

My Road To China 我的中国之路

Andrew C. Jacobs

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Dedication

To my wife Wendy,

You are the rock from which I leap, without you I fall short, with you the sun is within my grasp. We move forward together.

Love always,

Andrew

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Prologue

My life has been filled with turns of my own volition. I believe in fate and karma, and that we all have the potential to help ourselves and the world as a whole either in little bits or in quantum leaps. This is the story of one of those life decisions that will affect everything around me and, most of all, affect me. Whether it's right, wrong, or I just go on to the next decision, I will go no further until I have finished this portion of the journey.

Key Abbreviations

DEP:	Department of Environmental Protection
EMS:	Environmental Management Systems
EPA:	Environmental Protection Agency
ISO:	International Standards Organization
JV:	Joint Venture
OSHA:	Occupation Health and Safety Administration
PT:	Performance Track
UL:	Underwriters Laboratories
VAT:	Value Added Taxes (associated with imports)

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<u>Chapter One</u> October 2004

10/11/04

<u>2:59pm EDT</u>

I am at Newark Liberty Airport getting ready to go to Arizona. This trip I am scheduled to go to Motorola, Abrams Airborne, and one of our label suppliers. I have never been to Arizona, but I will be doing a lot of driving tomorrow so I should see a lot of the state. As always, it was tough leaving my wife and family at home, but they are used to the routine and my traveling. It has been a historic month for our company, not since the year 2000, when I resolved to build a new manufacturing site, has so much happened.

The trend, however, has been apparent as to what has to be done. A few weeks ago, I got a message that one of my biggest customers needed to talk with me. We had previously been designated as one of their three world suppliers which means that we were allowed and expected to do business all over the world for them and their contract manufactures. We have been doing well; and although we only have our one location in Maplewood, New Jersey, we have had no trouble supplying our customers in Asia, Europe, and South America.

No trouble until I got that call and was told he thought it might be a "good idea" if our company had at distribution center in China. After thinking it over, I came to a decision. Judging by the amount of business that had been transferring overseas, and realizing that my competition was already creating alliances over there, I knew I had no choice but to commit to not just a distribution center in Asia but to a full-scale manufacturing site. In addition, I also committed to putting additional plants in Eastern Europe and South America. Although this might seem like a foolish spur of the moment reaction, the ensuing months have proven its validity.

It seems like an avalanche started that day because more of my customers were suddenly doing the same thing and moving some operations to Asia. Although I originally thought we could compete worldwide based on our superior quality/environmental, health and safety system, I believe now I was wrong. Our way of doing business gives us the ability to have a better ratio of raw material to finished products than almost everyone else in the U.S., in Canada, and in parts of Europe, but it does not allow us to compete with Asia, in general, and especially China. China, in particular, has its own rules; it is like the Old West in the U.S. with different scales of what things are worth. Their inexpensive labor combined with tariffs, taxes, and other factors make it almost impossible to compete with them unless one has a facility there. Therefore, I could either do business on a level-playing surface over there or delay action and hold for as long as possible here in the U.S. Since by nature, I do not tend to hold back, the only direction for me is forward and on the attack. We were one of the first printers in the U.S. to be both ISO 9001/2000 and 14001 registered, and I am not about to go into a slow decline and wait for someone from across the world to cut into my market share. If we are going to keep and enhance our position, then we have to be able to go toe-to-toe with the other suppliers on their playing fields (which, in this case, means China).

No one (including my customers, employees, or family) seemed surprised at my decision; in fact, they all quickly gave their support. Since I am already traveling the world seeing our customers and have been looking for some new areas of challenge, this new situation comes at a perfect time. Not since we put in the new plant in 2001 have we been faced with such a large task that needed to be accomplished as quickly. The easiest and fastest way to get started would be to find someone already in China, so I could either rent space from them or have them come on as a partner. We needed someone who was already running a successful business there so I did not have to reinvent the wheel and/or could use his experience to expedite our new plant. I wanted to avoid as many start-up problems as possible and that seemed the best avenue to take.

To find someone, how was I going to do that? My thoughts immediately turned to one of our suppliers; they have a cable assembly plant, with profitable business, in Xiamen, China. I called the owner, Wayne Meng, but he was out of the country. Instead I spoke with one of his sales people, Michaelene Roesch, who said she thought he would have an interest and would be back to us soon. This possibility was enough to relax for the moment knowing I had, at least, started the ball rolling and had a possible pathway to my new dream.

A few days later, Wayne and I had the chance to speak. Fortunately, he was in the process of moving into a new facility over the next few months that would have extra space, and he said that he would be happy to help us get started. Wayne said he would come to our plant in Maplewood next week to start discussing the details. At this point, my manufacturing Vice President, Vinnie Santoro, was also on the road going to some trade shows and seeing customers. He was seeing the latest in the industry's new equipment that would come in very handy, as we will have to outfit a completely new plant for China. We planned to begin operations there with special press and die-cutting equipment that was relatively easy to operate, so we could utilize as much untrained labor as possible since we did not know what type of labor force we could attract. The equipment will be more expensive than what we have in New Jersey, but it should enable the new plant to run smoothly.

Another possible complication for printers, in general, which has turned to a big advantage for us, is that we are ISO 14001 registered in the U.S. This means we are forced and want to operate in an environmental proactive way. The only way we can do the same in Xiamen is to make sure from the very beginning that we build the facility with the environment in mind. If we are able to do this, then we will be one of the first screen printing companies in China to become ISO 14001 registered. Again, from the start, this is not only the best way to run efficiently and with the highest profit levels, but it is also a good opportunity to be involved with environmentalists in China. Hopefully, they will want to use our new facility as a showcase for the rest of the country. This is what we have done with the Environmental Protection Agency (EPA) and Occupation Health and Safety Administration (OSHA) in the U.S. Being part of EPA's programs for those with the best Environmental Management Systems (EMS) have helped promote our company throughout the U.S.

If we do this right, perhaps the Chinese government will do the same thing and will promote our new plant throughout their country and the Pacific Rim. Maybe I can help to get our country and China to talk about joint projects to help export our OSHA- and EPA-related programs to China and bring about a new generation of not only capitalists, but environmentalist as well. It has a small chance, but it could happen—both the U.S. and China working together and helping the world to become cleaner and safer. After all, having my own company is a great thing and making money is extremely important, but one of our "jobs" as citizens is leaving this planet a better place after we have passed on. We have a responsibility, and I believe that everyone can try and make a change for the better.

No matter whom I partner with or whose counsel I choose to take, I will be giving him an extraordinary amount of trust, as I do not know the ground rules, and will have to leave myself in his hands. We should have the machinery delivered in early summer and be operating by September 8th. I have been down similar roads before, and the results are never certain. Regardless of the outcome, as long as I am able, nothing will stop me from taking chances again in the future. I am hopeful that there will be enough profitable business to finance the next plant in Eastern Europe, but I will leave that for the near future and concentrate on China for now.

As soon as this facility is running and appears to be successful, then we will "template" the idea, move onto Eastern Europe and after that, South America. I have no choice—if I am going to compete worldwide, we have to be there. The good news is a lot of the operations of the new plant, including art master production, proofs, billing, follow-ups, and computer-related production will all be done from our New Jersey location so that the only departments needed at each new facility will be screen making, printing, laminating, die-cutting, inspection, packing, shipping, inventory, and local sales.

I have a lot of questions for my possible partner. One thing that I am curious about is how I can make sure he will make money from this venture. He can't help me just to be nice; he has to profit from this also. Once I get some answers, then I will be in a better position to start making decisions. Based on this project becoming a reality, I believe I have already strengthened our position with various customers—all are happy that we are expanding to Asia. I have a history of doing this, selling something before it actually happens, but it has worked for me in the past. As long as I continue to have a genuine intent to follow through, people will continue to give me the benefit of the doubt and agree that I will complete what I begin. The chances for pulling in more business throughout the world are now much greater than they were even a week ago. We can't turn back.

10/11/04

6:32pm EDT

I have no idea what state we are flying over; but it seems we may get in early, which is great because I might get in a walk and a swim before I go to sleep. What a treat—right now, I am having dinner, drinking a mixture of water and cranberry juice, listening to Kathy Mattea (one of my favorite singers on my CD player), and feeling good. It is now time to focus on my meeting scheduled for Wednesday with the man who will hopefully get me into China.

Brainstorming session:

A. What do I need to know to help me make some quick, rational decisions?

B. What is in it for my potential partner?

- 1. How can he make money?
- 2. How can he get more sales?
- 3. Will he joint venture with my company?
- 4. Will he benefit from our quality, environmental, health and safety systems?
- 5. Will he have fun with the adventure?
- 6. Will he expand his operations with me to other countries?
- 7. Will we have joint sales force?
- C. Regarding the government in China:
 - 1. How do I incorporate a new company there?
 - 2. What kind of taxes am I responsible for?
 - 3. What type of medical and retirement benefits am I responsible for?
 - 4. Can the government come in and nationalize my company?

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- 5. What rights do I have as an employer?
- 6. Can I hire and fire anyone I want?
- 7. What guidelines to I need to fire someone?

D. Regarding doing business in China:

- 1. What is the going rate of pay?
- 2. How much will rent be?
- 3. What is expected of me being an employer there?
- 4. How is the civil and criminal code different and similar to the U.S.?
- 5. Do they have or need lawyers?
- 6. Do they have accountants?
- 7. What taxes and duties am I responsible for if our products are exported or if they stay in country?
- 8. How are raw materials delivered?
- 9. How long can my people from the U.S. be in China; do we need visas and special permits?
- 10. What do we do with our garbage? Do they use landfills or just throw it out the back door?
- 11. How do we handle our liquid and hazardous materials? What are other companies doing with their waste now?
- 12. How much does power cost?
- 13. Can our space be secured? Do we need a security team?
- 14. Is the area around the plant safe?
- 15. We need domestic sources of supply for plastics, adhesives, inks, cleaners etc.
- 16. We need at least one person who can speak English and Chinese
- 17. What are the normal work day hours and days per week?
- 18. How much is construction?

I need to get to China to see for myself.

10/12/04

<u>1:15am PDT</u>

The day went well. I went to see an engineer at Motorola; we discussed new business and coordinated the products we are working on with his two U.S. sites and one in China, with whom I will be visiting next week. As for our new plant in China, we have to make sure that it is specifically set up to fit our customers' needs. As with Motorola, they will have a lot of short-runs of various difficult labels and will be needed quickly just like in the U.S. Since we have a chance at this type of business, there is no doubt that we have to have a facility in China and quickly. The new plant has to be gauged to have a fast turnaround—shorter volume work where we are at our best, just like in the U.S. Since we always make overruns and stock them for later

shipments, we have no problem selling future orders in small quantities and delivering them quickly. This fits the needs of our customers who have tight delivery time frames and want little inventory.

I then traveled about 100 miles to Phoenix and saw a contract manufacturer, Abrams Airborne, that we had just begun dealing with, and there are possibilities for more business there. Again, no one wants inventory; everyone wants fast deliveries and very small minimum orders—it is a constant in a world of indefinites. If we act as the inventory depot and bank that can move quickly, even with changes, then they will come back to us again. It is the same niche that we have always pursued, and I see no evidence of it getting smaller. On the contrary, I see it expanding, going global at a pace faster than I originally anticipated.

I was then off to Safford, Arizona, about 150 miles away, and visited one of our longtime suppliers. It was great to finally meet everyone, and I started on my way back about 4:45pm PDT, which is three hours behind the East Coast. It was beautiful watching the sun set over the various mountain ranges, and I even went through the Apache Indian reservation. The desert was pretty but very dry, and it made me uncomfortable thinking what would happen if my car broke down. I finally got back to my hotel about 7:30pm and went for a swim, which the water was cold but also delightful, so I only stayed in for a short while.

I will get up early to exercise and eat breakfast. Then it is back to the airport and home. The last U.S. presidential debate is on Wednesday, so it is good I am getting out the day before and hopefully not be delayed. It has been a good trip, meeting some great people and being reinforced in the solidity of my future plans.

10/12/04

<u>7:42am PDT, 10:42am EDT</u>

I got to the airport only to hear of a problem at the office. The printing business is fraught with potential dangers, ranging from the variables of inks to plastics to adhesives. All have to be formulated and matched just right so that they work the way they should. One of our colors, an actual silver-powder base, has been giving us some trouble. We are in the process of trying to find out why the ink produced does not want to stick, at the necessary degree, to the plastic. It may turn out to be a small-, medium-, or large-sized problem and may entail a recall of product. Unfortunately these things occasionally happen, and our quality system catches almost all of it. In this case, two jobs got through; the first thing I will find out is how the problem occurred, and the second is how it got through our quality control group. All orders are supposed to be inspected for problems, just like these; and if someone changed the inspection process, then there will be his blood

to pay. There is nothing that drives me crazier than jobs that go wrong. Of course, we can fix them quickly, but the mere fact our customers are not getting what they want drives me nuts.

I have already elevated the situation to encompass every aspect of the potential problem, so we shall see where it goes. No process is perfect; no group working, no matter how well, can avoid trouble indefinitely; the real test is how one handles it. I have already spoken to the ink, material, and adhesive manufacturers, and everyone is scrambling to find out what is going on as quickly as possible.

10/12/04

<u>1:47pm EDT; we should hopefully be landing about 4:30pm.</u>

I am somewhat calm but also frustrated that there is very little I can do from this plane. I could use the air phone to call in, but that would be a breach of trust in my people. They have to believe that I know they can handle things when I am not there. Still I am frustrated about not knowing the extent of the problem with the ink and how we could be fixing this situation. Sometimes, it is better to let others take care of things; maybe it is good that I am still in the plane.

10/18/04

<u>5:38pm EDT</u>

The problems with the labels have been defined; new safeguards are being installed now; the customer has been updated and is okay; happily, the damage does not seem so bad.

Whenever I go traveling for business, as I am now, and am away a decent amount of the time, things always pop up at the office. Some people will behave differently when I am not there every day; it is always instructive to see who does what when I am gone. Adjustments sometimes have to be made and a formal warning was given to one of my men yesterday. Not being careful enough is a death knell under the ISO system, and our policy of extreme quality is vigorously pursued. Many employees can't handle the pressure of the constant, everincreasing pursuit of always getting better for our customers, and they fall by the wayside. It is an unforgiving system, tough to live by, but it is profitable for all those who can make it.

Today, I am on my way to Shanghai, China and should be in my hotel room in about another 26 hours. I got up at 2:45am to work out for a little while before being picked up to go to the airport. My betterlate-than-never apologies to my family for probably waking them up that day because I had forgotten my wallet when I first left.

Last night was fantastic as my eldest son, Ben, came home for the first time from his freshman year in college at Case Western, and he looks great. He seemed happy; his companions seem like really good people; and it was a joy to visit for the little while before they headed out to see his other friends. As it turned out, since I gotten up early enough, I also got to see him this morning before he went to sleep. He is a wonderful, young man; I count my blessing all the time regarding my kids, my wife, and our life.

Last week turned out well. I got home Tuesday night, and Wednesday was the first face-to-face meeting with the man I hope to partner with in China to build our new plant. Wayne Meng is Chinese, looks about 40 years old, and has over 600 people already working for him in Xiamen, China. He is moving into a new building and has invited us to set up operations with him. He is hopeful to double his operation over the next few years, and by that time my plant will either need more space and must move, stay the same and can still be there, or we have abandoned the idea. It was great having a resource where we could ask questions about life in China, about their government, about their workers, and about everything else.

Wayne offered to get us people to hire, as long as we train them. He will show us how to incorporate, and we can utilize his infrastructure, like maintenance and cleaning for our own plant. We would pay him rent and for all of these services, so it should be a good deal for all.

My schedule at this moment is get to Shanghai tomorrow night—I will lose 12 hours in the time zones. Monday morning, I will make my calls and then fly to Qingdao that night. Tuesday morning, I will make more calls and fly to Hong Kong that night. Wednesday morning, I will see customers and then fly to Xiamen to see the potential new plant site, meet some of Wayne's people, and then fly back to Hong Kong that night. Thursday morning, I fly back home which puts me back to Newark, hopefully about midnight Thursday night. I will then grab some sleep, get up, and go to the office at my normal 4:00am time, work out, spend a normal day, take at least one nap, play tennis with my brother, and by then my wife will have already left for the weekend where she is going to our house in the Berkshire Mountains of Massachusetts. The only bad part of the plan is I will only see my wife for a few minutes between my getting home and her leaving, but I am glad she is able to get away for a few days.

I have been giving our new plant much thought about the best way to utilize it. With the equipment we are putting in, I believe we will be able to produce a lot of little orders economically, which means I can go after pieces of business that most people will avoid. Rapidly changing short-runs that are needed quickly is a niche that most people do not want; this leaves me an area to attack, to expand and, to take market share. I immediately felt better as soon as I worked out this plan, and after bouncing it off my head of operations, Alice Prager; we both agreed it was a good way to go. We can use the plant both for business within China and also export back to the U.S. for our customers here. Since we always overrun the first orders anyway, this will give us the chance to either stock here or in China, depending which is closest to our customers. Eventually, we will do the same thing in Eastern Europe and South America, so we can ring the globe and be close to our customers to reduce the shipping charges and increase the delivery speed.

My feelings about this whole proposition have gone from abject fear to cautious optimism that it can work, and we will not be dependent on any one customer or any one industrial sector to keep us operating profitably. I need to have that sense firmly embedded in my psyche to help get through the changes and jolts that I am sure will be coming. It is almost 6:00am; I have been up since 2:45am and am getting hungry. I brought a special treat, pancakes, which I hope have thawed out (they were frozen), and fruit, which I have to finish before getting to Shanghai because I can't bring it through customs. I am also tired, so a nap is in order.

11:22pm PDT, 2:22pm China time

The trip from Newark to LA was great, on time, no problems. I worked on my new book almost the whole way; it must be pretty funny to watch me: one second, I am editing; the next, I am asleep; another, I am up editing again. I am now in the China Eastern Airlines lounge and beginning to lose track of time, which is normal. I think I will be very excited once I get to China. For now, I am anxious to get on the plane and go to sleep for a while.

7:42pm EDT

We are now flying over the Pacific Ocean with another 5,349 miles to Shanghai, which should take about another 10 hours and 20 minutes. I wonder how much of that I will sleep. It really doesn't matter; I plan to get to my hotel, and hopefully there will be a pool and will be open, so I can swim for a while both to clear my head and help my body.

I am sitting next to a man named Cameron; he is a consultant and has given me some great advice regarding the set-up of the new plant concerning possible tax advantages. The more I talk about this new venture, the more excited I become. It actually is sounding like a good idea, even without the best wishes of my customers. When I do get to the hotel, I can call home because it will be Sunday morning, and hopefully I can catch my wife before she goes out.

I wonder what is in store for me in China and what will happen with the plant; mistakes cannot be avoided, but I hope I learn enough beforehand to avoid any possible disasters.

I will never understand how most of the people in this section of the plane are able to go to sleep. Most are probably from the West Coast, which means it is only 6:00pm, and they are already off to dreamland. I am a little jealous; but when I need the sleep, I will pass out. The videos on this airplane system are all Chinese films and subtitled; they mostly seem violent and depressing; I think I will watch one of the DVDs on my laptop.

3:43am EDT

I am not sure what time it is in Shanghai, but I think it's 3:43pm, which means we have about another three and a half hours to go. I love talking to people on airplanes; the enclosed space creates an intimacy that would often take much longer to achieve. I feel like I am surrounded by highly successful entrepreneurs who are all doing well both in the U.S. and China. It seems that a monthly commute is not unusual with this group, which must be very tough not only on them but their families. Overall, I only got a few hours of rest; so when I get to Shanghai, I will hopefully be able to sleep and get up somewhat refreshed for my calls tomorrow. I am getting more excited at the prospect of both manufacturing and doing business in China, so I am feeling better. I think I slept through one of the meals on the plane, but it doesn't matter as I brought lots of my own food. Time to edit some more of my book. I have been able to get a lot done already, plus the next newsletter and an article. Happily, airports and airplanes seem to motivate me to write; perhaps it is because I can escape to my own world and is a place I love to go.

10/17/04

11:00pm Shanghai time

I got to the Crowne Plaza Hotel about 8:00pm. After working out in a great gym and swimming, I tried to order dinner from room service but that did not happen because of a language barrier. So I went to the Italian restaurant downstairs and had salad, pasta, fruit, and an iced tea. The iced tea may have been a mistake as it is now 11:32 at night and I do not feel sleepy. I will try to rest a little later. I spoke to my wife and eldest son back home; everything there seems fine, and I miss them a lot. So far, the people I have spoken to about doing business in China are all competent, aggressive, successful, and look like tough competition. Now I am really looking forward to my calls tomorrow; I can't wait to get onto the playing field to see how we do—let the games begin.

10/18/04

10:19am Shanghai time

It's all about flexibility. The man I originally went to see in Shanghai at Lucent Technologies was not there for our meeting this morning. I am sure he had some type of emergency, but since there was another man I hoped to see and I got there early enough, I was able to go past the reception desk without a problem. Once inside, I started wandering around. I had some other names of people to potentially check, and as it turned out, I found one of them in her office. She was actually a

director, very high up, and we spoke briefly; she gave me a referral at the next Lucent location where I was to go tomorrow. I thanked her; she left; and then one of the people who worked for her, whom I was hoping to see, came in and we spoke. It turned out that he was the right person, the one in charge of the labels, and he was excited to hear about our plans for a plant in China. He said our prices from New Jersey were more expensive than what he buys locally, which was okay because I ran the numbers on the plane last night and figured we could sell for less for "in country." He then spoke to the person I was referred to for my stop tomorrow, so now I have a firm appointment, a very good thing.

This worked out really well and as a believer in fate, I was obviously not meant to meet the man I had originally came to see. I left him some samples along with our sample-kit for the head of the area, and I am now on my way to Teradyne Corporation. It is supposed to take about an hour and a half, and we are right on schedule. My driver seems competent but speaks no English, so we communicate with hand gestures and smiles; it is going well. I brought some cassette tapes, and right now we are listening to a Kenny Loggins tape from about 20 years ago. There is construction going on everywhere here; Shanghai is a truly vibrant city.

My stomach, so far, has been fine and I will eat now because I am having lunch at the next stop with my customers. I always try to snack before a business lunch, both so I don't have to worry about being hungry and so I can center my attention on my customers. Besides, I have the components for more sandwiches in my suitcase and can make news ones as needed.

There are a multitude of bicycles, mopeds, and motor scooters on the roads and highways. I am amazed there aren't lot more accidents, but everyone seems to be obeying a code of live and let live; I am glad I am not driving. I am seeing signs for companies with ISO 14001 registration. That is the environmental side of the ISO systems, and there are very few of them in the U.S. In fact, we are the few screen printers in the U.S. with that designation. When our new plant opens here, we will have to get it registered both for ISO 9001/2000 and 14001—a new challenge especially with the language barrier—but since we are building from scratch, there is no built-in bad culture to fight against. Hopefully our new employees will not fight it.

12:46pm Shanghai time

I just finished at Teradyne Corp. I met with the buyer and the chief engineer involved with labels and cables. The fact that I am building a plant in China (and eventually in Eastern Europe and South America) was enough to turn the discussion to us becoming a world supplier, as opposed to trying to compete unsuccessfully from the U.S. to China. The power dynamic has completely shifted and is happening so fast that it is hard to keep up. We have gone from being a U.S.-based corporation to a world supplier in a matter of weeks. People believe we will setup operations here and are treating us based on that idea. I should be getting information from our customer within the week from their U.S. contacts, and then I can cross-check back through China. To get started, I may price the China items as I think they will be, even though I will still be using our U.S.-based plant to get things started; it depends on the future potential. Besides having Lucent as a customer, they like, the other contract manufacturers, have other customers that I hope to migrate through on a global basis. This is pretty heady stuff for a guy who used to never leave New Jersey except for vacation.

4:42pm Shanghai time

My call this afternoon to Motorola went well. First, Teradyne Corp. Then, Motorola. It seems to be a universal message: if one wants into this market, then one has to have a plant here.

I did not know I had bought tickets from one airport to arrive and a different airport to leave. I made an assumption it was the same, and we all know what happens when we assume. I was told the ride from one airport to the other would take an hour. However, I think it got lost in translation because by the time the message got to the taxi driver, I think he thought I only had a half hour to make my flight. The ride of my life started shortly thereafter, with no seatbelts, and this driver taking off like a crazy man. I even took off my glasses figuring if (or when) we crashed, it would be better not to have them on. But nothing happened and luckily, his clock was an hour slow because I thought I had a lot more time. I did not go nuts when we hit traffic. As it turned out, I still have about 45 minutes and am sitting in the Eastern China lounge, getting ready to go to Qingdao.

10/20/04

8:17am Qingdao time

I am sitting in the waiting room of Lucent Technologies in Qingdao. My appointment is not until 8:30/9:00, so I have a few minutes. This city is pretty, a mixture of the ancient and contemporary. But the people seem to be mostly Westernized. Everyone here, since I have gotten into China, has been polite and easy to get along with. Unfortunately, the air pollution is very bad. Even on a day with no clouds, there is a big haze across everything, and I find myself coughing a lot along with everyone else. The respiratory problems must be immense here, and I am sure will cause serious health problems further down the road. The hotel I stayed at was beautiful, as were as all of the amenities; I did not have the energy last night to go swimming, but I did go on the treadmill. I thought I saw smoked salmon in the smorgasbord at the restaurant; but when I started eating it, I think it was raw. I decided I had better not chance getting sick. I am still mostly eating my own food, but the good news is I have not been sick so far, which has made this whole trip a lot more pleasant. After my stop here, I plan to go to Viasystems and try to see the buyer there who I had previously contacted by email. Then it is off to the airport. If possible, maybe I will have an earlier flight, and then I'm onward to Hong Kong to a hotel I know and really like. I hope their pool is in good shape to swim and is warm. I plan also to walk to a store that sells a type of DVD, English with Chinese subtitles; because if I go back on the same airline as I came in, the movies were in Chinese and not too much fun.

I am really also looking forward to tomorrow both for my sales call, going to Xiamen, where I hope to put our new plant, and visiting the people. Once there, I will also try to scout out any printers in the area to see how the competition is operating. Apparently, most of the people here arrive by bus because they are now coming here in mass. I am hopeful that the two men I will see will pick me up soon; I will call again in a few minutes when it is 8:30am. I called my parents a little while ago; they love to hear from me when I am away—it gives them a chance to get a feel for what I am doing, and they like the idea of a traveling son. I think my dad is really excited about the prospect of expansion over here, a direction for the business he never anticipated, or had I.

11:14am Qingdao time

I am sitting in the Chinese restaurant in Qingdao Airport. I just ordered lunch; although I am not 100% sure what I am getting. But the people are nice, so I guess it doesn't matter that much anyway. My calls this morning went really well, and if our new plant is able to produce at lower costs than in the U.S., then I think there is a lot of business we can get, not to mention exporting back home. The customers here are nice and are anxious for us, I believe, to set up in this country, both for reduced prices and ease of doing work. I am very excited and am looking forward to seeing the potential new plant location tomorrow.

I just bought presents for Wendy, my wife, and the kids. They all like sushi, so I got them some nice sets of beautifully ornate chopsticks. I also went wild and bought candy and chocolate for the gang at work they do so love when I am away to bring back candy. I am early for my flight, so I will attempt to eat slowly and then find the airport lounge, if there is one, for about 90 minutes. Everyone at home is asleep, so there is no one to call for another nine hours and by then, I will hopefully be roaming through Hong Kong, swimming, or asleep.

I just got my lunch, with which there is a minor problem. I forgot to ask for no spice, and my mouth is on fire. Luckily, I have experienced this from Thailand, so I ordered some soda and will be fine. The food is good, just way too spicy for a man who is used to none. I will admit that I modified the lunch order to include mostly white rice with a little chicken and vegetables. Still it will be one I never forget, and that is worth it. I shall learn in the future to ask for no spice, just like at home.

4:34pm Qingdao time

I am now flying towards Hong Kong. Back in the airline terminal, on my way to check-in, I met two commodity traders from South Africa. They were pleasant, full of life guys on their way home from trying to set up deals in China. They seemed to be the kind of people who would have been at home doing the same thing in any part of the world over the last 5,000 years; moving from place to place looking for bargains and attacking new markets wherever they emerged. In the olden days, it was by camel and horseback; now it is by airplane and train. I identify with their nomad-like existence; they have to keep moving, always looking for the wrinkles in the marketplace to seek out—a pound of silver here and a barrel of oil there. They are the grease that keeps the economies moving forward, and I hope they do well.

Later, I suddenly realized that I forgot both my CD case and my cassette player in my suitcase, which meant I had no "entertainment" for the three-hour trip to my next destination. Annoyed, at first, I then figured it meant that I was destined to meet someone, thus the reason I had forgotten both of those items. This was unusual for me, and it made me watch my surroundings carefully. The man I was destined to meet was Leon Wessel, a nice person who I spent time talking to, and he then handed me his card. He was one of five commissions for the South African Human Rights Commission.

Talk about tough and interesting jobs, South African Human Rights must be a particularly challenging area of work. The world is constantly watching the progress, or lack thereof, he is making, and people must be constantly holding him in account for things he has no chance of affecting. Of course, the question I asked him, was whether he had even eaten a peanut butter and jelly sandwich. It seemed apropos to me. He seemed to think he might indulged during a few times of his life, so I took out a triple-decker that I had made that morning, tore off a piece for him. The two of us were munching as we moved onto more weighty matters, like what it was like for him to be helping the people in his country and those all over the world. He is a calm man on the outside, but there is obvious passion to do great work on the inside. A person I would be honored to have working with me towards a noble goal, and I am sure a frightful adversary if he thought I had done something wrong.

I had given him a copy of my book, *Memoirs of a Sales Warrior*, and he is happily reading excerpts next to me and underlining passages. It is so cool to think a man like this likes what I wrote.

Tomorrow, I go to Xiamen; I need to think of alternatives in case this situation doesn't work out. I am trying to think of who else has facilities in this country where I could try to partner into their infrastructure. One of our customers is already partnering with one of his suppliers, and I might be able to join them. Actually, that would probably be a good idea because our labels could then go directly on their products without having to be shipped. I will keep that one in mind. It is never good going into negotiations feeling one has to close a deal or be in trouble. I am not dealing from weakness and have no intention doing anything that does not make sense across the board. I have to consider all possibilities, including if the plant isn't a success, we would then have to take the loss, move the equipment to the U.S., and shut it down. Another possibility is the plant does okay and will stay as it is; the third other option is that it is a great success, and we have to expand which creates all types of new, great adventures and potential problems. The best I can do is go in with a plan.

10/21/04

<u>3:15pm Hong Kong time</u>

My call this morning to Celestica went very well. The buyer and two engineers I saw were extremely pleased, both with our ability and willingness to supply free art masters for all Lucent products and with our plans to put a plant into China. They said there would be chances for more business as soon as we are set up. I could not have asked for more. No matter how great my company is—if our pricing for this region is out of line, then they can't give me the orders. I understand that and believe we can compete as soon as we are on the same playing field.

One of the people here and another customer at Motorola mentioned they would like us to be set up under an additional quality system, so we can be approved for making labels for automotive companies. It is a special designation like ISO 9001/2000. I don't think it will be a big deal, so I will start on it when I get back to the States.

You may notice that I am still in Hong Kong when I was supposed to be in Xiamen looking at our new potential plant location. What is it with me and Visas? I thought I had everything in order, but it turned out I only had a single entry version and used it when I entered Shanghai. Had I known that I would have just stayed in Qingdao last night, but live and learn again.

I tried to call the person who was to meet me, the general manager of my supplier's plant, but I did not have her cell phone number or the number of their facility. Nobody here in Hong Kong could help me because we didn't know the name of the company in Chinese; we only knew the English. I sent out emails and left a message in New Jersey, so I hope the person who was supposed to meet me understands how sorry I am. I hate missing appointments and making mistakes, so now I'm mad at myself for both.

I can tell that I have had it from lack of sleep; my energy levels are way down. I am disgusted and homesick, so I am going to go for a walk, find some dinner, come back, maybe watch a movie, go for a swim, call the office, and go to sleep. Tomorrow, I leave for home; I can't wait to see my family and get back to the office. Hopefully, I will actually get a decent night's rest; the last one I had was a week ago. Up until this afternoon, it did not seem to affect me but being stopped at the border did me in.

10/22/04

Approx. 1:00pm Hong Kong time

I am on my way home! Last night, I finally got in contact with my office and then with Wayne. It turns out that his people had met all three planes coming in from Hong Kong, and as I had not been on any, they had been very worried. I apologized profusely, and he said there was no problem. Wayne was going to conference with the people from his company to see if they had any problems with us joining their new building and would let us know next week.

Always needing and wanting alternatives, I started planning just in case they decide it is not in their best interest to have us come in. What an interesting situation for me, I have already sold the idea of a plant in China to my customers and employees. My customers have already agreed to give us a shot at large pieces of business, and my employees have agreed to go over to help train as needed. In other words, I have presold a situation that is not yet set. On the other hand, I also have the chance to put the plant anywhere, and under any situation if the first plan does not pan out. Although the one with Wayne would appear to be best for us in most areas, if he decides it would not be good for him, then there is a better situation for me out there—I would just have to find it.

An alternative would be to locate in a different city like Qingdao or Shanghai, where my customers are already located. That would be a great advantage. I love all the very exciting possibilities, but it is time for me to get home. My energy levels are dropping, and I need to recharge my batteries, both by returning to my wonderfully-structured life and normal sleeping patterns.

This plane is supposed to arrive in Chicago in the early afternoon, and I am going to try to chance my schedule and get in earlier. I am listening to the latest CD that my son, Ben, made while in college, which is incredibly good. So good that I have a feeling that he may never want to give the music up, which means the chances for him coming into the business are reducing every day. While I am happy for him and hope for his giant success, I am also slightly saddened because I know that, like me, he would probably be was able to transfer his passion to the business, if his first love did not work out. Then his success and my joy could be unlimited. I know it sounds selfish, and I still have chances with my other children, Alex and Kayla. Things often work out for the better and who knows with Ben. For now, and the next decade, I will assume that he will go his own way, with my love and support, and I will move on with mine.

Last night, I went out for a walk through the streets of Hong Kong. I went to my favorite hand cream and music stores to stock up for my future journeys. I bought some fruit, plus a pizza which was very good. The harbor is beautiful with the buildings lit up at night. I really like it here, such a magical place of energy and potential success. If we do put the plant into China, then I plan to come to Hong Kong often, especially if my wife comes with me.

By next week, I should have a good idea if the plan with Wayne's company will go forward. My plans will be to start locking in place as many business and potential markets as possible before the proposed start date in September and to put away as much money as possible as to amass the least amount of debt when starting. I am due to look at machinery for the new operation when I go to Taiwan in a few weeks. If it is a no-go with Wayne, then I will spend the next few months looking for alternative situations. However, I feel confident we will be fine. As I have said, this is the prototype for the expansion around the world, and I am learning a great deal already. Each plant will bring its own new set of problems and possibilities; I just have to be open to them and see what is reality, not just what I hope for. This means including how to get a Visa and get into a country more than one time!

When I spoke to Wendy this morning, she knew it was time for me to come home. When I spoke to Alice from the office, she said I was grouchy and that maybe a slow boat from China would be in order so I would be in a better mood when I returned. I told Alice to warn everyone for Friday morning, because of jetlag, I will probably not hesitate to say how I feel if something is not in order.

I was able to exercise, get in a walk and a swim before I left. I took one more stroll along the harbor, such a beautiful morning filled with people doing Tai Chi, the world going about its business. Then, I was off to the airport and life on the road.

10/22/04

3:28am EDT

About 10 and a half hours to go, I have a lot of work to get through. I need to finish the edition of the first half of my new book, which should be done soon. Then I have to get emails ready to send out as soon as I get to the office tomorrow, both to the people I saw on the trip and to the people from back home. I also have to finish editing

what I have written on this log and recheck the newsletter, so I can get that moving as soon as I hit the office. It is kind of strange that I would normally be getting up for the office in another half hour (4:00am) at home, but instead I am reliving the last 12 hours since I'm crossing the International Date Line. My energy is back, and so is my optimism and overall thrill for life—there is so much to do. All of it involves moving forward. I hope I can change my flight back to New Jersey, so I can get home earlier and maybe see my family before they go to sleep. For now it is back to editing.

10/22/04

10:40am EDT

Three hours and 36 minutes to arrive in Chicago, at this rate we will get there about 1:15pm CDT. We are now flying over Canada, and I am tired. It looks like I will have just enough computer power to make it back home. This plane uses special plugs for laptop outlets that they sell. Business class, for which I spent a lot of money, and they sell the plugs; how cheap can they get? Even worse they are out of them, so I have to rely on my own power; fortunately, I carry an extra battery pack. Before I was actually writing with pen and paper to help conserve power. It is amazing that I can still handwrite at all, considering how little of it I do now. We are now over Edmonton, Canada, almost into U.S. airspace. Less than three hours to go, we have come 6,694 miles. Everything I needed to do is now done

10/29/04

I opened contact with Ben Meng. Ben is Wayne Meng's brother and the person who helped him to get his operation, regarding government licenses, building start-up, and construction. In other words, he's the "go-to" man to get started in China, the man with the contacts who could be extremely helpful to me. Ben also owns a battery-recycling plant, and since my company is also heavily into pro-environmental areas we might have some common ground there also.

10/30/04

Evening time

After I got to Chicago, I was able to redo my flights to get home earlier, and I made it to my door about 9:00pm . It was so good to be home. Everyone liked the chopsticks I brought back as presents. It was also revitalizing to sleep in my own bed. The weekend went well, as I continued to make plans for our new plant in Asia.

On October 26, I went to speak before the Delaware Department of Labor. They wanted me to talk to people about why health and safety systems were tied into not just for a better workplace but also for the optimization of maximizing profits. It took almost three hours to get there, and it was fun being back in the state where I had gone to college some 30 years before. My journey took me near my former college, but I did not have the time or inclination to stop in. I guess I prefer to leave it as it was in my mind. The memories are good, and I do not think they would be improved by seeing how much things had changed.

It turned out that I would be one of four speakers, which meant the maximum crowd I would have would be between 40 and 80 people. In order to get the biggest audience, I set up my books and yo-yos on one of the tables. I began seeking out people as they came by, not only to tell them about my company, but to encourage them hear me speak. It was an interesting group. Two former army enlisters even tried to get me into the armed forces; but as a whole, it was a positive experience. My speech went well; people even laughed when they were supposed to. The head of the technical college and I agreed that I would come back to help with the new program on entrepreneurship in the future.

I was back to the office about 4:00pm. The day was definitely worthwhile.

I spoke to Ben Meng, Wayne's brother, for the first time on the telephone, and I decided to try to alter my next trip to start on November 4th to go see him. He was going to be in mainland China; I have tried to get my trip changed, but I could not get business class back. The thought of being in coach for 14 hours is not something I believe my back could accept. After trying today I have almost given up, but I will go to the office tomorrow and give it one more shot before emailing Ben back. Instead, I will just try to set up meeting him in Hong Kong since my travel plans have me in the area already.

I had the idea before to try to set up a cogeneration plant (extremely high heat burning of garbage that creates fuel) in Xiamen where our new plant would be. Right now, most of the garbage burned in China is creating a major health hazard. A cogeneration plant will greatly reduce the level of the pollutants, and I believe could be highly profitable, especially if helped by the Chinese government. I know a company in the U.S. that builds and runs these plants—they are part of the EPA Performance Track group, like us—so I called my contact there. He did not seem surprised by my phone call and said he would have the responsible people call me back.

