



Maplewood, NJ USA

# The Ideal Almanac

The Official Information Source of Ideal Jacobs Corporation



Xiamen, China

Issue 59

Written by Andrew Jacobs

**IDEAL JACOBS** CORP.

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## Contact Us:

### Phone:

973-275-5100

### Toll-free:

877-873-4332

### Email:

[acj@idealjacobs.com](mailto:acj@idealjacobs.com)

### On the Web:

[www.idealjacobs.com](http://www.idealjacobs.com)

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## Welcome

Hello and welcome to the October Edition of the Ideal Almanac.

### Our Readers:

It has come to my attention that our own Ideal Jacobs employees have been reading these Almanacs in order to see what is going on in the company. It seems that we have expanded enough and everyone is so intent in doing their own thing that not everyone has an overall idea of what is new and where we are heading. Therefore, I formally welcome all of our employees who are reading this and I hope you will send feedback or comments for anything that needs attention. As I say in our meetings and when I am walking around the plant, occasionally breaking out into song (or even more rare, into dance), I am always interested in what our people have to say, their opinions and how things can be made better. I have hired them because they are better in their jobs than me and have ways of doing things that can sometimes be better than the system in place now.

We even have a Good Idea Award program that we give out for ideas that are formally submitted and accepted. The Good Idea Award program is used to promote ways to improve the company and its organizational system. The overall majority of the good ideas are instituted into our system and I am very liberal as to how often I will give them out. In fact, I am now extending it to all readers of this almanac, not just Ideal Jacobs employees. If you have a good idea for our company that has some degree of relevance and merit (decided on by me), please send it to me via email and we will gladly award you with \$50.00. I love to hear other people's ideas so please send them in.

### Business:

Our new plastic panel division, which is based on a patent pending EMI shielding process we developed and worked on for the past year, is being launched. I am happy to report that the reception has been good and we currently have some panels in final test mode. We even passed an unofficial burn test a few weeks ago. I am cautiously optimistic about everything and we will know this quarter if people will buy our panels and to what degree of success we can hope for. All new areas, especially those based on our own technology, are risky at best but I will keep developing them because it is fun and helps keep our people motivated. Plus, from the feedback I receive our customers love the potential of our new projects and there is a chance for big profits.

We opened Ideal Jacobs Mexico a few weeks

ago. Special thanks to Mike Valentine for spending a week down there with our general manager Marisol Lomeli and her second in command, Eduardo Renteria, to launch the enterprise. We brought Marisol and Eduardo into this venture because of their potential to sell into the developing market in Guadalajara, Mexico. I'd like to thank them for their total immersion into this new area and their willingness to try so many new things at once. Since neither of them has experience in running a distribution center with the large volumes of paperwork and financial requirements it took a lot of courage on their side. They are doing a great job and I am very pleased.

We have already begun shipping product and the business is increasing. Whenever we start in a new country there is always a start-up time to learn all of the government requirements and rules for importing and selling goods. We have gotten this center up and running in under ninety days, which is incredibly fast. My thanks to everyone involved - I could never do any of this alone and I know it.

Right after we began operations in Ideal Jacobs Mexico, we started setting up stock arrangements with our customers so that we could replenish their supply lines within hours of getting job releases. It is a lot to get going quickly but Marisol and Eduardo are doing a great job and I can see the potential for great expansion as our customers realize how helpful we can be to them as a local supplier.

Speaking of this stocking program or SMI as it's referred to, I was in Colorado a few weeks ago working on an agreement with one of our customers to set up these types of local stocking operations worldwide. It is a major investment for us but I feel

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*Ideal Jacobs Corp welcomes our Netherlands representatives, Jan-Willem Lucas (left) and Jeroen Kuiper (right).*

## Beyond The Road to China

### Chapter Three (Part Three)

3/13/06  
Monday (continued)

I believe they were very surprised, but we kept talking. They said they did not see the market we did, but were willing to look at it again. They also did not want us competing with the same customers. I told them that their business with us had been declining, that I did not see anything they were doing to bring in a lot of new business. We shared a lot of customers, and I felt that we could read the market place as well as they could.

