries.

Ben agreed with the concept and has been in negotiations ever since working on various types of agreements. While this was happening I found out that my best friend David has prostate cancer. Any type of cancer is a frightening thing to be diagnosed with and understandably he was very upset. However, then I thought about the Gamma Knife, and as a believer in fate and Karma, wondered if I had been introduced to it at this time to give David a chance to use it. Regardless of what happens, he now knows about it and has another option if he wants to try the process. If I were in his shoes I would be doing just what he is which is trying to gather lot of information in order to make the best decision possible. I wish him my best. As for the machine, we hope to close some type of arrangement for that within the next 60 days.

I have always been interested in the environment and have tried to act in an "earth" friendly way in business. Besides being ISO-14001 registered and a member of the EPA's Performance Track Group I have always felt that there was not only more we could do to help the planet but also profit from it. I never have a problem trying to do good deeds and make money while doing them. In this case, it has to do with passive solar energy. Most people are interested in active solar and wind technology like solar panels and turbines but there is a great amount of energy that could be saved through the use of sunlight. By bringing in sunlight via reflective tubes through building roofs we can save more than 25% of the total energy cost of a building; not just the lighting costs. It is amazing to think that a system that needs virtually no maintenance and is not very expensive to install can save this much power, but it can and it is proven.

My friend Dan Gallagher is in the business of consulting and installing these types of systems and we got together a few days ago to see if we could build a better product. What we found was that the technology was already advanced enough for high efficiency but the ability to market it on a large nationwide scale was not. Therefore we are now putting together a business plan to try and not only make it very easy for people to install these systems, gain the benefits and conserve energy but also build a new profitable marketplace.

Back to the main part of the company which is labels. Business has been good and we anticipate opening our new distribution center in Guadalajara, Mexico within two weeks. We are currently preparing inventory that we will stock there. All the paperwork for both the US and Mexican governments is

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Spanning The Globe

The startup of our Mexico distribution center brings together three branches of Ideal Jacobs. Left to right: Andrew Jacobs and Mike Valentine (IJ US); Eduardo Renteria and Marisol Lomeli (IJ Mexico); Ben Meng (IJ Xiamen,

Beyond The Road to China

Chapter Three (Part Two)

3/7/06

**Tuesday, 7:58PM EST
(2:58PM England time)**

I am at the Abbey Hotel. It is a very nice hotel room; it even has a couch. Since it is on a golf course, I went for a walk before dinner but with no music. I had unknowingly thrown a switch on my iPod, which is why it wasn't functioning. I figured that most teenagers knew about iPods and I questioned the first one I met. Happily, he knew just what to do, showed me the solution and I had music on the second stage of my walk.

There are two restaurants in this facility. One is fancy and expensive and the other is a pub. I only really wanted a large salad and ventured into the pub to see if I could get one. The bartender/waitress was a gorgeous, young woman who listened attentively to my request for a salad, and between us we hammered out what I wanted, plus soup. The food turned out to be great. Feeling satisfied, I was about to go back to my room when I noticed that I was in an English pub, after all. It was smoke-free, and there was an older gentleman at the other end of the short bar who was hanging out and looking for someone to chat with. I had some extra time and said to myself, "when would I ever get a chance like this again?" So I turned around, bellied up to the bar, and ordered a diet soda with ice, of course. I agreed to the bartender's brand selection, even though it was not caffeine-free, and turned to the man and asked if he wanted another beer. He nicely turned me down and we began to chat.

He told me about his life, his imminent retirement, how his company had been decimated by globalization, and about his plans to immigrate to Italy. With my diet soda, I drank in the ambiance of the bar, the country, and the local people. About ten minutes went by and half of my drink was gone, which was enough, so I turned to the man and wished him luck in his new life. I then went back to my room, where I now sit. Sometimes you just have to grab those high, gutsy, roustabout moments where you throw caution to the wind and take the risk of drinking caffeine shortly before going to sleep. However, I have work to do, so I think I can burn off its effects and still get a good night sleep. Since I am not being picked up until nine o'clock tomorrow morning, I can get up early, exercise and eat breakfast in the restaurant, which almost never happens. Normally to save time on breakfast, I bring food with me and eat it in the room and then check-out but today it would be different. I love living on the edge.

3/7/06

Tuesday, 12:48 England time (7:48 EST)

After working out and having breakfast, I went to Comair via an unhappy young cab driver (more about him later). While there, I met everyone I had been emailing. Then I sat with the engineers to go over a label problem we were having with their location in China. Apparently, a group of labels we had sent them were showing cracking problems and we figured out the possible causes. Then we spoke about the new metal plastic material, and they were all excited about the possible uses. One of the engineers was handling one of the samples and it broke. We discussed the brittle problem inherent in the material and that new samples would be sent to them as soon as IJX was done with production. I hope we can resolve this problem quickly.