I will have trouble operating a non-polluting plant there unless I can find a way to take care of my hazardous and standard waste without resorting to landfills and burning. I know it sounds crazy to build a 600-million dollar plant so my small company can be clean, but what better way to get started?

Seeing Ben in Hong Kong is no big hardship; I really like the city. Going there instead of Taiwan is actually a plus, and I can always save that in the future. I already canceled my appointment there with our customer and the equipment vendor.

Chapter Two November 2004

11/01/04

A new month. Halloween was fun last night; the kids were very cute dressed up in their costumes. No word on whether I am going to have a meeting Hong Kong, so until I hear something, I will go as planned to Taiwan. I know I already canceled my appointments there, but I can always try to reinstate them or just come home early; either way will be fine. It seems like the manufacturing drain is moving more rapidly and even with the U.S. election tomorrow, there is nothing that will stop it. Our country has come to a turning point and I fear, or I am happy about— I am not sure which, that our dominance of the world markets is declining. I think it may be good for us not to be the most powerful country in the world, and having to work together with others a lot more would help. The election may or may not make a difference, but I will vote tomorrow and see what happens.

11/03/04

President Bush won reelection. Life goes on.

11/06/04

10:00pm EST

I am sitting in the SAS Airline lounge at Newark Liberty Airport. It is 10:00pm Saturday, and I will soon be leaving for Singapore with a final destination of Penang, Malaysia. I could not get a morning flight which means I will get into Penang on Monday morning and go right to work seeing customers at Solectron. I will have a reasonably full-day schedule with a driver waiting at the airport, and then we will go to two locations for Solectron and one for Celestica. Monday night I am scheduled to go out to dinner with a customer/friends, which should be interesting to see the city through their eyes.

The week has been eventful. Mostly good, but some bad: we had to fire one of our employees this week. All of a sudden, there was an extreme attitude change and quick action had to be taken. This was the first time that I allowed someone besides myself fire an employee since I became president of Ideal Jacobs, 26 years ago. It was a strange feeling to have someone else, my head of operations, do it. I kept offering, but Alice was great, did it well, and hopefully the matter is now closed. I never like letting people go; it always means to me that I had failed the person, our company, and/or myself. But I tried my best and can do no more. I wish the person who left well and hope they find a new position quickly. On a good note, Wendy and my daughter, Kayla, just got back before I left for the airport. They had been out to see Ben at college for Parents' Weekend and had a great time. Alex, my middle son, was at Ithaca College visiting his cousin, and I picked him up a few hours ago. However, he had been standing at a bus stop for an hour because I had gotten the directions wrong, which I felt badly about but sometimes things don't always go on schedule.

I have spent this past week trying to gain as much knowledge on Chinese culture as possible and how they do business to get ready for my meeting on Wednesday. I am scheduled to see Ben Meng, and hopefully we can come to an understanding as to how I can set up in China. With the research I have been doing, there appears to be two types of businesses I can set up. Either a JV (Joint Venture), which means we would partner with someone who is Chinese-born, or a WOFE (Wholly Owner Foreign Subsidiary), which means we would own the whole thing but might be restricted in dealing with other Chinese companies. It is very complicated regarding the tariffs, duties, and taxes, as well as the whole Visa situation, which is the right kind, etc., so this is why I'm studying up.

I know I will make a lot of mistakes but hopefully they won't bother me too much and won't be bad enough to cause great problems. In any new venture, there is a learning curve. I am trying as hard as possible to keep this one to a minimum. It is a very exciting prospect and although it will cost a lot of money, the upside is gigantic. Since I have no choice anyway, all directions are pointing forward.

I picked up our dog, Bailey, from the kennel. He was very excited to be back. He especially loved the apple muffin I gave him for snack. I know I spoil him, but we are buds and have to watch out for one another. Our family was back to normal and at full strength for an hour before I left for the airport.

11:32pm EST

I am still in the lounge. There was an accident on the New Jersey Turnpike, and the crew has been stuck on the road. Hopefully they will get here soon, or I will miss my connection in Singapore unless they can make up some time. It is a good time to remember fate and that there is absolutely nothing I can do about it. I doubt they would let me fly the plane, and it would not do much good since I am not a pilot anyway.

1:27am EST

We are in the air. I have no idea if we can make up enough time for me to catch my connection to Penang. If I make it, great; if not, I will try to catch a later flight. Worse case is that I forget about Malaysia entirely and move on to Bangkok. There is absolutely nothing I can do and am not going to freak out about it for the next 17+ hours. Sitting next to me is a man named Bryan. I had met him in the lounge which could have been a little touchy. He and his friends had left after putting on the football game on the TV. I changed the channel to a nighttime soap opera because the women were pretty. When he came back and made a comment, I relinquished control and let them put the game back on. Later I was on the Internet trying to find another flight in case I missed my connection. He was next to me, and we spoke a little. As it turns out, he is a nice guy, works in the garment industry, and is following the same itinerary as I am-only spending a few days in each place. What a concept, only spending 25 hours in a country, perhaps one day I will adopt it as my rule. Singapore Air has nice airplanes, and the people are very pleasant. I am about to read an article about political unrest in China in an airline-supplied Singapore newspaper. Hopefully that unrest does not include the province where I hope to build our factory. Life certainly isn't dull. Except for two quick naps, I have been up for 21 hours with sleep nowhere in sight. The diet soda may not have been a good idea, but I have lots to do so I guess it doesn't matter.

2:42am EST (I am not sure what time it is in Malaysia.)

I do know that my house back home is now quiet, and everyone is asleep. Once I stepped onto this plane, time stood still. It doesn't matter when I sleep and when I don't. It is strange, like entering a time portal; all those years of worrying because it was Sunday night and school the next day could have been erased had I known about air flights. I have on a CD of Celtic music, and the last time I listened to it was last year in Taiwan when I thought my dad was dying. It is beautiful, moody, calming and is starting to put me asleep. Perhaps that is a good thing; I think I will give it a try.

<u>5:36am EST</u>

I got almost three hours of sleep, not bad for a first attempt. The man seated in front of me is a world-class snorer; thank goodness for my sound-reduced headphones. I am now listening to the *Greatest Hits of Harry Chapin*. Harry and I go way back. I first heard about him when his hit "Taxi" came out when I was a teenager. I remember going to see him in Central Park in New York City on a blind date. The girl and I did not work out, but it did start a lifelong love for Harry's music. Something about the way he sang and his lyrics always struck deep inside me, and I never tire of him. One would have thought I would have slept a little longer since I worked out numerous times over the last week, to the point where my back hurts and my eyes have the look of someone who should have been asleep a while ago. Instead, I am reading about how to do business in China. Now I think I will dive into the information I bought on a new, expanded version of our ISO system that is set up for those suppliers who want to do business with

the automotive industry. I never wanted to go through the effort before, we are very comfortable with ISO 9001/2000 and 14001, but two of our potential customers in China "suggested" we get it, so I am looking into it. Fortunately, I enjoy writing and working on new systems, so if it is not too arduous we will pursue it. We had our semiannual ISO 9001/2000 audit this week, and it went very well. It was through our UL (Underwriters Laboratories) auditor, Joe, that I got this additional information. We are audited twice a year for both our quality and environmental systems. Although I could have it reduced to annually, I have not because it forces us to be ready anytime for any audit, which is the level of readiness I prefer. I would normally be getting up in less than two hours and eat pancakes for breakfast—I make them in bulk and freeze them in advance. Then, I would take Alex to work; but he is off this weekend, and then I'd go play tennis with my brother.

At this point, unless Singapore Air makes an effort to hold my next plane, there is a good chance I will miss it. There is another going a few hours later. The world will not end if I have to take that one.

The editorial in the Singapore newspaper I was reading was pleading for President Bush to reach out to the rest of the world and try to work together as opposed to being an autocratic imperialist. I agree with his assessment. Our country does act unilaterally and ignore the best interests of most others. I too believe we should try to get along and work together, as opposed to dictating and forcing others to do what we want. Four years is a long time and our standing in the world can go down a lot further. I also believe that we are fading as the only major world power; our economic dominance is slipping away and being taken over by China. Soon we will have no choice but to get along. It would be nicer, more beneficial and profitable, if we did work together while we were still powerful. It is like looking for a new job, when you are worth a lot more if you are already working.

8:09am EST

I slept another two hours, yes!! I should now be fine for a while. The staff on this flight is very nice and has assured me that when we land, they will have worked out my next connection. I am getting hungry, so I will eat one of my vegetable patty sandwiches with soy cheese and mustard. It may not sound good, but it is actually a very tasty sandwich.

I have been thinking about the political unrest in China. If it happens, obviously there is nothing I can do. I am hopeful that the company I set up will be viewed kindly by my future employees and not be a target for retribution. An angry mob has no sense or conscience; it is something I will have to work out.

Regarding the world and my hope for Iraq: it would be wonderful if there are elections in January and that the new elected officials immediately ask the United States to vacate the region. I would hope that we would honor the request of this new democracy and get out of there as quickly as possible. It would be an honorable exit strategy, and I hope the President would grab it with both hands, the same for Afghanistan. We could then take all the money we are spending, start paying off our debt, go into high level energy conservation and alternative forms of fuel, and stop being dependent on the rest of the world for our energy needs. Then we can help the world by being an example of how everything can benefit from a democracy and capitalistic system as opposed to using our force to make people do as we want. I know I am a dreamer.

I was asked to go down to Washington, DC from the guys at the Performance Track group to help motivate them as to how to sell their program to the rest of the government and companies and how to keep themselves upbeat about the program. It isn't definite, but it sounds like a lot of fun. It is good practice for my upcoming course.

Sunday 11:19am EST, Monday 12:18am Singapore time

The temperature is -60C. Seven hours and 37 minutes until we land. We are traveling at 848 km per hour at ground speed and are 11,125 km high.

We are headed for Katmandu. Baghdad is on our right. I was up wandering around the galley and met an architect named John. He grew up in New Jersey, moved to Atlanta, and now goes to Singapore about a dozen times a year. Yes, he has an understanding wife, and it is hard for him and his young children. I feel very lucky that my children are older when my traveling schedule got heavier and farther away. As I left my family tonight, I asked my daughter if she wanted either snow globes or chocolate, and she said snow globes because she knows I bring the chocolate anyway for my guys at work. Sometimes snow globes are tough to find, but I will search for something. I was just looking at the map on the TV console; Singapore is a long way from home. I feel very together at the moment since both of my laptop cases with my stuff are at my feet ready to handle my every want and desire. Well, almost every desire... a walk in the fresh air would be nice, but since that would mean instant death I think I can wait. I always find it interesting how people get to the places they are. How John started in Middlesex, NJ and ended up living for a while in Singapore; how I started in West Orange, NJ and ended up traveling all over. Life is a series of choices, and our position is often determined by when we stop growing, moving, and saying yes to new challenges. We just keep going as long as we are willing to change and enjoy the process of experiencing new things. As always though the change necessitates a learning curve, a mindset change, the taking in of new information (sometimes from unpleasant sources), making mistakes, willing to embrace what comes; we learn and keep attacking. As I always tell my

wife, there will come a day when I will not want to take the next step. At that point, things will either level off, or I will move to a new area. But so far things are too much fun to even think about doing anything else. Maybe in another 20 years that time might come.

I did not think there was any chance I would get through all the China-related material I brought, so I left the two books I had in my suitcase. Bad decision, as I would have liked to read them now, but I will have plenty of time later. Perhaps it was meant to be that I have to keep reading about this new automotive quality system we are considering. It is rather dry, but at least (so far) there are no requirements that we would not be able to meet.

2:55pm EST, 3:55am Singapore time

I just got word that I have missed my connecting flight. Therefore, fate has something else in store for me. Before we left Newark, I checked the schedule, and there is one other flight out to Penang later in the morning to get me there in the afternoon. If I can get on it, then I still might be able to see some of the people I planned. If I can't get there by early evening, then I will either stay in Singapore for the day and fly out tonight to Thailand or fly directly to Thailand. I have been amazingly fortunate with most of my flights; sometimes though they just don't work out. I will park myself in the airport lounge and send out emails and make phone calls to everyone as soon as I have a plan. If I decide to stay in Singapore for the day, I will check to see if any of my customers are located here and maybe see them... perhaps that is why I am here.

I was just reviewing my schedule. If I can get to my first customer by 4:00pm, I might be able to squeeze in most of what I wanted to do. In the meantime, depending when I leave Singapore, I can go do something here. I think my main competition for printing (based in Asia) is in this town, perhaps I can go over and see their operation.

<u>4:08pm EST, 5:08am Singapore time</u>

Two hours and 43 minutes to go, and I will find out my revised fate. We are now crossing the Bay of Bengal. I will call home as soon as I know what is going on. I had some sandwiches; they were pretty good. Breakfast is in another hour. It will be good to get off the plane and stretch. I am looking forward to getting to Malaysia, but it might be awhile.

11/08/04

9:43am Singapore time, 8:43pm EST

As one can see from the entry, I am not on my way to Penang, at least not yet. I did not make the first flight, but there is another one that should get me there about 12:30pm, which, if the driver shows up and things work well, I can still make most or all of my stops. It will be hectic, but that is okay. My cell phone is not working, which is highly annoying, so I will have to either get it replaced or do something for the next trip.

I had a total of about six hours of sleep over the past 39 hours, which means I will need some more naps if I am going to stay awake during dinner tonight. I hope to get to my hotel by 5:30pm, go swimming, and then take a quick nap. If not, I will take it as it comes. It will be nice to get to the next airport and change my clothes, even though it will probably be hot and humid. I may forgo my suit jacket and just wear a tie, which should be okay with everyone here. I made a lot of progress in my reading through the information about the new quality system and am still hopeful we can do it. It would not be a simple system change, so I should probably give myself a year to get it completed. I will need to poll my customers to check the real need and see if it is worthwhile before devoting the enormous amount of time it will take. I am not taking chances and will get to the departure gate early.

Oh, some more good news, there was a Subway sandwich shop near this lounge, and I stocked up on veggie sub sandwiches, these are great to take along on a trip because one never knows when hunger will hit.

12:30pm Malaysia time, 11:30am EST

I made it to Malaysia on schedule for the second flight and was on my way with my driver Richard to Solectron in Penang. The only problem was that both Richard's and my cell phone were having trouble; his phone was only receiving incoming calls. He was not 100% sure where we were going, but luckily someone called him and was able to set our course, so we made it. Happily, the two locations for that company that I had appointments with were close together. Although the day was quickly fading away, I still got to see most of the people scheduled, and everything went well. We then went in search of Celestica and not only found it, but the engineer I went to see was actually there and could see me. The meeting also went well, so there are chances for more business. At that point, we were done with the day calls, and Richard took me back to the hotel to register. It is a beautiful, older complex and is slated for a refurbishing soon, so there were very few guests. That was good for me; they upgraded me to a large suite. I got in about 6:45pm and had to rush around like a nut to get ready for my 7:30pm dinner with four more of the guys from Solectron. They took me to a restaurant that was shaped like an old Portuguese sailing ship, and we had a good time talking about business, politics, their lives, families, and jobs.

I got back about 9:00pm and after calling into the office (it was daytime for them), everything was fine. I went out for a walk to a local bazaar that sells almost anything one can think of. The idea is to barter and I got into the spirit quickly. I bought some fruit, came back to the

hotel and went for a walk along the Malacca Straits. It was very pretty and a little eerie with the outlines of the fishermen shadowing the edge of the water, looking like ghosts waiting for their turn to move on. Then, I worked out some more and had a second dinner of fruit and a triple-decker peanut butter and jelly sandwich, which I had brought from home. It is now 12:40am, and I am scheduled to get up at 3:30am to work out again, repack, get picked up at 6:15am, go to the airport, and hop a flight to Thailand. Time for bed.

While traveling, I have usually found that it is much more important to get lots of exercise and good food as opposed to sleep. I also try never to drive in any foreign country for safety reasons, especially with my bad sense of direction and the chance to nap between stops. My schedules for these trips may seem suicidal to some, but works well for me. For the record, Alice has already let me know she will not do one country per day when traveling for business.

11/09/04

7:57am Malaysia time, 6:57pm EST

I got up at 3:30am to exercise and check in at the office. After I worked out in my room, I ate breakfast, then went for a walk down by the beach. It was wondrous. I was almost alone, walking along a path by the water on one side and a line of resorts on the other. There was heat lightning flashing in front of me, lighting up small circles of the sky. Directly above me there were stars, so there was no chance I would get rained on. There were also fishing boats out in the darkness; I could see their lights eerily flowing through the night. With the wind blowing a soft, warm breeze, I felt like I was part of a slower paced, beautiful, other world. I passed by the swimming pool of the hotel, which I would have liked to have tried but was not possible due to the hours I was there.

I am now in Penang Airport, getting ready to go to Thailand for the day. My cell phone is not working, and I am disgusted with it; but it is probably somehow my fault because I'm not technology-savvy. Security at this airport is very tight, and I have been checked through three times, including two personal searches. This does not bother me; if they catch the bad guys, then more power to them.

It is warm here, and Bangkok will probably be the same. Like yesterday, I will change in the back of the car. I really hope the driver is there waiting for me. If not, I will work it out, then it is off to Hong Kong tonight.

10:12am Bangkok time, 10:12pm EST

I found out what was wrong with my cell phone. It was me all the time; I kept forgetting to put in the country code to dial out. Is it any wonder why I can't even program a VCR?

I am now on my way to Celestica, about two hours away from the airport with my driver, Kinisac. He not only knows where the plant is located, but also knows where to stop for a restroom and water. He is the best type of driver: nice, eager to get along, and knows his way around, just the kind of person one wants to meet when away from home.

I do not know if I am going out to lunch with my customers or not. Aside from the heat, I am looking forward to it, except this time I will watch out for the chili peppers. I have food in my suitcase and I am getting hungry already. Bangkok is pretty, and I am also looking forward to getting out into the country because it is beautiful and different. It is late back home but I decided to call Alice at home since I could not get through before. She was asleep, but I did speak to her great husband, Mel. Mel and my wife, Wendy, have a lot in common. They are both the calm ones, "home base" as I refer to them, to counterbalance their crazy spouses. Alice and I are very similar, which is one reason why we work so well together. We both have a passion for succeeding, for detail, for the insurmountable urge to ensure things turn out right, and for everyone to be happy. It is a pleasure to hear about how happy people are with her and our company when I am out in the field. I always try to make sure everything is fine with our customers when I see them in person, in case there are little things that are bothering them that one often can't detect unless we are meeting face-to-face.

Since I will probably try to eat breakfast while we are driving, which is just adding water to a Ziploc bag of cereal and normally will not get dressed until afterwards in case I make a mess because, as per historical perspective, I will be wearing at least part of it by the time I finish. And now that I'm thinking about it, I might just eat pretzels or a muffin, both are less messy.

I worked out a lot before I left this morning and still made the mistake of getting on the scale last night in my room. I don't know why hotel executives think they are doing me a favor by putting in these diabolical contraptions into my room. Perhaps it is their idea of fun like the bartender who brings up the lights right before closing so that everyone can see who they have been trying to pick up and momentarily realize that they just want to leave alone.

Anyway my weight wasn't bad; it just was a little higher than I had hoped for. I know it doesn't make any difference, but it is all part of being crazy me so I accept my "eccentricities" and do my best to control them. Of course, it always helps to get family support like from Alex who will never hesitate to say to me "Dad, that's why they medicate people," when he sees me doing something he wishes I weren't. He does have a point.

2:36pm Thailand time, 2:36am EST

We left Celestica about an hour ago. It took a while to find the people I needed, but everyone was extremely pleasant in helping me find the contacts. It turned out there had been a recent buyer change, how fortunate for me to be there at this moment. It was all very positive, and they were very happy to hear we were building a new manufacturing site in Asia. More business is possible; the trip has been a success. We are now on our way to see a person who used to work for Flextronics but transferred to a new company. We have never done business there, so this is an initial sales call to see if we can be of service. It is very hot and humid, and I broke into a sweat in the time it took to walk to the reception area, which took about three minutes. The local people are obviously used to it, but New Jersey is almost in winter season now. It is uncomfortable feeling my kneecaps sweat and having it run down to my ankles, but I have to wear a shirt and tie. I am not even wearing my suit jacket, so my choices are to sweat or give up, which really isn't a choice at all. Part of my commitment is my willingness to undergo being uncomfortable to prove the strength of my structure. I did however not wear my suit jacket; that even to me, was an addition I thought unnecessary. There are certain ways to do things that have worked very well and a little thing like high heat and humidity is not going to radically change my dress code. On the way to the next appointment, we stopped at a food mart where I tried some iced tea and a small pastry. They were both very different tasting, and I did not finish either. I had some of my cereal before so I should be fine for a while.

3:49pm Thailand time, 3:49am EST

It turns out that my former customer from Flextronics now works for Mitsubishi Electric. Their company is worldwide and is now centering their operations in, China. This means that as soon as our new site is open we will be in a great position to go after and take over their label business. Amazing how all roads seem to keep going toward Asia, and China specifically. We are now on our way to the airport; I will be sorry to lose my driver; he has not only been fantastic with directions but has also acted as an interpreter. I will display my appreciation with a copy of my book and a nice big tip.

I spoke to my wife—I miss her—this morning; she mentioned there was a minor earthquake in Taiwan. I hope for all concerned it was mild and that no one was hurt and also that the airport was not affected.

11/10/04

5:46am Hong Kong time, 5:45pm EST

I got into Hong Kong about 11:00pm last night-great flight aboard Thai Air-and got to my hotel room about 12:30am. I have my final meeting at 9:00am at the same airport, which meant I had to get up at 5:00am if I wanted any exercise. I got a few hours of sleep, which is enough to get me through my meeting. After that I fly to Taiwan and then to the U.S. where I can sleep as much as I want. The hallway on my floor has the same scent as my dormitory did when I was at the University of Delaware 30 years ago. It is amazing how a scent can bring back vivid memories, and I find myself remembering all kinds of things I had not thought about for a long time. I spoke to Alice at the office and my parents.

The meeting today is with Ben, Wayne's brother, who owns a company that does battery recycling throughout China as well as other types of retrograding-used equipment. His partner, CY, will also be part of the meeting, and I am as much fascinated to meet people in the recycling environmental field in this area as with those who I might be able to do business with in the future. All roads still lead to the Pacific Rim, so I have dedicated the next 11 months to seeing that it happens. I have been studying Chinese culture in effort not to make too many mistakes and hope I will know enough that my business drive and the facilities of my company will outweigh my lack of experience in dealing in this region.

11:12am Hong Kong time, 12:12pm EST

I had a meeting with Ben and CY at the McDonald's in the airport. Both appear to be in their early 40s, confident, pleasant, and very aggressive. We did not waste time with small talk and got right down to business. I wanted to know what they wanted from me, and they wanted the same in return. As it turns out, they are interested in joint venturing with foreign companies who want to establish manufacturing sites in China and the surrounding countries like Malaysia and Thailand. They could supply the employees, infrastructure, help with the government in terms of setting up and running the company, finances, and local selling. In exchange they wanted a JV, where they would get part ownership.

I wanted someone who could do all of those things. Preliminarily, it sounded like a very good match. I spoke about the absolute need to supply top quality materials in short time spans and in limited quantities. They believed they could set up the plant to deliver, store, and ship the product—in other words do as I required. Everyone appeared to be taking the same line of thought, and we were in agreement to begin formal negotiations to get things going.

When Ben asked why I chose Xiamen for a plant location, I told him it was because his brother was there. He said that most of my current customers were in Shanghai and not that close to this site, but I told him that I did not care where in the country we are located as long as it is in China. So there it is. In the time of about an hour and a half, we agreed to agree, and I should have some of the details by next week. They said the plant can be up and running within six months instead of the ten I figured. This means we could be in operation by this summer instead of September. I am excited!

5:40pm Taiwan time, 4:40am EST

I am in Taiwan; unfortunately we landed in Terminal I, and it took me almost an hour to get to Terminal II. I definitely have had my exercise for the day. Those peanut butter and jelly sandwiches I am carrying are starting to sound mighty good. I met a man named Bill in the lounge who imports textile produce from Asia to the U.S. and exports leather and some other products from the U.S. It's always amazing to see how successful people "are." He is aggressive, intelligent, and I am sure does very well. His goal is to become rich enough to afford a sailboat where he can just sail away forever. His second goal is convince his wife to join him. A worthy double quest/dream for any man. I am looking forward to being home. This trip has gone very well, and it could have far ranging effects. I'll know more in a few weeks. As of now, I am figuring I will be back in Asia in February and then probably again in May. If all goes well, that trip might be for the opening of our new plant—what a moment that will be.

11/11/04

2:17am Taiwan time, 1:17pm EST

We are flying at 35,000 feet over the Pacific Ocean and have passed the International Date Line and have about three a half hours left before we land at approximately 1:28pm in Seattle. I have been sleeping for about six hours. It is rare when I have felt this tired, but I guess four days of very little sleep is bound to catch up with me. Everyone else in this cabin is still asleep. When I turned on my light, I saw it was bothering people, so I will keep it off which makes it hard to work. I'll try again later.

12:22pm PST

We are about an hour from Seattle. I am sitting next to a man named Eric who was born in Taiwan and then immigrated to the U.S. about 25 years ago. He is very nice, aggressive, and he imports furniture from Asia and sells it to mostly the U.S. That seems to be the pattern of many people: they import from Asia and sell the products everywhere else. I am apparently in the vast minority of being a small company who is actually setting a manufacturing plant in Asia as opposed to simply importing goods. I like the fact that I appear to be different and against the flow. I have always found that the best money and sometimes worst attempts are in the opposite direction of everyone else. Even if the business with Lucent and their contract manufacturers does not take off, I believe this will open a whole new set of possibilities for my company as a whole. Maybe that is why everyone here has been upbeat about what we are doing; few companies my size seem to be on the playing field.

My body hurts, and I can't wait to work out in my gym tomorrow and play tennis with my friend, Mark. He will, of course, slaughter me but I don't care. The mere act of trying to destroy the ball and make myself sweat will be great. I like to work out under controlled conditions. My getting lost in the Taiwan airport, for the second time which took almost an hour walking with my two carry-on bags would have been much better had I been dressed for it. Luckily, I did have a change of clothes with me, so I was fine. Personal comfort is extremely important when traveling, and I always try to forecast what can happen to reverse the negative outcomes.

Thinking back, I would have liked to stay at the hotel in Malaysia long enough to have used the pool. I have to wonder if I will ever schedule three countries in one day again. It was fun to prove I could do it, but I am not sure it was worth the wear and tear on my body.

7:17pm EST

We are on our way home, and I am ready for my own bathtub and bed. We will hopefully land about 10:30pm, and I should be asleep sometime between 12:00-1:00am and still be up at 4:00am for work. At least, that is my plan. I have gotten enough sleep over the past 24 hours, so I should be okay getting up my regular time. It is interesting to watch myself as the trip has progressed. I find myself lapsing into the "other dimension" which is brought on by increasing sleep deprivation. I can now just close my eyes and usually within 60 seconds I am transported to another dimension complete with dialogue, often in mid-sentence, totally unrelated to reality, and even usually has background music. It is normally not an unpleasant place and is often entertaining, so I don't mind being there except that it is strange that I can get there so quickly and often.

I remember when I was a little kid that I used to dream I was watching television on the wall next to my bed. When I told my dad, he said he used to have the same dreams and suggested I simply watch and enjoy the show.

I called the office during our stopover in Seattle. Speaking of this city, I think it has the best overall immigration, customs, and baggage system; they are usually incredibly fast and efficient. Anyway back to the office where Alice was doing a great job, as usual and continued to point out that I am much more needed in the field than in the plant. However, I am back home for about three weeks, including the Thanksgiving holidays and I am happy about that. My next trip is to the Czech Republic, where I am going to see some new customers and potential new plant sites, and then it is off to Ireland to do the same thing. I am also scheduled to speak at Brooklyn College on environmental systems and maybe down to EPA in Washington to talk before some Performance Track people. Then it is out to the Midwest to see a new customer in Wisconsin and zoom over to Omaha, Nebraska to see our customers at Commscope, formerly Avaya Communication. This, of course, does not count any rush trips needed, when I am called to see a new potential market.

For now, I think it is time to zoom back to the other dimension, right after I put in some new music or maybe listen to Jean Shepherd, my writing mentor's tapes of his radio shows from the 1960s. It is fun having a teacher that I can listen to doing fantastic work and to not only enjoy him but to learn from his technique, content, and ability to communicate. I am honored that he answered my request to review a short story I sent him 30 years ago. His comment of "keep trying" was enough to put me on a road to writing, a decision that I have never regretted. My writing has become a big part of my life to express myself, have a great time, and spread goodwill through my books. More later, the other side calls.

11/18/04

I have continued to immerse myself in the Chinese culture, hoping to avoid some pitfalls from ignorance that can be avoided. My two potential Chinese partners did indeed send me their plan for our agreement and a modified version is now with my lawyer. My accountant has already green-lighted the venture, and we now plan to set up two new companies to handle the operation. The first will be a leasing company based in the U.S. that will buy all of the equipment. The second will be the actual company in China. The tentative split of responsibilities is below and was written by Ben Meng.

Memorandum of Understandings - 11/16/04

Written by Ben Meng

We propose a joint venture between Ideal Jacobs Corp. (IJ) and Space Diversity (SD) in China, and the main objectives are as below:

- To find raw materials that are lower in cost yet still maintain the necessary quality levels
- To develop a good production model that leads to a cost-effective production facility
- To obtain bigger market shares especially in the China sector
- To discover more product usage possibilities and broaden our market prospects
- To increase profit margins and sales volumes
- To start up and be in operation in Xiamen before May 1, 2005— this is a preliminary time table and shall be adjusted according to our progress.

Job responsibilities of IJ:

- To provide necessary equipment for production
- To provide running capital
- To provide technologies and technical knowledge
- To provide orders from existing customers

Job responsibilities of SD:

- To hold applications of all proper licenses
- To provide monthly financial budget and planning
- To be the legal spokesman as well as to bare legal responsibilities
- To troubleshoot problems between the government, suppliers, and customers within China
- To organize and monitor the selected premises including maintenance and renovation
- To be in charge of human resources and recruitment; to deal with labor issues
- To explore new markets in China and maybe Southeast Asia
- To manage and monitor day-to-day operations
- To handle import and export merchandise and documents
- To report to IJ at pre-agreed intervals regarding operation and expenses

Operation rules:

- IJ has the full right to decide our marketing direction and price structure while SD is going to provide suggestions only.
- All expenses would be reported to IJ by weekly email; all financial work is to be carried out under formal China accounting systems and rules.
- Both IJ and SD have the right to provide raw material sources as long as the quality reaches IJ's standard and matches the latest target price.
- SD will not contact any IJ customer apart for logistic issues, unless authorized by IJ.
- Profit sharing is done every six months, if applicable, and the amount to be withdrawn or to reinvest should be agreed by both parties.
- All order write-ups and invoicing will be done by IJ in New Jersey— Ben will have the ability to see IJ "books" remotely from China via the Internet.
- In order to get the best pricing, all raw materials bought outside of China will be purchased by IJ in the US.

Based on the above, we believe the success of this JV is positive, and we shall work together seamlessly to achieve the objectives.

Plan of attack:

- 1. We will create a new company called Ideal Jacobs Xiamen-China.
- 2. We will create another company called Ideal Jacobs Leasing, which will buy all of the equipment and lease it to Ideal Jacobs Xiamen-China. (*Note: This new company was never set up. Ideal Jacobs Corp. ended up buying all of the U.S.-made equipment.*)
- 3. Ben will looking for a building and starting the licensing paperwork.

As a side note, the last time we put in a plant was four years ago; as we were doing it, we got the biggest order in our history that paid for the plant right away and was like hitting the lottery. We got a nicesized order a few weeks ago, which was a good start, but we still have a long way to go. I was taking my daughter, Kayla, to a camp reunion when I saw a sign on the New Jersey Turnpike for the lottery, and it made an impression. Then, a few days later, something else made me think of the lottery again when talking with my dad, so I decided to buy a ticket. Although I almost never do this on my own, sometimes I go in with my company when the crew buys a bunch of tickets. This is actually a self-defense move for me because if they all win the lottery, they will probably not need me for employment anymore. Then, I would need the lottery money to repopulate my staff. Regardless, I bought a few tickets and the lottery was a two days ago, but I did not win. Yesterday, however, a purchase order came in from a customer with the second biggest order we ever received. We are confirming today that it is not a mistake, but if it is real, then combined with the first order will cover more than one-third of the start-up costs, which for me would be like winning the lottery a second time.

I am having flashbacks from a few years ago when I was facing this situation for the first time. Putting out large sums of money and potentially going back into debt is normally one of the last things I would choose to do; but business is business and I feel there is no choice. My anxiety attacks are back, which in some ways is good because they force me to concentrate on what is needed and try to account for any outcome, good or bad.

I think these situations must be hard on my wife and children. However, because my mind is definitely elsewhere, I am trying to hold off on family spending knowing the expenses are coming soon. I am a different person when big things are happening, but I try to make extra sure I am not being difficult or unreasonable.

As for my current and potential customers in Asia, I am assuming there will be no business guaranteed and will have to fight for everything we get. I do not believe anything is owed to me, or that people will always do as they say, therefore I am seldom disappointed so things that actually work are a bonus. Situations change; pressure on people alters their views, actions, and reactions, so I try never to depend on anyone. Hence, when the plant starts operating, it is up to me to find the business to run it profitably. It is no one else's fault or responsibility but mine; for whatever bad or good happens, it's because of the crew I put into place. The buck stops with me, which is why I get most of the profits that are left over—a great deal, and I gladly accept it.

I am finding myself really starting to push people both to get answers and commitments about the future. I am trying to pull myself back and not corner anyone. I want solid footing to help anchor my plans and that is not possible for a while, so I have to do the best I can with the moving targets of the marketplace, world politics, foreign governments, new partners, and current and potential customers. I love structure, and there is very little available until I make it myself which is going to take some time, so patience is in order. I know I can force answers from people, but that will only generate resentment and false promises—both of which are like explosive landmines that will come back and haunt me in the future.

Some additional requests came in from Ben, so he could start the licensing process with the Chinese government, which were:

- 1. Photocopy of the valid business license of other business permit issued by the U.S. government
- 2. Financial standing certifiate issued by our bank
- 3. Photocopies of the name list of our board members and their passports .

As I sent the photocopies out, I also sent Ben some more questions with some thoughts, which were:

- 1. Will we have space alone in our own building or within a complex?
- 2. What are the tentative prices regarding: space, infrastructure including power, water, etc?
- 3. When will the space be ready to view? My head of manufacturing or I will probably come over. At that point we will also finalize on all the equipment, put down initial payments and have dates and to when the equipment will arrive and we will come over and train the new employees.

11/21/04

1:49pm EST

I was notified by the EPA only last week that they do indeed want me to come down to Washington, DC on December 1st to talk to some of the people in the Performance Track program. That program is for U.S. companies that have exemplary Environmental Management Systems and pledge over a three-year period to improve in some of their processes regarding reducing pollution and the amount of resources they consume. They want me to come down as an inspirational speaker to help motivate them. The EPA has been going through budget cuts, staff reductions, and still have to "sell" this program to more companies in the U.S. as well as to other environmental organizations throughout the government. In other words, they need to do a lot more, better and faster, with less resources.

In the U.S., just because the national government wants something done often does not mean the individual state Department of Environmental Protection (DEP) has to agree. For instance, if the "Feds" want the companies in our group to get certain benefits for having a superior EMS—like being low on the list for inspections, then some of the states might agree and others might not. In fact, I have been trying to negotiate with New Jersey, my home state, to recognize this federal program and then to agree to give certain advantages to our members. So far I and everyone else have been unable to get them to commit, but I am long on hope and patience. They haven't totally shut the door, so time will tell.

Federal EPA has a tough road. They are mostly good people who want to do a great job, help the environment, and ensure that the planet we leave our children is better than the one we currently have. Unfortunately, they are having to accomplish this with a reputation of being as bad as the Internal Revenue Service in terms of customer relations. They also have less manpower, resources, and influence than they have ever had before. Therefore, it is my job to tell them why they are doing a good job, how it could be done better, why they should be proud of themselves, and should stay in the fight to make this a safer and healthier planet.

I had found out last week that there is a group like the PT in China, and I emailed the gentleman in charge. The U.S. EPA intermediary for China was thrilled; one of the PT members was actually going to build a plant in China and enter into their program from the beginning. That was it. If I could enroll the people at the EPA in China about wanting to have my plant as an example of how new plants (with the environment in mind) should be built, then they will have a vested interest in my company being successful. In fact, I could become the prototype of the small American manufacturer who comes over to China and does it the right way. I could speak for the Chinese EPA like I do for the U.S. EPA, becoming a representative for them and getting incredible publicity for us. This was the way to help ensure that the people in the area of my plant including my neighbors, partners, employees, suppliers, and customers will buy into the system. Nobody intelligent screws around with their government; it is way too dangerous and if we are seen as someone they like, then our road could be a lot easier to build. If we win, then

everyone wins and the government can point to our plant as a model of how things should be done and we will have the chance to make money. I wonder if it will work.

11/27/04

I was originally going to take off Thanksgiving and as much of the rest of the weekend as possible, but one of our customers in Thailand needed help so I ended up in the office for various amounts of time on Thanksgiving, yesterday, and today. Yesterday was interesting because one of my employees came in to talk to me without any prior notice, and I was actually there. Considering the holiday, it was amazing. I have been emailing with my future partner, Ben, and we have been going at cross purposes in one area. He asked me for some information about my company two weeks ago because he wanted to apply for a license to operate in China. I thought I would have to get our new joint venture company going in the U.S. before we did that, but it turns out that China will only recognize a Chinese company for the joint venture, which does make sense, so we have to open in China and then will probably do the same thing in the U.S. Although if we have a corporation opened there, I don't see why we need to do it here but that is up to my lawyer to decide. It is one of those new areas that needs to be worked out-just another bump in the road that will be passed.

I am still reading a lot about China and its culture; it is a fascinating study, and I am enjoying the journey. The adventure I am on has been exciting, nerve racking, and full of stress, considering all the unknowns and the amount of money I have to put out. The upside is the fun involved, the possibilities for success, and more expansion. But no one said it would be easy and if it was, it would be a lot more crowded over there with more U.S. companies.

I have been working on my speech for the EPA and realized I have to explain how to sell because they have never had the need for the information or a place to use it. To create a win/win situation in selling, one first has to define what the other person wants and then satisfy that need so one can get what he/she wants based on abilities, aggressiveness, intelligence, marketing awareness, desire for success, etc. In the case of the EPA PT program, I am going to list for them my view of what they can offer prospective companies and also dispel some of the myths associated with the advantages they think they have. Only when they have a clear vision of what they can provide will their membership swell to the numbers I believe are possible. They have to get past the fears of perspective customers and go far enough where they are willing to take the leap and try what I am proposing. It takes a lot of practice and the people here have never done anything like this, so it should be a fun presentation. Either that or they will laugh me off the stage and send me home.

Notes for my presentation

What are the disadvantages companies have in getting involved with the EPA in general and this program in particular?

