

THE IDEAL ALMANAC

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WELCOME

By Andrew Jacobs

Hello and welcome to the April 2009 edition of the Ideal Almanac.

BUSINESS

Innovation, re-design, cost reduction. All are current big topics for today's business environment. Though I want to take it one step further and venture into "legacy" products.

What is a legacy product? It covers those older product lines where little or no innovation, cost reduction or much time in general has been spent reviewing them, usually for years. In other words, the older the product line, the better chance it is being ignored. Why is that? Simple economics.

The general mindset of Telecom and Manufacturing sectors in general is to focus on what is new. New product innovation is seen as the way to stay current and relevant in front of the customers. It is the best way to attract new business.

Therefore, those engineers, graphic and industrial designers and their support staff who have survived the various mergers and personnel cuts are left with the decision where to spend their limited time and resources. Legacy work is not where they invest their time and I can see their point.

However, I think there is something big being missed. Legacy products are just that, older products often filled with older more expensive components like labels, gaskets, heat sinks and other parts that can be re-designed or swapped for less expensive versions. The chances for

immediate concrete saving are amazing and are generally being ignored because no one has the chance to look for them.

That is where we come in. Ideal Jacobs Corp. has created a cost-reduction team that will go into a company's legacy products and review and re-design at no charge, as long as we can supply the cost-reduced parts. This is a free service that will allow our customers to know where a new revenue flow is possible.

Older products are being used more because people don't want to buy new ones when money is so tight. Instead, they can use older products that will mostly do the job. There is also a chance to innovate in these areas and offer upgrades that can also make more money. For instance, if a company is selling a legacy system for \$10,000.00 and it cost them \$5,000.00 to make and we make the same or equivalent product for \$4000.00 then the company is making an extra 20% on their costs.

The process is simple:

1. The customer lets us review their files and the physical parts
2. Ideal Jacobs (IJ) estimates the savings and provides quick feedback
3. IJ submits our proposal for customer acceptance
4. IJ makes drawings of cost reduction designs and submits to customer for approval
5. IJ makes prototypes for customer approval

We then start making the products at the cost-reduced prices and our customers start making more money right away.



A VISIT TO IDEAL JACOBS WORLD HEADQUARTERS

L-R: Graphic designer, Igor Lebre, shows new artwork techniques to Allan Du, VP of Ideal Jacobs Xiamen and Snail Zhao, Art Dept. Manager of Ideal Jacob Xiamen.

Of course, it helps to have an amazing design/engineering/manufacturing team already in place so we can get started immediately.

We have the people:

1. VP of Product Development Brett Claydon
2. The New Jersey-based former Alcatel-Lucent Industrial Design Group we took over last year
3. Our Industrial Design Team at Ideal Jacobs Netherlands
4. Ideal Jacobs Xiamen ready to prototype and manufacture

We are ready to start immediately and

make a difference. We make no money until our customers do, so speed is paramount in the entire process. If you are interested please call me so we can talk at 973-275-5100 or email me at acj@IdealJacobs.com.

THE FUTURE

As I have said in the last newsletter I believe that we are in for another eighteen months of tough times before things level off. I know that President Obama is doing his best and I also know we have no chance to influence anything that our world leaders are attempting. We do,

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ANDREW'S WELCOME MESSAGE

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however, have the chance to benefit from what we think will happen. Ideal Jacobs is expanding in the face of an economic hailstorm and even if the market goes up for a while it doesn't change the financial realities that the world marketplace is not going to recover anytime soon.

So why would I choose to expand now? I have my father to thank for beating into my stubborn head to try and look at reality, not what I hope will happen, and base my movements on that. I see a lot of companies going bankrupt, as well as banks and other financial institutions worldwide. I also see a lot of our customers increasingly cutting back and with this I see a chance for immense opportunities. Those companies cutting back still need certain work done, even if it is not by their own employees.

Therefore, the need for highly selective outsourcing will increase. The only way they don't have to directly "pay" for something is for a supplier to come up with something cheaper that works well enough to do "the" job. Trying to sell the same things in the marketplace as before is a recipe for destruction. Re-inventing, re-designing, coming up with a cost efficient idea that used to be a luxury product is not only the way to survive but the way to thrive.