The head engineer mentioned that if our pricing was not in line for China, they could not deal with us. I countered saying we never expected to hold onto anything indefinitely. If we lost business, it was okay, since we do not sell at extremely low margins. Selling at five percent mark-up is supposedly a standard practice in China. It is a good way to gain wide market share, and an even better way to go bankrupt if something bad happens. It is not a way of doing business that I plan to pursue. If and when they decided to replace us, we will not stand in their way. Then he said he hoped we could keep as much of their business as long as possible, since they liked the way we conducted ourselves.

I know we aren't the cheapest supplier. If a lower level supplier can function in the later life cycle of a part, then the customer should move it from us. Hopefully by then, we will have moved onto other niches. You can't be everything to everyone and I have no ambition to try. We have our areas, and they are where we want to stay. I left with everyone happy, and then I got the same driver to go back to the airport.

When I first met him, a young Pakistani man, he was not friendly. I was not in the mood then to break him down enough to enter into friendly conversation, but he warmed up as time went on. During the return drive to the airport, he actually became friendly; especially when he found out I was from the United States and a business owner. It seemed he wanted to be in his own business, hence one of the reasons he was not happy when I first met him. He did not like being a cab driver, and spent much of his day frustrated. I talked to him about running his own company, and gave him one of my new books. I told him to email me, and that I would send him more help. I also gave him some advise

about where and how to operate.

By the time we finished, he was a different young man. I like to think I had affected him in a good way, and helped him along to a better road than the one he was already on. Obviously, he hated being a cab driver. If he moved on to something better, then his whole life would change, and it would make him even happier. I told him that every person he met was an opportunity for good, on all sides, and he should treat everyone in that way. Give out good vibrations, and they will often return; even if he had to stay a cab driver for a while until he started his new company.

When I got back to the airport, I got my ticket and some food. I decided to send the proposal for Lencon to my people for their review, and not wait for Thursday. I trust their judgment. I am anxious to see if they thought this alliance had the same potential as I did. It's time for a quick nap.

3/8/06

**Wednesday, 8:17AM Dublin time
(3:17AM EST)**

I am ready for my last day on this trip. I got picked up by Robbie, the Limousine driver, on time. He is wonderful and outgoing, and off we went to Lucent Technologies. Fortunately or unfortunately, depending how you look at it, the one and a half hour trip turned into a fifteen minute drive. This meant we were too early to see the customer. I try to view all situations as positive. An unexpected gift of time can truly be an opportunity adventure, and should not be squandered.

In this case, Robbie took me to a local delicatessen for something to drink. I love going into shopping areas when I travel, to see the different kinds of foods and products. I realized I could get my lunch for later, which would save me a lot of trouble, so this turned out to be a great stop. As fate would have it, Robbie was a printer, a fellow member of the trade who unfortunately ran into partnership/wife problems. It is a very common thing in the printing business, which is why he is now in the limo business.

In his spare time, he has an additional love, which is a local radio station where he helps out in many areas. Since I have been involved in radio through parts of my life, it was another area of brotherhood for the two of us. For one of his programs, I offered to let him interview me about my books and going to China. We actually did the interview in the back seat of his car, and it was a lot of fun. For a longer interview, Robbie said he would like to talk more by phone when I got back to

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the United States. Then, the next time I was in Dublin, he would invite me live on the air. That all sounded like great fun, and we were ready to go make the sales call by the time it was over.

3/8/06
Wednesday, 2:39PM London time
(9:39AM EST)

The first meeting at Lucent was amazing. It turns out that the material for our new injection molding line has already been pre-tested and approved by them, which means we will probably not have to test the material ourselves for anyone else. The fact that Lucent approved it should carry weight. People will trust the results enough to incorporate it into their products, and go to the next level of testing. Also, the engineer likes the position we have taken regarding no mold charges, and working with the material manufacturer to get the best possible products. The idea is for all of us to work together. The material manufacturer also makes injection molded products, so they would get the long runs. We get the small and medium runs and the labels for all the products.

The engineer and his company get the best of all worlds, so he is happy to help everyone work together. He also has a bunch of other products he wants us to look into, so the possibilities for business have increased greatly from our meeting.

After that, I went to see an engineer I have known for a while at Amphenol, formerly known as Teradyne. They are moving mostly all of their products to China, which is fine since we have a plant there. He was happy to consider us for his future needs. Since the call did not take long, I then jumped into the limo and Robbie had me back at the airport in time to take an earlier flight. I booked two, in case I finished early. This would put me back in London sooner with a better chance of catching my connecting flight home. We ended up in Terminal One, and getting to Terminal Three took a while but I am here. I ate the lunch I got while I was with Robbie. I have already sent out the joint venture proposal to Lencon for their review.