- 1. If companies "poke" their heads above the "radar" and the EPA finds out they are manufacturing and are not running as cleanly as possible, they could be subject to disciplinary action like fines.
- 2. If the EPA finds out about them, they could be singled out for environmental inspections that could continue indefinitely.
- 3. If EPA finds things that are wrong in other areas like health and safety, then they could get in trouble with other organizations like OSHA.

This represents a lot of possible trouble, so the advantages should be pretty spectacular for someone to be willing to risk all those potential problems.

What are the advantages then? Helping companies become better, more efficient to make more money. To get into this program, a company will have to identify the areas where they are creating excessive amounts of pollution. By helping to alter their processes and reduce that pollution, they are on their way to higher profit levels. Pollution is nothing more than the byproduct of the inefficient conversion of raw materials to finished goods. And, the best advantage is that the program is free.

The higher their levels of efficiency, the better they become and are able to:

- 1. Make more money because they are creating more products for the same amount of raw materials. They can either keep their price per unit the same, or reduce them in order to go after more market share and try to keep out foreign competition.
- 2. Create less pollution, and decrease the accompanying costs and potential problems. Doing this may mean:
 - a) Less government hassles
 - b) No permits are needed, which can save on time, money, and being involved with the government
 - c) Your employees can be healthier, which can lead to more productivity and less sick days
 - d) Less sick time, which can lead to cheaper insurance claims and lower insurance premiums
 - e) Fewer people out on disability
- 3. Have better processes also means checking for better health and safety, which means less insurance claims from people getting hurt and less trouble with the OSHA.
- 4. Have a better, cleaner environment outside the plant area for everyone.

Once a company is running cleanly, it does not matter if they are inspected by anyone they are no longer afraid of the EPA, DEP, or OSHA. Rather they have become partners and use the government as a resource to help them become even more efficient and therefore more profitable.

When I write it out this way, it makes me wonder why more companies are not flocking to the EPA asking for help to get into this program. But realize that this is not an easy road. A company has to analyze their processes and break them down to the basic components, so they can measure where the pollution is being created and reengineer them to take out the waste. It is time consuming and necessitates a commitment from the top of the company through every employee to do it right. But the end results, and even the process itself, are so transforming that their company can begin to see results right away. These companies will have to create an EMS, which will help them to pinpoint their prospective areas of trouble, make changes, modify, and then monitor the revised processes indefinitely. This is not a one- or two-year process; rather, it is a permanent commitment to their company and the environment to run more cleanly, efficiently for the betterment of all.

The problems with EPA, in general, and PT in particular, is that they have never had to sell a program like this before. They are used to being the EPA, like the Internal Revenue Service; they speak, and people are supposed to follow. But enforcement is not the answer when trying to bring people into voluntary programs. There are way too many companies in this country for the EPA to go after them one at a time and check them for environmental compliance. Besides, this program, at least for now, is for the best of the best, like those companies who already exceed the level for environmental compliance. In order to reach out to others who already have EMS, and the next group which may not have a formal system in place but have all the basic processes, they need to appeal to them based on business priorities and reducing fear.

The advantages in which the current program pushes to get people to join are that members:

- 1. Can store more hazardous waste on site than other companies for longer periods of time
- 2. Are not supposed to be inspected unless there is due cause
- 3. Are able to have access to EPA officials in case of trouble
- 4. Get publicity through EPA for being in the program
- 5. Are part of a program that helps the environment

While these are nice things it is not what most company owners are concerned with right now. The primary thoughts of most company owners are to stay in business with an ever toughening marketplace both from local competitors and those outside the U.S. and to make money. Like it or not, the U.S. has lost its position as the prime manufacturing center of the world and will soon lose it place as the economic center. China and the Far East are quickly taking what was once our position as number one. Therefore, all manufacturing companies in the U.S., and in this hemisphere for that matter, must be more efficient in order to survive and maximize profit areas.

Fortunately, the landscape looks bright for those who have put in the systems, are attaining ever higher efficiency levels, and are moving offshore as needed; but the others, as is the way in a capitalistic society, will be left to wither and die. I am not being dramatic; I am just getting to the level of being accepted into PT and can spell the difference between profit and death. That is the message to be giving to our prospective members; we can be their pathway to survival and growth anywhere in the world.

My son brought home a friend from college named Kyia during this Thanksgiving weekend. She originally was majoring in bioengineering and preparing for medical school; but soon after she entered Case Western University, she realized that her dream of medicine was based on her father's passion for that career, not hers. Faced with a dilemma, she began researching management and philosophy, and minored in arts studio. While driving home in the car, I mentioned that her business career might be better influenced if she directed herself towards sales and marketing. It turned out she had spent three years as a telemarketer, selling all types of things to people who did not want them. The mere fact she was able to survive and thrive through this process, even transferred from a fixed-hourly wage to working on commission meant that she was able to withstand incredible pain and stress.

The emailing between Ben Meng and I have become frequent. Some of the initial questions and problems include finding a region to locate in China and a specific building that will satisfy our needs. One of the questions is whether the new company can be a Corporation or an LLC, which stands for limited liability corporation. My accountant favors an LLC for a few reasons, including the ability to take certain tax benefits here in the U.S. that we can't do with a Corporation. But the issue is still not clear, so I will keep checking with Ben until the all the elements are understood. The Chinese government runs the way it wants, and we have to fit into their rules as they will never bend to us. Ben translated Ideal Jacobs into Chinese, and it came out as "best and fast card, or tug." I kind of liked that. We decided that the name of the company would be Ideal Jacobs Xiamen, probably Incorporated, but that would have to be settled later. Like we are a ship moving faster ahead. We seem to be getting closer.

<u>Chapter Three</u> December 2004

12/01/04 8:02am EST

I am on my way to Washington, DC by train and just finished practicing my speech for the EPA PT group. I normally have at least a month to prepare a speech. This time it was less than two weeks, and I do not feel as confident as I normally do, so I hope it goes well. I have notes and do not wish to use them, but I may have no choice. It is much more powerful to speak without them and directly to the audience, but again I may not have a choice.

The EPA liaison to the Chinese PT program is coming to hear me, so the pressure is really on me to do well. If I can sell her on the idea of the advantages of the program, she may be my champion to get the Chinese government to have me do it for them. The potential for positive press is astronomical, and I really want it. I have to focus and not worry about what happens later, stay on what is happening now and try to do a good job. Teaching people how to sell in less than an hour is impossible; giving them a taste and offering to help them is another matter and is doable.

I think the EPA is of two minds with me. They like having me around, but my aggressiveness can be threatening. I understand, but I can't lessen the attributes that have brought me success. Besides, if they want help in selling their program, they will need to become more aggressive and persistent themselves. It will be a quantum shift in their thinking, but for those who can do it can mean they will be worth a great deal more in the private sector. Anyone who can sell is worth a fortune, because they are the people who start the ball rolling and almost no one else can do it. I have to rid their thoughts that salesmen are sleazy, fast-taking crooks in cheap suits who are taking advantage of people and convince them that they can be facilitators who help to change a situation for the better with all those in mind.

I was speaking with Ben, and it turns out that it will cost me an extra 30% for various taxes to get new equipment into China which means another \$100,000 for the cost of the plant. He is now checking if we can lease or utilize used equipment and whether that affects the import fees or VAT (value added taxes). The more money it costs and the harder it is, the less chance of my competitors following. I just hope it is all successful. This is becoming real very quickly and probably within the next 60 days, we will have to make some very hard decisions about what to buy where and how to pay for it.

Gary, my company and personal accountant, was in yesterday giving me projected taxes due for this coming April. My goal is to try to be done with them by February, so I can concentrate on moving funds to the new project. I will try to get as small of a loan as possible for this new venture, as I hate debt, but I am afraid I will not be able to do it without the bank's help. I am sure not going to do it again with another country until this one is at least partially paid off.

I do not know how I am going to handle my time for the future. I am projected to be in Asia at least four times in 2005 for about a week each time. If I have to be in Europe once or twice this year and also parts of the U.S. and Canada, then it means I will be on the road a lot, and it will not be cheap. My traveling was expensive this year; and for next year, Vinnie and the others will be going all over Asia. That is going to cost close to \$100,000. Another hundred grand! It is mind-boggling the numbers we are talking about, and nothing will be produced out of the new plant until at least this summer. If we are very fortunate, we may break even in running expenses by the fall; but until then, it is all outflow. Anyone else would have to be crazy to do this, and I guess I am; but it is the road I have chosen to travel, and there's no stopping us now.

It is a rainy day in New Jersey, and the weather seems to stretch down the Eastern Seaboard. I am glad I am not flying, but even though the rain is supposed to stop, high winds will take its place. I should be home for dinner. I like trains; there is much more freedom in terms of cell phones, walking around, less security, and the ability to get right on them before they leave as opposed to almost two hours as it is in airports. If I had flown on this trip, it would take the same amount of time, but the train is a nice change.

I am hopefully getting smarter with experience. Instead of carrying two laptop bags that are really heavy, I am taking a small carrying bag on rollers which is much easier to handle and especially on my back.

My new book, *How To Start and Run Your Own Company - or- Sex, Money, and Power... It's All The Same Thing,* should be ready by the early part of January, which means I have to start sales swings through out the U.S. to distribute it. Some will be by car, others by air. It is a great way to get to see customers. Most like the idea of getting a signed book, and it gives me a chance to catch up with them personally and see what new possibilities for business are on the horizon. You have to see people in person, at least once in a while.

In about another half hour, I will eat my triple-decker peanut butter and jelly sandwich, which should give me enough energy to get through my speech. For now, it is time for a nap.

<u>3:51pm EST</u>

I am on my way back to New Jersey. The talk went well, and people seemed very happy with what I said. They even asked me to email them the points I discussed in order to help make them more efficient and increase the percentages, for getting them more members. They kept referring to me when the next speaker came up, so I am pleased. The EPA liaison, Suzanne, was indeed there and is willing to help us as much as she can regarding China and beyond. That alone was worth the trip down. It will be interesting to see if they test the market using my suggestions; I offered them my help, if they wish to try. It is hard enough to sell under the best of circumstances. When you have group of people, like in this program, who are told to sell with no background, backup, or information as to how to do it, then the task becomes almost impossible. I tried to gear my talk to what was important to them, and I think they were pleased. Tomorrow, it is more work on China and everything else. I am learning a lot.

12/06/04

<u>4:11pm EST</u>

I am in the Air France lounge getting ready to take off for Paris and then on through to Prague. I am hopeful that we get out on time as I only have about an hour to make my connection. It has been rainy and cold, but I am still hopeful we will stay on schedule. Once in Prague, I am scheduled to meet my driver, Mike. I know his name because his boss emailed me yesterday asking if I mind if Mike's new puppy can come in the car. Now I am a fun-loving guy, so I emailed back if Mike's puppy does not mind me eating breakfast and changing my clothes in the backseat, then I sure don't mind having him along since I love dogs. I have a few things to accomplish on this trip. The first is to see a bunch of new and potential customers; the second is to scout out a new location for our next plant/distribution center-this time probably in the Czech Republic; and the third, and no less important, is to find more snow globes for my children from the various cities I visit. It was nice to see my wife and two of my kids before I left this afternoon. Ben is in college but due back next week for vacation. I miss them already, along with our crazy Bijon, Bailey; but I should be back on Saturday afternoon, in time to go bike riding before dinner, as long as I get in early enough and weather permits.

The China plant has been extremely interesting. In the early part of the week, my new partner, Ben, emailed me that the Chinese government had decided to stop issuing licenses to companies in our area of printing because they wanted to clean out the category of joint ventures that were losing money. This meant we would be delayed until June to get started, so I was not happy. But then I thought about buying another company that was failing in China and that would give us some great benefits which included:

- 1. We could take over their license immediately, and I might be able to use some of their equipment.
- 2. We might be able to replace their old equipment with our new systems which might be under a different import category and save money on the VAT and import taxes.
- 3. We might be able to pick up a cheap building that was already set up for printing.

As it turns out, Ben has a contact in another Chinese province, so we may just move the potential site to a different location or try to switch it once we get it. China is a country that runs on relationships. Ben's contacts will hopefully pave the way both for speed and efficiency, which will help us in our quest to start operating before July.

I have already been updating everyone about the plant we are building, so I want to keep the momentum moving. We need to keep on schedule, get the licenses, buy the equipment, ship it in, find a location, build the infrastructure, and start moving. I am feeling good about our prospects in China; and even though we have no pledges of business, I want to get there quickly. I know I have to guarantee a predetermined amount of money to the Chinese government in investment capital, but we can buy the equipment and outfit the plant with the money—no different than what I had planned before.

I am hopeful that within the next two weeks I can get the agreement settled between Ben, his partner, and I so we can close all the loose ends. Then, I can go to the bank and start transferring funds. I will probably get a loan for most of what we need. The bank seems happy with the prospect of loaning me whatever I request, within reason—a very good thing. I feel like I am out on the cliff ready to jump off, but not to worry as my wife has already told me she is in a boat below with a life preserver ready to help me, if needed. Good partners are incredibly important, and I am surrounded by great people who support me to the max, to go for what I think it is a good direction. The final decision, pressure, and ultimate responsibility rests with me. I do not diminish their importance in my life.

I think some of the people in this lounge are going to Europe. They are dressed in suits—a long plane ride in a dress clothes is not my idea of a good time; but then again I doubt many people are wearing spandex shorts beneath their khaki pants like I am. Perhaps that is more information than you needed to know, but a man likes to feel secure.

Speaking of personal stuff, I got my hair cut this week and made the mistake of saying I wanted it short. So, short I got; it has not been this length in a long time. But I am getting used to it and may even like it. Sometimes it takes a radical change to see what can be.

When I got to the airport with my new bright, red suitcase, it turned out that it was 15 lbs overweight. They wanted to charge me \$300 extra

dollars. I took out some stuff and bought a NY Empire State bag so I ended up with two carry-on bags. Just as well, if I didn't find the bag, I probably would have thrown out some of product samples and books, and that would have hurt. The way back should not be a problem as I will have given them away as I go, as well as eat the food, so it should be much lighter, except for the snow globes and the chocolate that I hope to buy.

12/07/04

8:09pm EST

We are now about to go over the Atlantic Ocean to the right of Canada. We are cruising at 37,000 ft., 608 mph, and our estimated time of arrival is 6:36am Paris time, which should be good for me to make my next flight. The aircraft, the people, and the food are all great, so I am happy.

I am now going to spend some time listening to music and working on my speech for this coming Tuesday. I am one of the speakers at a forum for companies that are ISO 14001 registered and how having an EMS has helped my business. Since I have not spoken to the man in charge lately, I assume that is what I am talking about, and it should last about a half hour. I think I will bring in my plans for China. The speech takes place around 6:00pm at Brooklyn College, so it should be fun. Before that on the same day, we have a PT roundtable meeting in Manhattan for the day. So I will be spending the whole day in New York City, which is very unusual for me. The roundtable meeting should be no strain, as I have not been asked to talk or anything else, so I can pretty much listen and just participate.

Time to switch to my own music. After I work over my speech, I will probably turn to Jean Shepherd. I love tapes of his old shows; his voice is so soothing that I normally fall asleep soon after I put him on. The man was a genius and never got his true recognition. I, at least, still feel his presence through his work and am very thankful our paths brushed more than 30 years ago, at least for an instant.

12/08/04

8:48am Czech time, 2:48am EST

I am now traveling on another Air France flight. So far everything has been just about on time. I made my connection and am sitting next to a Frenchman who sells packaging supplies and whose sales territory covers the UK, Canada, and Europe—a lot of ground to cover. I have been passing in and out of consciousness, so I probably have garnered about three hours of sleep so far. If I can get an hour both ways during the two-hour drive to the customer and anything in between, then I should be fine. The man from France has not offered me his name but did tell me about business in the Czech Republic. His company has a

plant there, so it sounds like a potential good location for our projected Eastern European operation. As I have told people, I have no intention of making the move there until the China plant is a least operating and breaking even. But it does not hurt to look and let my customers there know I am doing that and have an interest. Intent is a great part of anything, and people are always flattered to know we think highly enough of their country to want to place a business there.

Sleep is suddenly calling, more later...

4:08am Czech time, 10:08am EST

My body is totally screwed up. I must have gotten even less sleep than I thought on the plane because I passed out every time I sat down in the van during this morning journey. First of all, I landed on schedule, got money changed, and went out to meet "Mike and the puppy." As it turned out Mike was sick and the boss, Chris, came to get me instead. I thought his English was extremely good until he mentioned he was born in the U.S. and had lived in France, Britain, and then settled here with his wife about 10 years ago. A real entrepreneur—he was running a few businesses, and it was a pleasure watching him juggle them all successfully as we ventured forth in search of Celestica.

When we found it, the customers sat down for a meeting. I found out they thought I was coming tomorrow which meant the people for tomorrow had to be called to make sure they did not think I would be there today.

We spoke about the potential for business, and I told them about our proposed facility in China. They were a little upset that I had not chosen to come to the Czech Republic first. I then said to them that we could put in a distribution center here right after the plant in China broke even and then expand it to a manufacturing center later. They seemed pleased with this, plus our promise to help get any drawings they needed, make them free artmasters, supply free tooling, and not charge for set-ups. The buyers are tough, just like everywhere else, and I think we can deal with them, especially if we can make overnight deliveries with small transportation charges and the only way to do that is be "in country."

Therefore, on the way back to my hotel, Chris and I started hunting for a possible location for a distribution center when I realized that this would be a small enterprise to begin with and just part time. All a person would have to do is receive our bulk goods from the U.S., pack, and reship to our customers. I thought it might be a another good venture for Chris. He also suggested it himself, and we agreed to talk about it more in the morning when he was picked me up to go to the other Celestica location.

I am promising a lot of stuff to a bunch of people. I hope the venture in China is up and running quickly and profitably, so I can start moving

funds to other areas. As for the rest of the evening, I plan to work out and then walk around the town. Both the town and its people, I have heard are interesting. According to Chris, my hotel is in the middle of an area frequented by women of the night, so it promises to be a fun evening of watching and keeping to myself. I heard there were some vegetarian restaurants here, so maybe I can get a good dinner—there I am again, living on the edge. Since the office is six hours behind I can keep working until I fall asleep. Tomorrow, I plan to be up early to work out before I get picked up at 8:00am. Later in the day, it is on to Dublin!

8:33pm Czech time, 2:33pm EST

I don't care what time it is at home — I am tired and plan on going to sleep soon!

I spent part of the evening walking through the streets of Prague. It was nighttime, the Christmas lights were out and was breathtaking, not to mention chilly. I spent most of the time buying some souvenirs for my wife and kids, no snow globes-but I think they will be happy anyway-and searching for food for dinner. As I do not eat a lot of different foods due to dietary restrictions; I finally ended up eating dinner in two stages. The first was four mini-salads from McDonald's and a small gingerbread cookie. Then I went out again and finally decided on a small pizza and falafel sandwich. Next, I ate two more of the gingerbread cookies. It was all fine, and I am ready to get up at 5:00am to exercise and go to my next call at another location of Celestica. Then it is off to the airport and on to Dublin. I have a dinner meeting there so the odds are I will not get to sleep before 12:00am in this time zone, which means tomorrow will be a very long day. No matter, as I told my wonderful wife; "time stands still as soon as one gets on the road. One does what needs to be done, and sleep comes in as the last priority until one gets back home.

12/09/04

10:17am Czech time, 4:17am EST

I worked until about 10:00pm last night until I could no longer stay awake. At five my alarm sounded and I got up. I called my wife who was waiting for my call before she went to sleep; I miss my home. I started exercising and then went out onto the streets of Prague to walk for an hour. All cities are much different at night than early in the morning, and Prague is a good example. In this case, what had been a happy, vibrant, friendly city the night before was now reduced to vacant areas populated by a few people, half of them consisted of prostitutes and people selling drugs. It was at this time that I got approached for the first time by two women of the night who simply looked at me and said "sex." I shook my head "no" and kept quickly walking. I got a distinct feeling of not being safe, so I cut my walk short and went back to the hotel. There, I donned my headphones, and while walking up and down the flights of stairs of the hotel, I listened to the mix of songs my wonderful daughter, Kayla, had made for me. It was a great workout, and then I went back to my room, had breakfast, and got picked up by Chris. He was interested in my proposal about his possibly starting a distribution center for my company, and we spoke briefly about it on our way to Celestica.

A distribution center does not have to be anything fancy—a small part of his basement where he can store, pack, and ship as ordered. After meeting with the people from Celestica, it seemed pretty evident that I would not need a manufacturing center here as there was not enough business yet. So the option here sounded pretty good, especially when I checked the costs for Ireland and found how expensive it was to operate there. This could be a good thing for everyone, so I will check as to the import requirements for bulk materials as soon as I return and follow up with Chris next week. It would be a pretty amazing thing to not only get to see the customers but also set up a distribution center all in one trip. Perhaps it might work, and maybe fate is touching me. This also means I can sell the idea that we have this potential facility in place, with a small amount of money and satisfy the desires of our customers for having a "presence" here.

Right now I am in the lounge at the airport and have about 2 hours before my plane leaves. I have food with me and they have soda and water so it is a good place to be. I like Prague at night but have to remember not to go out walking by myself in the morning. I fly to Paris from here and then onto Dublin and a dinner meeting tonight. I plan to sleep on the planes as much as often as possible as well as here.

12/09/04

4:44 Dublin Time 10:44 AM EST

We just passed through Paris and I'm on my way to Dublin. Fortunately I am not going to England as there is a strike of some kind and a lot of the planes there seem to be grounded or being re-routed. It has been a really good day so far and things at the office seem to be going fine. I am in the process of eating a triple-decker peanut butter and jelly sandwich and am relieved to have some water given to me by the nice flight attendant who is 24 years old and doesn't plan to be married for a few years. We were talking for a few minutes during take-off. I met an owner of a video company who makes promotional videos for large corporations on the bus ride from the airport to the airplane. He was speaking to one of his people and I could tell he was from the U.S. so I struck up a conversation and gave him one of my books. Just the typed of thing that embarrasses my children when I speak to people I don't know but I am here and they are home so I can do what I want, at least when I am not close enough to embarrass them. I am carrying some fruit with me which probably won't get through customs, so I will throw it away so as not to get into trouble. As soon as we land I need to get some Euros and then find a cab.

I am not tired which is very strange considering how little sleep I have had. I hope I do not fall asleep in my salad while having dinner with my customer. Although I am sure he would understand it would look really bad. It would be nice to change before we go out but I am not sure I will get the chance. Either way experiencing a country with someone who lives there is a great way to get a snapshot of what life there is really like. Tourist attractions rarely keep my attention; I like to see how people live, how they have fun and what they are doing differently that can work better for me than what I am doing now. I never have a problem adapting some one else's way of doing things if it is better; besides it is a great thing to say to someone they are doing something well, it is very flattering to them and they like to hear you will adapt to their way. The sun is going down over the horizon and there is a clear sky around us, it is absolutely gorgeous.

I wonder if the hotel has a pool. I realize that was a rather quick transition but I did bring my swim suit and goggles and nothing loosens up the body as well as swimming. Of course I could always walk up and down the stairs of the hotel again, or visit the streets of Ireland, now there is a plan.

11:46pm Ireland time, 6:46pm EST

I am in my hotel room of the Heritage Hotel in Portlaoise, Ireland. After we landed at Dublin, I went to the taxi stand and said I wanted to go to Portlaoise—nobody knew what I was talking about until I spelled it out, and then they were able to track it down. My cab driver for this journey, Peter, was somewhat reserved when we began—it was about a two-hour trip, but I loosened him up with small talk. Then I really lowered the boom when I used him to practice my speech on the financial benefits of utilizing environmentally-friendly based systems for manufacturing. After that he was friendly, either because he figured he had had a crazy American in his cab and was just trying to keep me occupied, or he was enjoying the conversation, instead of focusing on the monumental traffic problems we encountered.

It seems that the number of cars in Ireland has greatly increased in the last few years and the infrastructure is not there to handle it. The results are massive tie-ups around Dublin on most business days. But the journey went well; I got to practice my speech and we arrived on schedule at 7:30pm at my hotel. An hour later, I was on my way to dinner with Aubrey Nuzum, one of our customers from EBM Papst (a maker of fans). The town is small and rural; the restaurant we went to was steeped in atmosphere—the people were very pleasant and dinner was great. It is always good to be able to spend time with people outside of the office, and this was no exception. Even though Aubrey and I live in different countries, our lives have a lot of similarities including having three children, great wives, and making sure we spend a lot of time with our families.

After dinner, Aubrey brought me to a three-hundred-year old pub just down the road where we had a drink (he: soda and I: coffee), and we talked for a while steeped in the atmospheres of another era. It was really fun, especially being with someone from the area. It will be an evening I will always remember. I can't wait to see Ireland in the daylight. I will be on the road most of the day, so in between naps I should get a great sampling.

One of the customers here has a site in the Czech Republic; perhaps we can work out a joint venture regarding how to store our labels at his facility and how he charges us to ship for us. It might be an alternative to teaming up with Chris, the man I was with this morning. It promises to be a fun day. The only problem I have is I had half a cup of coffee at the pub and am now wired on caffeine—it doesn't take much—so I may not be sleeping for a while. It is after 12:00am, and I am being picked up at 8:00am. I may exercise again tonight so I can sleep later tomorrow morning and work out when I get back to Dublin tomorrow night. I would really like to get in a bike ride on Saturday afternoon when I get home, it would feel really good on my tired, worn body.

12/10/04

8:14pm Ireland time, 3:14pm EST

I started the day at 6:00am by walking for a while. My driver for the day, Brian, picked me up on schedule; we went back to see Aubrey, the man I had dinner with last night. We had a long day ahead of us and fortunately, Aubrey had a Christmas party to arrange so he wanted to see me early. I met him at his facility; they make fans for telecommunications equipment, the automotive industry, and many others. It was a very impressive, well-run, clean, efficient plant. Aubrey knew one of the men I was to see later that day and mentioned he had just opened a facility in the Czech Republic. He wondered if we might partner with his plant in Eastern Europe and mine coming up in China. With that hope in mind, I left his company and went to the outskirts of Dublin. I fell asleep for about an hour of the ride, which was good because the lack of was starting to affect me. My next stop was to Realtime Manufacturing. This was a combination contract manufacturer, assembler, special projects company headed by a man named Paddy White. In the waiting room, I saw a letter from a U.S. senator thanking him for coming with a trade group to visit New York. Paddy is a very friendly, highly enthusiastic, very aggressive man who says what he feels and comes right out with what he wants. This was the man who had opened the plant in the Czech Republic and was

highly interested in my plant in China. When I mentioned possibly helping each other, by which he would store, package, and distribute my products for me and I would do the same for him in China, he was enthusiastic as to the potential. I said I would email him a proposal next week. I met two of his plant personnel, handed them some free labels they needed for a rush build, and we spoke for a while. Like their boss, they knew what they wanted and were not afraid to ask for it—just the kind of people I like.

I left there around 11:30am, ahead of schedule; and while I was inside, Brian (my driver) had been calling my last scheduled appointment for the day to get a revised time for me to come see him. I had not asked Brian to do this; he did it on his own initiative, seeing we were running earlier than planned. Not only did he call the customer, but he got directions and set up a new visiting time. I loved his assuredness—and in addition to giving him two of my books, I bought him lunch. We went to a local pub/restaurant and got an authentic Irish pub meal, which for me consisted of turkey, stuffing, salad, and carrots. Just the kind of thing I eat at home, so I was quite happy.

It seemed that Brian used to be in the racehorse business—it is very big in Ireland, and at one time, he had 100 people working for him until he decided to retire in his early 40s. Now he spends his time driving people and also helping to relocate executives by bringing them in and showing all of the places they need to know about, like schools for their kids. There is a lot to him and just proves that you can never assume anything about anyone. I got that last appointment because of his efforts, and he was very appreciative that I acknowledged the skill and perseverance it took to get the job done.

We then went to Teradyne, also on the outskirts of Dublin, and there I met two of the engineers and dropped off some free samples they needed for an upcoming job. I love giving away small quantities of small things for free. Not only is the customer appreciative, but doing this often means I will have a better chance for business for the future. One of the engineers was saying that my foray into China was probably pointless, as the business will probably move in another few years from China to someplace else, like Vietnam or Russia. I said it did not matter and that as soon as I got the system down as to how to do this, we could move another plant into any area very quickly and be ready to capitalize on production shifts in most parts of the world.

After that, I went to Sanmina-SCI, the stop that Brian had set up. The engineer there was one of only three people left in the building; everyone else was gone as the product line manufacturing had been moved elsewhere. We do business with his company in the U.S., and he was highly interested in my offer of free tooling, set-ups, artwork, and in many cases, a discount for any labels we take over from other suppliers. I was in and out if there in less than a half hour. Brian then

gave me a quick tour of Dublin on the way to my hotel. I wanted to go out and explore the city, but I called the office first and then fell asleep for a while. Afterwards I went out for a walk to find souvenirs for my wife and kids, chocolate for my office, some medicine for me, and dinner.

I got the candy and medicine, dropped them back at the hotel, and went out again. This time I got lost, even though I thought I was being careful. I must have zigged when I should have zagged. I walked for a while hoping to spot something familiar but finally broke down and violated one of the universal "guy laws" and asked for directions. I was back in good shape within five minutes, stopped to get a salad, and some other things for dinner and sipped some vegetable soup as I made my way back to the hotel.

About 8:00pm, I realized it was Friday night, and maybe I should have tried to go to Temple for night services but figured by the time I got dressed, got directions, found a cab and a synagogue, it would be too late. I will try to keep it in mind for the next time.

12/11/04

5:33am Ireland time, 12:30pm EST

I am in the Dublin airport. It was not easy getting up this morning. After I checked out, I made my way past the remnants of the partiers the night before-mostly pretty girls smoking outside the hotel. The airport ride was swift and uneventful. Dublin is pretty no matter what time of day, and the early morning fog just added to the mystery and images of times past. I like it here and plan to return. My goals for the ride home are to read my book on China, another book on power, and to write the proposal for Paddy White regarding our possible distributing for each other. I got a confusing email from Ben in China yesterday, which stated the new company in China had to invest 10 million RMB (Chinese dollars, which is approximately \$1.2million in U.S. funds) in the first year. I am hoping that I was mistaken and that it was 10,000 RMB, but I won't have clarification until at least tomorrow. While this amount is not impossible, it puts a gigantic amount of pressure on us to invest a lot of money much more quickly than I had planned. But I am determined to make this work, so I have to wait for the requirements before I go nuts. The whole process with the Chinese government is extremely complicated, and there is no way I could do this without Ben unless I took a whole year to research everything myself. I have to think that if I make the commitment to do this that the business will hopefully follow to finance it. There may be a lot more anxiety attacks to come.

8:08am Ireland time, 1:08pm EST

Plane is delayed – uhhhhhhhhhhhhhhhhhhhh We are an hour late leaving Dublin due to bad weather in Paris. Perhaps my connection

was also delayed. There is nothing I can do about it. Biking at home is looking dim; I just hope that I make it back at any time tonight. At least we are on the way home, and I won't miss any appointments.

8:27am Ireland time, 1:27pm EST

There was no heat in the plane for a while, but it is finally warming up. I am using my laptop as a heat source and it is nicely doing its job. I had breakfast and things are fine, but I still have no word as to my connection. I think some music and a nap are in order.

<u>6:36pm EST</u>

I made my connection! Luckily, it was late getting into France, but I am onboard and on my way home. I am sitting next to a French lawyer who specializes in mergers and acquisitions. He was very interested in my plans for China and agreed that the key to everything is how the relationships are involved with one another. The actual contract/ agreement means nothing, if the people don't get along.

I am in the midst of a mild anxiety attack, and it seems to happen every time I talk about the new plant. No matter, it just makes me all the more determined to make it happen. I am supposed to play tennis with my brother tomorrow morning. It will be good to not only see him but to stretch out my body. I miss my routine while I am away. I'm in constant, obsessive, paranoiac fear of gaining weight. Those alleged friends of mine did a real amount of damage to me when I was younger, making me weight obsessive. In many ways, it has been a plus; but craziness in any form has the capability of becoming debilitating, so I have to be careful not to lose my sense of balance about what is best for me. That monitoring is always going on-not only by me, but also by my wife and Alice. It is good to have people watching out for me, and I never take it for granted. I will try to get into the office for a little while tomorrow and answer my email. I am hoping Ben will have already clarified the investment capital question from Friday, which will help determine our future course of action.

I was reading in the newspaper how the fish stocks in many parts of the ocean are becoming critically depleted and how the current "kill everything" fishing methods are not only depleting the stockpiles of fish, but also harvesting many unwanted fish who die needlessly. This does not even address the problem of the destruction of many of the world's reefs. We are destroying ourselves, and my hope is that my crusade for corporate environmentalism will help in some small way. I would hate to think that nothing I can do will make any difference in the world. One person can make a change, and the more I learn and grow than the bigger the difference I can make.

12/12/04 <u>12:34am EST</u>

One of the plant managers I met in Ireland estimated that although the labor costs were less in China than in Ireland, if you added in the transportation costs to get the machinery back to Europe, they were more expensive. In his view, with the amount of labor per unit for his product lines, it did not pay to be in China. This got me thinking, so I decided to try and do same calculation with my products. There are many ways to figure profit and loss, and this was one I had not done before.

This type of equation is much easier for a company that is material intensive and does not have a gigantic product range. They normally can set up for a product run and "let it go" until it is finished. In our case, the opposite is true with the production schedule changing almost hourly as per the immediate needs of our customers. We have multiple changeovers for machinery and personnel, which is one reason I never tried to figure it this way. But the results can be interesting since the reduced cost of labor is one of the big draws for doing business in China. As it turned out the cost of labor in every order for our company is close to 50% which means that moving to a cheaper labor supply could significantly affect the cost of our products and the final selling prices.

12/13/04

Morning

I am back in New Jersey, and it is Monday. We do indeed have to put in \$1.2 million investment capital into our operation; I am checking to see if we can buy a building and maybe an apartment or two (or rent them out), so Ben and I will have a place to stay while there. Ben also mentioned that using our facility as a stocking distribution center for other companies won't be a problem.

12/15/04

Good news from Ben today—he had meeting with the director of the Foreign Investment Bureau in Xiamen and the director of Press and Publication (Copyright) Bureau in Xiamen. Both reported they would take our investment seriously as a special local project. The Foreign Investment Bureau accepted our application to set up Ideal Jacobs Xiamen Corporation before getting the special printing permit from the Press and Publication (Copyright). The Press and Publication (Copyright) Bureau also agreed to accept our application for a special printing permit. Ben will have another meeting with them tomorrow morning to help keep things moving. It is impossible to overstate how important his connections are for keeping everything moving swiftly and smoothly. We now have two options to either open in Xiamen or Changzhou; but before we are required to pick, we need to wait a little longer to make sure the process continues in Xiamen a positive manner. Ben would rather locate in Xiamen since he grew up there, his family still lives there, and his connections are the best from that area. I agreed with Ben that Xiamen should be our first choice.

From Ben:

The company registration will be completed in one month which includes:

- Initial examining of the investment project by Foreign Investment Bureau
- Obtaining preapproval of the enterprise's name by Industrial and Commercial Administration Bureau
- Examining of contract and articles
- Informing the enterprise of its code by Technical Supervision Bureau
- Obtaining the approval documents
- Applying for the business license
- Company seal engraving at Public Security Bureau
- Registering for the Enterprise code
- Foreign exchange registration with Foreign Exchange Administration
- Obtaining foreign currency and opening an RMB bank account
- Registering with State and Local Tax Bureau
- Finance registration with Finance Bureau
- Registering with Local Customs

The special printing permit, however, will take longer; but Ben felt it would not affect the project's progress. As long as we obtain the special printing permit before starting production, it would be no problem.

Ben also suggested that I plan my next trip after the Chinese New Year holiday which will run from February 8 - February 22.

12/21/04

<u>5:29am EST</u>

I am in the Newark Liberty Airport, on my way to Milwaukee, Wisconsin and Omaha, Nebraska. Milwaukee is for a new customer, and Omaha is to see a good, current customer. It will hopefully be a fun, relatively easy next two days. I am supposed to end up in Omaha later today, but could not get a dinner meeting with any of my customers; therefore, I am on my own and if they have a pool, I should have a great time. I really like Omaha. I, however, do not have a lot of experience with or in Milwaukee.

We only need two more licenses and are cleared to start operations in China. The business partner agreement is now with our accountant for a final check. Ben and I are now scheduled to meet again at the

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end of January to see customers in Shanghai and Qingdao but also view potential plant sites and apartments. He and I email early in the morning and on the weekends, and Ben has been putting out a great deal of effort to get this going. As soon as the agreement is signed and the final license is set, then we make the final selection for a city. After that, I will order the equipment and start transferring the funds over to a bank in China. At that point, this becomes very real very quickly. The moment the equipment is ordered, we have 90 days to get our building either bought or rented, renovated, and ready to go. People will need to be interviewed for jobs; Ben is already in the process of interviewing for the first position. Then Vinnie from our place will fly over to begin employee training. I am hopeful we can get some people with at least a little experience, which will help a lot. But what I don't want is bad practices brought over from other manufacturers, so training from scratch is not the worst of ideas.

The end of the year is always a busy time for us here. I have to run interior audits on the Quality Environmental and OSHA systems, not to mention have a quarterly meeting and make sure everyone is recertified, trained, or newly trained if they arrived recently. My new book, *How To Start and Run Your Own Company - or- Sex, Money, and Power... It's All The Same Thing*, is almost ready. The cover is already at the printer and the inside is having the final proofreading this week. The books should be done by the second week of January, which will be good because not only have I been promising it to a lot of people but also need it for the course I'm teaching.

The great thing about a new book is you get to personally give it out, which gives me an automatic excuse to go see people. Most like to get an autographed copy, and it means I should have relatively easy access to our customers everywhere. I have about a half hour before boarding, and I hope the seat next to me is vacant so I can spread out. I have my usual food supplies with me and am looking forward to my oatmeal, raisins, cinnamon, and banana breakfast as soon as we get airborne.

My 20th wedding anniversary was last week, and Wendy and I are being remarried on January 1st at our home. It will be a fun party with relatives and close friends. Afterwards, we'll go to Hawaii on a second honeymoon in January. It seems amazing to be married that long. While I generally love being married, it is never easy and we have to keep working at it all the time. Two people together on a long-term basis tend to change over time, and it is a constant journey to stay on a positive, even course.

Ben is home from college for a few weeks. It is great having him home but a little strange to transition back to three kids. He has also been coming in very late at night, which is causing some havoc with my wife who keeps waking up when she hears him; I sleep through it. He is 18 years old and is now a man; I am very proud of him. We are having lunch on Friday. Speaking of, this Friday Wendy and the two other kids are going to our vacation home in the Berkshires, I will follow on Saturday afternoon, and Ben will be there on Sunday. We are all leaving on Tuesday, which means I should get a few days of rest and relaxation in a place I love with my whole family—a great plan. I hope to start relaxing the second I get on the New York Thruway on my way up there. The Berkshires is one of the few places I can truly relax, and I have not been there since September. It would be nice if Wendy and I can spend a lot of the weekends there this summer—Kayla will be at away at camp, Alex will probably be studying in France, and Ben will be working somewhere. Back to dating with Wendy—not a bad thing.