To say the meeting did not go well is an understatement. They said they wanted to keep doing business, but they did not want us competing with their customers, which is a little ridiculous. After all, most of their customers were our customers long before we started dealing with them. They also wanted to stay in our space in Xiamen for as long as possible. Basically, nothing got accomplished, except it was obvious that this account would now be in a definite decline. We now know that we must begin to replace the sales right away.

We left and went to the next stop, a new potential customer. This man was on one of the major committees working on the standards for the new advanced Micro TCA telecom area. This meant he was right in the middle of a lot of companies who would need front panels. Hopefully we could make some out of our new material. He seemed positive in the idea of utilizing our materials, and the prototype designs we had come up with, which was a welcome lift from the negativity of the previous meeting.

After that, we went to another potential customer working with the same Advanced Micro TCA area. In this case, we were negotiating manufacturing and making kits for their new product coming out. We had lunch and everything seemed positive.

The next big telecom conference is in June; Vinnie and our salesman will be going together. They will hit all the potential areas, go after the important people, and hopefully kick butt. So far, it has been an amazing trip. I am glad we brought everyone. Ben leaves tomorrow morning, and I may be going back to Massachusetts on Wednesday to see the plastic/metal material manufacturer.

We are on our way back to New Jersey, passing through Connecticut again. I am looking

forward to being home.

3/14/06  
Tuesday

I got an email from the President of the first company we saw in Massachusetts. After yesterday's meeting, I did not expect to hear from them. I figured they would go on their way, assuming they would stay in metal, and we would go ours in metal/plastic. I was wrong. The email said he had to talk right away with me and their chairman of the board. Apparently, they only bring him out when something big is happening. I did not want to deal with it, but Al said to get it over with and she was right. I called them both.

From the start, the call went badly. History has a way of changing to the way people want to remember it, and that was no different here. They remembered past events differently than I did. They were not happy I was going after telecom customers that they considered theirs. I was not happy with the way they had been treating us in different areas. They told me I had misread the market, had no expertise in this new area, had nothing to offer the customers, and I should stay where we are.

If I didn't, I would no longer be a strategic partner. In other words, I would eventually be cut out of their business, but they still wanted to stay at our place in China. It is good they still rent from us there. It gives us some leverage at least to keep some of the business, while we are busy replacing it.

I told them I would email them my decision on our course. They will probably still want to do business as a straight supplier, not a partner, which is fine with me, at least until they replace us. It is the beginning of the end. They can stay in Xiamen for a while, but that too will eventually have to end. We are on a new course, and it is not only our best chance for survival but growing greatly. They are in our way and it is time to move on.

We are on a new road. Our accountant was in; we got our tax bills which with the expansion should put us close to \$900,000 in debt, but we shall continue to move forward. I am sufficiently concerned, so motivation should not be a problem.

Next Wednesday, Vinnie and I will go see the metal/plastic material manufacturer in Massachusetts to see if we can align with them, formally or informally. It would give us a really good chance to expand very quickly. We have another supplier who says they have a product that will have the same properties, but I don't think it sounds as good.

3/20/06  
Monday, 9:49PM

I am now at home in New Jersey. Tomorrow, Vinnie and I are scheduled to leave for the Berkshires at about 1:00PM. Once there, I plan to bike and he will probably go tour the town. Then we will have dinner. At 10:30AM the next morning, we may or may not have a call near Woburn. If not, I will sleep a little later and we can get to Woburn half past noon. While we are gone, I plan to bring a couple of boxes of books to sign. Then in the afternoon, the meeting starts at the material manufacturer at one o'clock. They are supposed to have six people there.

Our goals are:

- Set-up some type of alliance.
- Gain access to their sales people.
- Make sure the alliance means they get the long runs, and we get the small and medium runs and labels for the long runs.
- Access for their current and new technology.
- Possible joint marketing, a website, or whatever else is possible.
- Make a strong impression and give them a road that will be easy and profitable for them to follow with us.