Having Ben take care of everything in China gives us incredible flexibility, and I plan to use it to its maximum benefit. It looks like he can do almost anything regarding joint ventures, wholly owned foreign subsidiaries, licenses, and working with the government. He is truly great to have on our side. We will have to see what Lencon says. I got an email back almost immediately from Jeroen thanking me for the proposal. He will get back to us soon. It turns out my people think the potential was worth

the effort, as do I. We can do similar things with other companies if it works.

I am now going to buy a newspaper, and maybe a book, and head towards my gate as soon as they post where it is. I emailed my crew about the Lucent approvals. They are sending back emails saying how great it is. This could speed up the use of material by months, which means actual sales could start within the next two quarters.

3/8/06
Wednesday, 12:24 EST

I am in the air and we have about six hours to go. I got an upgrade to business class on this Virgin Atlantic flight. I could not understand why, and I do not think wearing a tie did it. It turns out this is also a Continental Airlines flight, and I am in their rewards program, which is probably how it happened. It is very nice here and I plan to watch a movie soon.

Ben from China is due here on Friday. Some of the people from the metal/plastic material manufacturer are coming in tomorrow afternoon. We have the chance for something very big and I fear it will mean a lot more capital outlay. However, I do not think I can afford not to do everything I believe is needed, which means more debt. My taxes are due in April and it is a lot of money. It is crunch time, and I will be interested to see how far I am willing to go.

Welcome

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also nearing its completion. I learn a lot every time we do something like this and have found that every country has its own way of doing things and the best way to handle yourself is do what you are told as quickly and as quietly as possible.

Our two employees in Ideal Jacobs Mexico, Marisol Lomeli, General Manager, and her assistant, Eduardo Renteria, have already begun seeing customers and are looking for more business. We believe that Mexico will become increasingly popular as an alternative manufacturing center to China and we hope to capitalize on the boom we think is coming. Marisol and Eduardo will be responsible for all of Mexico, California and probably other areas as the center expands. If business continues to grow there then we will begin manufacturing and spread out to the rest of Central and South America.

Our distribution Center in The Netherlands that is being run by our design partner Lencon Patents. It is having a slower start-up

3/9/06
Thursday, 9:41PM EST

I got home before eight o'clock last night. It was a very good trip indeed; I was able to get up at my regular time this morning. As usual, I got beaten in tennis. Then I had staff meetings discussing personnel, my trip, our visitors later that day, and the possible Lencon joint venture.

As it turned out, the representatives of the material manufacturer wanted to create a global partnership between our two companies. We would exclusively market and use their material for our metal/plastic materials. It would need further discussion to come up with an actual agreement. Therefore, we agreed to finish the conversation when we go up to Massachusetts to meet with all of their key people. Although nothing concrete has happened, the prospects are still very exciting.

We had shocked them with the speed to which we had launched our new product line. Plus, giving away the tooling was an additional point they could not match. We had our strengths and they had theirs, and it seemed like a good idea to work together. We did not want to fight them for the long, lower profit runs. In turn, they did not want the medium and small orders, so it seemed like a good fit. We would let them know who we were calling on, so we would not go after the same customers. We would also invite them along

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as we do a lot less business in Europe than Mexico but we hope to remedy that situation quickly by increasing our sales there. Jeroen Kuiper is our main selling weapon with some assistance by Lencon's owner Jan-Willem Lucas. Their job is to cultivate business in England, Germany, France and The Netherlands; Ben Meng and I will handle Eastern Europe for now. As in Mexico, if the business warrants the expansion we will also put in a manufacturing facility in Eastern Europe.

World-wide interest in our new filler panel and short-run injection molding lines has been increasing and we have panels that should be out of final testing by the end of the month. We have already passed an unofficial burn test so that we are close to being approved for general use. Once completed, the possibilities for telecom related business could be enormous.

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Welcome

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Personal:

My eldest son back is back at school, he is now a senior at case Western Reserve University in Cleveland. He was home a lot of the summer and it was a joy having him around. We collaborated on the CD called "The Wisdom of My Parents" which he composed the music, recorded and edited the entire piece. I think it came out really well and it is being sent out with my latest book "Beyond the Road to China."

We also worked on another CD called "The Sunday Night Lifeguards" which should be ready this month. The first purpose of the CD was to act as an audition tape for the Sirius Radio Network. I have always had a problem with relaxing on Sunday nights and thought that a radio program addressing issues that can keep people awake might be of benefit. This is the first in the series and we talk about handling death.