12/22/04

1:25pm CST

My first call to Viasystems went very well; I met some of the engineers, and we have a shot at some new business. The main engineer was happy with us, and I am glad I went. I had some extra time and decided to go see another customer about an 1 hour away. I left word for her to call my office if she couldn't see me. And since I did not hear from her immediately, I decided to venture forth to northern Wisconsin anyway. It was very cold and for a while, it looked like I might get caught in a snowstorm but nothing happened. When I got there, the buyer unfortunately could not see me, so I left some materials, went back to my rental car, got out my food supplies, and had the first part of lunch. It was moments like that when I am tired, hungry, and in an unknown area that having a triple-decker peanut butter and jelly sandwich, fruit, pretzels, and water is a comforting thing to have. I drove back towards Milwaukee and as I got near the airport, I spotted a sandwich shop and indulged in a wonderful turkey sub sandwich. That's what we call them in New Jersey, but other people call them grinders or hoagies; every region seems to have their own name for them. I refueled my car, dropped it off, and it was back to the airport for my trip to Omaha. We got in a little late, and it turned out my hotel reservation was in a different hotel than I thought. So when I finally found it, I was much closer to my appointment for the next morning. As it also turned out, the hotel was beautiful and had a pool. After I had an excellent dinner, I worked out and ended it with a swim in a wonderfully warm pool that felt great considering the freezing temperatures outside. I got up this morning and promptly got lost going to see my customer but eventually got there.

We had made a big job for them that as it turned out, it was ordered by their mistake so I spent some of the time trying to work out a solution where everyone would be happy. I have hopefully done that. Having any part of a relationship unhappy is not a good thing.

I am now back in the airport and ready to go home. I hope this plane is on time.

<u>6:09pm EST</u>

We are on our way back to Newark. Estimated time of arrival is somewhere between 7:45-8:00pm.

All in all, it has been a good trip and I will be happy to sleep in my own bed tonight. I go to the Berkshires this weekend and Hawaii a few weeks later. My next business traveling starts again the end of January to Asia. After that, my calendar is looking filled up. I will be on the road off and on for the foreseeable future, which is not a problem. I am best utilized this way and am having fun.

I met a man in the terminal before we left, and we spent some time together talking.

12/23/04

In order for me to get the U.S. tax write-off for the equipment that we buy for China, then we needed to form a U.S. corporation, or the best results would be for us to form an LLC (Limited Liability Corporation). But China does not does not recognize LLCs, so it will have to stay a corporation. We also have to guarantee to the Chinese government we will buy and bring in a certain amount of equipment so that number has to be decided on soon.

12/26/04

<u>9:58am EST</u>

I am laying on the bed in our home in the Berkshires.

The bad news:

- 1. I have either the cold or the flu and have decided that I am canceling all heavy exercise for the day.
- 2. My family has gone to breakfast and to the local mall without me; it is Alex's 16th birthday, and I am not with them.
- 3. I have a medium-level headache.
- 4. My dog, Bailey, threw up the English muffin I gave him this morning on the bedroom rug.
- 5. There is some level of a snowfall coming, and I am not sure how bad it will be.
- 6. If it is snowing at home, then our driveway will remain unshoveled as will my sister's who asked me to clear hers while she is away which means potential burglars will know we are not home.
- 7. It is one of my few days off, and I am sick.

The good news:

- 1. It is Sunday, so there is no work.
- 2. My body is incredibly good to me, and if it means a day or two off to help get back to normal, then it is a small price to pay.

- 3. My dog, Bailey, is on the bed next too me, keeping me company and not throwing up.
- 4. I am watching TV and just relaxing, which is extremely rare for me. I have been watching some old-time TV shows in black and white, just like I did when I was a little kid and home sick from school. It brings back a lot of fond memories of my mom taking care of me.
- 5. The snow will eventually melt whether I shovel it or not. Besides, we will be back on Tuesday either way.
- 6. The peace and quiet in the house alone is wonderful.
- 7. If I do nothing most of the day, I might be okay to go out to dinner with everyone.
- 8. If I don't eat a lot, I won't feel guilty for not exercising.
- It is too cold out to bike alone. This means if I fall and get hurt, there is a good chance I will die before anyone will gets to me, so I don't feel guilty for not going.
- 10. I did not get sick while I was on the road away from home.
- 11. I am flooding my body with liquids that should help fight the sickness, but this also means I can't be too far from a bathroom.
- 12. I think I will take a nap soon.

All in all, it is not too bad of a situation. I am thankfully not sick often and can usually force my way through it. This apparently is not one of those times, so I will just roll with it.

The year ending at work has gone very good; we have had a great year. We have the ability to triple our capacity in New Jersey, which means we will not have to buy very much equipment or upgrades for the coming year. This is good because we will need to invest a lot of money in China. It has been a very exciting journey so far. Those feelings are about to be quantum-squared when the actual agreement is signed, and we get our final group of operating licenses granted from the Chinese government. They have demanded actual purchase orders from us for equipment to prove our intent, so I was working on those yesterday. We should have that paperwork finished by this Wednesday, along with the final on the agreement.

I will finalize the next trip to Asia within the next week and make reservations. I am not sure what my main Lucent competitor is doing regarding the rest of the world. At this point, we were both supposed to have gotten contracts stating we were the top two world suppliers and that all business sent to other companies, except three other regional suppliers, is supposed to be split up between us. We are to give a discount on current prices and give a rebate on the gross amounts, which should not be a problem, based on the increased volume. But the contracts have not materialized, and from what I can see, my company is moving quickly to build there while the other company is trying to set up a distributorship. I do not believe they will be able to compete, price-wise, if we are located there and they are not. I have been told to back off and not go after all the business because they already have some. But if those contracts do not come through then, as far as I can see, it is open season on the business.

It is fine to be told to lay off my competitor's business, but I am sure the customers in China will not be satisfied to pay higher prices because they have to use the other supplier. We have not gotten this far by always listening to what we are told, especially if it means being less aggressive. If we can supply a competitive product, faster, and with more advantages, then I can only figure the business will flow more to us. I am not going to sit around and keep waiting for something that might never come. I am taking my partner, Ben, with me to Shanghai and Qingdao to introduce him to our customers there and let them know how far we have progressed. My main customer is changing rapidly in their personnel, so I do not even know who will be in charge in the next few months.

12/27/04

<u>3:31pm EST</u>

I thought I had this sickness kicked yesterday early afternoon. I felt a lot better, did some exercises, and went for a walk with my son, Ben. The chills returned with the fever, and it snowed last night. I figured I would get up this morning to go out and clean the sidewalk and cars, and then exercise. I was wrong on all counts; I barely made it back inside and have spent the rest of the day mostly in bed. I hope I am okay to at least drive home tomorrow. My vacation will be over.

Really bad news from Asia—there was a huge earthquake in the Indian Ocean, which sent an underwater tidal wave, a tsunami, into parts of Indonesia and Thailand. Many thousand of people are dead and missing—the place is a disaster area. I have emailed some of my friends/customers there to make sure they are okay, no word back yet. Apparently, this was an extremely rare possibility so the countries had no early warning system. Hopefully now they can put something in.

I just checked with the office; everything is fine, and Alice has everything under control.

<u>Chapter Four</u> January 2005

01/02/05

Happy New Year! Last night, Wendy and I renewed our wedding vows for our 20th wedding anniversary. We had 34 guests, including relatives and close friends. Such a great time! Our three children were there; they always said they were sorry they were not at our 10th. After a short but very moving service, we had a big party that was fantastic. I am greatly looking forward to many years ahead with my wife and family, and I hope we make the best of everything that we can.

Great news from my partner, Ben—we have gotten our first set of licenses from Xiamen in China, which means the process is moving along well for us to ready to start moving in within the next 90 days. Of course, we have no place to move into yet, so it is sort of a mute point. The licensing will hopefully be ready within another 30 days, which means it will be time to step up to the plate and place the orders for the equipment. The big bucks will now need to be spent; that means the dream is no longer in the planning stages, but actual plans begin moving. I am going through periodic minor panic attacks, which I am sure will escalate as the final license is granted, but I am ready and determined so bring it on.

I am also getting ready to go back to China at the end of this month to see Ben, spend some time with him seeing customers, and trying to finalize our plans. We also have to pick a city to locate, a place for the plant, and either buy or rent an apartment. There is a lot to do in a small amount of time; we don't have a lot of extra months to play with since our window is narrow, so I will make the decisions as needed. If we can't find suitable space, we may have to build our own building. We would end up with a lot more space for the same money, but the amount of time and manpower it would take would be enormous and push back our plans for starting operations.

01/09/05

I just dropped my son, Ben, off at the airport. He is going back to college. His dream is a career in music, and my oldest friend is a successful songwriter living in California. I emailed him, and he was nice enough to critique some of Ben's music. His analysis was positive, which sent Ben's hopes into the stratosphere. Ben is now emailing with him directly, so we will see where it leads. At the airport, Ben thanked me for the contact, knowing that music is not the direction I would have picked for him, and for knowing that I was happily willing to back him to the hilt for any dream he has. It was an emotional parting, and I

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miss him already. He is a man now, even though I have been treating him that way for a long time. I hope I get to watch him progress to the ultimate of his potential over a good part of his life. For now, I am a little sad that he is leaving but also glad that our four-person family unit can go back to normal. Well, as normal as it can be for a few days, what with my wife and I leaving for our second honeymoon to Hawaii this Friday. I am trying not to look too forward to it, because I don't want to be disappointed but the thought of a week of being outside in the warm air with lots of sports, full-strength iced tea, and being with my wife has a lot going for it.

As for business, the first week of the new year has been great. I hope it continues, generally and financially speaking, so I can pay for the new China plant. I do not believe there is any way I can pay for it out of cash flow, so a loan from the bank is inevitable. I have been emailing my partner, Ben, and we are now getting ready for my trip at the end of this month. Ben, CY and I start off in Shanghai, where we are going to make four calls in one day which is going to be very tight, but I am hiring a driver so we do not lose time looking for a cab. The next day, we will go to Qingdao and make a few calls, I will try to set up more appointments, maybe get in early enough to work out before dinner, and get a decent night's sleep. By then, I will be running on fumes. Wednesday, we will go to Xiamen, where we both have calls set up by Ben, and I'll look at potential new sites. I will email pictures back to New Jersey and hopefully, we can come to a decision as to a definite place right then and there, so we can get moving.

Our quest for our licenses is moving along very well, and we should be set within the next 45 days. I got an email from a supplier of ours who is also looking to put a plant into China; they were told it would take a year to get their licenses and approvals. I believe that because of Ben's connections, we have been able to move much faster. It is also a capability we may be able to use for other companies following us. Ben and CY talked about setting up other companies like ours and getting a piece of them, and it seems like a great idea to me, but that is after we get our plant running and is profitable.

I have not been on a real vacation for a long time, and I am yearning for some time off. It will be good to let my brain focus on the course I am theoretically giving at the university—it has not been confirmed yet and do some long-range thinking for the company, which is something hard to do in the midst of the crazy day-to-day business environment. Getting eight or more hours a day of sleep for a week would also be a good thing to do for my body. Once we get back, I start a new sales swing first to China, then to the Boston area later in February, and I am not sure where else at this moment. I will need to get back out to Malaysia and Thailand within the next six months as well as to China again. Once the plant is running I will also need to go back to Europe to see customers and to set up a distribution center there for both our U.S. and Chinese operations.

01/10/05

We got our approval letter for Ideal Jacobs Xiamen Corporation the first step in the recognition and licensing process. Ben has been able to move extraordinarily quickly in getting us here.

01/11/05

I emailed Ben the agreement for the corporation with my regrets for taking so long. My lawyer and accountant had been grappling with the best way to set up the corporation to insure everyone was covered and to try to maximize the tax advantages for my side since Ben is not a U.S. citizen and tax advantages would do nothing for him. There has been a lot of back and forth discussion, but I think we have it pretty well worked out.

There has also been a major change in the equipment area. We had originally been planning to use a laser-driven, die-cutting machine that would negate the need for individual tooling, but also allow us to machine flat plastic and metal parts. It is extremely expensive, but I was willing to go for it for the technological edge and for the expansion of our product lines. But after testing, it has become obvious that it is too slow to fit our needs. Therefore, we will have to go back to the technology we use in New Jersey, which is also much less expensive but much more labor-intensive and demands more highly-trained personnel.

Our choices are to:

- 1. Buy new die-cutting equipment in the U.S. and ship it to China.
- 2. Buy used die-cutting equipment in the U.S. and ship it to China.
- 3. Buy an existing die-cutting plant in China and move it into our new plant in China, utilizing their equipment and people.
- 4. Buy new or used equipment in China and hire experienced diecutting people from other companies.

My preference would be to buy an existing facility in China and move it into our plant. I also asked Ben if the Chinese government consider that as part of our mandatory investment. I will check on this when I get to China.

01/12/05

We got the domain name registered for IdealJacobs.com.cn for our Chinese mirror website. Ben will take care of the translations for the content. We may have a chance at something big.

01/15/05 6:00pm EST

We are on our way to Los Angeles and then to Honolulu; we are on vacation. Unfortunately, my wife and I are not sitting together on the plane; I thought I had covered everything but not that. Not to worry, we should land in another hour, and then we are together on the next flight. So far everything has run smoothly, and everyone has been great. We are flying over some mountain ranges, and I don't understand how even though we seem to be out in the middle of nowhere, there is a set of ski tracks in the snow. I wonder who it was.

My food is locked up in the overhead compartment, and I do not feel it would be proper to start opening things up, so I will wait until we land to start eating again. I look forward to that. There has been a lot of action on the China front—Ben emailed me to say that he needed information for his meeting with the EPA of China. We sent him information about our water usage and the materials we plan to use. We also found out that while there are many buildings, very few have any space available on the ground floor. Unless we build our own structure, we are going to have to be on a higher floor. This means our equipment will need to be brought in either by rollers up stairways or by crane. A scary thought for our very sensitive equipment—building our own space may be the way to go.

The Chinese government also no longer approves any new building proposals within the city area; it must be located outside Xiamen Island (Xiamen is an island with two bridges linking to mainland China, just like Penang), where it is only 25 minutes driving from the city; some people consider that far away. Right now there is not enough space in the existing industrial parks to cover demand, but Ben indicated that he could still find what we need. Prices in the industrial parks have been increasing and the trend is projected to continue over the next few years. Ben said he would arrange some visits to look at space when I got out there.

01/15/05

<u>2:31am EST</u>

We left our house about 15 hours ago. There is an hour and 15 minutes left in the air, and then we are on to the hotel. It's been a long day but it will be worth it to get there and be able to hopefully take a walk before going to sleep. We leave for Maui tomorrow afternoon about 1:00pm. Depending on how I feel, I may try to get up and exercise before leaving or I may wait until we get to our next place. It is strange being on "vacation." The last real one I took was to Hong Kong more than five years ago. I am so used to working, being busy all the time and loving it, that it will probably be a real challenge to relax and let my mind go blank. I am, however, working on my course that I'll start

giving in two weeks and working on my new book, *How to start and run your own company-or-sex, money, and power... It's all the same thing,* but the latter I don't really call "work."

9:11am Hawaii time, 2:11pm EST

Hawaii is very pretty with lush vegetation and constant, warm breezes. It is very pretty and as expensive as England. We are staying at the Hilton Hawaiian Village hotel, and it is very hectic with lots of people moving everywhere at all times. It is a pleasant place but very commercial with high-end stores everywhere. It is a big city within a big city but still pleasant. We leave in a few hours for Maui to the Four Season Resort, which is supposed to be beautiful, low-key, and very relaxing.

We woke up about 5:30am, after getting to sleep about 1:00am, so I am operating on my usual amount of sleep while traveling. Although I can feel my body starting to rebel at the thought of a great deal of exercise, I will hold out hope for a single activity once we get to Maui and then eat and relax more. If that does not happen, then I already got a walk on the beach this morning. My brain feels like it is beginning to shut down, which is good, but also makes me long for the action of the office. I always feel left out whenever I am not in the middle of things. Maybe some downtime is a good thing; perhaps I will even have one of those drinks with an umbrella in it. There I go walking on the edge again.

Evening reflection

We have found paradise. Maui is part of the Hawaiian Islands, much less built-up than Hawaii itself and looks like a postcard in almost every place the eyes can see. The ocean is sparkling green, overshadowed by a beautiful volcanic island. I am told the waters are filled with fish whose colors and shapes will take one's breath away. We arrived this afternoon after a great island cross on Hawaii Airlines. They do not use seat assignments, which my wife and I did not know; therefore we waited until the plane was almost full to board. Then we found out that people take the first seats that they can, which truthfully annoyed my sense of structure. But, it ended up working out quite well as I sat next to a manager of one of the federal wildlife sanctuaries based in American Samoa. We had a great talk about whales, the environment, and the possibilities for good in the world.

Wendy and I got to our hotel after renting a car, even though I was on the wrong road for part of the time. Luckily, I am not straitjacketed by the male gene for not willing to ask directions. The Four Seasons Resort, while expensive and not something I would do every year, is a spectacular place filled with nice, hospitable people. I wanted to get some exercise after lunch, so I called the tennis center. There was no chance for anything there, but they gave me a phone number for a local club. I called the head guy who said he would hit with me if I came over. His name was Ben, so I grabbed my stuff, got directions, took a copy of my new book for him—giving something personal is always a great way to break the ice—and started driving. Unfortunately, when I arrived there, I could not find him; I obviously had the wrong place. But some guys overheard me and asked me to hit with them until their fourth player came.

It turned out that these three were extremely good players, a full level above me, and I spent the next 40 minutes trying not to be an embarrassment to my partner. I was gasping for air, hoping I would do better and not get killed by a ball traveling at 60 miles per hour. We had a lot of fun, regardless of my talent. My partner, the best of all of us, was having his own troubles so when the fourth man showed up. I happily gave up my spot and went back to the hotel. I felt badly that the pro named Ben had been expecting me; but even though I was already tired, I called him, got new directions, and drove out to find him.

After about 15 minutes, I found his courts and there was only one other couple playing so he was able to hit. He was very nice and gratefully accepted the signed copy of my book, and then we proceeded to play. The vegetation around the court was abundant and beautiful, especially after coming from the winter in New Jersey. I have rarely played in a more scenic setting. We hit balls for about a half hour while the sun was going down. I was sweating so hard that I could not get enough water into me to compensate, but I didn't care—I was having so much fun. Eventually I called it a day and went back to the hotel where my lovely wife was waiting for me.

I spent the next few hours relaxing. We then went to dinner at a Wolfgang Puck restaurant, which was very good, and then listened to some music and tried to go to sleep. Unfortunately, the people next to us were playing their television very loudly, so I called the main desk to complain. Barely five minutes passed, and their security had silenced the problem. A good night's sleep was had by all.

01/16/05

9:20am Hawaii time, 2:20pm EST

This morning, we had breakfast outside on the terrace in one of the hotel restaurants. It was beautiful; the pancakes were unforgettable as I never had coconut syrup before, and it was a great experience. We took a walk on the beach, and my wife actually remembered to bring a camera—we almost always forget—and now I sit mentally getting ready to play tennis at 10:00am. I am hitting with one of the pros. The temperature is steadily climbing, so I will be sweating my guts out in about an hour, a perfect way for me to spend the morning. This afternoon we are going to lunch, go see the botanical gardens, then go snorkeling, and finally to dinner if all goes according to plan. I have been thinking about life, through my hazy vale of vacation, thinking about where I have been and where we are all going. I am enthused to stay on the course we have plotted. Business is fun and exciting, with lots of potential adventure. I teach my new course next week, so I need to practice. Life has been great, and I have a lot to do, a lot of people to help, a lot of success to go after, and a lot of good times to experience, especially with my wife.

01/17/05

7:00am Hawaii time, 12:00pm EST

I spoke with the office and everything is fine. With Alice and Vinnie back there, I am calm. Ben from China emailed that everything is going well for preparations for our trip, but I did get emails throwing our schedule in Shanghai into some changes. Our big customer wants to see us at 10:00am, so all the other appointments will have to rotate around them. As important as the others are, we have to make sure we get to Lucent Tech on time and ready to deal. If things with them go well, then it should help pave the way for the others. This change will probably mean offering to start our first appointment at 8:00am, which may mean being on the road by 6:00am. But we have no choice and I don't mind; the fact that they will see us is fantastic, and I would be there at midnight if that was best for them.

I am sitting poolside at the hotel, and dawn is breaking. Hopefully, this bug that keeps biting me will go away once the sun is up. May it be my worst problem. I know I am on vacation, and this is the fourth day I have been away from home. My batteries are recharging, but I am starting to long to be back in the hunt. I am also starting to miss my routine, a sure sign it is time to get back. Also, I have my BlackBerry, which is a communication device that I can make telephone calls and get emails so I am not out of touch. Missing my normal, daily life is a good and positive thing, but I am still getting bitten by those bugs, so let's get some sunshine going.

I played tennis yesterday with Colin, one of the pros. He was very good. We were playing on synthetic grass, which I had never done before, which has a layer of sand on it to keep from having your sneakers grab. Unfortunately, when I went for a ball, I fell on my knee, which is like skidding on sand paper, and spent the rest of the time bleeding.

Having blood streaming down your leg, in small amounts, is not a bad thing. Part of being a guy is that it is always good to look like we have accomplished good things, even through a small amount of pain. Some things are just universal with, like the innate need to leave the toilet seat up in a bathroom. One day, perhaps I will understand it, but sometimes there's no chance of ever changing a male-driven trait. The pool area is starting to come alive, and I hope I am not bothering anybody by having my laptop out. It could be a reminder of the notso-great times for them, so I will try to be inconspicuous and move to a different seat.

I am more out of the way and am now facing the ocean. It is so beautiful with another island in the far distance shrouded in a blanket of clouds. The waves are a good size and beautiful, like out of a Hollywood movie. Yesterday, with my goggles on, I was bodysurfing yesterday. As the sea got rougher, the waves got bigger, and the riding got more exciting until the last wave I took was so big that it threw me everywhere. When I stood up, my goggles were gone. My search for them was fruitless, and I felt badly about littering the bottom of the ocean, but I hope someone finds them and uses them well. While I was looking for the goggles, a lot of seawater went up my nose, a rather unpleasant experience. The weirdest thing was that the goggles surfaced a few hours later.

I am supposed to go bodysurfing today as well, if the seas are not too rough. If they are okay, then I will probably go back in the ocean and ride the waves after whale watching with Wendy. Maybe I will even get a boogie board and try that. The world is passing me by for a few days, probably not a bad thing, but I will start getting restless quickly. This weekend, it is back to China, where I will once again enter that other reality of no sleep and intermediate adrenaline rushes.

Evening reflection

Today turned out to be quite a time. The waves were too rough to bodysurf, so I went swimming for a little while in the pool. Not having had enough exercise, I got on my walking clothes and took a 50-minute jaunt on the pathway next to the ocean. The trail led through the numerous resorts, and it was interesting looking at the layouts of the places and the people in them. Less than halfway through, I got an email from Alice that a big customer needed some background information about us for a meeting, so I spent the rest of the time talking to her while walking. The BlackBerry I have is amazing.

After that, Wendy and I went to a town about 45 minutes away and had lunch. Then while she shopped, I looked at the boats in the harbor. About 3:00pm, we boarded the Whale Watch tour. The seas looked like they could become a little rough. That turned out to be an understatement, as the pitching of the boat was the worst that I had ever experienced. A bunch of people got seasick, unfortunately, including Wendy. But the tour was still successful, and we saw about 10 whales. They are in their mating season; there was a lot of bumping by the males surrounding the females trying to get into position. When they breached or jumped out of the water, they turned 360 degrees. It was an awesome sight. On the way back, we passed a school of sea turtles; they were hanging out on the surface and were really neat to watch. We got back to the harbor, and my wife began to feel better as soon as we hit land.

Later that night, we had dinner under the stars and it was beautiful. Every view in Maui seems prettier than the last. It is picture-perfect with seemingly little crime and very nice people; it's no wonder why so many people come here to live and work.

01/18/05

This morning we woke up early, so I could go surfing. I almost backed out because it looked like it was going to be cloudy and cold; I did not want to freeze in the water. But my wife urged me on, saying I had been talking about it and should experience it while I had the chance. She was right, as she usually is about these things; that's one of the reasons I love her. The skies indeed were cloudy, so this was good because I didn't have had to wear my protective goggles since bright sun bothers me.

We went to the surfing center and there I met Chris. He is a transplant from Buffalo, New York, a very nice, young man who seems to really love his job. After a 10-minute prep course on how to surf, we were off to the ocean. They had given me two protective shirts and protective boots to ward of the effects of the cool water and rocky bottom. I was soon very glad to have that gear and wished for more.

Surfing is an art form. The way to do it is swim out to where the waves break, face the beach, and paddle with your arms to catch the wave. You should be in the center of your board about four inches from the back. Once you catch the wave, you have to do something like a half push-up, similar to the downward dog position in yoga and then push your dominate foot out in front of the board, so you can stand up. Finding my dominate foot was not so easy for me. As with many other areas of my life, my right side seems stronger. But I have a left master eye, so I end up doing some things as a lefty. Surfing was no different, and as soon as I made the switch over to the left side, I starting doing much better.

I also learned that if there are rocks below you when you wipe out, then you need to make a big splash to keep you as high in the water as possible. After a few bad attempts and scraping my hands on the rocks, I realized that it was like breakfalling in Judo (a form of martial arts), so that when you land you slap your arms to the side which pushes down on the water and keeps you from going too deep and from hitting the rocks below. Now that I was on the correct side and no longer fearing the rocks below as much, I was able to concentrate on standing up and staying upright. I did okay and even have two pictures to prove it. After about an hour and 50 minutes, I was too tired to continue so I left Chris with a nice tip. Then, Wendy and I went to breakfast. It had been raining for a while, so I did not need to find a shower to wash off the salt water; I just stood outside the surfing store and let the rain pour all over me.

We had breakfast at a local restaurant, which was excellent. Then, we went back to the hotel where I took a nap, checked in at the office, and then went shopping. It is almost 3:00pm, and I am hoping to go bodysurfing in the ocean before dark, and maybe jump in the hot tub. We are supposed to go to a sunset dinner, and I hope the weather allows it. Tomorrow, we leave for Honolulu in afternoon, then back out again on Friday to arrive at home on Saturday morning. I am already missing the office but am having a great time here.

01/19/05

5:09pm Hawaii time, 10:09pm EST

I decided to go bodysurfing again yesterday afternoon. This was a mistake because the last wave I took injured my leg above the knee, which is the same one that I hurt playing tennis. The injuries are starting to mount up, as I also hit my chin while surfing that has created a very nice bruise. We got to the airport on time and made it back to Honolulu in the late afternoon. After a walk on the beach and watching the sunset from our room, we had a great dinner and went to sleep.

01/20/05

<u>10:01pm Hawaii time</u>

Got up this morning at 4:50am. Wendy and I went to visit the USS Arizona Memorial at Pearl Harbor in Oahu, Hawaii. The tour was early but was worth it. Once there, we saw a movie about what led up to the attack, and then we took a short boat ride to the memorial itself. It was a very sobering 90 minutes, remembering what happened and why. All those young people killed so quickly, which was only a prelude to millions more about to die. Why do we do this to ourselves, and why do we let it happen? I kept thinking at the memorial about what problems could I possibly have that could compare to what happened to them? To be struck down before they really had a chance to live life? The young men who died on the USS Arizona are there forever, whereas I can go home: the chance to keep on living, to go after my dreams, and to be around the people I love. I have the opportunity to make things better, which is something they never got the option to pursue. They did make a great contribution to their country and its way of life. Their deaths helped to galvanize the country to fight back the tyranny that was threatening our shores. Their ultimate sacrifice is a permanent reminder that we should cherish what we have and should do everything possible to stop us from asking anyone else to ever have to do it again.

We got back about 10:30am and after lunch, I went to play tennis with a local pro named Miles. While trying to find our meeting place, I passed a man begging in the street. I passed him by when he asked me for money, then I turned around and gave him a dollar; he asked for another, and I gave another to him as well. Then I asked him for directions and got the right way to go, so in the end we helped each other.

Miles is a nice man who looks like he is in his early- to mid-40s, a former #1 player in Hawaii for 10 years. It was in the high 70s (F) with lots of humidity. As we started, I began to sweat a lot. After warming up, Miles decided I needed work on my backhand and he was right, so we spent most of the hour on that. Right at the end, I wanted to play a few games, which we did. I am glad I tried, but my serves were not consistent, something he said we could work on if we got to play tomorrow morning.

Tonight we went to an "authentic" Hawaiian luau. It took us almost an hour and half to get there on a chartered bus. Once there, it started raining off and on, and this event took place outside. It was a tourist type of attraction and somewhat hokey, but the people working there were pleasant, and the rest of us had a decent time. It was not something I would ever do again, but one time with my wife was okay. It started out with various forms of entertainment but was interrupted a few times by rain. We ended up eating part of dinner in supplied plastic raincoats that caused the rainwater to go down my back, behind my seat, and sopped up by the bottom of my pants and underwear. Fortified with wet clothes, I resolved to remain pleasant as did the people around us. Even in the midst of the falling rain, our good spirits dominated the scene. Eventually the rain stopped and the raingear was retired. The rest of dinner and the ensuing activities were conducted in a cloudy but beautiful, nighttime sky.

Tomorrow, we start for home. There is a snowstorm scheduled for Saturday night. I am looking forward to shoveling my driveway in the cold and getting back to normality. Tennis for Sunday morning with my brother looks doubtful, but there is absolutely nothing I can do about that. No matter what happens Monday, things will be back to my normal schedule, and I can be caught up by the end of the day. I have to pack all my gear for China and ship it out, so I only have to take carry-on when I leave next Saturday. I am looking forward to my trip, and I even plan to bring my new digital camera. Think of it—I might actually take pictures, what a concept!

I have decided that my course has to be based on 100% positivism; the best thing I can give to those students is my increasing need to respond and inject the world with a positive point of view. Not only is it the best and most profitable way to conduct business, but it is the only way to run anyone's life. I want to be sure that my philosophy is transmitted through my teaching. It is always easier to be negative; but in the end, it is the worst path for everyone.

01/21/05

12:02am Hawaii time, 5:02am EST

We should be back in time on Saturday to miss the incoming snowstorm and to get my wonderful mother-in-law, who has been staying with our kids, to the airport before we get soaked on.) I am ready. Things at the office have been going well, but I fear we may be appearing too aggressive. Our customers want us to be on the edge of technology, have the fastest deliveries, the best quality, the lowest prices, and be ecologically grounded, but they do not want us to appear too forward. In other words, we can attack the market and attempt to take over as much of it as possible so long as we do it quietly and not try to outwardly destroy our competition. There needs to be a balance between suppliers, in their eyes, to ensure competition and continuity in case one vendor goes out of business. Now, the ratio of that balance can be varied as to market conditions. So, as long as there are at least two players in any given market, they are comfortable and okay for things to continue. Only when one totally dominates or attempts to destroy the competition do they become worried. Therefore as we move forward, I have to remember to act in a guiet, yet determined manner. In the case of Asia, my main competitor does not seem to be traveling there as we are. They also do not seem to be building an actual plant there, so our advantage appears to be in place as long as we exploit it in a nonthreatening way.

It reminds me of what happened a few years ago when one of our customers declared that all of their business was going to one supplier and it wasn't us. I however went about business as usual, ignoring their edict; and began chipping away at the designated supplier's monopoly until they are now just a minor player. The marketplace will decide who gets what business based on the attributes of each company. Management can say whatever they please but the people who do the actual ordering will do what is best for them and that is something I count on.

01/22/05

<u>4.32am EST</u>

Normally, I would be getting up to go bicycling or walking with my friend, David. But for now, we are still flying with about two more hours to go. If the person picking us up is on time, we should be home between 7-7:30am. And in that case, I will probably take a bath and go to services at my Temple, if I am still conscious. The snowstorm is still predicted for later today, but first I have to get my mother-in-law to the airport, so she can go back home to Florida. If I can get two hours in the office to clean up my email, then I feel reasonably confident that Monday will not be too bad even being out for a week. I have been working on my course and a lot inside me has been coming out regarding ethics and how business should be undertaken. Just because we do battle for market share is no reason to lower our standards regarding fair play and morality. Here is what I plan to say:

- 1. I will never attack negatively first.
- 2. If attacked, I will repel it with the minimal amount of force necessary.
- 3. If there comes a time when I must dispose of a combatant, then I will do it in the quickest and most humane way possible. I will always attempt to see any situation from their side and take it into account how I have to react in a given situation. I will do my best to always be involved with win-win relationships.
- 4. I will try to live up to the standards I set and do the best I can, knowing that I will not always be able to do it, but that I am always striving to improve myself and help others around me to do the same.
- 5. I understand that every marketplace has multiple players. My competitors are not my enemies but rather people who have come before me; and through the combination of their attributes, they have captured part of a market share that I would like. These competitors may not always treat me in the way I would prefer, but that is my problem as long as they do not interfere with my attempt to infiltrate the marketplace. I must always remember that those who have come before me have, even without their direct help, shown me a way that they have succeeded which I can and will use to formulate my own plans to go after the business.
- 6. I also recognize that an opponent known is often much better than a competitor unknown; and if at all possible, I want to keep the marketplace in my view so I can act and react with as much advance knowledge as possible.
- 7. People in business are generally good human beings. Although we may be competitors, I should not see them as evil because they have been able to do a better job than me in getting business.

I believe there are rules and that over time they will hold. There is a right and wrong way to conduct yourself. Part of what I hope to bring to the future is to help people see that you can do things the "right" way and not only succeed, but that it is the only way you will maximize your potential.

Mr. Bush was sworn in for another term yesterday. My hopes go out to him and all of us to try to do a better job and to be more inclusive in helping make the world a better place. Only when we think globally, trying to live and work together, will we have a chance for advancement. I do believe that civilization, and by that I mean being more civil or nicer, can often come after doing business. The global economy is, in my opinion, the best chance we have to get us all working together, not just in commerce but in all other areas as well.

I think it will be about 10° F by the time we get to the airport. I plan to be wearing lots of layers, especially since I do not have a coat. We are back in winter; let's hear it for my shovels, snowblower, and being to ready to go back work.

01/29/05

5:20am - JFK Airport in New York

I got up at 2:00am to stretch and get my food ready. I am off to Shanghai, and hopefully I will accomplish the following:

- 1. Continue to get along with my new partners and sign the agreement between us
- 2. See our current customers
- 3. See some new possible customers
- 4. Find a place to put the plant
- 5. Find an apartment to rent
- 6. Find a die-cutting plant to acquire, or people with die-cutting skills

It is tough leaving my wonderful family, and I miss them already. I am scheduled to be back next Friday night—too late to play tennis but still early enough to get a decent night's sleep.

It was a great week. On Wednesday, we had a family meeting with my siblings and my parents. After more than 50 years in their house, it is time for them to move. I put together an action plan, so we could all help in the effort.

On Thursday, I taught the first quarter of my class at Kean University. The kids were wonderful; and the head of the group would like me to teach the course full time next semester, which is 15 weeks for 2.5 hours per week. However, that is too big of a time commitment for me. I will finish the three remaining classes and reevaluate later. I was thinking of a new project for the college to set up a "business day," where the kids can come for a day of business boot camp or something like that. It was fun trying to explain about how to start and run their own companies. I think I bring a fresh perspective; someone who is not talking from theory but practice. I had one of the students write my philosophy on the blackboard:

Food is Fuel Money is a Tool Structure is the Rule

I hope I did not sound too idealistic, but I painted a true picture of myself to not look any better than I really am. For the next part of the course, I may teach the kids how to date—everything in life is relationships; that is the best place, and most interesting for them, to start.

We got another license approval in China. So now we have the option of two different cities; it's a very good thing to have both places wanting us. I am still hoping for Xiamen because we have Ben's family there, and I think their assistance might be helpful in the future. The time is coming when I will have to give the decision. At this moment, we are having a cash crunch in the business. But in a few weeks, we should have enough on hand to at least get the whole project started. If business stays at its current level, and we can get good terms from the equipment manufacturers, then there is an outside chance we made be able to self-finance the plant. It would be amazing if it happens, but I a not counting on it; a bank loan is probably in my future.

I played tennis with my brother last night, and he beat me, but he did have a nap first. He has had thyroid problems in the past, and my sister called me this week to say she was having other types of thyroid problems, which does not spell good news for me. I am set up for my semiannual check-up, and I will make sure he checks mine. I have been incredibly fortunate regarding my health, but I will not take it for granted. I will probably modify my work schedule so I can start getting some more sleep.

My son Alex has his driver's license permit, and we now go out driving together. He is doing better all the time, and since he loves to drive, he is becoming increasingly more delightful to deal with because he wants me to take him on the road. He is 16 and will probably be going to France to study their language this summer. Before we know it, he will be off to college and then it will just be my daughter Kayla, my wife, and I. It has all been fun.

There is talk of some of the world currencies feeling pressured in trying to make them stop their ties to the U.S. dollar and move to something else like the Euro. If this happens, the Chinese dollar will most likely rise which means that manufactured goods from the U.S. will become less expensive on the world market. It also might mean that the Chinese government might raise the level of capital expenditure necessary by foreign joint ventures, which could also affect me but hopefully nothing will happen until our first year of operation is complete. Who would have thought that goods in the U.S. would become cheaper on the world market? Its effects should help us more in Europe, which means more traveling there. We have the option of starting a distribution center in the Czech Republic as soon as we need it, but I will hold off until we have enough business to make it worthwhile. I hope I can sleep on the plane since I am really tired already. I brought breaded tilapia (a kind of fish) sticks with me (compliments to my wonderful wife), frozen pancakes—hopefully thawing as we speak, special cookies, and four veggie burgers. I did not pack peanut butter and jelly sandwiches since I sent a bunch of food ahead. It should be waiting for me in Shanghai. I feel naked without them, but I will eat enough later as the trip progresses.

I am carrying my new BlackBerry communication device, and it is very cool. I can call and email with it, and I hope it works well in Asia. Being able to email from anywhere is a lot of fun and very helpful as far as business is concerned.

01/29/05

<u>6:22pm EST</u>

We had an emergency lighting problem, which delayed us as about an hour. Hopefully, we will make it up in route. We have more than 12 hours to go and are flying at 34,000 ft. out over the Pacific Ocean heading northwest. Times like these I like to forget we are traveling over water. Shanghai is 6,104 miles away. With luck, I will still get to my hotel and have time for a quick swim before seeing Ben and CY. Maybe we can have sandwiches and cookies together. I met a nice man from Australia while waiting. He works for Siemens and is now based in Germany. I could use some food; I hope they serve dinner soon. Great news! There is no one sitting next to me so I can spread out.

01/30/05

1:09am EST

The video service on the plane is out, so I do not have any idea where we are at the moment. But if I calculate from our last position, I think we have about five hours to go. I think it is time to break out a movie of my own. I know it will take a lot of my computer power, but I have an extra battery. By this time everyone at home should be asleep. I hope my wife had a good time; she was having dinner with a friend down the street whose husband was also away. It is tough when one spouse is not there and you have lots of carpooling to deal with. I miss my dog.

01/30/05

4:58pm Shanghai time, 3:58am EST

I am awake. I think I got a total of about five hours of sleep, which is enough because I'll sleep in Shanghai when I get there later tonight. I just realized that I have only met Ben and CY in person once, so I hope I remember what they look like. Of course, since I am from the U.S., I will probably stick out in the crowd; so it will be easier for them. My mind is clear, at least for now. So if they want to work for a while, I can do it—although a swim would be nice. I need to check on how far our first stop is from the hotel tomorrow morning, so I can coordinate with the driver. It looks like we may have a block of time late morning and if that happens, I will try to schedule another sales call if the opportunity arises; otherwise we can have lunch instead of eating in the car.