However, no one is going to take a chance to outsource something as important as re-designing their products to any company that does not have the skilled people and infrastructure to handle it. Talk is great but the results are what always count. That is the chance we are taking, setting up the structure to handle a lot of new business before it has happened. It is extremely dangerous to expand in a depression/recession cycle before the business is there but it is also the only way to have it happen and be ready when it does. You need to have everything in place before you have the chance of success.

We can backup our claims with a team that can handle it. Yes, it is scary but it is the only way. I feel in my gut we are correct; we have made the commitment. All of our team members, resources and the

very soul of our company are committed to helping our customers. The hard part is done now all we have to do is execute the plan and everyone wins.

NEW EQUIPMENT

One of the fun parts of manufacturing is the new equipment. When we first brought in our new 500-watt laser I figured we would have some jobs for it but I never thought it would be utilized as much as it is and in so many different functions. From its ability to cut complex shapes to the numerous materials it can work with I am happy and amazed at how much work we are doing with it. If you have any flat plastic (up to about 1") or metal (up to about .1") applications please contact

us and let us see what our laser can do for you.

WEATHER

Spring has officially come to New Jersey. By early April there is very little chance of snow. Some of the prettiest flowers and trees are blooming and it is a wonder to watch. Day Light Savings Time is also in effect so it is getting dark later and with the milder temperatures it is a very nice time of year.


PUBLICATIONS

I want to officially announce our new website is up and running, www.idealjacobs.com. Our pre-press team did a fantastic job and I am very proud

of them and the site.

The latest CD from the "Sunday Night Lifeguards" is due out by the second week of April. I hope you enjoy it. For those who don't know, The Lifeguard Series is a team that consists of Rabbi Dan Cohen and myself and we tackle difficult issues that tend to keep people up on Sunday night. Our latest endeavor covers handling tough times, which is unfortunately a very current topic. Please see below for the latest installment of my latest book "The Ideal Entrepreneur" and let us know if you want a copy.

I hope your spring/fall is fantastic.

Regards,
Andrew 

THE IDEAL ENTREPRENEUR

CHAPTER TWO – PART FIVE

2/26/07

PARIS, FRANCE - 9:45 AM (3:45 AM EST)

After asking for some help I ended up at a train counter where a nice young man explained I had to take a train to Antony. I found a men's room, which I had to pay to get into (it was clean which made it worth it). I went down to the track and asked some people if I was on the right train. They were all very nice, and I believe I am in the right place.

I just ate my first and only peanut butter and jelly sandwich. All my other supplies are in my suitcase, although this is Paris, so I do not think I will starve.

It is too bad I could not get a high-speed train to Lannion. It would have been an interesting journey.

It is not too cold here, which is good since I only have a summer suit and light sweater – my coat is in my suitcase. We are passing a lot of old buildings and the graffiti seems to be a problem, at least along the train tracks. I wonder what drives someone to spend all that time

spray painting a building? I think I will be fine as soon as I get to the hotel.

My USB drive seems to be missing – I wonder if it fell out of my pocket on the plane.

I can probably buy a new one with a charger for my Blackberry in the airport. Then I will go to the hotel. I am glad I am dressed in a suit – it seems to give me instant credibility, makes it easier to talk with people and ask for their help.

2/26/07

9:45 AM PARIS TIME (4:45 AM EST)

Great news – I made the correct train transfer and should be at Orly Airport in less than ten minutes. The area is looking more prosperous. We are in a different section of Paris. I have the feeling that I am not near downtown. I will see it on Wednesday unless I am feeling very adventurous today.

2/26/07

8:30 PM PARIS TIME (2:31 PM EST)

It has been a heck of a day. After I got to the airport I started buying supplies and

one of the toughest transportation issues I had was trying to find the shuttle to the Hilton where I am staying. My room was ready early – a better start – and I settled in. There was a mall nearby so I made a list of what I needed to get through the next two days (figuring my suitcase was gone) and went forth. It was a very nice place filled with good restaurants, which made buying dinner a tough choice, but I settled on a group of salads that came with delicious bread. I also bought some workout clothes and am even wearing them without having washed them first – my wife would be so proud. I normally refuse to do that. On the way to the mall I kept falling asleep, but I perked up and even went through a supermarket they had there – one of my favorite things to do in foreign cities.