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### Welcome

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it is the best and only way for us to expand quickly, profitably and intelligently worldwide.

This brings me to our second distribution center opening next week in The Netherlands. Combined with our design partners, Lencon Patents, we will be doing the same type of stocking and releasing operation throughout Europe as we are doing in Mexico. We will also be offering additional design capabilities for our customers throughout Europe.

As for future expansion I go to Europe tomorrow. When I am in Hungary my guess is that our customers there may want a local supply hub, which is something we will need to work out. My partner Ben, from IJ Xiamen, is going to India this month and I am sure there are Indian companies that will want supply hubs eventually in that country also. What it all comes down to is localization. We have to be where are customers are. In China we already have two small distribution centers in addition to our plant in Xiamen. I have no problem go-

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## Beyond The Road to China

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We got word back from Jeroen today, regarding the possible joint venture, and they want to go ahead. Lots of fun stuff is happening. I look forward to going to Lenox. It is like my second home base. I hope I have enough energy to bike at least once. Friday, it is off to Asia, my first time in Japan.

3/21/06

**Tuesday, 10:14PM**

I am at the Berkshires and it has been a good day. I played good tennis this morning, despite having two newly re-strung racquets due to breakage last week. Wendy thinks I am letting off steam. I think it is more the worn and defective strings. No matter, I am having fun in any case. It was a hectic morning getting ready to leave for Massachusetts for tomorrow's sales call. The emails have

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ing almost anywhere in the world as long as the potential for business warrants it. I will be going to Europe, Asia, Mexico and Alabama over the next three months. I don't mind going because it gives me the chance to meet local people and search for situations in case we need to set-up somewhere in the world. Finding the people to hire and the places to locate can only be done on a personal basis and there is no substitute for actually seeing and meeting the people face-to-face. I rely most on my gut feelings regarding the people we should deal with. While I am not always right, I have to follow the path I think best. I am ready to accept the consequences both good and bad for my decisions.

Vinnie Santoro, our Vice President of Global Manufacturing, and I will be going to Asia in November to look at products to buy as well as sell. With the problems of imported Chinese products going into Europe and the US, we feel that it may be to our advantage to certify specific products made by someone else through our ISO registered Quality, Environmental and Health and Safety System. We believe that customers (and potential customers) will be much more confident in what they are getting and much more inclined to buy Chinese made goods. People need to feel safe and confident about the goods they are buying; we can help to do that.

Business for Ideal Jacobs worldwide is good and I am happy to report that the loans we got less than three years ago to open our plant in China are now more than 60% paid off and we are hopeful to have them completed in less than three years.

been crazy between all of us, with everything going on, especially with the new joint venture potential. I sent out the formal agreement today. Hopefully Lencon will approve it, make changes if needed, and we can move ahead quickly. It would be good to get some positive input before tomorrow's meeting, but we will have to wait and see.

When Vinnie was driving the New York Thruway, we got pulled over by a state trooper. He was very nice and only gave us a warning. Through the whole thing I was trying to be invisible, so I would not cause any trouble.

Today, there were traffic police seemingly everywhere, so we better be more careful tomorrow. After we got up here, I went for a bike ride which was beautiful. Then, I stopped to get us some food for tomorrow and came

back to the house. After dinner at a great local restaurant, we came back here. I was eating some frozen chocolate bits, when I heard a loud crunch.

Unfortunately, it was my temporary inlay, which cracked, and I swallowed it. I now have a large hole in my tooth, and I am leaving for Asia on Friday. I put in a phone message to my dentist. Hopefully, he can see me tomorrow night after we get back. Happily, it doesn't really hurt at the moment and I have taken some pain medication so that I can fall asleep.

Tomorrow's call is very important. I have to remember they also need us, so we have to make sure we get what we require. It has to be a win-win situation, or it will fall apart.

3/22/06

**Wednesday**

We're on the Massachusetts Turnpike, heading towards Woburn. I made it through last night, without any problems with my now semi-exposed tooth, thanks to the great prep work of Dr. Browne. He made sure he coated the area underneath the cap, so it is not sensitive, which would have driven me crazy. I spent the latter part of the evening signing more books for customers. Then after some writing, I went to sleep.