We passed the International Date Line and are now heading over Tokyo, Japan. I have my doubts as to whether I will get to Japan since there is little manufacturing there now. Few, if any of my customers, have any facilities there. Korea, Vietnam, India, and Indonesia are different stories, and I could end up visiting there. I wonder what this week will bring.

01/31/05

1:00am Shanghai time, 12:00pm EST

The plane was late, but it did not matter much because Ben and CY were there to meet me at the hotel. We immediately went into a meeting about where to put the plant. It seems they were so good in getting licenses that we have two options: one in the city of Shangzou and the other in Xiamen. Both have advantages, but we decided that if we can get the final approval for Xiamen, then that is where we will go. Both CY and Ben are very upbeat and have a very aggressive marketing and building plan, which of course I loved to hear. Since we now will probably have an extra set of licenses, I mentioned we might be able to joint venture with someone else and start my plan to begin helping to bring other companies into China and getting a piece of each one.

3:30pm Shanghai time, 2:30am EST

We are on the way to Shangzou. I have never met two guys with more energy than Ben and CY. Of course people say the same thing about me, so I guess we are matched well. We made four calls to customers today that went really well. Our timing appears good, and once the plant goes online, we should have a chance for a lot more business here. Ben and CY are constantly churning out ideas on how to market, better manufacture, and make things grow. I have not had much sleep in the last few days, and it is starting to show. We are going to look at some space in a facility where we have all the approvals necessary to operate. However, we also have most of the licenses needed for Xiamen, which is where we will probably go. So I am trying to market the Shangzou licenses into another joint venture with either a supplier or customer. It is like playing with a stock option, if you don't use it, then it will be worthless so we must move quickly.

I have emailed my friend Dave, my insurance agent and a friend/ attorney, regarding the starting of the networking necessary to find people we can help with sourcing products and services from China and joint venturing. The whole thing seems to be exploding before my eyes, but I must stay focused to ensure that something concrete happens. We should be back at the hotel by 7:00pm where I plan to go swimming, eat dinner, and go to sleep. Tomorrow we will get up, make a few more sales calls, go the airport, and move on to Qingdao.

I am having a great time, but I miss my family. It is nice to be able to email with my BlackBerry. Everyone is 12 hours behind there, so it is nighttime and no one is up, except my son Ben in college who just emailed me back—it is about 2:30am there. Oh, the life of a man in college...

Notes:

Chapter Fíve February 2005

02/01/05

12:46am Shanghai time, 11:46pm EST

Shangzou was an experience like none I have had before. As the sun was setting, we arrived in this industrial town and pulled up to a group of recently built buildings that were mere shells waiting for new companies to make them their homes. After checking out two possible places, we went to talk with three local officials. This was quite an experience with them totally speaking Chinese and my not understanding a word, and my two partners in complete command. They occasionally translated what was happening and forwarded my questions and comments to everyone else. These were the officials, and others who helped us with getting our licenses for this site so they were very interested in whether we would locate there. I had not thought we would when I first saw the buildings, but by the time we left my mind was in the middle about which place to locate.

The three-hour ride to the hotel, longer than expected because of a bad route and a few accidents, gave me time to sleep and think. When I got back to the hotel, I emailed one of my suppliers to see if they would like to buy one set of the licenses we would not need. After speaking with Ben and CY, we decided that we could do this in exchange for getting a piece of their new company. We would get them their licenses and help them with personnel, equipment, and run the company. We would use their money just like we used mine for this operation. I got an email back this morning saying they would check with their management and get back to us. Picking up on this, I sent more emails to see if others would have access to large groups of potential joint venture partners. I got emails back saying they would like to help and be involved. When I return, it will mean a whole new blitz of selling. All of the calls yesterday went very well. Once we are up and running, there is a chance for a bright future.

Last night, I finally got to sleep about 1:00am, got up at 7:00am, and called the office and home. Wendy had hidden a picture of her and me from Maui in one of my shirts, and I was immediately homesick. So I called and spoke to her and the kids.

After working out and a brief walk, we checked out of the hotel and went to Lucent Tech.

We have the chance to be formerly recognized as one of two Lucent world label suppliers. The buyers there want global pricing based on Chinese pricing and rebates on top of that, but I think it all can be worked out. Once we are approved by Lucent, then we can go to their contract manufacturers and to persuade them to start moving their labels to us from other suppliers.

We are now on our way to Sanmina-SCI about an hour outside of Shanghai. We may try to add one more call, but then it is back to the airport and on to Qingdao. We are entering another town, an industrial looking area. Discussions on this part of the trip centered around our new companies corporate culture which will mimic the one we have in New Jersey. Quality in all areas and caring for our customers have to be the two main priorities. It must be instilled immediately into our future Chinese workers. Ben and CY are motivated, and they understand we have to do this. There will be lots of bumps along the way, but that is to be expected—I just hope that the bumps are not too big.

1:46pm Shanghai time, 12:46am EST

The appointment at Sanmina was successful only because I had Ben and CY with me. The buyer was really nice, but she spoke little English. The best I could have done by myself would have been to simply give her our sample kit, smile, and say good-bye. With Ben and CY there, they were able to get information regarding other business and how things worked.

We had a little time to spare, and I had one other possible meeting not previously set up, but the buyer wasn't there. So we are now finished and are going to grab lunch and go back to the airport. Amazing, we have had six meetings in two days and saw two possible places to buy; I like this country.

7:08pm Qingdao time, 6:08am EST

We are on our way to Qingdao. We continued our meetings and have come to the some conclusions. The Chinese government demands a very large investment for our company from the U.S. plant of IJ (IdealJacobs) in the first 12 months. That investment includes buying equipment, building assets, and other expenses. It will take a lot of work on all sides to satisfy all of the requirements and we don't have much time.

My brain is starting not to work—too many figures, jet lag, needing a bathroom, too much responsibility and pressure for this moment, so I am shutting down for the night with the anticipation that my very positive outlook will return in the morning. Everything is going great; I am just temporarily overwhelmed.

02/02/05

7:39pm Xiamen time, 6:39am EST

I got to sleep last night about 1:00am with the idea of getting up at 5:00am, but I could not sleep past 4:45am so I got up. I worked out

doing some dancing up and down the staircase in the hotel; sorry for anyone who saw the crazy American with the earphones. Then I went to the gym downstairs on the treadmill, then came back up, and we left for Lucent Technologies around 8:15am.

The call went well and then we went to Viasystems. The person I planned to see was no longer at the company; but we saw another person I had emailed and the new boss. There was more potential there for the future.

Next, it was on to the airport and getting to our flight to Xiamen this afternoon. Before arriving, I was leaning toward the other location outside of Shanghai because of its cheaper space and the helpfulness of the government officials. But as soon as I saw the palm tress and beautiful location in Xiamen, my mind was all but made up. We had an appointment to see a piece of property at 5:00pm and when we got there, the owner was not there. Finally at 5:20pm, I got angry and told everyone we were leaving. The space looked okay; but if the guy was not even going to show up on time, I could just imagine what a pain he would be in negotiations.

I was annoyed and also very tired. When we got outside the building, Ben saw his old car and realized his cousin was nearby. This was the man who helped us get our licenses and Ben wanted to say hello. It turned out his cousin was in the same building as the space we had just looked at. When we got up to his floor, we realized it was the second part of the space we had looked at a short while before. Then the owner walked through and it became apparent that the space we had looked at, which was being rented to Ben's cousin, the side he owned was being sold out from under him by the owner who did not tell him. The owner was embarrassed and left the room. After talking with Ben's cousin, we also found out that he owned the only stairway to the whole floor which meant that it would be very difficult for the other owner to sell his part of the property without his access. In other words, because the owner was late causing me to get mad and leave, then Ben's cousin found out the owner was trying to get out of his lease and push him out of his space.

Obviously Ben's cousin was not happy and would probably be very glad to either not let the other man have use of the stairway and reducing its value greatly or help us to negotiate the price down in order for us to give less than what the landlord wanted. Moral of the story: Always be on time, and do not try to screw your tenants.

We have three more properties to look at tomorrow and then after I speak with Vinnie back home, we will decide what to do. I may try to get back to take photos of the place today before leaving. Life is always stranger than fiction; I could never have made up the scenario that happened today.

Later, we had a nice dinner. Ben was going to see his dad and on

the way out to get a taxi, CY mentioned how important they thought family was and that was how they picked their friends. I think that was in reference to me calling my parents that morning in the van as we went to the first call to Lucent.

Some things in this world are different; and others are very much the same, like how you treat your parents, your spouse, and your kids is often the way you will be in business. In Asia, family ties are extremely important and they highly value friendship above many other business areas. Therefore, it is a relationship-driven economic and political system; one that cannot be ignored if you want to be successful. I like and respect Ben and CY. We have been together constantly for almost three days, and that is a lot of time. They are honorable, which is why I am going ahead and investing all of this money in the company with them. I believe in them and I believe in me; if I am wrong it is my fault, and I can accept that.

02/03/05

7:31pm Xiamen time, 6:31am EST

I am sitting alone in my hotel room; the day is done. I feel very alone, so after this I will go outside and take a walk before I call it a night. When I feel this way, I often turn to my laptop. Writing is my escape into another world—a place with no barriers, ceilings, or limitations— a place I love, especially when I am missing my family. It was a good day. We went to see two potential building sites and four potential apartments; all were not acceptable but helped us to more tightly focus on what we need. We will try to negotiate for the space we saw last night, if we can get it at a good price. We will have to install special vents for our machinery and add heating and air conditioning.

The clock begins tomorrow when our final license is issued; this gives us 365 days to not only show the Chinese government we have done our monetary tasks but hopefully be well on our way to start paying down the debt and breaking even.

The first thing we did today was go to Dell, a computer manufacturer. Ben has a contact there, which he seemingly does in most places. Ben and his family are extremely well-connected. The head of purchasing seemed okay with us becoming a supplier, but we had to locate in Xiamen, or put in a depot. She was very happy we were planning to locate here, that we were ISO 9001-2000 and 14000 registered in the U.S., and that Dell would be okay with putting us through their qualification process. The possibilities for business are very high.

We also went to see a giant offset printer to see what kind of equipment we could buy in China, as opposed to import (extra 30% for VAT and tariffs), and possibly to use them as subcontractors. It was a positive meeting, and they also said they may be able to swing business to us. I love walking through manufacturing plants of any type; I find them very comforting since I have been around them all my life. I often learn things from seeing how other people operate.

I am getting up at 5:00am tomorrow, leaving at 8:00am for the airport, and then starting my way home. I have a tremendous amount of work to do on the trip, so I should get a lot done including this month's newsletter. I think I will talk about China—what a surprise.

02/04/05

8:14am Xiamen time, 7:14pm EST

The countdown has begun. From today, we have 364 days to prove our own wealth to the Chinese government. I am now in the hotel lobby waiting for Ben to pick me up and take me to the airport. I have a circuitous route home. I will work on making sure all of the expenses we have already used for this project are counted in the investment total.

It is a new day! I feel great and ready; I am looking forward to the challenge. When I get home, I will begin to market new ideas of putting together joint ventures and sourcing from China. There is plenty to do, and I also need to find ways to help us finance this operation. My stomach is tightening, and I am sure the anxiety attacks will be coming with regular frequency. Once it is done, it will seem a lot easier than it actually was; but in the midst, I will try to enjoy it all.

In thinking about China, it is very strange being the foreigner. There are very few Americans here, and people would stare at me briefly. It gives me a small taste of what it must be for others who venture to a foreign land. In my case, I am very fortunate that I am not starting from nothing and am not without backups, but it does give me the slightest sense of how brave these people were who threw themselves into a world where they know almost nothing, with no place to go but forward.

9:29am Xiamen time, 8:29pm EST

Ben was nice enough to drive me to the airport and once there, it turned out that my ticket to eventually get to Beijing was invalid. Since that happened, I got it changed for a direct flight to Beijing, which I could not have done without Ben's help. So here I sit in the lounge getting ready to board soon. It is time for me to work on the company newsletter, in which I will introduce Ben and CY to our customers worldwide and announce the formal beginning of our joint venture.

02/04/05

7:56am EST

We are now on our way back, first to Chicago, then onward to Newark. I am very lucky that Ben helped me, as I think the original plane I was due to be on was delayed enough that I would have missed my connection. As it was, my flight to Beijing was late, but I had plenty of time to land, go through customs and immigration, buy chocolate for my employees, buy some more souvenirs for the kids, go to the airport lounge, and then to go onto the next plane. I have gotten a lot done as most of the February newsletter is completed. I also started on the outline for the second part of my course (which is in three weeks) and updated my daily log. I am getting tired; I think some Jean Shepherd and a nap are in order, right after I update the newsletter a little bit more. I believe it is about 11 hours to Chicago.

<u>11:00am EST</u>

Looks like I slept about three hours. Not bad, and it should be enough with another nap or two to get me home tonight. On the way to check-in, I met a group of people from Canada who were just returning home after adopting Chinese children. The kids were very cute and the parents, though exhausted, looked very happy. They said it took a year to finish the process, and it looked like they would have a crazy ride home with them, especially with the kids seeming to be ready for action. I am about to work on my course outline again; there is so much I want to say, but I know I will forget a lot while it is actually going on. The trick will be to draw the listeners in, so they stop thinking like students and start thinking like young entrepreneurs. I want them to forget about all that is bothering them like school, parents, and life in general. I want them to just dream about what can be, the optimal results of the combination of their desires, talents, and requirements for success. If they can just taste what can be, it can change their lives to strive for aspirations and levels they can achieve. All it takes is a glimpse of the possibilities, and their lives will never be the same.

12:51pm EST

Four and a half hours to go; we are at 37,000 feet passing over Alaska. The sun is coming up over the horizon, and the colors off of the snow-covered mountains and valleys are dazzling. It looks so cold out there.

3:28pm EST

We are due to arrive in Chicago in just under two hours. The good news is that I will try to get an earlier flight home. The bad news is my spare laptop battery is in my suitcase; I can try to get to before the last leg home, or I will be forced into reading and writing by hand. We have 944 miles to go before reaching O'Hare Airport.

8:25pm EST

We are on the last leg of the trip home. My ride should be at the airport, and I can be home around 10:30pm; I am greatly looking forward to getting there. I spoke to Alice at the office and except for

the fact she has laryngitis, everything is going well. I will try to get in for a few hours over the weekend to catch up on work because as of Monday, we have a lot to do to get the plant ready for China. Vinnie and I will probably go out in April as soon as the presses and the other equipment arrive. Coordinating that could get complicated, but we will work it out.

02/07/05

Back in New Jersey, life has again changed. I got a call from my mom last Monday. The quest to find them an apartment with no stairs has been successful; they had actually already found the apartment. My very able brother-in-law, David, had negotiated the deal, and the final bid was to be put in that morning. All was well at the office until the call came, and I knew from her voice it was bad news. My father now had a new type of cancer, this time in his esophagus. The odds of a good outcome were low. He was going to have to either undergo radiation, chemotherapy, surgery, or a combination of one or more. This time I wondered if he could make it, let alone get through the treatments. And if he did, what type of life could he have after all the procedures were done?

Obviously my parents were in bad shape emotionally, and they called a meeting that night for my brother, sister, and myself. When we got there my father wanted us to know the details of what he knew so far, so if we ever encountered the same symptoms we would know to get checked immediately. At the same time, my sister was now being tested for a thyroid problem, and my brother is battling prostate and thyroid problems.

We all agreed that this was not the time for them to move, so we canceled plans for buying the apartment. My dad never wanted to move anyway, so he got his wish. They will probably never move now as long as he is alive. Surgery is the option for him that will probably come first, and the appointment with the surgeon is this Friday. He will then start a battery of tests and then probably have the procedure right afterward. That will be followed by a week or more in the hospital, followed by a long convalescence and more treatments. It will be a long difficult road for my dad, and in many ways an even tougher one for my mother who will bear the brunt of his care. We will offer help, but unless we can convince her to hire a nurse or a companion, the strain will be great. However, we will do what we can. If we have to step in and force the issue to get her help, then it will be done.

I played tennis this morning with my friend/coach, Paul, and it went well. On the way home, I made the same left turn on a busy intersection I have been doing for many years. Only this time I did not make it through; a man slammed into me, causing a major accident. My Volvo S-80 behaved magnificently, and I did not have a scratch on me. In fact, at this moment I feel no more sore than usual, and it is all because of that well-built car. The other driver—as it turns out is someone I know and like—was also in a big car and luckily unhurt. Happily, everyone viewed it as an accident since there were no screaming or yelling about fault; the police agreed with no citations given. The other driver's wife even gave me a ride to the police station and towing place so I could get my car released for the auto body company. I called my office, and Alice insisted I get checked by a doctor. So she made me an appointment for 10:30 this morning. I also called my wife who was understandably very upset.

The accident happened about 8:15am; I was back in my office by 9:45am and left for the doctor at 10:30am. Dr. Mesnard is such a calm man, one of the things I love about him. He looked and checked me over with a sardonic look, as if to ask, "What did you do this time?" He said I would be sore, so he gave me some medicine in case I woke up in pain. And then, it was back to the office. I got my son's car as he is away at college, and I went back to work.

I thought my car was a goner and would have to be totaled, but the body shop owner said she could be saved. I felt better knowing that I would have her until the end of the lease.

All through this, I was talking to two banks to set up financing for the new plant in China. They were giving me grief because the money was not for a U.S. location. I calmly mentioned to one that I was ready to pull all of my personal and business money from their institution and they scrambled to improve their position. I should have it set up later this week.

I know I wanted this deal to be just this side of impossible, but it is getting a little close to that side for my comfort. We should have the money without a big problem, so everything is fine there. I will go into debt and hate it; but it is a big motivator, so in the end it will probably be worth it.

As for China, I have had my eye on a woman who works for one of my suppliers. She is capable, careful, detail-oriented, tough, and has a good sense of humor. I think she has the capabilities to be general manger of our plant there. I want someone who speaks english because I need to make sure our information gets there as we want it and not have to worry about a language barrier. I also believe she would work 24/7 and be totally dedicated to the cause. I opened negotiations to see if she would be interested.

I had already contacted the sales manager of her company to see if they would be interested in joint venturing in China, but I am pretty sure they will pass. This is fine with me because I will then be free to go after her. I also want to expand our capabilities in China and buy roll-to-roll label equipment which she is familiar with that will enable us to be even more work in-house, to save money there, and to go after even more business. In the end, I hope they say no so that I have a clear playing field. I will give them until Friday to give me an answer.

She sounded excited at the prospect. We even went over the money which was a lot more than a Chinese manger would have gotten, but I feel she will be worth it. If she isn't worth it, she will not stay anyway. Her whole family would move there, so it is a big step. This is why it is worth a large salary; she has to be happy, as do they. She will be under intense, continuous pressure, and I don't want money as an issue.

02/09/05

<u>9:50pm EST</u>

My back is aching but no more than usual, so hopefully it won't be too bad getting up tomorrow. I am scheduled to play tennis with Mark, so it will have to be really bad for me to call it off.

A lot of stuff has happened in the last few days, but I remain upbeat because I think most of it will be fine at least for me specifically. As for my dad, I do not know what will happen there. It may be his time and for that I hope and pray it comes with the least amount of stress and pain for him as possible. Dr. Mesnard says that sometimes esophageal cancer is not so bad, and my dad has already survived two types. Maybe he can go for the triple crown; if anyone can do it, then it will be him. Sometimes when I think about him and no one is around I start crying, but then other times I am okay. It will not fully sink in until something definite happens.

I have been thinking about death a lot and have come to the following conclusion: I like to think of death as Act II, a place to go to set up again, another chance to try being a better person. I do not know what my dad thinks about it, but perhaps we can talk about it after the next wave of doctors are done. I know it is easier talking about it when it is not you, but perhaps a dose of high optimism might be a good thing. Like every other position in life, you do not know how you will react until you get there. You can only hope that you will do the best you can and affect those around you in the most positive way possible.

My back is hurting, time to try to go to sleep. I survived a crash today; I could have been hurt really badly. Everyone I encountered after the accident from the nice drivers asking if they could help; all involved with me were all courteous and trying to help. What a positive experience to see the best of all in a tough situation; I am a very fortunate man.

02/19/05

10:32pm EST

Tomorrow, Alex and Kayla will go to Florida to visit my in-laws. Wendy and I will drive to the Berkshires after I drop the kids at the airport and play tennis. The weather should be okay until tomorrow night when a snowstorm is expected. A Sunday night snowstorm is something I used to dream for as a kid. The sound of the wind and snow pounding off the roof outside my bedroom window... me snug in my bed, nice and warm and dreaming not only of no school but the mounds of money I would make shoveling snow the next morning...

This time it is okay for me because even though my school days are long gone, tomorrow is President's Day, and I have off. Tuesday, however, I am scheduled to make sales calls, so I hope it is clear by then. I am dropping off Wendy to see her sister-in-law and nephew and will rendezvous back with her later in the day when I am done with a customer that I have nearby Boston. Wednesday, it will be back to New Jersey and hopefully there will not be a lot of snow on our driveway. If there is, then my exercise for the day will be completed there.

I walked with Dave today. He was talking about selling buildings and the possibilities of selling companies to go with them. I was helping to value the companies to see what they should sell for, and I was impatient with him and should have been calmer. I get excited when talking about business, and my mind begins to move faster. I get restless when people can't seem to keep up. In this case, he wasn't feeling well so I should have given him some slack. I felt guilty and apologized multiple times. He is a good man.

Dad has started his tests to test the advancement of the esophageal cancer. I got in a traffic accident last week, my beautiful Volvo was hit from the side so I will not get my car back for another two weeks. Over \$8,000 in damages, but I walked away without a scratch—what a fantastic car. I miss her, but luckily I have my son's SUV.

Bailey, our crazy Bijon dog, is being boarded at our veterinarian for the next few days while we are away. I miss him already.

China has been moving along well. We are pending a lot of money. There are so many things to have to deal with in setting up in China that I cannot imagine doing it without people like Ben and CY. The whole ordeal is a maze. Their connections, so far, have enabled us to move like the wind.

I had some trouble with the banks; they did not want to give money to go to China—too risky they said. I finally offered to put my house on the line. Now, they are battling to get my business. I should be able to make a decision by the end of the week and get that off my mind. I then will go into debt again, something I do not like but will hopefully pay it back in less than the required six years.

I got an iPod for my birthday from my wife and my daughter. Kayla has also been loading it with my music—what a really great gift! Alex got me a carrying case for it, so when I go stair dancing in a hotel, I won't have to hold it. It must be quite a sight to see a 49-year-old man in spandex, climbing up and down the stairways dancing to music. It's my bid for helping national and international relations by not taking myself too seriously.

I am trying to make sure that as my dad's condition worsens, we stay on the best terms possible. I have designated my brother as the safe zone, the one person I can complain to regarding my dad and everything involved. He does the same thing to me; this makes it much easier to say the good stuff when the bad has already come out. No one is perfect, and being a parent is tough. I want the end to be as pleasant and positive as possible for him, and the feelings have to be genuine. Hopefully clearing the air by talking to my brother, I can focus on the good my father has done, which is a lot, and let the not-so-positive things fade into the past.

I have to get up at 4:30am to go to the airport. Time for sleep.

02/26/05

I just came back from my dad's house. He wanted me to pack some books and materials for him to send to a man in California. He is obviously very shaken up and is feeling out of control. He is not happy with his oncologist and is trying to hold onto control of himself and the rest of his world. This winter has been especially tough for him since my mother has forbidden him from snow shoveling. This means he is now dependent on his gardener, myself, or friends to get him out. It is a constant source of worry to him. I finally said to him today that if he felt like shoveling snow, he should do it. He says that he feels fine, but my mom is afraid of another heart attack. He and I both know it would be the easiest, most painless way for him to go, if it came down to that. Some son I am suggesting my father do something that may kill him; but he appreciated the comment, even more than that I got the okay from his wife (my mother), and he is happy that once again he has at least a little control over his destiny if it starts snowing. I wonder if I did a good thing.

Alex and Kayla got home from Florida today from visiting their grandparents; my middle son had a good time, but my daughter did not. When I picked them up, Alex asked if he could drive back from Newark Liberty Airport. I said sure and flipped him the keys. He had not driven in a week, and these are some of the toughest roads around to drive on, but he did okay. In another few months, he will be good driver—another of my gifts to the world, I hope.

Wendy and I were in the Berkshire last weekend and had fun.

Tuesday, I went to the Boston area and saw some customers—it was a long, good day.

Ben in China is supposed to be sending pictures of our new space this weekend. It is 30,000 sq ft and three times what I thought we would need, but I am probably going to say go for it. If relations between China and Taiwan improve and they open up full-time air service between the two countries, then I believe that real estate will go up and make it impossible for me to get more in the near future. Having the extra space is good not only for our expansion but for bringing in partners. So, this is probably what I will do.

The second bank agreed to a loan, so I will have a choice. The banker involved said he went to our website and said he never saw anything like it. The fact that I so freely provided information about myself and our people gave his group a feeling of confidence. I am hopeful the rate they give me on Monday will be better than their competitor. My house will be on the line, and my marvelous wife did not bat an eye in backing me again. She has been wonderful, and I believe a large part of my success is having her with me.

My life is now spent with a combination of adrenaline highs and terror. People keep describing me as having a lot of guts, but I just smile and keep going. This is the place where I want to be, whether the company makes it or not. I have to go through this to get to the next level. I am trying to enjoy the process and to not let the fear and doubt trigger anxiety attacks that do nothing but sap my power. But uncertainty can be a good thing, it keeps you sharp and is a necessary component for my success. If there is anyone who doesn't worry, then I can generally show that I can beat him/her on a long-term basis.

I had my class this week, and it went well. The kids were especially interested when I started talking about relationships: how to win for all sides, and how dating and influencing others is for the good of everyone involved. The professor in charge of the course was late getting in again. I harassed him the whole time he was there, but he seemed to love the attention and introduced me to the head of the department. They showed that they were genuinely happy I was there, even if I won't accept any payment. I refuse pay because then they can't influence or force me to do anything. The feedback I got was positive. Of course, the proof will be if they ask me back.

I go to Missouri in a week and a half to speak before an EPA group. I am flying out the night before to make sure I am not late. It should be fun. I like speaking in front of groups; it is a great adrenaline rush. I am still a bit apprehensive before I go in, so I started practicing today.

The month is over on Monday, and it has been good. I hope the goodness continues because I will soon have a monthly debt that will keep coming regardless of what else happens. One of my customer/ friends from Malaysia is looking for a new job, and I checked to see if he would want to live in China—he might be a good manager for our new plant. He speaks many languages and has an engineering background. I have no idea how he interacts with other people, but we can cross that bridge when we get to it. I should be able to approve the purchase of the space next week. Negotiations will be conducted quickly, and we can make the transaction within the next few weeks. The first part of the equipment is ordered and will arrive in late April; I had better have a place to put it.

There may be another snowstorm on Tuesday night. My dad has an appointment with his oncologist; I said I would take him if there was problem. It is comforting to have my snowblower ready to go if it is too much to shovel. Like my father, I enjoy the control of dealing with the elements on my own terms. I spoke to my friend and rabbi, Dan, about my dad. He said that when I can no longer to handle "things" on the intellectual and emotional basis, as I am now, he will be there for me. For now, death is not firsthand and does not feel that close. But that will change and when it does, it will be very good to have him near. He is a good man, and I try never to bother him with religious stuff, unless it is absolutely necessary, because we are friends. However, it will be a tough time dealing when he passes, and I have no idea how I will feel as it nears. I just hope it ends well with him when does.

02/28/05

I got the revised estimate for the cost of the equipment, start up, refurbishment, and infrastructure for China; all of which was almost double what I anticipated. This means that my loan will not be enough and I will have to bring in more money. I cannot even leverage the properties like I originally planned, which in retrospect may be a good thing—everything will have to stand on its own financially.

The 30,000 sq ft of space looks great but cannot be rented; it has to be purchased. We are way past on original financial projections. I emailed Ben today and am waiting for his reply as to what he thought about for us finding a suitable space to rent or if we should take the chance and buy what they found. Either way will be okay.

My stomach is in rebellion, and my Obsessive-Compulsive Disorder is showing itself big time. I am checking things at a ridiculous rate, a common symptom of OCD. I feel frustrated because things are out of my hands and am forced to wait. I cannot move forward without Ben and CY, and they really want me to buy this space. I don't want to buy the space and go into even more debt, but my gut says it is the best way to go. But we shall see what happens in the morning. In the meantime, it is snowing and I shoveled about two inches tonight. In the morning, it could be almost anything; so my snowblower is ready, but I will shovel instead if I can. I can feel that I am at one of those turning points in my life, and it is difficult but also wonderful at the same moment.

Time for sleep, at least I hope I can and not dream about wrecking my son's car. I should have mine back the end of the week. I miss her and that part of my life, where it is normal. Ben's car has been great, especially in the snow. I have promised her a tune-up and washing; it is the least I can do.

<u>Chapter Síx</u> March 2005

03/02/05

I made the commitment yesterday to buy the 30,000 sq ft of factory space in Xiamen, China. The night before was my time of reckoning. The costs for the operation had apparently doubled, and I would not have enough money to do everything. But yesterday I spent a good part of the day refiguring everything-what we could buy in China for less money, what operations we could eliminate if needed to defray costs, and of course my gut feeling interspersed with terror and stress. I decided to do it. I emailed the go ahead yesterday and spoke with CY last night, getting more information about the equipment. Both Ben and CY keep saying it is a good space, meaning everyone who has been there in the past has done well. It is an interesting conceptsomething like a good force in the area, and I like it. I emailed my bank this morning to push out the terms of the loan to decrease the monthly payments which, if I can do it, will help settle my stomach a lot. I also believe that once we own the space, it will upgrade our business position, even before we are actually operating. I will be able to go after all kinds of other markets through Ben and CY's sourcing. In fact, that has already started.

If the contract from Lucent actually comes through, then it will hopefully make me calmer and us stronger. So much is happening; it is a great ride. Unfortunately the prognosis for my dad came in last night, and it was not great. I got the news from my sister that he maybe has three years to live, and they may not be pleasant. His choices for his care are not great either, and a feeding tube may be involved at some point. I will talk to him today; I cannot conceive of what he is feeling right now and the options he will choose. It is time to take a long, hard look at his health and what to do for the future. I am hoping for the best for him and the best of health for the rest of us. As for now, I played tennis with my friend Bruce this morning and will keep exercising my guts out to keep the stress levels contained. Last time I put in a plant, I trained for a mini-triathlon to help keep myself in check. I am close to that level of exercising now, and it will continue.

03/03/05

I played tennis this morning with Mark. I am pushing my body physically toward its limit. I ache most of the time but feel much better from the explosive output of energy on the court.

I wired money to Ben for our new Chinese bank account this morning. The money for the down payment on the space will soon be in place. As the feelings of extreme terror and ecstasy continue, I am looking more tired, and the pressure and strain are showing. Some extra sleep over this weekend would be a good thing. As for now, I will stay on my regular weekday schedule of being up at 4:00am and into the office by 5:00am, so I can email with Ben and other Asian and European interests, and exercise before the day gets started. When I feel like stressed, I normally turn to selling as source of emotional containment; the structure of it enables me to relax. I know that if I sell, then sales will come in a predefined percentaged rate of return. This gives me a definite in a non-definite world. The more business we have, the more profits that come in, and the better chance of my making the loan payments. I will probably be okay after a few months of paying "the mortgage," but for now the anticipation of debt is not a happy thought.

I spoke to my dad. His options are few, and surgery looks more possible. Even if it goes well, the recurrence rate is close to 50%, and he will probably have to have a feeding tube for a while. I am not sure what I would do if I were in his shoes. He told me he had a great time snow shoveling the other night; I was happy I could give him something that gave him pleasure. A little bit of freedom can go a long way. In his case, a quick heart attack would be much better than what he will eventually go through, and I know he was thinking the same thing. Hard exercise will either help him to stay healthier or hopefully make the end come more quickly and cleanly. It is very hard to hope for a quick end for your parent, but when the alternative is horrible... I have no wish to see him suffer. What to do is his decision, and I am very glad it is not mine. He asked about China; most people seemed really enjoying sharing our journey and being involved in the challenge.

It is now 9:57pm; I should be emailing to Ben in about seven hours. I hope the news is good, no matter what it won't be boring though.

03/04/05

Ben started the process of buying the manufacturing space and hired our first employee. I have no idea about the structure of how to pay for the employee such as with taxes, insurance benefits, etc., but I will check Ben on what needs to be done. We are in motion.

03/05/05

11:39pm EST

Unusual for me to be up this late, even on a weekend. Uncle Dave was hurt, so I ended up biking by myself this afternoon. It was about 40°F and beautiful; I did not even need a face mask most of the time. Spring should be coming in about a month; then it will be time to take out my new boat. I hope she floats well, sails swiftly, and brings contentment to all who board her.

I spoke to my dad today, and we talked about China and his medical condition. I asked him what he thought happens when people die, and he said that it is like anesthesia, you lose consciousness and that's it. On the other hand, I like the idea that you keep coming back to make things better. Lots of heavy stuff in terms of relationships, life, death, and everything else is coming out. The discussion is probably a good thing, but it is all very unsettling.

As we spoke more, he thought I should have someone who speaks Chinese here so I could check on the paperwork that is written in Chinese. I said that I have to completely trust in my partners. Even if I did have an interpreter here, they would probably be looking at documents from a different perspective than mine and do much more to upset me than any good. There is no sense in worrying when there is nothing I can do since I have already decided to go ahead.

It is late, and I need sleep. Tennis with my brother tomorrow morning after pancakes for breakfast—all good things.

03/06/05

9:59pm EST

I played tennis this morning and then biked. The afternoon was spent mostly sleeping and relaxing. Since I was exhausted and as I occasionally do, I spent the afternoon watching old movies. Today was *The Quiet Man* starring John Wayne. It is my second favorite movie—a wonderful picture about a man coming to grips with his past so he can move on with the present.

I did not go to the office today.

I almost exploded at Alex for using his cell phone to call from the den to our bedroom to talk with his mother. His arrogance and laziness set me off, and I told him if it happened again he would lose his cell phone. Actually, I may destroy it and make him buy a new one with his own money. As you can tell, I am highly annoyed. This is not a great way to try and get sleep on a Sunday night; for me, it is always the toughest night to doze off anyway. But I will play music by Simon and Garfunkel, try to drift back in time to when I was Alex's age, and go to sleep. He is a good kid with a great heart, and I have to remember to look at the whole picture, especially when I am under a lot pressure with everything else. It is too easy to strike out against someone close to me, especially when the real stress is coming from the outside and that pressure will only increase. He is a 16-year-old young man, so I can't expect him to be perfect, just like he can't of me. He has his good points, and it is my job to highlight his best, to lessen his worst, and to enjoy him as much as possible while he still lives at home. Still, for tonight I have isolated myself away from him, which is probably the best course for us both.

I also am playing tennis with Mark at 6:45am. It should be another interesting day. I leave Wednesday for Missouri, and I practiced about a third of my speech today. I think I know it pretty well and plan to go over it in full Wednesday and maybe one more time on Thursday, depending on circumstances. I already sent out a case of my latest book, which is great advertising and will give people a way to contact me if needed.

We have started interviewing potential employees in China, and Ben will start hiring people as soon as he finds people he likes. Ben will handle all of the employee paperwork, such as wages, benefits, insurance, etc. I also got word that he has closed the deal for the space. So the path is defined; the journey has begun, and we are on our way. The decision to buy was not easy; but in the end, it seemed the best way to go.

We are now checking for Chinese sources for materials of all types. It is our hope that we can buy domestically to save on shipping, materials, and taxes. Ben will also begin working on gathering costs for the renovation, and we will start plans for the layout of the equipment. He also mentioned that equipment in China is much less expensive than in the U.S.

Here is the update on where we stand on our licenses.

- 1. Approval letter for establishment of enterprises with foreign investment in the People's Republic Of China–Issued by Xiamen Foreign Investment Bureau
- 2. Certificate of Approval for establishment of enterprises with foreign investment in the People's Republic Of China–Issued by Xiamen Foreign Investment Bureau
- 3. Approval letter for company registration—Issued by Xiamen Industrial Administration Bureau
- 4. Company license which is issued by Xiamen Industrial Administration Bureau
- 5. Approval letter for special permit for printing—Issued by State Press and Publication (Copyright) Department
- 6. Certificate of Special Permit for printing–Will be issued by State Press and Publication (Copyright) Department shortly. Wait for changing to 2005 new version.

I have been searching for a general manager for the new plant. This person, from one of my suppliers, is interested and capable, so we would plan to bring her out with us during the next trip. I think it is important to have someone who speaks English fluently in China, so my people here can make sure the transmission of information to China is working correctly. Since Ben cannot be at the plant all of the time, we need someone who both knows the business and can talk to at any hour of the day or night. If she is hired, then she will learn Chinese. But we will still need a few people who speak both.

03/06/05

This is a funny story about the Chinese bureaucracy that I received from Ben:

When you inquire something by an official channel, the officers always give you a half answer and let you guess the other half. This gives people a great deal of trouble and results in a lot of wasted time and money. Case in point: A good Chinese friend of mine from the U.S. came back to China after staying in U.S. for 15 years and intended to set up a very small office. Besides the complicated procedure, the officer kept telling him there was not enough documentation but didn't mention what the problem was. After he submitted the paperwork several times, the officer was finally satisfied. Then, he told him he had to do them all over again because he did not use the right kind of pen. My friend almost killed him.

03/09/05

<u>2:06pm EST</u>

I am on my way to Kansas City, Missouri to speak before a regional EPA, PT group for tomorrow. With time to spare, I will try to change my seat so I can sit alone and spread out. It snowed yesterday afternoon and created a mess; I was supposed to pick up Wendy, and meet the attorney and the banker to close the loan for the China deal. But we could not get to the closing so the banker nicely offered to come my office this morning. He did and we closed the deal after Wendy and I went to the bank to get the agreement notarized.

As it was happening, my stomach was in complete turmoil. What was I doing? I was not only bringing on debt where I had none, but I had to secure the loan with my house? What if the venture did not work? What if we lost the whole thing? What if I had trouble paying down the debt, and they came after my business and then my house? What if I had to face my wife and even worse my children, and say because of a bad, really bad business decision we had to move out from our house and maybe from our town? Why was I risking so much? Am I crazy? The panic attack happily subsided soon after; but even at its height, I did not question my path or my move forward. As I said, if I stopped now and backed out, I would always have to get to this point again and move forward. There is no turning back; the future is the world. and I have to go out to meet it head on. My wife, as always, was wonderful and simply said again that she trusted my judgment, that my past history was great, and she would back me no matter what. With her, the rest of my family, and my staff all behind me, then all roads move ahead. There can be no other direction.

The deposit is down for the space; I will wire the balance on Friday. As long as the Chinese do not attack Taiwan, our space-directly between them and the mainland-should appreciate with time. Our equipment is scheduled to ship in about four weeks, with six weeks for delivery, and should land sometime in the middle of May. With luck, we will be up and testing our equipment and new staff by the beginning of June-right on schedule.