I got back to the hotel and started exercising. I checked at the main desk and they had an adaptor plug I could borrow. Now I had a chance to recharge my laptop, which meant I could keep it running and not worry about it tomorrow. I was able to connect to the Internet, which meant I could communicate without draining the vital power from my Blackberry. The charger for that is in my lost suitcase, and

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THE IDEAL ENTREPRENEUR

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I could not find one anywhere. The people here have been very nice and making a somewhat difficult time much easier. I took a nap this afternoon and worked more on my speech for China. I am hopeful that when I get up tomorrow it will be a “normal” day where the airlines will work on schedule. I will meet up with Jeroen, we can see our customers and then get back to Paris. I figure that my suitcase will surface in Newark in a week, but I hope to at least get it back. I spoke to Al at the office and they are busy and fine. I just tried to call home but it is in the middle of the afternoon so I am not surprised no one is there. I will probably run out of Blackberry power some time tomorrow. I hope I remember to save enough to call for my ride whenever I get home. I checked the airlines, but the best chance I have is still Air India to get home at a decent hour so I will check their progress tomorrow night.

2/27/07
ONLY AIRPORT, PARIS - 7:27 AM
PARIS TIME (12:57 AM EST)

I got about 5 hours of sleep, which should be enough to keep me going. More importantly as I was leaving the hotel this morning, I suddenly got the feeling my luck was coming back. It always pays to be good to everyone and I already have been very fortunate to meet some great people on this trip. One of them was the van driver for the hotel. He has been very nice and even waited to make sure I was in the right terminal this morning. Regardless of the fact that I gave him a tip, he was a gentleman and it was a pleasure to have the brief contact we did. It is heartwarming to see how many people are willing to help whenever I am in a place where I am not sure what is going on, which, during this trip has been frequently. I am on my way to Nuremberg via Düsseldorf. It is interesting that everyone who has heard about my adventure so far is already saying what great reading it will make in my next book. To be able to turn a potential bad into a very good is a wonderful thing and it is nice to know that in the future, I will look back on this and hopefully smile. It is not that

I am having a bad time – in fact, I learned a few things about myself. One of which is that I over-pack. I have used an amazingly small amount of clothes so far – I bought some yesterday, and they were not even washed first, which I never would have done if I had not been forced. In the future I will try to ensure that I have enough chargers in my laptop bag so if this happens again, the number of technical problems will drop to virtually zero. Live and learn as they say. I am not suffering in any way and if I can get my two sales calls in, arrive home at a decent hour and have some good contact time with Jeroen, then this trip will still be a success. Heck, at this point, getting home on Wednesday and being able to smile about it will be enough.

2/27/07
8:53 AM DÜSSELDORF TIME (2:53
AM EST) – IN FLIGHT

This flight is run by Berlin Airlines and it's extremely efficient. I went to use the men's room, which is at the front of the plane with a mirror on the door. It is close to the outside of the aircraft and looked as if you would walk outside after passing through the door. The strange thoughts I have – I never liked the idea of skydiving, especially in a suit without a parachute. We should be landing within the next fifteen minutes and then I have some quick shopping to do besides getting my boarding pass. I had cleaned out my laptop bag of cookies, nuts, mints and gum and have to find replacements. Besides I need dental floss.

2/27/07
10:09 AM DÜSSELDORF TIME (4:09
AM EST)

I have about an hour before my plane boards for Nuremberg. No luck thus far finding dental floss. I heard from Jeroen—he should be waiting for me when I land. It is nice that there isn't a customs or passport check between European Common Market countries, which speeds things up a lot.

We Americans are so spoiled: everyone

here seems to speak English. Alex's ability with languages should reward him well in the future.

2/27/07
6:18 PM PARIS TIME - IN FLIGHT

My flight to Nuremberg was on time and Jeroen was waiting for me. We did not have a lunch date with the people from Alcatel-Lucent so we struck off for the center of Nuremberg on a mission – lunch, a power adapter and dental floss. By this time my poor Blackberry was thirsty for power and I was turning it off after every use to conserve. Jeroen used to work here so that he knew the town center well. He was able to locate a shop that had the needed power cord and I was back in business. Then it was off to lunch where we could talk business and sample the local fare. We ended up at a restaurant that served fine food and had a lovely waitress who I tipped well. From there we bought some fruit for later. It was time to head out to the meeting. There were five people who both Jeroen and I knew. They were engineers who were well skilled, intelligent and knew their crafts well. We showed them some of our design concepts and they immediately said that while the ROHS-approved components we used were good, there could be some recycling problems. After some spirited discussion, we we came

up with a solution that will pave the way for a lot of new business. As with everything it may take a little time to get all of the questions and concerns addressed, but I would much rather do that before we start shipping any product. We also had a meeting about recycling labels, which involved a conference call with some employees from Illinois. I joked that I came all the way to Germany to be on the sales call with the people from my own country and everyone laughed. That part of the meeting also went well. Meanwhile, I was able to power up my Blackberry so that is one giant load off of my mind. After that, we made our way back to the airport. The Lufthansa flight was on time and everyone involved was very pleasant.