I got up at six o'clock this morning and put in my bite retainer, which is designed to help me stop grinding my teeth at night. I am going to use it as a mouth guard to try and protect my tooth while biking. It was about thirty degrees and chilly, but I was dressed for it. I road to the top of the large hill nearby, and herein laid the first big decision of the day. Should I continue through the woods? Or should I take the safe route through the streets, and go by Tanglewood to get back home? I had not been through the woods since last autumn, and I yearned to see the trees. Besides, I did not feel like riding through the streets, so off to the woods I went.

Coincidentally, this occurred after I wiped out on my back shortly before, where the fringe of my sweat pants got caught in my gears. Feeling stupid, both about the accident and the now constant pain in my arm from the fall, I zoomed through the woods and they were indeed beautiful. Keeping a watchful eye out for bears, turkeys, and the occasional skunk, I had a great time. In less than an hour and a half, I was back at the house. We both got ready and, thanks to my obsessive compulsiveness, it took me three times to actually lock the house and leave.

We spoke to the office, and everything there seems fine. Our salesman is in Arizona on

## Weather:

It is supposed to reach 85° F today. The sky is blue and I went biking with my friend David. It was beautiful outside and the next few days are supposed to be the same. The leaves are changing; after all it is already October. The weather should cool down very soon.

## Books:

I am happy to report that we have almost finished the release of my latest book, "Beyond the Road to China" as well as my CD, "The Wisdom of My Parents." If you have not received your copies yet then please email me at acj@idealjacobs.com and we will get them out right away. The latest installment from my book is included in this issue of the Ideal Almanac.

I am also happy to report that the long awaited Jacobs Family History book, which was compiled by my brother Ira and has taken over a decade to prepare, is now ready for the artwork stage of production. I am hoping that the pre-press and publishing process will not take more than ninety days. We hope to release copies of it to everyone for the Chinese New Year in January along with a new CD about mediation that I have been working on for the last few months.

My friend and Rabbi, Dan Cohen, and I submitted an audition tape to the Sirius Radio Network. We are calling ourselves the "Sunday Night Lifeguards." We will talk about topics that tend to keep people, like me, worrying and not able to sleep on Sunday nights. The first CD covered the topic of death - I figured out for a tough one on the first try. No word

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yet from Sirius but you can bet I will follow-up on them. I have always wanted my own radio program; it could be a lot of fun.

### Family:

My eldest son Ben is in his last year at Case Western Reserve University in Cleveland. If all goes well he will be working in the recording industry by this summer. If that doesn't work out for him then he will always have a place at Ideal Jacobs. I think he would be a fantastic asset to our company.

My middle son Alex started his freshman year at Washington University in St. Louis. He is working very hard, having fun and already planning graduate school. His main goal is to make a lot of money very quickly when he gets out. I am not sure if he wants to work for the family business. If he does I will probably send him to Europe to develop sales there. We have a lot of room for growth in Eastern Europe and he has always wanted to live in another country. Besides, the best way to see what he is worth is let him loose on an unsuspecting country and see how much business he can generate. He is one of the few people in the world who is so aggressive it even intimidates me. If it is between Alex and any competitor than my money is on Alex.

My daughter Kayla is in her junior year of high school. She is taking a lot of very tough courses and is working extremely hard. She is also very competitive and making sure that she does at least as well as her brothers. Right now she is thinking of becoming a teacher, if not I think she would make an amazing CEO for Ideal Jacobs worldwide. She was born to lead and I would love to have her here with us.

Of course, if my three kids saw me writing about them like this they would probably not be happy and wish I would leave them out of it. I try never to talk to them about the business but let them do as they like. But I also know they do not read this almanac so I am free to hope here as much as I want. The most secure thing that could happen for my employees, our company and the world as a whole would be if a fourth generation came in. We would forge our visions together, move in directions to benefit not only our company and ourselves but the well being of the planet as well. We all have to live together and the combined strength of our assets will far out weight the ability of one of us acting alone. I believe we can change the world, I believe you can too.