I have a speech to give tomorrow, and I will probably practice it one more time either today or early tomorrow. I would like to do it at the place where it will be given, so I may hold off until tomorrow morning. I plan to get up, work out, and go over to the meeting. I also have to write this month's newsletter and check out the upgrade from ISO 14001 to the revised standard. There is a lot to do, and as always I miss my family already. I have been marketing in two new areas: 1) for going for new joint ventures and 2) providing Chinese sourcing. All will take time. There is a lot of money to be made out there; I can feel it, and we are going after it.

It is time to get to the gate and see if I can change my seat. I doubt I will ever forget this time of my life, the feeling in my stomach, and going forward. I think it is a good thing.

03/21/05

<u>5:14am EST</u>

The speech in Missouri went well, and I am now on my way to Asia with 14 hours and 8 minutes to get to Hong Kong. We are headed north over Canada, going over the North Pole. Look out, Santa!

I have eaten dinner, and it was really good. I am sitting next to Tom, a very nice man who has traveled a lot of the world, in various positions, and now is on his way to Hong Kong on vacation. We were talking about fathers—a common subject with me. He mentioned that his daughter had a visit from her grandfather right after he passed away. Here is another testimonial to the idea that we do not just die but move onto a different place. I have a hard time believing that death is final; the more I speak to people, the more I am convinced that there is more. It is a heartening view for me and for those I talk with. I have been drinking diet soda that could end up being a problem later, but for now it tastes really good.

Tom was also in his family business, and it is amazing how various people emerge from the experience even though he now works for someone else. He seems to have come through unscathed and has a good relationship with his dad. It did not seem competitive but more based on getting the job done. In my case, it was more like a joint attack... with my dad and I against the world and also a rivalry between ourselves. Although this was a good way to build the business, it was not the best way for us as father and son. I spoke to Tom about going into his own business as I gave him a copy of my latest book, he says he is thinking about it. I thought he would be an extremely valuable commodity, someone with lots of practical experience who is willing to travel and likes people. Of course, it means he will probably go to an 80-hour work week, but at least he will be working for himself—that should be is a very enticing thought. Many think about it and try it out, but most should not because they are not prepared for the all-out commitment that is needed to run a business. A few make it and achieve their dreams, but where else in life does one get the chance to go for it? Many can't resist the urge to try.

I got an email from Carl Lang the other day; he is the brother of my childhood best friend, Steve. I never liked him when we were young, but as we have aged we seem to get along much more. So, now our occasional email correspondence is a pleasant thing. He lives in Philadelphia, unfortunately on medical disability, but he does a lot of writing for various publications and sent me some of his work. He has a good, clean style. I am happy that he has an outlet for his creative energy. Sometimes I look at myself and wonder how I got here. What a journey I have been on!

I am missing my class this week at the university, so it gives me an extra week to prepare. I am going to break the kids into two groups and have them be both buyers and sellers to give them a feel for both sides. If you want any hope of succeeding in your own business, you need to be able to do everything. The little experience I can give them here will help them later.

03/21/05

6:50pm EST

I got an email this morning from a 17-year-old boy from Ireland, the son of one of my customers there. He was extremely upset after reading one of my books. He thought I was enslaved to my job, that I never had time for any type of life, and that I should reevaluate immediately before my life was gone and I had nothing to show for it, except for a bunch of completed paperwork. One of the greatest things an author can have is an emotion from another person that was instigated by his work. This young man's passion was obviously released from reading my book, about which I feel great. The fact that he worried for my soul was another indicator that my work was causing someone to think.

As I answered him, I did not want to deflate his passion about how life should really be. I did want him to know that I was in constant state of self-reevaluation about my life, and I am always trying to be the happiest in all areas. Even though he did not believe it possible that I have a wife, children, outside interests, and that I have a fantastic network of relationships with really great people. Obviously, that did not come through in my writing to him which is either an indicator of where his head is, my take on life, or probably a combination of both. In my email, I thanked him for his concern and tried to reassure him that I was fine.

It is a compliment to be worried about, and it might be good for him if he tries thinking a little from my perspective instead of just his own. I like to think that my passion for life transcends all areas, and there is nothing wrong with giving everything your all as long as it is not hurting your other commitments and stopping you from having fun.

03/22/05

7:21pm Hong Kong time, 6:21am EST

One hour from Hong Kong and I should be at my hotel by 10:00pm. While this means I will not get to swim tonight, I will be able to exercise, work, eat, and walk the harbor. Tomorrow I will get up early, work out, maybe eat, and get to the airport to go to Xiamen. My tickets, courtesy of Ben, should be waiting for me. I will need to transfer more money to the Xiamen bank account when I get back for expenses, new equipment, and payroll. I am extremely excited at the prospect of seeing Ben and CY again, our new business, space, meeting potential employees, and Xiamen itself.

03/23/05

12:07am Hong Kong time, 11:07pm EST

We landed without any problems yesterday. I got to my hotel on schedule, but unfortunately past the time to go swimming. Undaunted, I exercised, feasted on a dinner of linguini and vegetable patties I brought from the U.S. (I could have used some tomato sauce to go with it), had some fruit, and went out for a walk along the harbor and into town. There was a lot of fog and an eerie shroud which encased almost everything that made walking a little disconcerting; so I went back to the hotel, worked with the office for a while, and eventually got to sleep about 1:30am.

I got up at 6:00am, called the office and my wonderful wife, worked out; had breakfast, and made my way to the airport where I now sit. Unfortunately, I do not have the right power plug for my BlackBerry and can't find an adapter here. So I am going to be limited in emailing and using my phone. I can always call from the hotel, but that is expensive. I am just annoyed with myself because I should have taken care of this beforehand.

I am looking forward to my afternoon with Ben and hope I come away with all the information my people require about our new space, or I will have a hard time when I get back. Yes, I am the boss but my people expect me to do what is needed and if I do not live up to their expectations, then they do not fail to let me know, as I do with them. I spend the night in Xiamen tonight and then back to Hong Kong tomorrow—I am making the assumption that Ben got me a hotel room. If not, we can deal with that later.

10:32pm Xiamen time, 9:32am EST

I am sitting in my room in the Swan Hotel. It is a beautiful. Ben, CY, and another man picked me up from the airport. After a quick stop at the hotel, we went to see our new space which was the purpose for this trip. I am happy to say it is in a nice neighborhood. It looks good and will look fantastic after we do some renovations. Ben and CY had an updated blueprint of the area. We spent the afternoon with a bunch of the building's representatives to see what could and could not be done. In fact, the only reservation was that there might not be enough power, but we think we will be okay anyway. We went to dinner at the same place as my last trip. Then, they dropped me off here. I spoke to the office and their reaction was normal—that my guys were mostly concerned with getting the correct information so they could do a plant layout. Alice, as usual, was the most concerned; she made sure that the overall situation was good and that I was happy. We seem to cover all the bases which indicates a good team.

Tomorrow we go back to the space for some more digital shots and information, and then it is off to equipment manufacturers to check various items we will need. China will virtually be able to supply everything else, and I will bring back catalogues from which we will make final decisions next week. Our utilizing Chinese products and thus not having to pay 30% import and tariffs fees are limiting our U.S. purchases and saving some money. The costs of renovations should not go past \$50,000, and then we will be ready to get started. The bills are mounting quickly; we need to be operating and producing product soon to generate money and to keep me sane. I met our first two employees today. One is involved in helping us find equipment and will then become a pressman, and the other is a translator.

I am very tired and will go to sleep soon. Tomorrow I will get up at 5:00am because Ben is picking me up at 8:00a.m. We have come a very long way in a short time but we have to keep up the momentum. Reactions from some of my people back home are centering on all of the potential work and problems, and I am feeling somewhat overwhelmed. I know we have to do this, but sometimes it seems like so much to attempt that I have my doubts. I need sleep; things will look better in the morning.

2:31pm Xiamen time, 1:31am EST

I must be really tired because I went into the airport to leave for Hong Kong, leaving my digital camera behind in the car. Luckily, Ben was looking out for me and ran back with it, catching me just before I went through security. It was a grand day. We first went back to the building, and I took some more pictures. I met Rosalie our soon-to-be employee and got along fine. Se stayed with me for the rest of the day with her as my translator. That will actually be her job, and I think she is well-suited for it. Our only other employee, Fong, has been trying to locate equipment for us to buy and he did well. I think he will become our new foreman, when we start operating.

We went to look at locally produced die-cutting presses, and we will also probably buy a cutter all of which are much less expensive here in China. The priced differential is enormous. I am hopeful that we will be both ISO 9001/2000 and 14001 by our first anniversary next January. As Vinnie said, there is virtually everything involving printing products here in China, and it is just a matter of finding what we need. We still have some equipment to find, but I feel confident that Ben and CY can do it. If not, we can always get it from the U.S. We tried to find an ink source today, but we were not greatly successful.

Ben and CY were both confident enough in our progress to begin plans for hiring a salesman here, but I want to see how things go before we start adding on more people.

03/25/05

2:32pm Hong Kong time, 1:32am EST

I got back to the hotel in Hong Kong yesterday around 6:00pm, and I was just too tired to go swimming. So, I spent the next few hours walking, looking for something for dinner, calling the office, and napping. I finally got to sleep about 1:30am. I got up at 6:00am, started exercising, and called the office. Then, I had breakfast at the hotel which, combined with my oatmeal, was one of the best meals I have had in a while. It was smoked salmon and scrambled eggs, and they were delicious.

I was able to carry everything on board at the airport, no baggage claims, which should help in getting through customs and out of the airport sooner. I will search my luggage later for 50 cents for a pay phone to call for my ride at Newark since my BlackBerry is probably out of power now. It was snowing at home yesterday, but I think most is probably gone now. I am supposed to go biking with Dave tomorrow, but it will depend on the weather. As for now, I will work on putting all the information together for ordering some of the equipment and coordinating the renovations. It will be good to get home.

I almost had a disaster. When I got on the plane, I put my ticket and passport on the seat. When I sat down, they slid down under the seat. I did not realize this happened. Happily, I am sitting next to a veteran traveler named David who thought it through. With his and the flight attendants' help, we were able to get everything back, even though we were partially taking apart the seat. It would have been a catastrophe if I had not realized my travel materials were lost until we got back to Newark. One can not get back into the country without one's passport. The best scenario is that it would have been a big mess with lots of paperwork; the worst would have been to be sent back to Hong Kong.

03/25/05

2:48am EST

We are now going past Japan, and I am now back on New Jersey time. Normally, it would be Friday, and I would be getting up in a little more than an hour. It is Good Friday, and a lot of my staff is taking off for the holiday. It looks like a good month for sales.

I just finished updating my log for Monday with information about the new space and equipment we need to buy, much of which will be done in China. As a generality, anything bought in China will be 20-90% less than New Jersey. This will remain so unless the Chinese government re-values its money against the U.S. dollar. If this happens, then Americans investing in China will be much harder because our dollar will not go as far. If that occurs, then the amount a non-Chinese foreign company has to invest in order to be licensed could rise considerably, and that would help decrease the amount of companies who wish to come in. This is one of the main reasons I believe that the Chinese government will hold off for as long as they can.

Ben brought me a piece of sculptured glass as a present, specifically a world globe. He told me about bargaining with Chinese merchants in non-formalized department store settings. The general rule is to divide the asking cost by one hundred and multiply by two. People are apparently just waiting for people like me (an American) to actually pay full or half price on something which is many times what they really hope to get. It is difficult knowing that I am regularly being taken advantage of when dealing with normal financial situations. I am grateful for this that I have Ben and CY with me because they make sure things are tilted in our direction. They tell me to be quiet and let them negotiate.

Xiamen was really nice, and I also enjoy visiting Hong Kong—I like Asia in general. The fact that it is very different in look and feel, and that I have the chance to make money makes it all very appealing.

8:57am EST

Just under five more hours to go. David, the man sitting next to me who helped me find my passport, lived in the town next to mine growing up. He and I were reminiscing about people we both knew, which must have triggered memories of one of the most traumatic times of my childhood. I was in the third grade and had been playing at the house behind me where my best friend, Steve, lived. His dad had built a horizontal rope ladder that went across two trees. I was going across it when I fell off and hit the ground pretty hard. I went home soon after and noticed that there was a bulge around the bottom right side of my stomach. I told my parents, and a quick visit to the doctor revealed I had a hernia. This was way before the time of same day surgery. So this meant going into the hospital the night before the operation and staying a few days afterwards. It was a pretty big deal, at least for my being a small kid.

Thrown into a hospital with no one I knew, my parents could not sleep over like they can now—a much better system. I remember crying myself to sleep at night in the hospital room—lonely, scared, and wanting to go home. Perhaps that is another reason I always wanted to sleep in my own bed at night and did not like being away. The operation went well, and I rarely feel any physical effects from the initial problem. Yet, those feelings of extreme fear and non-control of my environment have never left me—probably one reason why I take such drastic steps in preparation to make sure things are as close to the way I want them as possible.

These are the kind of life events that help to shape who we are. Hopefully I used that incredibly bad experience for something good later. My fear of hospitals, however I doubt will ever diminish. If I have anything to say about it, I will die in my own bed or very quickly in a situation that is not terrible right up through to the last moment.

Speaking of death, that will be the first topic for my course this Thursday. I think a person's view of death is as relevant as their thoughts on life. If you are optimistic on one, then you will probably be optimistic on the other. If you feel that you have a responsibility to the lives you had before and the one you will get in the future, then you will act very differently than if you think you just die and that's it. What if we are having the life now, with its positives and negatives as a reward or punishment for the deeds of our past lives? If you are fortunate to be born with a whole, healthy body; a mind that is capable of some level of advanced thought; and you live in a place with enough food to eat, enough clean water to drink, live in a clean area, and have the chance to advance, then you are much more fortunate than many people in the rest of the world.

It is easy to focus on the negative. But what I want for the kids to realize is that they have the choice as to their destiny. They should not wait for life to happen to them, rather they should design their own futures, take their chances, and see how far they can go.

9:44am EST

My BlackBerry is out of power, so I will need to use a payphone to call for my ride at the airport. Since it is out of power, I will not be able to use the time making telephone calls from the airport back to the office—a very inefficient use of my energy. There is little I can do about it, except resolve to do better in the future. It is my own fault for not having been more careful before I left. I found four quarters in my backpack and put them into my pocket, but unfortunately three of them fell out. I found one so I still have two to call for my ride. Hopefully the payphones do not need more than 50 cents for a local call. I will also need to remember to replace the quarters in my backpack and put some into my laptop bag. I do not like when I am inefficient; it is annoying, and wasted time is something that can never be recouped.

Author's note: I got home without a problem and shortly thereafter made sure I had a power plug with me for any trips.

03/29/05

<u>8:26am EST</u>

I am in Toronto today to see people at Aastra Corporation, Mara Technologies, and Celestica. The goal, in addition to seeing everyone and passing out copies of my new book, is to pull in more business. One of our other customers took the bold move of giving me a copy of their printout for every label they purchased and their current pricing. By having it all in front of me, I have been able to give discounts across the board and am hopeful they will utilize them by giving us the business. If I can get everyone to do this, not only will they save money, but it could mean a huge influx of business for us.

This is a pretty city. I have been here before, and I like it here. The weather calls for sun with a high of 48° F today, not bad at all.

<u>7:52pm EST</u>

We are on our way back to Newark Liberty Airport. Except for the delay for this flight, the day went wonderfully. The first stop was at Asatra Corporation; they make telephones and telephone systems. The buyer there suggested I go see a contract manufacturer of his that I was already planning to visit, so he even phoned ahead for me. I went to Mara Technologies, a contract manufacturer, and the buyer there was both friendly and optimistic about more business for the future. Then I went to Artiflex Corporation. The chance for business there also seemed on the increase, so the first three calls went well. It was then onto Celestica Corporation, a multinational contract manufacturer; we do business with them around the world.

Now I look forward to eventually getting home, eating dinner, getting a shower, and going to sleep. Tomorrow I will play tennis and catch up from today. Ben emailed me this morning to say that he is getting the equipment together and needs more information to get a price on the renovation, like how much machinery will be needed, where it will be placed, how much power is needed, etc. Vinnie will take care of it.

<u>Chapter Seven</u> Apríl 2005

04/12/05 1:35pm EST

I am on my way to Chicago to participate in the National Environmental Partnership 2005 Summit. It is a joint conference between the U.S. EPA, National Pollution Prevention Roundtable Spring Conference, the National Compliance Assistance Providers Forum, and the Performance Track Participants Association.

I am currently listening to a CD of my son Ben's music. It always makes feel close to him, even though he is in Cleveland at college, and I am in the air.

I am excited about this conference for a few reasons. First of all, I will learn a lot about the environment, what is new and what various groups are doing to help improve. I love the people involved who are all dedicated and come from a lot of different areas and sectors of business, government, and the private sector—I find them very interesting. I also feel good about trying to do our own small part through my company's EMS. In addition, since we are trying to put in the same type of clean operation in China, I might get some good information about what is happening there. The final benefit is the more I get involved with helping the environment, the better business seems to get.

I should have checked where my hotel was before booking the flight. It turns out that going to O'Hare Airport would have been an extra 15 minutes further away than Midway. I was to not only catch an earlier flight but switch to the other airport, so things were looking good. I even have my own row on this plane, how good is that! I will try to switch my returning plane from this same airport. Even with the amount of traveling I do, I still screw things up. One time, I forgot I had my pocketknife with me when I went through security. They had the "What are you, crazy?!" look on their faces, and I said for them to keep it. They offered to let me mail it back, but I just wanted to get through the line. In retrospect, I am sorry I did not take the offer, but it is too late now.

The plant in China is moving along well, slightly behind schedule; but since we originally projected a ridiculous start date, things are fine. At this point, it looks like Vinnnie Santoro, our head of manufacturing, and I will go to China and meet Ben the first week of June to get everything started, assuming all or most of the equipment is there. Then a few weeks later, we will send over our head pressman, Oscar and his wife, Carmen. They will work as one of our press teams to help run things for about 6-8 weeks. If they like it, and we can agree on terms, they will then stay there permanently. At that point, Ben will have also moved to China from his home in Malaysia, and he will be in charge of all non-manufacturing operations like human resources, government relations, sales, etc. My two people will be in charge of the prepress, press, finishing, shipping, inventory, quality control, and receiving. If this works, it will be wonderful; if not, we will change things until they are.

I finally got back my Volvo from the repair center about nine weeks after the accident. There was about \$18,000 worth of damage, but she looks wonderful.I am very happy to have her back. It is amazing that with such massive damage to the car, I walked away without a scratch. I immediately put my son Ben's Blazer in for a tune-up. She did her part keeping me safe through the balance of the winter, and I promised I would get her tuned up and washed before Ben got home for the summer.

I am moderating a panel for the conference on Thursday before I fly back home. It should be interesting. The speakers are all relating how they helped to make their client's companies more profitable by making their systems more efficient and reducing their pollution output. I plan to speak a little about how the only way to maximize profits is to be as efficient as possible, and you can only do that when you are producing the least amount of pollution.

I am missing my daughter's softball practice game tonight, and so is she. The team is a little scattered since all of the girls have such busy schedules. Hopefully, we can field enough girls for each game so we don't have to forfeit. My daughter and I should be able to make the rest of the games since I don't plan to be traveling again until early to

mid-June. I had one potential problem with a father, while coaching a couple practices ago, but he did not show up last Sunday. Maybe the parental alert I sent out via email, aimed at him but not naming him directly, hit its mark. I want the parents to be positive, to not coach from the sidelines, and to be nice. I guess that is too much to ask for some, but I will keep trying.

04/13/05

<u>5:41pm EST, 4:41pm CST</u>

In the rain, I landed yesterday in Chicago and went to the hotel where I found out they thought I was checking in the day before. When I did not show up, they cancelled my reservation which left me temporarily stranded. The person at the registration desk appeared worried that I would make a scene, but she immediately went to find me a room in another hotel which helped me to stay calm. I ended up at another one nearby that turned out to be really nice. I had a great view from the 32nd floor overlooking Chicago and Lake Michigan. The day finished out well from meeting lot of good environmentalists. Our

company earned one of the bigger awards for environmental excellence at the dinner last night. It is always fun seeing old friends. There are a lot of new people here also, all eager to impart their knowledge and learn more, so it is a very stimulating atmosphere.

I recognized a man who I thought was with a small business administration, but it turned out that he was very high up in the EPA. He laughed off my mistake, mentioning he was getting my newsletter and enjoying it, so I happily thanked him and retreated to the background.

I got up at 5:00am CST to exercise and ended up walking down by the lake. It was beautiful, chilly, and very windy. That is why they call this the Windy City; it always seems to be blowing.

Today, so far, has been mostly meetings and communication with my office. I like being out on the road; it often seems to stimulate business. But it also means being away from my family and my daily structure, which is harder to take. I did get a wonderful fax from a big customer this morning which was the contract I have been waiting for for almost a year. If it is finalized, it will designate us as one of their two world suppliers and may mean a big influx in business over the next few years. I am hoping to get a final copy within the next few days. If we can agree on the final edition, I can then start trying to move business to us from other non-designated suppliers.

Lake Michigan is beautiful; there are little white buoys all over the first few hundred yards of water to anchor boats during the outdoor season. The water is blue and shows the signs of heavy winds. An occasional boat is out in the water battling the elements. It is amazing how far you can see on a clear day from the 32nd floor. It is truly a pretty sight and is making me decide to walk down there one more time before I go out to dinner with one of our suppliers. He is building equipment for our new China facility, and since I am spending a lot of money he is buying dinner, a nice gesture for an out-of-town guest.

People have been asking me about the new plant. Their level of expectations that it will work out well and be profitable is very reassuring. I generally share their enthusiasm, but it is always tempered with the reality that it could easily all be lost. I am working without a safety net with this venture, and that tends to move my emotional state from one extreme to the other. I am happy and concerned, worried and ecstatic often at the same time, but I have to do it.

Vinnie sent me an email saying it was imperative that Ben from China come over here to see our plant so he could avoid making some mistakes by learning firsthand what we do here. I agreed with him and forwarded the note to Ben asking him when he will be coming. No word from him yet. I am not sure he can come as his schedule is filled not only with our joint venture but with his other companies as well. The mark of a good leader is someone who knows the parameters, needs, desires, and capabilities of the people around him/her. I trust my top people and am willing to let them decide most things on their own.

I only have an hour now, so I am going to finish up here and go take that walk before dinner.

04/14/05

2:49pm EST

I am flying back home. Last night's dinner with the Mike and Jody Green from AWT Corporation, the people who make our screen printing presses, was very pleasant. Afterwards, they took me on a brief driving tour of Chicago. He also comes from a family business, and it was fun comparing notes about how the last generation generally acted. It is always interesting to see how similar all of our stories are for those who go into family businesses. The dynamics from one generation to another rarely change and the look between Mike, Jody, and I of "I know exactly what you mean" often crossed all of our faces during dinner. They have one son in their business with a chance for one other. I am hoping for at least one of my children to come into ours to make it a fourth generation. It's fun to think about but not something I can count on.

I got about six hours of sleep and was up at 5:00am CST to take one last walk by the lake. It was invigorating; the sun was rising; and the wind was not too bad. There was not a cloud in the sky, and the sunrise was spectacular with ever-increasing of bands of color and light. I went back, had breakfast, checked out of the hotel, and went over to the meeting where I was to lead one of the panel discussions for the morning. My group was to talk about how utilizing environmentallyfriendly business practices were not only good for the health of our planet but also aided the bottom line. It was a spirited assemblage. After I messed up the introduction for the first man, I did much better for the balance. It actually turned out to be a lot of fun and very informative, and most people stayed until the very end.

I then hopped a cab for the airport and am hoping to be back in the office by 5:00pm, which will give me an hour and a quarter to go over things before I need to go and pick up Alex and Kayla from the gym. Rumor has it that we will have turkey burgers for dinner, which is one of my favorites. Being home is always a grand occasion, especially after having been away. Tomorrow I will work out, play tennis early, and then have a meeting in New York City with my wife, an extremely rare occurrence for me, even though we are less than 20 miles away. I tend not to like to go into New York; there are not enough restrooms.

I hope that contract is waiting for me back at the office. But if not, I will keep pushing so hopefully it won't take too long. I will have to work out the problems with the new plant, and I am sure as I do, more things will pop up. It is happening so quickly that there is bound to be a lot of "stuff" happening. I have to keep in mind that this is normal for this kind of thing, and I should only be very worried if things went too smoothly.

04/17/05

10:58pm EST

I got an email from Ben about the air-conditioning system. It appears that a full blown system with a unit on the roof will cost about \$115,000 while separate units will only be a total of about \$30,000. It's expensive, but we have no choice. It should directly increase the worth of the space if we ever decide to sell or need a loan. I will talk with Vinnie in the morning and see which option he thinks is better. Projected salaries for our China operation including benefits and new hires are more than I originally planned, but I see no way around the costs at this point. Paying fair salaries is our best chance for success, and I will not penny pinch here to save a few bucks. If it works out well, the money will not mean much anyway, so we might as well do it right the first time and keep the goodwill that we have built up.

Once we get the wiring and air-conditioning settled, then we can move ahead with the renovations. The bulk of the equipment is already ordered, so we are now at the point where we are waiting for everything to arrive. We are ordering raw materials hopefully from a Chinese supplier, but if not, then from the U.S. and ship it via container and finally to continue to make sure the paperwork is done correctly so everything can get into the country. Maybe we can start making money by September and then stop the outflow of cash by the fall.

I sent back the contract to Lucent with two modifications and am hopeful we may hear within a week. If so, we can move ahead and start going after the business from the other non-approved suppliers worldwide. Also at that point, I will start pushing to make sure all of their engineers and designers know that we do not charge to make artwork, and therefore they will hopefully move all of their projects through us.

Ben is supposed to visit here in May; Vinnie and I will go to Asia in June–I will leave him there and go to Thailand and Malaysia; and then I will end up back in China.

04/26/05

Yesterday I took a former customer to lunch. Actually he got me started doing business with his old company and was instrumental in helping me to get more business. An engineer by trade, he ended up being the troubleshooter for a lot of projects and even helped with the layout of their new operation. But his time there was ending and he knew it, so he was able to find an even better job with another one of my customers. This was a chance to see him and say hi as I picked him up yesterday. Our time together was spent in telling him about my journeys and building a plant in China, and his telling about how his life had changed and how things had worked out for the best, especially since his old company was downsizing—most of the people from his old facility were being let go. It is nice to hear something good come out of a bad situtation. I hope the others also "land" well.

04/30/05

It was a very good month for sales and puts us slightly ahead for the first four months over last year. It's a great thing, considering the amount of money we need to not only run our operation here, but to also pay back the loan. Our progress has been steadily upward and with the China facility on line in a few months, it should give us a sledgehammer to go after market share.

Alice was saying today that she wanted to hire more people for our New Jersey facility. We are falling behind in our paperwork because there isn't enough staff to keep up. I cautioned her that since China will soon be operating and some of our business would inevitably move there, then it would probably decrease here. The amount of overtime we are paying here is almost enough to take care of the manpower needs there, so in the end it will end up costing us less money from all sides. If by any chance that we are still very busy here after China gets going, then it would not be a problem to hire more people.

It will rarely make sense in the future to make new products in New Jersey that are destined for Asia. Our products sent to Europe and South America will be split between the two plants. If China is profitable, then I am confident we will open more plants, slowly ring the world, and manufacture as close to the areas of use as possible to cut down on shipping costs and increase our delivery speed. Since I live here and have no plans to locate anywhere else, it will always be the corporate headquarters and will serve as be the central computer location for all other locations worldwide.

I am still waiting for the big contract—it has been promised. Since it is a done deal, I am selling by using its power but am not yet bound by its conditions and restrictions, so for the moment we have the best of all worlds. Unless people want a copy of the finished contract to get them to switch over pieces of business to us, but I will deal with those situations as soon as the contract arrives. I still do not know how much work my main competitor is doing in trying to get world business, but we are pushing everywhere. I am up against my Asian regional competitor now, and so far we are able to hold our own. Not much action happening in South American yet, but that will probably heat up soon. I sent out more money to our U.S. screen printing press supplier, and all products from them should be shipped out by container to China within two weeks. It takes about four weeks to get things to China so we are looking at the first week in June to have everything on site. We will go over there the second week of June, but I have to be back here in New Jersey by the third week for Kayla's graduation from middle school.

My dad called me this week; he is undergoing chemotherapy and radiation, and the treatments are horrible. He asked me to take him for a walk later in the week and run some errands. I picked him up this morning and although he is 80 years old, he never looked really old until he got sick this last time. Now he walks and talks like my grandfather, and it is obvious the treatments are very hard on him.

Difficult circumstances make you more of what you are. If you are a nice person from within, you will become nicer as times get tougher and so that holds for all other qualities. Although my dad is trying is his best to be nice, some of his more difficult qualities are coming through and it has been very hard especially for my mother and sister. They asked me to talk with him to keep these characteristics in better control, but from his point of view, he is doing the best that he can, which is hard to ask for more than that. He goes for treatments every day, and my mom has been driving him. I thought that getting him a driver both to lighten the load on my mom and give her some time for herself was a good idea, so I have been going through my list of possible helpers. Happily for them, they are all busy, are doing well, and don't need the money, but that doesn't help my dad. I know it will make a big difference if I can find someone, so I will keep trying.

I went biking with Dave this morning after a great breakfast at a local bagel restaurant with my wife. He is practicing for a 500-mile bike trip to raise money for charity. He had done about 50 miles before I met him. Together we went another ten, so by the time he gets home he will be past 60 miles for the day. Some people are good athletes and some are better at business. Dave is a man with a great heart and a body that can do tremendous things. He is 50 years old and attempting a feat like this for a man half his age would be a big deal, but he is determined and I believe he will do it.

We road partly through the rain, and I was dressed perfectly with my rain suit, waterproof boots, goggles, and helmet. I was prepared partly because I was so well-trained by my dad who taught me from birth to always be ready. So much of my life I can trace back to him, both good and bad. To see him weak, old, and in discomfort is not an easy thing. A lesser man would have died after cancer number two, but he fought back; as he is doing now; and who knows maybe he will gain more time again. Obviously he is not ready or willing to die, which is the reason he is still around. Such a survival instinct is impossible to measure. Why does he have so much of it and others so little? Why am I able to focus so many hours on work, and most of the time love what I am doing while others simply do what is necessary to make money to live? Why can Dave force himself to ride more than 100 miles a day for five days and not get sick of it? Why are we as we are?

I found some tapes I made about selling five years ago and played them. I thought they were good and when Alice heard them she thought the same thing. "You should market them," she said. I agreed but how? She said I had brought out the tapes because the challenge of China had lessened, because the plan was in motion and everything on schedule. "You needed a new challenge," she said. It is time to move onto something else. Can my attention span be that small that when a short lull occurs, I begin to get bored? I am taking one of the biggest chances of my life with China, but she is right. Everything is on schedule and I am looking for something new to get that feeling of exhilaration, that runner's high of something new, untried, and pushing the boundaries of my capabilities. I guess it is because I continually want more. As some of the things I try seem to have a chance for success, then I need more to keep pushing myself to go after something new. Like my dad who is not willing or ready to die, I am not willing or ready to sit back and watch how things turn out. The thrill is in the journey, getting on the new road, and seeing what lies ahead. Once the path is potentially known, some of the excitement goes out until the end is reached, but in that lull there is time to move onto something else.

China will consume me again in another five weeks...until then who know what I can start?

11:50am EST

We went with friends out to dinner and then went to see a man who makes a living singing Frank Sinatra hits. He was pretty good, although I, along with my friend's wife, snoozed through most it. It was a pleasant evening, but during dinner we heard a heartrending story about a couple whose youngest daughter had been having trouble in high school which, through no fault of her parents, eventually led to drugs and a downward spiraling of her life. She was incredibly difficult for her parents and eventually ended up off drugs. But she was pregnant, unmarried, and stuck in a nonproductive relationship with a boyfriend with virtually no hope of ever amounting to anything, let alone being able to handle a regular job. When the baby is born, her parents have already told their daughter that they cannot be involved because they know she will dump all of her troubles, including the child on them.

How hard it must be for them to know that their own grandchild will not be a part of their lives and will probably end up being taken away from their daughter due to her inability to handle any part of her life. The potential for destruction is very good and the best for her child will probably be to be adopted by someone who will never know who her mother was. I feel badly for the baby and her grandparents, both victims of the actions of the person who will probably end up bearing no responsibility for anything, including herself. Everyone loses, and it is a tragedy that will play itself out with little hope for change.

Author's note: This story did have a happy ending. The baby was born healthy; the daughter is drug free, living away from her husband, and has gotten her life back together again. She lives with her baby, has taken responsibility for their lives, and the grandparents get to spend time with their grandchild.

As we listened to this sad story, my mind raced through my own life and how fortunate my wife and I have been with our children. I have no problems, compared to that poor couple, and it forces me to count my blessing to remember where I am and how good I have it.

I spoke to Wendy later, and she was thinking the same thing. I rarely take anything for granted or feel something is owed me. Still I find myself hoping, not expecting, that things will happen for the better. If you expect good things to happen or positive things are owed to you, then it will usually lead to disappointment and disaster.

Tomorrow the rain is supposed to stop. Alex is going into New York City to see a camp friend, and I am driving him to the station at 8:30am. Then I plan to make lots of pancakes, freeze some for the future, and then go for a long bike ride. In the afternoon, I will go the office, bring my clothes for the week and maybe work for a little while.

Time for sleep, it is now midnight and a new day and month has just begun. Next week we go to the Berkshires for the weekend and Wendy's cousins son's Bar Mitzvah. It will be good to see everyone especially Wendy's parent whom I both love dearly, a great thing to be able to say about your in-laws.

<u>Chapter Eight</u> May 2005

05/07/05

5:41pm EST-The Berkshires in Lenox, MA

About a week ago, it became apparent that getting my sailboat registered with the state of New Jersey was going to be lot harder than I originally thought. It was not just a matter of sending them money; rather it involved multiple forms and getting one of them notarized, and worst of all having to have the boat inspected by the NJ State Police-Marine Services Unit. All of this before I could get a title and a license. Last Thursday, one of my guys brought in my boat from where she was wintering, and he and I struck out for Port Newark, near Newark Liberty Airport. I have been living in this area all of my life, but I did not even know that the port extended this close to my office. I was initially excited as I thought if there was one this close, then I could use the area to launch the boat instead of having to drive to a lake 45 minutes away.

When we got down to the marine police station, it was obvious that not only was there no place to put in my boat for a pleasure sail, but it was also probably locked down anyway for security measures from Homeland Security, since it's a port and near the airport. The state police sergeant confirmed we had no chance for pleasure boating anywhere in the area. But everyone was very nice and within an hour, we had the necessary inspection completed. Later that day, I had everything sent into the state, so now my boat sits in our parking lot, sharing my parking space with my car, waiting for the documents to make her legal to start sailing.

Yesterday my whole family, including Ben who is back from college, went to our home in the Berkshires of Massachusetts. It is a place of sanctuary and calmness, and I love it here. The weather report for this morning was rain, but since we were going to a Bar Mitzvah in the morning which meant a lot of sitting and eating inside, I wanted to get in some exercise before we left. It was not easy getting up at 5:30am, but I did. To my happiness, the rain had not begun, so I got in a good two-hour bike ride.

Max, the Bar Mitzvah, did a great job at the service, and the party was a lot of fun. We were on our way home by 4:30pm; it is now almost 6:00pm. We plan to have dinner and take it easy. Tomorrow, I will get up early again, and then we all take my mother-in-law to breakfast for Mother's Day. My father-in-law can come also. While at the Bar Mitzvah, we saw some of the relatives we only see at events like these. One of them was my (actually Wendy's) Uncle Nate, and he said some really nice things to me. When I first met him, he always treated me as per my potential versus what I had actually accomplished. I quickly adopted him and always found his counsell to be insightful and always supportive. He told me he that he was proud of me and my success, and thinks that the China adventure is a very smart move. It is wonderful to have solid support from people whose opinions really matter. In fact, he is one of the reasons I wanted to come up here.

<u>10:34pm EST</u>

When we get home tomorrow, we will go over to my parents. Neither my brother and his family will be there nor will my sister's kids. Things are changing; the family is not as close as it was. It is like years ago when I used to have lunch with my dad during the week every day when we worked together. It got to the point where our lunches took too much time, and I had too much work to do so I told him I wanted to eat at my desk from that point on. His view of the business was always different than mine. To him, it was just work and that he did what he needed to make a good living. For me, it is a passion, an empire I strive to build.

At the Bar Mitzvah today, I was talking about our move to China. When I speak about the risks, I seem to be taking an astronomical risk, but it doesn't seem to matter and I keep going ahead, sending more money, and believing our path is good.

As additional people believe as I do and follow their instincts, then more business will flow outside the U.S. which means that more jobs will be leaving and foretells an eventual downturn in our economy. We are like Britain with our empire beginning to wane and hopefully we can convert to a different place in the world without a lot of turmoil or a revolution. China will emerge to take our place, and I am hopeful they can use their new and increasing power to work for the betterment of all. I still say there is much less chance of war when people are doing business with each other in mutually beneficial relationships. Capitalism, commerce, and the spreading of increasingly better standards of living is the way to better our chances for world peace. I hope to be on of the people to spread this idea throughout the world and have a great time doing it.

The secret to most things is being able to see change, accept it, embrace it, and utilize it to the best advantage for you and everyone else around. Change is also tiring, accepting it is difficult, inevitable and the secret to everything good, it holds the best prospect for a better world for us all.

05/25/05

<u>1:46pm EDT</u>

I am back on my way to Chicago again and then on to Dublin, Ireland.

My daughter's softball game last night was memorable for a few reasons. First of all it was really cold, a high wind blowing with temperatures in the 50s and rain threatening. I had on so many clothes that one of the parents said I looked like a tube toy. But all of the girls, including my daughter, were tough and played a great game. We won by a few runs, which was only our third win of the season. The girls had fun, and we all had a great time.

I had a minor problem with a parent coaching from the sidelines. Since I am an assistant coach, I told him to stop. When he wondered out loud what I would do about it, I threatened to throw him out of the park—that did the trick. Sometimes keeping order on a sports field is not easy. The other parent I had been worried about turned out to be the reverse of what I feared and has been a positive force since the first time I saw him. Happily, my fears were ungrounded, but it never hurts to be prepared for trouble.

Last week at one of our games, an interesting thing happened. An elderly man who looked like a grandfather was with a young child, and they were watching the game. It had turned cooler, and he asked me to watch his granddaughter while he went to get her a coat. These days, leaving a grandchild with a complete stranger is rather unusual. I also did not want the responsibility and turned back to the game since our team was batting. When I looked again, he was walking off; he had just left her there. I must look very respectable as I was suddenly responsible; I offered her my jacket to keep warm. She stayed with us for a little while. When my daughter came by and asked who she was, I told her about the older gentleman and if he didn't return, she just got a new sister. My daughter gave me one of those "Are you crazy?" looks, and at that moment the young girl's grandfather came back with her jacket. I have since thought a lot about what would could have happened if he did not return. Would I have taken her in? Was I part of some great plan of the universe to adopt this child for some reason that would remain unknown for years? I am a believer in fate; and if that what was meant to be, then I would have seriously considered it... right after I talked with my wife, of course.

My mind was whirling with a possible story line, and I felt the great urge to start a new novel. Of course, I thought that my first attempt about Iraq was good, and I like being able to make things up as opposed to sticking to reality. Then I mentioned the idea to my wife, and she looked at me with the same look my daughter gave me before. She reminded me about grief I went through the last time I tried to turn my novel into a play. I did hate that process, but the novel part was fun. What she was really saying in her beautiful way was that she did not like my fiction writing. She told me I was a realist and to stick to what I did best—write about my life, the good and bad, the mistakes and the journeys to hopeful success. And that was that. I mention the moment with the little girl and the grandfather in passing to my wife, but the story will stay buried for the foreseeable future.