2/27/08
10:44 PM PARIS TIME (4:44 PM EST)

Jeroen and I landed in Paris on schedule and walked out to the terminal. As it turned out we entered the wrong line and were suddenly on a flight to Italy. Happily, security stopped us from boarding and we moved onward, a bit embarrassed, but none the worse for wear. I checked my email and got a message that the airline had found my suitcase and would deliver it to the hotel. I was very happy and grateful to Ivan and Alice

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THE IDEAL ENTREPRENEUR

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for coordinating the rescue of my valued possessions. The day has certainly turned much brighter and continued as we passed the Eiffel Tower with its glittering night-lights and then seeing the Arc de Triomphe. Our hotel was suitable and after we registered I went to see if my suitcase was there. There was a red suitcase and I was delighted until I opened it and realized it was not mine. The airline had delivered the wrong one. The range of emotions had gone from high hopes of potential to the dark reality that my suitcase was still gone. Now no one was even looking for it – worse yet, someone else would not get their luggage. Feeling disgusted, Jeroen and I went to dinner and found a wonderful place near the Arc de Triomphe. We continued our talks about sales, life in general, my plans for the future and I even recited part of my speech for the students in China. We walked back through a light rain, got to the hotel, divided up the fruit that we had bought in Nuremberg. I went to my room after checking that the correct suitcase did not arrive.

Planning my attack for tomorrow after our sales call, I was determined to go to

the airport and try (probably in vain) to find out what happened. I can't bring the suitcase back because I cannot be sure it was meant for me in the first place and did not belong to another guest. I will try to go to sleep soon.

**2/28/07
7:13 AM PARIS TIME (1:13 AM EST)**

The financial markets plunged last night based on some bad news in China. I do not think at this point it will affect us badly. In fact, it could be very good if people continued to be more cost conscious and want less expensive alternatives like the ones we are offering. One more sales call today and then I start the trek home. I hope it is not terrible. I just want to get there, hopefully when it is still Wednesday.

I will probably be back here soon and the next time, to Eastern Europe as well as The Netherlands. I am meeting Jeroen in about 15 minutes and we will try to walk to the Eiffel Tower. I hope it is not too cold or raining – I don't have a lot of clothes with me. I like Paris – it is beautiful and the people have been great. I will

not have a problem coming back. I found my USB drive!

**2/28/07
1:55 PM PARIS TIME (7:56 AM EST) - PARIS AIRPORT**

The walk was excellent. We went the other direction from last night and headed for the Eiffel Tower. What a site it was: absolutely beautiful along with the surrounding buildings, sculptures and lawns.

We also worked and we went over ideas for making the filler panel recyclable. While getting ready after breakfast, I had one of those light bulb moments on how to convert the design so it is recyclable. After some discussion, Jeroen agreed it would work. Armed with this extremely valuable idea, we went to Alcatel-Lucent and met with their head people. The meeting went very well – we plan to come back in early May after submitting prices for drawings that they would send us. It is exciting to be involved in this new area, especially when cost cutting is such a part of today's marketplace.

**2/28/07
10:12 AM EST - IN FLIGHT**

Yes, we are airborne and should arrive at about 5:30 PM in Newark. Unfortunately, I just broke a key on my laptop – the cover came off the letter "N." I have a feeling this might be a bad omen for this computer but hopefully it can be repaired. Before boarding the airplane, we were searched three times by different members of the crew. That has never happened before – I wonder if something with security is happening. I attempted a mid-flight computer repair. I am not sure if it will work, but so far so good.

**2/28/07
3:07 PM EST - IN FLIGHT**

We have about three-and-a-quarter hours to go.

I will be home by 7:00 PM. I am already thinking about dinner even though I just finished my snack of cereal and an apple. I updated my log and I am looking forward to tomorrow. It will be good to be home. **U**

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