I hope all is well in your area of the world.

Regards,

Andrew 

## Beyond The Road to China

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sales calls, and things are going well there. Tonight, he leaves for Chicago. I am starting to work on my calls for Asia. One of them is with Lucent Technologies. We have a contract with them, and hopefully, it will allow us to get there. The man we are going to see, Ray Zhang, has a quick wit, is very fast thinking, and likes my books. He is a good man.

3/23/06

Thursday, 4:32AM

Newark Liberty Airport, New Jersey

I almost always forget something, and this time it was my regular glasses. I still have my sunglasses, but they are a bit of a pain. It is not nearly as bad as it could be, so I am still calm. On the way through the security area, after I had to take off my sneakers to go through the detection line, I stepped on something wet. After I remembered I had no spare socks with me, the full realization and germ phobic attack kicked in. I knew I had no chance trying to tell whether it was only water, and my thoughts raced as to what it could be. But wait, I thought. I had the answer. I whipped out my small bottle of anti-bacterial lotion, which I always try to carry when traveling, and squirted some on my sock.

Whether it did any good or not is not relevant; I dealt with the problem, and now I will probably be able to forget about it. In this waiting area, the television is on, and the news program is talking about how a company in California is using foreign produced steel as opposed to steel made here. It is not amazing to me anymore that our economy is so intertwined with foreign suppliers. My company is doing the same thing. The next stage, I believe, is to have foreign competition coming to our shores and attacking here, as opposed to just having goods produced outside the United States sent for consumption here. That onslaught will be unlike anything ever seen, and the competition level will be amazing. I hope we are ready.

I emailed Ben this morning, trying to prepare him for what will probably happen with our new telecom parts and the ramifications of that act. We will be going directly against one of our biggest customers. They will not be happy about it, even though we are totally within our rights to do it. They have already started saying negative things about us in the marketplace, and I assume it will only get much worse. But as Vinnie mentioned, no one likes to hear people complaining, so their actions may end up backfiring on them. If the timing works out as hoped, the decrease in business we will probably experience will be made up with the rush for this new product line. Transition is always a stress-

ful thing, but necessary. I wonder what the next two years will bring.

I am really excited about the possibilities of this new joint venture and others. It could give us a very wide base of parts, from which to sell almost anything.

I want to build products. I want our own brand. I want to be able to do anything.

3/23/06

Thursday, 10:50PM

I am ready for my trip tomorrow and I think I have everything together. It is the usual night before my "try not to forget anything" moment. Then again, I should be asleep soon. I will wake up at three o'clock in the morning, get to the airport, go to Dallas Ft. Worth, and then fly to Japan. I am nervous for many reasons; not just going away, leaving my family, and being homesick, but going to another part of the world.

Of course, giant opportunity is all over the globe, and hiding here will do me no good. One of our customers, Ciena, closed their New Jersey facility this week with little warning. It was tough on the people who worked there and also on the suppliers. In our case, we already deal with their headquarters in Maryland and are in contact with their research group in Canada, so we should be fine.

Our tenant/customer in China has now determined they will cut us off from all new business. It is getting nasty very quickly. On the other hand, I owe them a lot. They have given me notice that they are getting rid of us as a supplier, so then it is my own fault if I don't replace their business.

If the Lencon deal works out well, we will spread it to other companies and maybe build our own building in China to house them. There are so many possibilities, it is mind-numbing. But like in fishing, when you can see lots of fish in the water but rarely catch them, you have to pick your target, focus and execute the attack to get what you want.

3/24/06

Friday, 7:24AM EST

I am flying on route to Dallas Ft. Worth. In airplanes, it is strange how you never know who you will sit next to. Originally, I was sitting next to a man who seemed pleasant enough, but was trying to switch seats so he could sit next to his wife. He asked me if I would switch. I said I would if she had an aisle seat, but the woman had a window seat. He then asked the woman across from me, and she said she would be happy to switch, just as long as I did not try and stop her from going to the restroom. 