My wife has an incredible sense of what will work in most things in life, what is best for me so I tend to heed her call. Her gut instinct is among the best I have ever seen, and I am incredibly lucky to have her not only as my wife but also as my advisor and biggest advocate.

I am now sitting in the airport lounge; I am due for Ireland at about 8:30 tomorrow morning. If fortunate, I will get about five hours of sleep between all the naps I plan to take. I am going to Lucent Technologies first, then on to Teradyne. Those are my only two calls so far, and they could each take anywhere from five minutes each to hours. Heavy planning is my nature, but I have left time open to stay with both customers for as long as they wish. Besides they may want to go out to lunch, and doing that in another culture is always interesting and is the best way to get to know people in a much deeper way.

If I end up with extra time, I may try to find an Irish dancing or music center to watch a performance in person. I have always had an urge to learn how to Irish dance, much to the chagrin of most who know me. But since I am not opposed to looking dumb, especially when I am exercising alone, I may try to get a lesson. I am staying at the same hotel as last time and have a general feel of the layout for the surrounding blocks, which means it may take me a full half hour before I get lost.

Sales for this year are going well, and the facility in China should be running within eight weeks. In fact, I will schedule the flight in the next few weeks for Vinnie and I to go over there and also then for Oscar and Carmen later, two of my pressmen. The pictures from Ben have showed great progress, and he is as anxious as I am to get rolling. By the time we get there, the equipment should be installed, powered, and tested (where possible), and ready for prototyping. I am as much excited as having the outflow of money being stemmed as starting the operation. I hate debt and will be much happier when it is paid off. As for China, I will not believe it is real until it is actually happening, so for now it will stay an expensive dream.

I have missed traveling, as hard as that may be to believe, but I was getting a little bored of not being on the road, at least a little bit. It has been about five weeks, and I am ready to go. The world contract we got is a paradox. We are supposed to have certain advantages to allow us to take more business worldwide, but the process how to get the business was not mapped out, so I am finding myself going everywhere and having to explain and defend what we are doing before we have a chance for implementation. It has been and will continue to be a tough road. The good news is that since we have the contract, we do have an opening in which to go after the business. This means I will be very aggressive until people start yelling. An open field is the best for me, and I would rather have that and the ability to form the structure myself than to be constricted by someone else's game plan.

<u>4:51pm EDT</u>

We are flying to Chicago in a very bumpy way. I was hoping to get a snack, but now I am not sure if I still want it. As I tell people the story of China, they look at me like I am part of a large migration of lemmings, energetically driving ourselves toward a foreign cliff that will end in oblivion, or some oracle who is taking the chance of a lifetime with the odds against the chance of success.

However, I see the migration of companies to Asia divided into three different groups:

The first group is the people who have bought existing companies in China and most, I believe, are finding it very difficult doing both because of the structure of the communist system and the problems with longtime personnel. They are buying a lot of problems, along with the company, and I think their unrealistic ideas of quick profits or quickly instilling American or capitalistic values are not in line.

The second group are those who set up partnerships with companies already there. In essence, they are becoming distributors for companies already operating and are nothing more than outside salespeople with a small share of the company. I believe these companies are still driven, controlled, and directed by their Chinese owners. The additions of the outside people are nothing more than a cash infusion. I have not seen it work to the advantage of the minority foreign partner.

The third group, of which I am a part, are those who partake in the JV partnerships, where someone like me holds a majority stake in the company but has Chinese partners who are highly involved in the process. I am not sure mine will work; it is still too early, but preliminary results on the set-up of the plant seem to be positive. I am harkened by my partner's attitude, aggressiveness, and carefulness with our new company's resources.

The price pressure from my customers has increased, not just because we are going to China, but in the overall world market. If we weren't going there, we would still need to drop our prices to be competitive with many of the other world markets so the drive for higher efficiency, which we are constantly working on, would be happening no matter where we are located.

Maximizing the return on raw materials, reducing the amount of waste, and using our manpower in the most efficient manner are all the best not only for maximizing profits but also for keeping the environment clean. Our factories are as healthy and as work-safe as possible; we are doing the best we can to keep everything better for the present and our future. If nothing else, I am still optimistic about our ability to see the marketplace, carve out our niche markets, be adaptable, and make money.

Speaking of niche markets, we are working on some other product lines that have absolutely nothing to do with printing but are related to the other businesses owned by CY. One product we are looking into is a type of magnet that when attached to certain parts of a car will help to clean the fuel as it is being used and will increase the gas mileage from 10-15%. If this works, it will be a boom to the U.S. consumer with the way prices are going up. I have ordered some samples here to see if they really work. If so, then we will try to launch them as a product line. It is always fun to work on something new.

The man sitting next to me has a vacation house in Brazil. He says it is not as dangerous as people are led to believe. I am not sure I agree, but he seems to know what he is talking about. I think I will leave it up to other people if we have to put a distribution center down there. I am adventurous, but I try not to be crazy.

I have a diet soda and pretzels, and I am listening to my son Ben on my music player. Life is good.

I am planning to have an entrepreneur day at the university where I taught last semester. The head of the department liked the idea. I am thinking 24 people would be a good group, and I will bring three other business people with me. We will do general work, then split up into four teams and compete against each other to see who can do the best in the least amount of time. The thrill of competition and the ability to think and prosper are catalysts for young entrepreneurs to spread their wings and try for levels they never thought possible. They can be on the way and with a one-day course like this, I believe they can do it. Besides, I am sure that the people attracted to the course will be the cream of the student body and a great source of employees for later.

<u>9:02pm EDT</u>

It was a little rough going when I got off the plane in Chicago. The flight board only has one plane going to Dublin, and it was in a different terminal. I took the tram over, but I ended up in the wrong place.I had been in the right terminal to start with, but the Dublin flight had not been listed. I was worried that security would take too long to get back, but as I made my way through I met a preacher's wife from Atlanta who also mistakenly went to the other terminal. She was living in Scotland with her husband and was about to end a four-year stay there. We commiserated about bad advice. While waiting in the security line, I mentioned that one of my good friends was a rabbi and that I always tried to treat him as man first and clergy second. She said her husband had the same problem, and people often expected him to be perfect. She said that he preferred them to live their lives directly with God in mind, as opposed to using him as the go-between.

We both made it through security with 25 minutes to spare. Unfortunately, I got word that my dad was in the hospital. He had gotten dehydrated from his medial treatments and had fallen twice last night. He would be there for a few days, and I called my mom and brother. They said to keep going, that there was nothing I could do, and that he would be fine. I also spoke to my wife, my rock of support, and she also agreed I should keep going. Dad's sickness is bringing the family closer together—a very good thing, and I am sure it will be even more important for the future.

I have seven hours to Dublin. I have slept a few minutes at most, but if I don't get some sleep I will be a wreck by tomorrow afternoon. If that happens, the adrenaline rush of the meetings that normally comes should get me through, but I do not like to rely on that. It would also be bad form to fall asleep while talking to a customer, but I have already nodded off in waiting rooms so I suppose that could also happen. When they turn the cabin lights down and I am not asleep, I will go shave and may change into my suit so I only have to worry about it while driving to the customers. I detect the aroma of roasted nuts, which means dinner should be started soon. The flight attendant said they have personal DVD players, so maybe I will indulge. I do have enough power to play one on this laptop, but I have lots of audio with me so maybe I will try to sleep to that.

I just have to get through these meetings, and then I can pass out later. I hope I have enough energy to walk through Dublin later; it was very interesting last time. I would like to see it again, besides I need to buy stuff for the kids and chocolate for the crew in the office.

05/26/05

8:35am Dublin time, 3:35am EDT

I must have fallen asleep for a few hours since we land in about 20 minutes. I have already shaved, dressed, and have my immigration card filled out and ready to go. The flight has been great and are landing early. I am excited to see Dublin again, and it is not supposed to rain today and will probably reach the low 60s, which should be perfect for walking later. I can't call the office for another five hours, and by that time I could easily be done with my meetings. I wonder what today shall bring.

9:35am Dublin time, 4:35am EDT

I was through immigration and customs in good time and met my driver, James, who looked sharp and neat. As we traveled out of the building, for the first time that I can remember, a bird swooped by and unloaded on me. What a time to have it happen right before going to see customers. And I had just been thinking in the men's room how when traveling I can sometimes suspend my problem with germ phobia. The question is, can I do it now while cleaning up from the bird? Luckily, some of it hit my overcoat which I can leave in the car. As for the balance that landed on me, I utilized my antibacterial lotion that not only helped me to clean up but assuage my phobia quite well. Onward for the rest of the day. James says getting pooped on is good luck, so we shall see.

2:53pm Dublin time, 9:53am EDT

My first call to Lucent Tech went well, and now we have the chance to get back a large piece of business we lost when it had been moved to Eastern Europe and Asia. We weren't included in the initial move from the U.S. because the people here in Dublin did not know about us—great selling on my part. No matter how hard I try, I can never get to everyone, which is a fact I need to keep accepting. But we have our chance now, and if we can be price competitive, we have the chance to get back what we lost and a lot more. This will be one of my primary focuses over the next few weeks. Just having the plant in China is enough to get us on the playing field in many situations, and I plan to use it to the max.

I then went to Teradyne to see the engineer I am dealing with. He is in charge of moving the business they have from Europe to Asia. He is telling his suppliers there to use us. Again, having the plant in China has made a big difference and given our customers the confidence that we can supply to any location worldwide. We went out for a quick lunch to the kind of restaurant where I have been before here in Ireland. People just walk in, go to a line with all types of roasted meats and vegetables, and pick what they want. No waiters, just pick up the food and eat—the ultimate in efficiency and speed. It was another good meeting, and I got to my hotel about half hour ago. Everything at home seems okay; my dad is stable; and Kayla's head coach has offered to drive her home from the softball game so she can play tonight.

I checked the weather for London. There does not appear to be a fog problem, so I am hoping that we get out on time to London and then on to home. There is no question that I needed to come here in person. One of our great advantages is that I decide when and where to go and will spend the money to do so. I have no other calls planned for today, so I will take a walk, and try to find snowglobes for Kayla and Alex, a glow pen for Wendy (she has started a collection), and something for my oldest son, Ben.

9:56pm Dublin time, 4:56pm EDT

I think the next time I fly to Dublin, I will try to do it all in one day. Judging by the way I feel right now, I could have done it. Then I could have been home for my regular Friday routine, as opposed to getting in at the end of the day. Figuring eight hours each way for air time and eight hours for my meetings, I can definitely do it—something to consider. Oh well, it is a lesson learned, and I will know for next time. I spent the rest of yesterday working from my hotel room, exercising, getting and eating food, and watching some television. I know it sounds so glamorous, but I do not have the energy for an evening activity since I have to get up at 4:00am so I can work out and be ready to leave at 6:00am for the airport. It is time to start my evening ritual and try to sleep. Wake-up time comes quickly, but I have only slept about five hours for the last 36 hours, so it should not be too much trouble.

05/27/05

7:15am Dublin time, 2:15am EDT

I am now in Dublin Airport. I got about five more hours of sleep. The 4:00am alarm was hard to obey, but I got up, exercised, checked the news—I always like seeing how other countries deal with the same topics as the U.S.—had breakfast, and caught my cab. The airport was crazy when I got here, and the queue for security seemed like it went on for miles. But I am now at the gate with plenty of time, so I am trying to stay still and not overheat and get sweaty, because it will just be more uncomfortable later. I detest sitting in sweaty clothes, but such is the price to pay when going through usually hot airports. I decided to wear my suit, minus the jacket, and also shave. If one is dressed appropriately, people will often do what is wanted and needed without question, when they would normally ignore a casually dressed person.

I am tired and looking forward to catching up on some sleep during the upcoming flights. I tried to get my boarding pass for the next segment, but I could not do it since I am changing airlines. However, I am going via Continental Airlines, which is like my home team so hopefully I will have no problems. I already have a seat assignment, so I am reasonably calm. I will not totally relax until I am onboard the next flight bound for home, on time, and already in the air. It is a lot to hope for, but I will keep at it.

I just noticed some poop stains on my coat from yesterday, so it will go into the cleaning bag as soon as I return. I have already gotten some good laughs from that story, so it was worth the encounter. Next time I will be aware for low flying birds.

05/27/05

10:22am London time, 5:22am EDT

I am in the Gatwick Airport in London. When you go through security, it empties out into a cavernous room full of duty-free shops and masses upon masses of humanity, all crowded together in a heated, frenzied environment. Luckily, I am going Business Class and am now seated comfortably in the Continental Airlines lounge, overlooking one of the runways. It is a beautiful, warm day in London. Had I the time, it would have been great to play some tennis outside or go for a walk in one of the parks. But since I would rather go home anyway and am scheduled to play tennis with my brother. I am contented to be here and wait for my flight. Since I will have some time, I plan to go back to the beginning of this book and start the arduous task of the first edit. I love to write but do not like to edit. And every subsequent edit I like even less, but it is obviously necessary. The sooner I get it done, the sooner it will be ready to go to press and to start serializing in our newsletter. There will be enough material in this book to cover at least two years of the newsletters, so it will be nice to be covered in that area.

2:28pm EDT

We should be landing in about 45 minutes. Hopefully, after going through immigration and customs, my ride is ready to take me to my repair shop where my car had some things worked on. I will pick her up and go directly to my tennis club, kiss my wife who should be there with my daughter, and play tennis outside in the glorious late spring sunshine. Tomorrow I am due to go bicycling with Dave and then out with my wife and friends that night. It is Memorial Day weekend, so I have Monday off. I will be in the office for part of it to catch up from this trip. I don't mind going to the office on the weekends; in fact, I rarely mind going there at all. It is usually a place of sanctuary and people mostly do as I say. I doubt my boat will be ready for the water, but maybe next week. I have waited this long as it has been over three years, so one more weekend will not make a lot of difference.

My next scheduled trip is in July to Asia, but I should be up at our house in the Berkshires at least once before then. This trip has been fun, and I look forward to going back to Dublin. Next time I am definitely going to try to make the whole trip in one day. Why not? I do love a challenge.

Chapter Níne June 2005

06/01/05

<u>4:59am EDT</u>

It is a new month; I believe it is the 28th anniversary of my start in the business. Almost every time a new month begins, the paranoia is not far behind. Will the sales be good? Will we cover the overhead and make money, and if so how much? The plant in China has assumed epic proportions with already large chunks of business committed to being moved there as soon as operations begin. I am being forced on all sides to keep reducing costs to my customers, even when my raw materials and labor costs continue to rise. The only way to combat it is to find new niche areas that are temporarily shielded from the constant pressure of the marketplace. It is a grueling, continuous battle, but we have the advantage in that my competitors are being squeezed in the same way. The marketplace is being compressed, and the many payers have already been thinned out. If my plans are correct, and our focus and attack are consistent and reflect the marketplace, we will be fine.

We brought my dad home from the hospital yesterday. He was in for dehydration, and again I thought he was a goner. But he bounced back again and seemed okay. He was rather negative on the way home; I guess it is his defense against the world to lessen those around him. I feel for my mother and am trying to get her help, so my dad is mobile without her. Separation for part of the day, I told them both, is not a bad thing; they can get some time away from each other. The level of their love for each other was never in doubt. Their ability to be with each other on such a constant basis, especially when he is sick, would strain any commitment.

It is time to check my email, to see what parts of the world have sent communication so I can do the same in return. Amazing to think I can comunicate with China and Europe with a few keystrokes and they back with me. Then it is on to my workout, and I will watch a movie while doing so. Tennis comes later after a quick breakfast. This is the regime I cherish, the structure I crave, the pathway to success in all areas for me. It can be prison for some but is freedom for me.

I went to see my therapist this week. I don't know if I mentioned before that I am seeing one. I have been off and on for years. When things start getting tough or going out of perspective, I have found therapists to be beneficial. I have a new one who is a nice, tough, and focused woman who seems to be able to read right through me. I cannot "snow" her. She also seems to understand my various behaviors and appreciates my ability to control them. We spoke about those "behaviors" this week, and she mentioned I might want to try to be a little less obsessive-compulsive. The rigidity can sometimes transform me into an ever-increasingly smaller box, which tends to not serve my needs.

She noticed one of my tics, which no one seemed to notice before. To people who do not know, it looks like it a slight uncontrollable twitch. In my case, it is like a low-level itch that does not seem to leave me alone. I can control all this stuff usually, but it definitely gets worse as the tension and stress levels rise as they have been going off the charts lately. Between China, business slowing down, getting my oldest son a new car, spending giant amounts of money, and being worried in general, I feel that I do not have total control over anything. China is talking its toll. I never really had partners before; working with my dad was a different situation; and since my two partners in China are just that-in China, I cannot dictate to them what I demand. Rather it is more like walking a line of agreement knowing that even though I control the money, they have the location and possession there, and I can only guide things. That is what a partnership is-learning to work together, utilizing the best strengths of all, helping each other to grow, and becoming more successful-just like a marriage.

I booked the flights for Vinnie and me for July 9th. We will leave from JFK Airport in New York, after dropping off Alex who is on his way to France to study for the summer, and then we will go on to Xiamen. I am hoping to have the plant ready to go before we get there, but I know there will be problems; that would be normal. Vinnie did not want Carmen and Oscar to be away the same time as us—they will arrive the day we are leaving—so we will not see them. I would have liked to see them, but it will have to be okay not doing so. We will get there on Monday to go directly to the plant, and then I will leave on Tuesday for Thailand. We will leave Xiamen on Saturday to get back on Saturday night to JFK.

It will be a fast and crazy trip, but it will force all of us to move quickly and hopefully efficiently. I will try to make sure everyone gets along, but we are trying to do so much in so little time that there are bound to be problems. This reminds me about the magnets. These are the energy-saving devices that CY says he needs financing for for research and going for production. I asked Ben about it, but he wants to wait and get the plant up first. I am not sure we should, which is adding even more levels to my stress condition. I don't have the extra money for the research at this moment, but I am convinced that it will be best for the world and for us if we do this now. I am again at a crossroads: Should we wait and risk that the opportunity may pass and never get another chance at it, or should we risk even more and go after it now?

If business was booming here, then the answer would be easy. I emailed Ben this afternoon and asked him if he could get our licenses changed to include the magnets. If we can get the Chinese govenment to agree, then I will probably go for it. And then we can keep them in our product description, use our additional space to produce them, have all of the patents involved signed over to Ideal Jacobs-Xiamen.

Ben has not answered back yet. I have to wonder, was this whole thing created by some master of fate so I would be in a position to go into this part of the business that could save the U.S. and the world 10% of its fuel? That much of a saving could not only help to stop the fuel crisis but also help the environment by burning the gasoline and diesel more cleanly. With all this stake, why am I hesitating? The answer is simple: my house is already on the line and if this venture doesn't work, I am looking at some serious money problems. I have almost spent a million dollars already, and we are not even operating yet. I am scared about what could happen if none of this works, and the thought of telling my family that I failed and that the bank is taking our house is horrible.

A man who cannot take care of his family is a not a man. It is up to me to prove the best life possible. Here I am taking a wild chance in a country halfway around the world. I have to draw a line in the sand somewhere and say enough, I cannot go further until the payback has started, or at least until the money outflow has stopped. The responsibilities go all ways for my family to the business and to the world—they all have to balance. Still I know me and even with all this hemming and hawing, if I can possibly set up the research, then I will have no chance within my own mind to stop it. I owe it to my children and the world itself to see if I can make a contribution that will help us all in any way... even if the risks are bigger and the stress level reaches the stratosphere, then I have to do it.

Was I meant to get to this point to see what I am made of? Was I meant to get here to see if I would do it? One never gets the same chance twice, something will always be different and there are things in life that do not come again. The chance to go to China was one of those moments; the chance here for the energy-saving devices may be another. I did not go to war and have not served my country, but I have been a productive member of society, paid my taxes, loved my wife and kids, and done the best that I can. The time has come to step out on the playing field a bit further and see where it will lead. Knowing this, I am reasonably confident my partners in China will find a way to fulfill my questions above. I will have no choice but to move forward. I hope I remember this in a few years when it is completed and hopefully successful, and I forget how tough it has been. It is like childbirth, I hear-it is horrible as you go through it, but the bad memories tend to recede over time with the true focus being on the baby. My new baby wants to be born; I will try my best to make sure it happens, and she comes into the best way possible.

I played tennis with my brother today; he is such a fantastic guy. We talked about our dad and while he said he would never have done it himself, at least doesn't try to stop me; he just tells me it is something I always wanted to do and should go ahead. The chance to hear that he is proud of me sadly will never happen, and I will have to be satisfied hearing it from other people. My father-in-law never fails to tell me how proud he is of me, and it means a lot. But it will never be like it would be from my dad. I could accomplish anything and everything, and it would still never happen. How sad that he could not think to say it and that I spend my life wishing to hear something that won't happen. The best I can do is accept him as he is for the time he has left, and remind my own children how wonderful they are, how proud I am of them, and that they are truly good people. I suppose there are always things we cannot have—part of what makes us whole and incomplete at the same time.

I always say it is good that I play so much tennis; it is good for my ego to lose almost every time I play. It keeps me grounded for the rest of the day. How big can your ego get when you are constantly being crunched in the morning? But egos are such fragile things; just look at my weight. I got up this morning and it was 182 lbs; it should have been around 180, and I got depressed. When I got back from tennis, it was 179.5, and that was great. I said enough and decided not to take any more readings for a while. Why should my weight have such an effect on my day-to-day thinking? There is so much going on inside my head that it is amazing to me sometimes that I can function at the efficient level I do. But I am all one person, filled with potential in so many areas. The best I can do is move forward in as many as possible, take it a little easier as per my therapist, and enjoy the ride.

I always try to have a good time by laughing, singing, and even dancing, much to the chagrin of those around me. I am fortunate in so many ways that I cannot let myself focus on what I cannot or have not acheived. I don't care about sports; they are not monitors of my abilities. I do not care about fancy clothes, cars, or extremely expensive houses. I do want, however, to be able to go to "home base," relax, and be with my family. When I am working, I want to be able to go full tilt with everything I have in me, not only to suceeed but also match myself against the best.

I will never hear that my dad is proud of me, never hear how well I have done. That is the accolade I will never get, the prize I will never see, the hug I will never have. It will keep me hungry for more, but it is a hunger that should have never been there in the first place. It is much better to strive for something positive and possible than to yearn for an emotional acceptance that will never come.

06/06/05

Ben is looking for the right professor for the magnet research, so the project is on hold until he does.

Author's note: The magnets never lived up to expectations and the project died.

06/12/05

It is the week before Father's Day, and I am stuck with a dilemma. My wife and I virtually never get to have Father's or Mother's Day; it is always spent with our parents being a son or a daughter. She has been asking me for a week if I want to do something with my dad, but I have been avoiding the issue, figuring one of my siblings would have set up some family function or my parents would do something taking it out of my hands. But it did not happen, so today I decided to break tradition and spend the day with my wife and kids. I called my brother, and as always he was supportive and had no problem with it, and then I left word with my sister. The guilt started coming and I began to waffle on my decision. My wife said that maybe we could drop off some muffins before we went sailing next Sunday. At that point, I decided to change the situation and take care of everyone and invited my dad for breakfast next Sunday. This will free up the rest of the day for myself and family. I called my brother to see if he wanted to be there, and he said it was a great idea, that he was in, and then I called my dad and he said yes. My mom got the bonus of having my dad out of the house for a while, so everyone would win. I left word for my sister so she could join us if possible, but why do I feel so guilty?

I used to have lunch with my dad everyday for the first ten years we were together in business. When we were in business together, Dad and I would see each other all day, talk at night, sometimes see each other on the weekends, it was a lot of close time together. But one day I announced that I did not have time to go to lunch anymore, and he said okay. It was another step towards his eventual retirement. Today, I moved a little further away again by no longer spending the evenings with my parents, or Wendy's for that matter for Father's and Mother's Day. The day has moved to my wife and I, a first step in things moving onward for us and our move towards getting older. We are on the same road as my parents that will end up with the same things happening to us; that is okay because it is part of the life cycle, and things have to move on.

I needed some more flowers for our back and side yards today, so I called my dad yesterday and asked if he wanted to come with me and he agreed.

His willpower and force are depleting, but he still has them here. I have no wish to get him upset or angry. We worked together for so long I often know what he is going to say, probably before he thinks it. In my dad's case, I find myself keeping the communication to the areas I think necessary but away from those where the problems will begin. Some of what I do is because of guilt, some because of a debt I owe him for helping me to be who I am, some because I love him, and some because of the way I want to be treated by my own kids and the people around me.

My dad is two people: one to the outside world, a nice old man who is pleasant; and another to those inside, an incredibly intelligent, piercing, probing individual who demands the world bend to his will. If I handle the situation just right, I do not see or feel the barb of the "inside"man. When I don't, it comes out like harpoon and I realize I lost again because I enable myself to become a target. It is like keeping someone medicated by only giving the stimulus where you know there will only be a positive response and never set up the situation for confrontation or assault.

Time is running out, and there is no way I can ever get what I need from him. I find myself hoping it will be better when he is gone, then I can at least redefine history to the way I want it. Remember the good and bury the rest; it is not exactly the legacy I would have preferred but one which I am forced to accept. This is an example of both the positive and negative and how both can be of use as long as you define it as such. I have to remember the bad parts in order to avoid them with my relationships. Just because my dad was like his dad, it doesn't mean I have to be like him in every way. The cycle can and will be broken. My kids do not owe me respect, love, or anything else. My actions will determine how they react to me, and I hope it is from a positive plane. I want them to behave like good people toward everyone and realize that the best will come back if they give their best outward first.

Relationships from all points are evolving. There should be no competition between father and sons, wives and daughters, just a continual movement forward for all involved, working together as a positive team. If my children achieve more than me, it will be a great thing with no jealousy from me. On the contrary, I will spend my time telling people about how wonderful they are, like I tend to do now. I will help them as much as I can because that is what families do; they build up; they do not tear down, criticize, belittle, or be hurtful.

It is Sunday, and as usual I took my business clothes for the week to the office. So when I get in on Monday morning, I am set to go as soon as I finish exercizing. There is a Chinese family that lives near our building, and I sometimes hear the grandfather playing a Chinesestringed instrument. The melodic sounds drift past our parking lot, and I find them soothing, reminding me of China. I go back again next moth with Vinnie and am excited and worried. The plant is about ready to start, and I do not know what to expect. Obviously there will be some troubles, but I really have no idea if it will be a success or how big it will go. I am not sure what I will do if Carmen and Oscar do not work out after two months. I figured I should worry about that later. There is enough to do now, with trying to increase sales geometrically in all directions to create enough business and trying to profit and run both locations—a great challenge that I love.

At the age of 49, I think one of the most important things for people my age is not be bored, to have a long-term goal, and be involved. Worldwide expansion has always been a dream of mine, and I am so fortunate to be able to do it at this point in my life. As my dad said, this was a move I had to make. Everyone seems to think it is a good idea, especially with everything in the media about the upcoming dominance of China. But if nothing else, it has been a fun, great adventure. What more could I ask for?

<u>9:41pm EDT</u>

It has happened; my 14-year-old daughter, Kayla, announced that she has a boyfriend. Her mother and Ben knew a week ago. She did not want to keep it from me any longer since they had a date next weekend, and I would have found out anyway. It is strange what you think about when things like this come out. It made me remember back when I had my first girlfiend. I was also 14; the girl was 13, who actually lied and was 12, but I did not find out for months. It was my first experience with a "woman," and even at 12, she was light years ahead of me. I was to learn a great deal from her over the years.

But back to my daughter... The boyfriend is taller than I. Although my wife and I think I can take him, not that it will ever come down to that. My daughter is leaving for camp in a few weeks anyway, and they wil be separated for two months. It doesn't matter; I trust her judgment, and she knows what she is doing. I do not believe anybody will do anything to her that she doesn't want done.

Of course, I will check with Ben, who is away in Maine, as to why he did not email me about this critical news; he is probably just trying to protect his sister and me. Not a problem; if this young man, Dylan, physically hurts her, then I will take care of it. However, if it is anything else, I won't. Learning to get aloing with the opposite sex is an incredibly important, happy, gut-wrenching experience and needs to be experienced by everyone. I will be there when she is happy and especially when her heart is broken, but it is her road. She deserves to travel it as she see fit. I want to protect and defend her, but she is tough and smart, and I am sure she will be okay.

Still, it makes me think back to when I was her age 34 years ago. The incredible highs of liking someone and holding their hand and kissing them for the first time. The buttertflies in the stomach, the electricity in the touch, the endless levels of excitment at just thinking about someone else. These are emotions that cannot be equaled; and of course, they are then followed by the downside, but it is an experience that should not be missed. She is on a new journey, and I hope it is an overall pleasant one. I will do my best to cheerlead somewhat quietly from the sidelines, with uncharacteristically little singing and dancing. My little girl is growing up, which means I am also getting older—a good thing for us both.

06/19/05

<u>2:00pm EDT</u>

I played tennis with my brother this morning. Even with his physical problems, he still beats me. Oh, how I love to use tennis to keep my ego in check! Then we went to take my father to breakfast for Father's Day. He spent the time mostly talking about other people and his health. I was glad my brother was there. In the end, we all agreed that we would do this again in the future. I love my dad, and wish him the best and for myself—it is up to us both to find it. I also love my brother; he is a good, positive, warm, fantastic human being.

Afterwards, I went home to pick up my bicycle and ride it to my office. The first thing I have done for my boat to get it ready is put on the last coat of primer; after all, I did want it to float. My inability to do anything mechanical is legendary, which is juxtaposed with my ability to engineer and think. Good with the head, but not with hands in many applications is a limitation I happily accept. It just means my wife calls for people to fix things at the house since I can't do it. Instead I get to be at the office and make money to pay them—a good system all the way around.

The boat looks great. I also found that the hand cleaner for the paint also works well to take off the paint where I missed the lines on the boat. As I said, I am bad at this stuff. I also can't draw within the guidelines.

I am leaving in a few minutes to go back home and then out to the movies with my wife and daughter. I called Dave, who is down in Florida seeing his sick father, to announce that the maiden voyage of the good ship Ideal would be next Saturday and he is invited. Another friend, Abi, is also coming with us, and I may invite others.

I hope my boat goes into the water; her sail goes up and actually moves. I also called my father-in-law. He does not sound great since he is having shoulder trouble. I like to talk to him; he loves me and never hesitates to to show it.

Equipment is being moved into the China plant next week. Ben is hiring people who I have not met yet. Things seem to be going fine so far. It is a little strange to hire people I don't know, but I will rely on his judgment. Vinnie and I leave in a few weeks for Asia, and I am anxious to get there. I have scheduled calls already and am trying to make arrangements both here and in China, if Oscar and Carmen do or don't work out. It will be a big transition for all of us, but I remain hopeful.

10:00pm EDT

I am about ready for bed. The music is almost ready to play, and I should sleep well tonight. Father's Day was a lot of fun. I ended up spending the afternoon at the movies and and then having dinner my eldest son, Ben, called from Maine to wish me regards and to say things up there were great. There was a good deal of laughter and fun throughout most of the day and even in retrospect with my dad. I am glad we went to lunch.

As for my family, they are wonderful, and Alex had me laughing so hard at dinner I actually started to shed tears. He is a neverending source of entertainment and is always interesting to be around. Next Staturday is the maiden voyage on my boat; I hope she does well. As for this week, it will be more selling, working on China, getting ready for our trips, and trying to keep everything moving smoothly. Tuesday night I have a CPR Recertification class. Unfortunately I have not found my textbook from a previous class so I could study. Therefore I will have to go in and listen carefully so I can pass the course. This is a good thing to do every few years; and even though I do not like being out during the weeknight, this is a good cause. For now, it is time for sleep. If that doesn't happen, I hope I remember to start my exercises tonight so I don't have to do them in the morning. I am an extremely fortunate man and do not need a holiday like Father's Day to remember it—I count my blessing all the time and always remember how good things are.

I have tennis with Mark tomorrow. I will probably lose and have my ego grounded once again for the day. Losing weight and having my ego kept in line is not a bad way to start the week.

06/23/05

4:50am EDT

Dave called me yesterday; he hit a wall again. People have so many walls in their lives. In the case of the salesman, it is that point where something deep inside is blocking whatever it is that needs to be done. He is in real estate and needs more possible deals in order to increase his possible success. He can't make enough deals unless he has enough possibilities; it is all about the odds. He is having trouble creating more possibilites. I suggested he use his ties to the several service organizations that he belongs. He is very active in volunteer work, knows hundreds of people, and is very well-known. I told him to use his experience and contacts, and set up seminars where he can tell people how to buy and sell real estate, since the market is hot and they will want the information. Once he helps them with the information, it is natural that they will want to come back and use his help with their deals, and not because they are being nice. But he said he didn't want to pollute the atmosphere with capitalistic intent. I believe he thinks that money is not clean and bringing in business will cheapen his acitivities. He wants to be seen as philanthropic and good to all.

What is wrong with what I proposed? He said there was no problem, but I think there is and this roadblock will stop him from tapping into his best leads and his best chance for more business. I think back to my dad when I was learning to sell and also later on in my career. The walls of emotion comes quickly and rear their ugly heads with no warning.

People know they should be doing something in a different way, but they can stop themselves from going on a path that they know is not the right one. Their emotional response to an event has triggered something in the past that was never worked out before and suddenly a giant wall is between where they are and where they want to be. They have to get through it. The only way is to force themselves to face the why of their behaviors, how they should have dealt with the past event, resolve to change behavior for the future, and then deal with the new situation in the way they promised to become. It sounds easier to do than it actually is. Sometimes people can do it right away, but in many cases it will take a long time. The advantage is that over time as people keep finding and exposing these interior demons, they will get better at recognizing and dealing with them faster. The better people know themselves, their strengths and limitations, the simpler it will be to decide if the next level is worth the journey, or if they are content to stay where they are.

It's like calling back someone that might yell or not be nice. It is a fear we all have and never totally goes away. But usually, if people can make themselves do it, then good things can happen. Otherwise if people don't make the attempt, nothing gets done. People get stopped, and you have walls they can't or won't climb over. Yet the better you get, the more you can see the walls. This will make it easier, at least, because you can define the situation. Once that happens, then the question of the how-to-deal is usually there; you just have to decide if it is worth answering.

Right now, I am in a period where I am trying to sell in all areas everywhere. I need twice as much business to cover the new plant, so I am running scared and running everywhere. I am using our database of 1,500 names to call people and see how things are going for them, and see how my company can be of use. I use my latest book as a reason to call and as an inducement to get them to let me come in to see them and give them a copy. One of the reasons I wrote *How To Start And Run Your Own Company –or– Sex, Money, and Power… It Is All The Same Thing* is because most people, at one point in their life, want to try to have their own company. My book can give them a start; it can be of value to them personally, and I know it. I also offer advice, if they decide to try it. I am there for them as a resource, and in return I sometimes get the option to do business or get more business with them or with their contacts. People like to help others who help them first. I will do almost anything for our customers, and they know it. That is one reason why things have gone well for us. But I still have to make the calls, and it is never easy especially if it involves people I don't know well or haven't spoken to in a long time. It is like being tournament tough. If you do it a lot, it becomes less stressful and is enjoyable when you find good people to talk to.

No matter what, the pressure is mounting. I can feel the stress, but making the phone calls and going after business is the only definite I know that will lead to more business. I can keep making myself do it because I know it will work. Doing this actually decreases the stress levels, even when the calls don't go well because I am in action; I am doing something positive that I know will work. It all goes in the same direction of finding the next wall; this will lead to finding a way to force myself through to the next level.

06/26/05

Afternoon

I decided to send our head of human resources, finances, and computers, Mike Valentine, over to China the first week of August. Great news, we got our first order from a Chinese customer through our new plant in China! May it be the first of many. I have already agreed to start moving pieces of business from New Jersey to there, and we have more orders promised as soon as the switch is made. We will try to bring over the tooling and films with us so we can get started with production right away. I can see this happening a lot, and hopefully the transition will not cause great angst with the people here. If our selling abilities are good enough, then we can keep both plants busy. This will mean less stress on me overall, especially if the finances continue to stay fine.

As of last Friday, the boat was ready for the water, painted on her trailer, and ready to go.

06/27/05

Saturday morning, after taking my wife out to breakfast and biking about 12 miles in 90°F, Uncle Dave, Abi, and I met at my office to get ready for our boating adventure. After some time figuring out the trailer hookup to my Volvo, we were on our way. It was a memorable drive since I used to do it all the time 20 years before with my former boat. I had to get rid of her right before I met my wife. My landlord at the time did not want a trailer in his driveway. This trek had all sorts of wonderful memories of days and my life gone by. I think about those time a lot, and I like to think that my life has, in many ways, turned out the way I had hoped...especially with the people I have met, the family

I have, the business adventures I have experienced, and the overall fantastic quality of life.

We got to the lake, and it was beautiful. We parked on the side of the inlet road and got her ready for the water. Since this was our first time getting her rigged, it took a little time but eventually we were almost ready. There was a nice man already at the dock with his boat, and he was giving us some sailing pointers as none of us had been out on the water for a long time.

By the dock, we backed the boat into the water. I drove the trailer out and parked my car in the lot. When I returned, Abi and Dave told me the boat was taking in water. We figured there was a plug or something that was not closed, so we checked but could not find any. We were forced to take her back out of the water, which then revealed the trailer was not set up properly. Her bottom was scratched as she was hauled out. Her new paint job was ruined. Once out of the water, it was obvious that she had taken on a lot of water; something was seriously wrong.

We discovered that there was some space between two parts of the bottom of the boat that had not been properly sealed. This means that the builder had not water tested the boat before he delivered her. Getting highly agitated, I called the builder, who after hearing about the problem, said he would fix her. That did me no good at the point because I had to scrap our plans for the day, repack, and go home. On the good side, if we had sailed her out to the middle of the lake, she would have sunk. We possibly could have gotten hurt or drowned, so it was fortunate she almost sank at the dock. There was obviously a severe design flaw involved and the four years of anticipation for this day, not to mention all the money I spent, left me with some pretty unhappy feelings.

My dreams were smashed—there was nothing I could do but suck it up and go home. The worst part was that I would never trust this boat again; she will either have to be sold or donated. The builder obviously didn't know what he was doing, and I felt cheated. Then even if she was made seaworthy, I would never have faith in her again. I am a believer in fate, and I was obviously never meant to sail this boat, probably one reason why she took so long to be built. Hopefully the next people who use her will have a safe, fantastic time but that is not going to be me.

Highly disappointed, I went home and tried to look on the bright side: no one was hurt and the only thing lost was my money, my dream, and my pride. My two friends were wonderful, and I felt badly that they never got to sail. But they both said it was an interesting time, and they were happy to support me as a friend.

This morning we went to a funeral for a man I did not know. He was the 92-year-old friend's father. The family was very happy we were there, and it was a wonderful snapshot in time. Since he was 92 and well-liked, it was more like a party than a solemn event. There was lots of laughter and people remembering the great times they had together. He sounded like a wonderful man with two of his children and one son-in-law giving eulogies. In fact, his seven granchildren even wrote a poem about him. There was not a dry eye in the place.