The second purpose of the CD was to send to our customers both as something interesting and to keep our name "out there." We are continually trying to brand the Ideal Jacobs name and this seemed like another good way.

My middle son Alex has left the state. He is now in St. Louis at Washington University and seems to have adjusted well to college life. He likes his school, his roommate and life so things are going very well. It is strange not having him at home but we are slowly adjusting to the absence of having a huge "presence" in the house.

My daughter Kayla started her junior year of High School this week and is hoping that my wife and I do not shower all of our attention on her now that Alex has left. I will try and not be too much of a pain.

Weather

Fall is coming to New Jersey, the leaves on some of the trees are starting to turn and you can tell that dawn is happening later each morning. It is starting to get cooler and soon it will be time to take out the sweaters.

The leaf changing should be spectacular and I hope I get to be outside enjoying them as much as possible.

I also hope the same for you and your fall or spring is wonderful.

Regards,

Andrew 

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on calls with big potential. In turn, they would have their sales people watch out for possibilities for us, and would also help us get label business. We could utilize them for technical help, and they would be there as a resource for all products related to them.

If this works, their salesman would be ours and we would be with them, a seemingly wonderful match. Since aluminum is less expensive than the metal/plastic material, we would not be able to go into all telecom areas, but there is plenty of market-share to attack.

Jeroen sent in a drawing for a new military part, where I think this new material will serve well. He is supposed to call tomorrow to discuss the joint venture. In my opinion, they have a lot going for them to move forward. We should hopefully have the mold prices tomorrow.

3/12/06

Sunday Afternoon - In Flight

We are on the road passing through Connecticut. I am with Vinnie and Ben. We have been traveling for more than two hours on our way to Massachusetts. The first meeting tomorrow is with a customer who makes metal telecom parts and also rents space from us in Xiamen. They are a good customer, but things have been strained since we decided to expand into the metal/plastic area. We both want to sell the same types of parts to the same final customers, but out of different materials. I still have hopes we can work out an agreement to act together.

Tomorrow's meeting could have immediate, severe ramifications. I believe they will want us to move all of their label business to our Chinese plant with a 25% reduction in cost. I also believe they will feel us out for just how far our plastic/metal production has come. I think they will try and keep us in our current position of supplier, and not competitor. They also said they wanted to talk about their views on lean manufacturing, and why their way is better than our beloved ISO System.

What they want is everything, a normal position for them. What I want is more of their business, to make up the 25% discount we are losing in the transfer of work to our plant in Xiamen. I also want more time to try and infiltrate the metal market, to see how well and how far the metal/plastic area can go. I do not think I will get everything I want.

After that stop, we will go see another potential telecom customer. They buy lots of metal front panels there and we will try and convince them to utilize our new metal/plastic injection molded parts. After that, we'll have lunch with another potential customer

and then be done. We do not have a lot of time. There is heavy potential, but not a lot of time to exploit the market. We have to move quickly.

The road can be a lonely place. Sunday nights are the worst, even with two other people along. It is late afternoon and raining. I think back to my home in New Jersey, where I would normally be relaxing with my family, watching some TV, and getting ready to start dinner. This Sunday will be much different. I plan to eat dinner with the guys, call home, and maybe exercise some more. I already had a walk and played tennis to make sure I am tired enough to fall asleep. I'll watch some television, take a shower, maybe read, and probably get up very early to work out before our 8:00AM sales call.

As to whether we will eat at the hotel, it depends on what type of breakfast they have. I brought oatmeal with me. I will not eat it only if the hotel has eggs and fruit. The meetings will be long, and the protein will help me last through them. If they don't have eggs, then I will probably save time and eat in my room. We have plenty of food with us. I may bring in a triple-decker peanut butter and jelly sandwich to the meeting, to eat during a break. We will have to see how it all works out.

3/13/06

Monday

I got up this morning at 4:30AM, worked out, ate breakfast at the restaurant and was ready to leave when I called the office. For the second time in two business days, I found out our air compressor was out again. It drives our printing and die-cutting presses, but this time our die-maker, Dave, had brought in his portable compressor. They were able to power two printing presses and switch the die-cutting presses to run on their own electric power. We then went to our first stop and started out by introducing Ben to everyone. The chairman of the board was not there, which meant the meeting was run by the company president. This had both good and bad implications. Bad, because I felt slighted that he did not feel it important enough to be there. Good, because people were more free to talk.

As the meeting wore on, the head of sales turned to me and wanted to talk about our injection molding line. I decided to abandon my plan to not discuss the subject, and instead followed my immediate gut instinct. I told them what I thought about their marketing, their plans for the future, how they were not treating us well and how we thought they were missing the potential market. 