Both my wife and I wondered how it would be for our fathers. At the funeral, I started to cry, not just from hearing about how great this man was loved by his whole family, but also to the stark contrast to mine. My father rarely sees my kids, and I have to wonder whether there will be any poems written for him. It makes me wonder if there will be any for me.

As for my father-in-law, I am one of the few who really likes and loves him. If given the chance, I will speak when he passes. It is so much easier to be with someone when he is not your own father; you have no history from when you were a child and have no record of unmet expectations.

The time for my dad is coming; I can feel it. With every passing day, a funeral for someone else's parents occurs, I can now see myself in the room and listening to the service, knowing it will one day be for him and ultimately for me. And when it does finally happen, the finality will be palpable because the final chance for us as a father and son will be gone. He will take his life with him, and I will happily be left with mine. It will be no better than it is now, which is cordial and caring to a degree, and that will be it. He will do as he wishes just like he has been doing all his life, and what I want and need will not happen. All the patience in the world, the manipulating of events and trying to be what he wants will never get me what I want.

The service when he passes will be fine; I will say the words I wrote, which he already approved and will be as done as it can possibly be. A hunger unnourished, never to be fulfilled even with the help of others who will try but will never completely fill the void.

It is about 90°F outside, and I am going to go biking soon. I played tennis this morning with my brother. What a wonderful, kind, and understanding man he is. After I bike and have sweated a lot of the residual animosity out of me, I will probably go buy light bulbs and take it easy.

This week marks the end of the first month for Ideal Jacobs-Xiamen, and it has been a good one. We have been able to repay the first segment our loan on schedule; we have 71 payments to go and things are fine. My life is fantastic. I am surrounded by people who love and respect me, and I feel the same towards them. If it were perfect, I would worry so therefore it is good the way it is now. If I stay focused on the present and the future possibilities, if I center on what I can do to change things for the better and leave the other negative parts in the background, I should be fine.

We had one of our employees bring in her son for a job trial. He did not seem all that interested, but his mother is very valuable. I have offered to try him again for one more day, perhaps I can motivate him. Hopefully I see a spark inside him that can be exploited for both our betterment. If not, he will pass on and hopefully be found by someone who is better at it than I. The hunger for everything will continue to drive me farther; I hope it never goes away.

06/27/05

<u>9:57pm EDT</u>

It has been a rather emotional weeked with the boat problems yesterday and the funeral today. I have always had a great fear of trusting people. I never want to let my guard down because to do so invites the possibility of being let down and looking like a fool for having trusted the wrong people. Perhaps it was the environment I grew up in, but I always tried to be fiercely independent and rely on as few people as possible. However, when I do trust someone, it is usually completely until they let me down once. Then, they were banned forever from my life. As I got older I changed somewhat, loosened up a bit, and was able to trust more people at least at the beginning. The same rules applied after a betraval. I always say it is easy to cheat me once but not again. That's what happened with the boat. I gave her everything for all the years it took to build her and when she got her first chance, she failed. It was not, however, her fault. I know it was the builder who I chose. But all that pent-up enthusiasm and hope for fun times had been dashed, and the best I can do for her now is get her fixed and to find a new home. Otherwise, she will probably stay sitting on her trailer forever because I do not trust her and that would not be fair.

It was obvious that I was not meant to sail her, so I figure that I built her for someone else who was destined to get the joy. I was just "a vehicle" to get her built, and it is time for me to move on. When I put it that way, it sounds much better. To be okay with the idea that she was never meant for me, just another task I was to accomplish in payback for the fantastic life I have. The price is easily acceptable to me; I will happily let her go on to another home, whether I sell her at a loss or donate her for a tax deduction. The money I lose will not matter in the end. I want her to have a good home, and I will try to see it that she does. I am sure that the rightful owner will appear soon, and then I will move on.

As for the funeral, it is very difficult to watch your parents getting older and knowing that their time is coming. Not so much for my mom who seems healthy and happy, but my dad who has been sick for a long time. With his looking frail, I can't help to think of the future. It will be strange to not have him around, even though I believe he will simply go to another place in the afterlife, moving on to something else. It is comforting to have my philosophy in reincarnation. I hope I am using what I have been given to an acceptable degree and will try to do better as time moves on.

Wherever he ends up, I hope that it is a good place where he can be as happy and as productive as possible. I know that I cannot really know how I will feel once he passes, but I am hopeful that I can look at all the good things he has done and that the unpleasant ones can begin to fade into the background. Hopefully I can create the image of the man in a positve state and remember the good things that way. I should be able to do it as there was a lot of good; we have had a lot of positive times together. Perhaps I have finally hit the wall and can now go past the emotion, to really see things as they are—to not be clouded by my views or feelings—through the ways he handled himself and the decisions he made. Maybe as I get older I will view things more from his perspective, but then again maybe not. I hope in the end I can remember the good.

06/28/05

I called Michael, the boat man, again this morning. After he said he would come out, he then tried to blame us for the boat problems, saying they were due to some of the parts we supplied for the construction. There are good ways and bad ways to handle trouble, and blaming the person you sold something is one of the worst. He is supposed to be out here next week and thinks maybe caulking might help the leak. I will not trust this boat again; she is going to go to someone else, and I may end up suing this guy for negligence. This is not a great situation.

06/28/05

4:00pm EDT

Great news—it looks like we will be set with our Underwriter Laboratories' approvals for our new plant in China by the second week of July. This means we will have the acceptances necessary to print as per our customers' specifications and this spells the difference between survival and not, and are critical for business. We got samples of printed labels from our new roll-to-roll presses yesterday, and they look good. I contacted UL today to start the process for roll labels from China. I am also working on getting approvals for putting labels on a new, conductive plastic material that one of our new customers is utilizing. If we get it, we will be the first supplier, as far as I know, in the world to get them. This should also be a big help in getting more business. We leave for China in less than two weeks, and our equipment is still bottlenecked in Chinese customs. Vinnie asked me what we to do if it is not released before we get there, and because we can not change our plans, I said I was counting on the fact that they would let it pass through. I have faith in our people there to get the job done. I am not sure how many employees we have there now, probably somewhere between six and nine, but that number will hopefully grow greatly as the months go by.

Kayla is at camp, and I have not been able to email her yet. The camp's email people better get themselves together, or they will be hearing from me. Alex is still home, and we leave together for the airport when I go to China. It is tough having him home, bored, and expecting us to bring him everywhere, but we will survive. Ben, my other son, called the other day; he sounds great and is having a whale of a time.

By the way, Kayla is no longer dating her first boyfriend, and my heart rate has returned to normal. He was too "clingy," and she got tired of him. I am happy for her that her first "relationship" was ended by her choice and seems fine. She is the kind of woman, like her mother and grandmother, who needs a lot of space and to be on her own when she feels the need. I hope she eventually find a man who is smart enough to know what he has, how to treat her, and how to have a happy life.

06/29/05

<u>5:00am EDT</u>

Abi called me last night to see how I was doing regarding the boat. I told him the builder was blaming us for the problem, that we all had become angry, and that I was ready to sue him if he did not make the boat right. Abi said he knew a local attorney who lived near the builder and could help with a lawsuit if things get ugly. I told my wife that if the builder did not make it right, I would sue him. She questioned whether I should be that hard on him, and I said that I had been screwed, that I hated the feeling and was going to go after the guy until we were satisfied and that the boat would be safe. It has now become personal; he has blamed my guys for things he was responsible for and now he is heading towards war. I have a feeling he has no money anyway, so the most I can probably do is put him out of business so he does not ruin someone else's dreams. I have no problem in going after him if he behaves unethically, and the money does matter; it has become personal. This guy is going about the worst way to handle trouble. He will have his chance to redeem himself; and if he doesn't, I will use the legal system to go after him. He will determine what happens; I will simply now react. I hope for everyone's sake that he does what he should but if not, the ball moves to my court.

We will go to the Berkshires this weekend for the 4th of July holiday. Perhaps it is a good idea if I get away for a few days; the pressure and stress are showing a little—a few days of rest and relaxation will help to restore my balance. My next trip is coming up soon; I can feel the anticipation building already and am anxious to get back Asia. We are starting to get more orders from the region, and I can feel the possibilities growing.

Notes:

<u>Chapter Ten</u> July 2005

07/10/05

4:54am EDT, 1:54am Vancouver time

I think I got about an hour of sleep, but Vinnie did a little better.

The crew on the last part of the trip was excellent as was the service and the food. Once we get going again, it will be about 13 more hours to Hong Kong and then a few hours more to Xiamen. I am tired but confident that we will be okay once we land in Xiamen. The weather at all of the places I am going should be in the 90s F with a lot of humidity. I hope I brought enough clothes to change into. Vinnie says his ear feels better now as it had been bothering him before. Being sick on the road is a bad thing, and I am glad he seems okay.

Funny thing about writing fiction... part of the plotline focuses on the sickness of my fictional adoptive daughter, and I could not bring myself to have her be sick. I know it is fiction, but I can't even write someone into pain, unless he or she is a bad guy. It is a good way to get out frustration and anger—make someone a villain and then do terrible things to them. It is a safe, fun way of great revenge, and I sometimes even tell people I am writing about them. Most of the time they don't understand what I am doing anyway, so the joy is strictly on my side.

We left my house 12 hours ago, so far so good.

8:37am EDT

Happily, Vinnie is able to sleep, but I have not been able to do much myself. My new novel is going well however and have just added some thinly-disguised versions of some of our leading politicians to use as villains. Oh, how the quest for total power corrupts! And trust me, they will get their dues and go down in flames. But first they have to cause great havoc, so we can all then be saved. I think I will go brush my teeth and then try and sleep.

11:37am EDT

We are over the Bering Sea, heading toward Tokyo and just crossing the International Date Line. We have about eight more hours to go. I have slept about three hours, so I should be okay for a while. We are at 33,000 feet going 509 miles per hour. I went to the dentist last Friday, and he adjusted my night retainer so it does feel much better. I had it in for a while to give my jaw a rest and help protect my teeth from gnashing against each other when I am asleep. I apparently have some stress that is showing itself through jaw movement at night, so the retainer should help them from chipping, cracking, and hopefully not needing major work.

I have not had a lot of sleep, and my natural state of parnoia is coming through. I am worried because it looks like one of my new customers in China, a subcontractor of one of my customers in Ireland purposely misrepresented my prices to make me look twice as expensive and to make his local sources look better. My customer sent me the altered higher prices and what his supplier (my new customer) sent him, so I restated the true prices and sent them back to Asia. We are supposed to keep the business, but I have to wonder if this type of practice is prevalent in the market I am entering. I hope not. Business is business but in the end, honesty has always permeated our industry. I would hate to think I am going to find this type of thing prevalent. Worse case scenario-we can use our plant in Xiamen as a manufacturing base and ship products from there to all over the world. We are not in trouble in any case, but it would be nice to be able to do business there also. It is rare one can catch someone so readily in a misrepresentation, but hopefully it was not on purpose and that we will continue to do business. However, I will be watching very carefully for the future.

Usually this kind of parnoia passes quickly, and it is replaced with buyant optimism which is why I generally don't make big decisions when I feel this way. From the flight attendant, things are looking better. The great news is that the mere fact we are in this new market defines puts us at a global level and into an entirely new area for business.

I am also thinking of setting up a JV for specific types of assembly and finishing. They would involve only shorter-run, expensive highend things that are too small to be of interest to others. One of the suppliers I know in Ireland is being cut out because of pricing; he has a distribution center in the Czech Republic who might be interested, especially if we can offer our site in China as well.

I have always gravitated to where the competition does not want to go. That is why we were one of the first to become ISO 9001/2000 and ISO 14001 in the U.S. New areas of business are not magic, just new, and should not be feared but should be respected. I do not know what will happen with anything; the best thing is to keep offering our .customers new products and services, not just to show we are thinking of how to be better suppliers for them, but that we also keep things fun. I do know that many companies are scared to death of having to become global. If they want to dip their feet in the waters, then we can help them in as many areas as possible.

That has always been my nature—when feeling that things may not go as well as I hoped, I attack. I find new ways to do things, look for new markets, new partnerships, and new technology. I find new places where the masses of people have not yet gone, exploit it for the benfit of all sides, and then move on. It is also where the most fun lies but often my paronia has to kick in first before the exhilaration of finding possible solutions can take over.

07/11/05

5:32pm China time, 5:32am EST

Vinnie and I have now been on the road for 25 hours. I got about another hour of sleep, so I should now be fine. One of the flight attendants has been especially nice, so I gave her a copy of my recent book, *How To Start And Run Your Own Company –or– Sex, Money, and Power…It Is All The Same Thing.* She was very appreciative and we started talking. She knows three languages and currently lives in Vancouver. She wants to start her own business but has been unsure as to how to get started. I suggested she read my book, write down a plan, and email me. She is competent, sharp, and aggressive; I know she can do well. I also know she might be a good asset for my company, and I am always on the lookout for good people, so perhaps we will meet again someday.

I am excited because I can call home in a few hours and see how my wife is doing. By now, she should be up in the Berkshires. Being on the road always makes me not only appreciate the wonderful life I have but causes me to reflect on how I can do things better. I count my blessing all the time and am indeed a very fortunate man. Vinnie and I have been out of contact with the world for a whole day; I wonder if anything happened while we have been away.

7/12/05

1:17pm Xiamen time, 1:17am EDT

We got in right on time yesterday; Ben and one of his men were there to pick us up. We went right over to the plant, and my smile quickly broadened as I gazed out at our new facility. It was going to be beautiful yet I wondered how we were going to fill all the space. Of course, that is how I have felt in every place we have moved to, and usually we end up with the opposite problem of not having enough room. We spent the rest of the day there with Vinnie working on hooking up the machinery, and my talking over various issues with Ben and the employees. We have a great crew there, filled with eager, driven, intelligent people who really want us to succeed. I could not hope for a better nucleus of people and am very pleased.

A problem popped up pretty quickly, however, which was that the men's and ladies' rooms did not have toilets in them. They had the Asian type where you have to squat down. Now being almost 50, I knew right away my knees were not capable of this, so I made the executive decision and requested an immediate bathroom renovation. Ben was wonderful—two toilets are being installed today. I am sure that our people coming from the U.S. will be very appreciative. Since we need to be ISO 9001/2000 and 14001 registered here, like we are in

New Jersey, Ben had set up a meeting with a registrar group that took place this afternoon. They seemed to think it would take a lot longer to do the initial set-up than I did. Since I have a great deal of experience in this matter, the meeting got a little testy, but eventually we worked out a compromise. We will see if we can work out the details for later. In the meantime the ISO 14001 standard is being updated and we need to be tested for it in New Jersey, so I will work on that right away.

Last night for dinner, Ben, Vinnie, and I went out to an outdoor restaurant on the beach. It was hot and humid but extremley interesting and a lot of fun. I am usually not easy to be around when it comes to food—I am on a highly-restricted diet and do not drink alcohol—but I try to make up for it by being easy to get along with and hopefully I accomplish my mission. Last night, having had very little sleep, I took a nap both on the drive over and back from dinner. By the time I got to sleep about 11:00pm, I was not in great condition.

But I got up at 5:00am and after a workout and good breakfast, we were all back at the plant before 9:00am. With any new installation, there is always going to be some problems as we do expect for them, and one popped up this morning with one of the presses. It is not a disaster because we have more than one, but Vinnie will call the manufacturer tonight to see if he can get some guidance to fix it himself.

This morning I held our first ISO 9001/2000 training session with our employees, and it was a wild time. I was speaking in English; two of our employees understand the language, and one knows a little. The rest do not know any English, and I do not know Chinese. So I would speak and then Rosalyn, the person I chose to be in charge of the system, translated. When she got stuck, Claire, who was to be Rosalyn's backup, then helped. It was acutally a lot of fun and the level of participation was high. I do not think they will have any trouble once we get all of the documents translated, and once we get the sytem update for the new standard, and once we get everyone understanding what is expected of them. I will make sure I am here once more to train everyone before the first audit and also for the audit itself. I plan to work via email as time goes on to continue the training. So when we are together, it is more like a review than learning everything for the first time.

Authors note: This did not work, and we had to hire a Chinese firm to help train the company. The language and distance barriers plus time constraints consistently prevented me from being any help.

4:50pm Xiamen Time, 3:50pm Bangkok time, 4:50am EDT

I am on my way to Bangkok and on schedule. Thai Airlines is one of my favorites. I should be picked up at the airport and brought to my hotel where I plan to go swimming and have dinner. Then I will check with the office before going to sleep. I called Wendy this morning, and she is fine. She heard from Alex in Paris. He was supposed to have called us two days ago to confirm that he had arrived safely but was not able to buy a phone card until yesterday. He seems happy.

The newspapers are filled with talk about the terrorist bombings in London, the G8 conference which is trying to help with African debt, and the continual problems of world oil prices and too much energy consumption.

Our quest to become one of the best environmental companies in China is moving ahead. If we gain ISO 14001 registration, we will probably be the first screen printer in China to achieve that recognition.

07/13/05

9:03am Bangkok time, 9:03pm EDT

The plane ride went well, was on time with no surprises, and I even got some food. I arrived to the Pathumwan Princess Hotel via Mr. Sock, the driver. He was telling me about how the employment rate in Bangkok was very high, and he had been an executive with a car company before the facility was closed down. He said that potential employers did not want anyone as old as him. He is in his early 40s and is having a lot of trouble finding a job in his field. I explained how there are a lot of our people in the U.S. who are over 40 and how valuable we thought of them because of their life experience and good work ethic. By then we had gotten to the hotel, which was beautiful, and they even upgraded me to a really nice room. I worked out, ate dinner, checked with the office, and got some sleep. I was back up at 5:00am to check in again with Alice. Everything at the office was running fine, and we did a bunch of pricing on the phone. It is fantastic the way she and I work together. Without her help, this adventure would be much more difficult.

Speaking of pricing, our new saleswoman in Xiamen was asking about my philosophy of selling and pricing, so we had a very interesting discussion of how I do it. Pricing can be done in three ways: 1) Have a fixed formula of profit over costs; 2) Have a formula that leaves some fixed variation of profits over costs; or 3) Have the costs and then figure out what the customer is expecting to pay and price accordingly as to what the market will bear. Obviously the third way will lead to the highest and lowest potential markups, based on how you read the situation. But this way is much more fraught with the danger of losing the business. As with anything else, when going out of the normal realm of doing things, the risks become much greater.

I tried to explain this to her through our interpreter, and hopefully I got through. To price the third way takes many years of learning the marketplace, the people, and the variables, and having the will and determination to occasionally go for a higher profit, if the market can handle it. But one must be willing to lose the business if guessed incorrectly. It is a fascinating process and a lot of fun. If someone thinks it is otherwise, then it is pure torture and a good way to go bankrupt. Some people develop a feel that can last for a fixed amount of time and are able to "read" the marketplace. It is by far the fastest and most economical way to price because it takes so little time, but it is a very dangerous game and can only be played by those willing to take the chances. With me, I'll say that I feel no need to go gamble after I spend my day pricing like this.

So far the weather today is rain and thunderstorms; I hope it doesn't delay us getting out to Celestica. I would like to have lunch with some of the people there, if possible. First, we have to find them, and I just found out my driver speaks little if no English, so this could prove interesting. I have to be careful as the people at the airport did not seem to know about the driver at first, and I started getting really upset. I must be more tired than I thought, so I have to keep my emotions in check. They did nothing wrong, so I have to force myself not to overreact, especially in a foreign country where I could get into real trouble.

It turns out that Vinnie really likes it in China, which is great and means I will feel free to send him back when needed.

My workout this morning was really good and ended with 50 minutes on the treadmill since it was raining outside. I was watching a movie and lost myself in it, so the time passed quickly, and I got some good exercise.

11:58am Bangkok time, 11:58pm EDT

My call to Celestica went well. It turned out that I only saw one person, but that was the one person I needed to see. For the rest of the crew, I left envelopes of samples. I have found that in selling, making the effort is what is considered worthwhile. The fact that I am halfway around the world is what counts to the buyer and all the people I did not see. It would have been a good visit, even if I had not seen anybody. It is the effort that they note; we both understand that that is the kind of support they expect from us as a supplier and to keep giving us business. Since I am willing to go see them from a great distance, then it just add more to the trust factor.

I just finished a triple-decker peanut butter and jelly sandwich and used the last of my water. We may have to stop for more; but since it is the monsoon season, I am not sure that will happen. My next stop is in a town about an hour away, and then it is back to the airport. Thailand is beautiful, full of palm trees and nice people. The men and woman here are generally very good looking and have a very pleasant way about them. Their friendliness is a hallmark of their culture, and I never mind coming here as it is such an interesting place. The newspapers are full of the current economic problems here. The government has been keeping the price of oil down by subsidizing the suppliers; it has become very expensive and is taking money away from other major programs. The question is if the economy is better served to have the true cost of oil borne by the public or to keep the prices artificially lower. There is a big fear that much higher oil prices could worsen the general economic picture, but the subsidies are keeping needed funds from other areas. It is a tough problem, and I hope they work it out with a minimal impact on their citizens.

I do not understand the telephone systems of the world. In some places, I dial 001 and the number; in others, it is 0011. I am not technologically advanced in any way, and this inconsistency in world systems is already taxing my limited abilities but I shall carry on. I might end up back at the airport early; it would be great to catch an earlier flight, but I doubt that will happen. I can always write, sleep, or eat there. I know these are momentous questions of our age but I am a planner and try to think ahead.

07/14/05

12:48am Malaysia time, 12:48pm EDT

I am in Penang at a really nice hotel. Unfortunately, I screwed up and forgot my adapter, so my machine is almost out of power. The nice hotel people are checking for an adapter for me, but so far they are unable to locate one. This means I will have to stop writing and listening to my music player. I am very hyper from a combination of lack of sleep, jet lag, ironically enough from a nap and not having enough protein to eat. I have a sandwich on its way up and some more fruit, so hopefully I can calm down enough to go to sleep. I went out for a quick walk, but it is very late. Although everyone is very nice, I did not feel comfortable as I walked around the hotel as there is a nightclub next door filled with pretty, young Malaysian girls. As happily married as I am, I realized immediately that this was no place for me. So I am back in my room waiting for my food and trying to settle in. I will get up reasonably early and take a quick walk, eat breakfast, and go on my calls. There is a lot to do tomorrow; today went very well, and I am happy.

7:07pm Malaysian time, 7:07am EDT

First the good news—I had a great day since my driver was wonderful, I got to every place we had planned. I started off at Jabil Corporation. I met the two people I know there and was then introduced to a new buyer. They were all very happy that our new China plant would be in-line soon and that we could save them a lot of money in shipping costs and offer reduced lead times. Then I went to Teradyne Corporation; and although we are not doing business at this location yet, we have a good relationship with the buyer who promised to put our name outward to others. Referrals are like gold in this business. If people say fine things about my company, then it is the best way to get new and bigger customers. Besides, we are already doing business with his company in China as well as in Ireland and in the U.S.

Then we moved onto Solectron where I took three friends to lunch. I had the best meal I had eaten in the last few days. The company was even better than the food. It was good to not only get their perspective on business but also about life in general. They expect more business to be coming and, of course, wanted discounts for the increased volume I assured them would be coming. I then dropped off some materials to the people I did not see and raced to Motorola where they were just finishing putting up a new facility in Penang. I met the new buyer, who was referred by a buyer in the U.S. Although the meeting lasted only five minutes, I accomplished my goal of meeting her.

The temperature was in the 90s F, which made it doubly nice to have a driver who kept the air conditioner blasting so I could stay cool between calls. I gave him a big tip. Then it was off to the airport, and I finally found a power converter that worked so I started to power my laptop.

On the short ride to Kuala Lumpur, I had a conversation with a man named Nazri. He had an interesting job of overseeing a large group of hotels all over Malaysia and was highly interested in our new facility in China and my life in a small business. He is smart, tough, and very competent, but I could not help feeling he might want to try it on his own again someday, instead of working with a big company. I gave him a copy of my new book, and we bade each other farewell. Here's another person to add to the long line of very interesting people I would have never met had I not been on the road.

I got to the airport transfer desk to get my ticket for the final trip to Xiamen and found out we were delayed two hours. This is the bad part, but in the end it will not matter much. It is a four-hour flight to China, and I have a chance to charge my laptop. This means I not only can write now and later, but it will probably even have enough power for me to watch a movie. I had dinner, changed my clothes and am feeling good. For some reason, I cannot get my phone calls through to Ben in China. I need to tell him I was delayed, so I will relay it through New Jersey when I check in there. It has been a very good day so far, and a few extra hours at this point will not matter. I try not to get upset if the last part of a series of flights is late because it does not affect any other flights or make me miss appointments.

I will get up as needed tomorrow in Xiamen, as soon as I find out our schedule. We have two very important things scheduled. First, we are going back to Dell to go after some of their label business. Second, the manufacturer of our roll-to-roll presses is coming in to work on modifying them so they can create a new label construction we want to market for the future. If it works, it will mean we can produce a type of label on a press that costs about 1/25 of the standard. And, this means we can sell it for below the current market price. I am very excited about both meetings, and Ben says he has a few more. All I need to do is get through one more day with very little sleep, and then I can relax on the way home.

I just realized my DVDs are still in China, so as soon as I am powered I will look around the airport to see if I can buy one here. I will probably rest on the plane; my sleep cycles are so screwed up at the moment that I am just dozing off whenever I can. I will regulate it when I get home. The next big question is whether I will eat the peanut butter and jelly sandwich, the pretzels, or the cookies, or all three? Such a question to ponder while in an airport—it is probably the most complex thing I want to deal with at this moment.

Whew! That was close one! I went to reach for my last peanut butter and jelly sandwich in my suitcase, and I dropped my laptop. I think that everything is okay with it, and I am now eating my sandwich. I think it is time for a break. Besides my laptop will charge faster if it isn't on.

10:29pm Xiamen time, 10:30am EDT

No word yet from the contract manufacturer in Ireland about my proposal for a JV. Of course, my ability to get email was cut off about 24 hours ago, so maybe he has replied and I just haven't seen it yet. If he does not want to pursue my plans, then I will look for other partners. We are in too good a positon not to exploit it in every area. Soon everyone will have situations set up in Asia and then, our unique position will have evaporated. We need the presence in Europe and trading for helping someone in China will be the easiest and cheapest, and hopefully most productive avenue for us. If it doesn't happen, we can always go it alone. And, in the end, maybe that is the way it was meant to be.

The flight attendants are very nice on this plane and gave me a whole row to myself so I got a one-hour nap already. We are scheduled to land in less than three hours. It will probably take another half hour to get through immigration and customs. Hopefully our company driver will be waiting for me. If so, I should get to the hotel around 2:00am.

07/15/05

Night reflection

I got into Xiamen Airport two hours late last night. I don't know what the problem was although the flight was excellent once we got going. I got through customs and immigration in under 15 minutes and to the hotel around 2:00am. I worked out for a while and finally was able to go to sleep about 4:00am. I was up at 6:00am because I knew it would be a big day. I dragged myself out of bed and went walking while speaking to the office. It turned out to be a crazy day since our saleswoman, Ben, and I made six calls on customers.

If you ever been on the road, on business, then you know how tough it is to make that many calls in one day. However, it was made easier by the fact we were driven in an air-conditioned car, and our saleswoman cleared the way with security each time so all we had to do was walk in. We met with companies like Panasonic and ended the day with Dell. We spoke to the person in charge of labels and found we needed ISO 9001/2000 certification before we could get to be an approved supplier. This was not a problem since we planned to do it anyway. I told the buyer we would be back in a few months as soon as we were registered.

07/16/05

6:35am Xiamen time, 6:35pm EST

I just came in for my last walk here before we leave at 8:30am for the airport. While walking, I spoke to Alice and then to Wendy. Things at the office and home are fine. Oscar and Carmen are getting ready to leave tonight from New Jersey and should be here Monday morning. Vinnie and I should be home late Saturday night. Wendy is up in the Berkshires and saw a fortune-teller at a place where we like to eat breakfast. She knows I have been very worried about the plant here, business as a whole, and the debt we have incurred. The fortune-teller said for me to stop worrying and that the adventure here would be fine. She said I should put on headphones and listen to music without words. Ironically, I had my headphones in my hand at the moment and after saying good-bye to Wendy, I did as in instructed, even though Simon and Garfunkel do have words.

I am sure it must have been an unsual sight for all of the local people watching this crazy American singing out loud while walking and sweating down the street. Oh yes, and it will be in the 90s F here again. But the weather is the same back home, so I will be ready for no change.

6:17pm Xiamen time, 6:17am EDT

We are in the air on our way to Canada and then home. We should be there in under 15 hours.We are over the South China Sea, going towards Japan and have about 5,400 miles to go. I have been writing the July newsletter and the picture featured will be of the 5th floor cargo door of our building in Xiamen, painted red and black with the Ideal Jacobs-Xiamen logo. Vinnie mentioned that I must be very proud and I am. It was a massive effort by many people, and the culmination was watching our two new press lines in operation before we left. There were problems, and it was only because of Vinnie's expertise, tenacity, and experience that we were able to leave on schedule with the plant ready to go.

I spoke with Oscar before leaving. He and Carmen are our top press team—they are ready to go. In fact, we will probably pass them in the air sometime in this trip. Our people in the U.S. are getting a little worried about their job security, which makes perfect sense as I would be as well in their circumstances. So in order to alleviate their worry and also to capitalize on a growing chance for more market share, I have decided to expand our New Jersey operation. It will take some time as we want to put in a modified roll-to-roll press line that will enable us to print selective adhesive for

long-running telecommunications labels. If our idea works, then we will be able to go after a new segment of the market; this will mean new customers and more business.

I never planned to close the New Jersey plant; however, I just did not think of it as a place for huge expansion. Happily, the thoughts of our people have modified my plan. I think, for all reasons, it is a great idea so we will go forward and see how far we can go. As Vinnie said, we are in tandem with each other—one plant helping the other. Healthy competition is fine, but we are all part of the same overall global team. Think of that, I am heading a global team. I never thought of myself in those terms. I always wanted to be as successful as my talents would allow, but our pooled abilities aligned with our prospects and capabilities have increased chances in geometric progressions.

I am personally responsible for global, but every single one of our people is selling all of the time. It is only through that whole group effort that we will be able to see how far and in how many places we can go. Fortunately, I was able to get Vinnie back on the plane. He was having such a good time here that I was a little concerned he would not leave, but we are back together. He is now ready to do anything anywhere in the world to keep us moving ahead.

Out future areas include Eastern Europe, India, and North Africa. Once we have broken even in China, then there is no reason why we can't keep expanding globally as long as the markets warrant it. My simultaneous feelings of extreme excitement, concern, happiness, and wonder continue—I would not have it any other way. I may be lucky to see my wife tonight. This would be really great as I miss her, and hopefully I would get to see our dog Bailey as well.

3:58pm EDT

We are in Vancouver, and I have no idea what time it is here. We are in our last layover, locked down in a holding room for hopefully no longer than one hour. Vinnie had a great idea about using Chinese software to translate our materials for our Xiamen location which will save a gigantic amount of time. We will try it right away, and if it works, we will start on our newsletters so our sales effort in China can be aided. I started writing a sales primer for our Ideal Jacobs-Xiamen salespeople and will do the same for the ISO systems. I will do it in small amounts at a time so no one there gets overwhelmed. We will all try to grow together and become one bigger, new family.

I think I now have enough information for my next book. I was going to wait until we were further along and see if our Xiamen operation was going to make it but I decided to stop now. Besides there is no better advertising the new location than publishing a book about it. That does mean, however, that I have switch from writing to editing—the part I like least about writing, but it has to be done anyway so it is no big deal. If there isn't enough to make a book, then I will just keep writing.

I am sitting near a man who is obviously a current or ex-military. He looks to be in his 40s, in incredible shape, has the inherent look of being able to handle himself, and could be dangerous. I will not engage him in conversation. Hopefully I know when to keep my mouth shut and out of trouble, this seems to be one of those times.

07/21/05

8:35am EDT

I played tennis with Mark this morning. I lost as usual but got a good workout. Ah, normalcy! Oscar and Carmen have been in China since July 18th. Last night, a problem occurred in both of the press lines. If they can't be fixed, we have real trouble but hopefully Vinnie can talk Oscar through the repairs. Ben contracted a company that promised to have us ISO 9001/2000 registered in Xiamen within a few months with no help from me. Ben and I both decided it was the best way so I can continue to concentrate on sales. Gary, our accountant, was in vesterday and told us that things are good. We are all looking forward to breaking even in China so the money drain can stop from this side. It is very complicated doing business there, so I am very glad to have Ben with us. The farther we are into it, the more expensive it becomes and the harder it will be for others to follow. I think that if this plant works out, then it will work out big. We pretty much need to double our sales, which is what I am concentrating on. It is a huge effort, but Dave says he hears it in my voice that I am capable-we shall see.

Alice got in a car accident last night and called me. Her husband was playing softball and his cell phone was off. Wendy and I went to make sure she was okay, and then we drove home with her. Happily, she is fine and the company car is a little bashed up but I don't care as long as she is not hurt. Tomorrow is hot dog day at the office in celebration of our U.S. business staying in the OSHA Shrap program. That group is for those regional companies with superior health and safety systems. Normally it is pizza, but hot dogs are fine. My people are going to try to find the turkey variety for me.

07/22/05

10:20pm EDT

A few weeks ago, one of our competitors emailed me asking to talk to us. I was curious as to why they wanted to talk and wondered if he was just trying to gain information about our pricing so he could use it against us. This morning I got a phone call from the CEO who is coming to talk to me on Monday morning. Why would he want to do so? I gave it a lot of thought and after checking his website, I figured he wants to try to buy either all or part of us or buy products from us in China which we could produce more cheaply than he could here in the U.S.

Oscar and Carmen seem to be doing fine in China; the presses are rolling again, and UL came in to start their certification process. One of our pressman is showing attitude since Oscar left, which is a very stupid thing since Vinnie is now really mad at him. Why do people think that when a tough situation occurs, when there is a need for everyone to put out an extra effort, that it is the time to be petulant and hard to deal with?

I got a call before I went to play tennis this afternoon with my brother from my dad's attorney. My mom and dad were finally ready to move out of the house they have lived in for over 50 years. The people selling decided to extort an extra \$5,000, and the realtor could not reach either of my parents, who were on vacation, to see if they wanted to do it. After trying to reach them myself, I gave the attorney the okay to offer \$2,500 and if that did not work to go for the whole \$5,000. I hoped my parents would not mind since the deal was closed by the time they got home.

I had all kinds of fears that my father would be angry because I offered more of his money, but to his credit he thanked me for my initiative and seemed happy that this stage was competed. Now he has to sell their house, clean it out, close on the new one, renovate the kitchen, get new furniture, and move in to the new house. He is due for another medical check-up next month, so hopefully he is okay.

The boat builder called me and said he fixed everything. I have my doubts, but I promised Vinnie since he helped to build some of her parts that I would keep an open mind about keeping her. She should be delivered tomorrow and be ready for another try on the water. Vinnie and Dave (our die master) will give her a shakedown run, and then I will try once more before I make the final decision about keeping her.

Tennis with my brother in the high heat was wonderful as usual. It has been a great day and is now time for sleep. I wonder why that guy is coming in Monday morning.

07/23/05 <u>10:13pm EDT</u>

I don't know how I do it. How could I lose a power cord, a cassette player, two eyeglass cases, and a pair of glasses all on one trip? Sleep deprivation must be more trying on me than I think. Today was amazing. Sleep, last night however, was fitful since I had a dream about being late and not being able to get all the tasks done that kept making me progressively later for each appointment. It was very annoying, but I had the ultimate power by waking up.

I had breakfast out with Wendy, and then it was off to Temple to pray. Then I went to work to clean off my desk. Luckily, I checked the phone messages because there were two from the builder who was supposed to be delivering my boat back in the afternoon.

He had become stuck near the Goethals Bridge and wanted me to come get the boat from there. That bridge links Elizabeth, New Jersey to Staten Island, New York and is quite large. Luckily I knew where it was; and while crossing it, I realized how dangerous it would be for me to take my boat back over on the narrow lanes, especially when I had not driven with her before. I found Michael, the builder, on the other side this being the first time I met him. He hooked up the trailor to my car and off I went back over the bridge. I was a little shaky but okay. I made it over without any mishaps and then got lost in Elizabeth. I made it back to my office about a half hour later.

I went biking later that afternoon, and it was glorious. It was partly sunny and in the high 80s F, but I had lots of water and very happily sweated my way back to good mental outlook. Wendy and I then went out for dinner and saw the movie, *March of the Penguins*. Wendy likes penguins and enjoyed the movie.

Tomorrow, we will go see Kayla, which will be very exciting.

I have been trying to keep my BlackBerry on 24/7 since Oscar and Carmen left for China, in case they need me. But it is adding an additional layer of stress. Being on call almost all the time means I rarely get to honestly relax, so I am not sure if I want to keep doing this. Perhaps in another few weeks I can cut back to just Monday-Friday and have it off for the weekends.

07/24/05

<u>10:10pm EDT</u>

I just got off the phone with Oscar, Carmen, and Rosalyn in China. We need to find lacquer thinner, something that is hazardous, and I did not want to transport via container from the U.S. We need it for our operation and have to find a supplier soon. Oscar says he has a lead on someone local to Xiamen, so hopefully we can get that problem kicked soon. The UL and ISO 9001/2000 representatives were in, and one or both have some issues that need to be addressed. But it is much

harder to work over the phone than in person, so I will have to wait until I get email in the morning to deal with any problems. It doesn't really matter what the problems are as they will all have to be dealt with quickly since it is my goal that we have both the UL recognition and ISO 9001/2000 registration. The ISO people we hired have already started their training with our Chinese crew, and things are moving along well on that front. We need to get our operation running as quickly as possible but still cannot ship product without the UL and ISO approvals. We have to do everything at once—Vinnie and I can try to help from here.

Today, we went to Kayla's Visiting Day at the sleep-away camp, and she looks wonderful. I am really missing her, but she will be home in three weeks. I get to pick her up, so I am looking forward to that day already. It has been nice spending time alone with my wife it is easy to forget how great she is in dealing with the children and running the house. She says that she is much calmer when they are away. We love them dearly, but it is also nice when they are off doing things they love so we can be alone.

Alex watched part of the Tour de France in Paris today and is having a great time. Last Friday, we spoke to my other son, Ben, who sounds like he needs more challenge and is getting bored with the summer season. We hope to see him for a few days before he goes back to college, but I am sure there will not be much time when that happens. The meeting with my competitor is tomorow morning; I still think he is going to want to use us as a cheap source for product using our Chineses operation. That is fine as long as we do not end up fighting against ourselves in the world telecommunications market. I wonder if that is what he wants.

07/25/05

Before the "Competitor," as I will now refer to him, came into our office, I discussed what I thought he would be wearing with Mike Valentine, our head of HR, IT, and Accounting in our office. A suit and tie would mean that he was serious and meant business, at least from my viewpoint. Casual dress meant he was trying to look like he did not care but really did. The main thing was that he called and was coming to us.

The Competitor walked in on time, wearing a suit and was bristling with positive energy. He sat down with the iced tea I offered and proceeded to tell me about his life, his work and his philosophy about everything. In fact, I found it hard to get a word in since he was talking so much. Suddenly he stopped with the generalities and got right down to specifics. He needed a presence in China, and my operation there seemed to fit his needs. He wanted to become part of us in China but not in the U.S. When I mentioned that we were direct competitors in the Northern Hemisphere he said he hoped we could work that issue out.

Since he was serious, I too began negotiating in earnest. After giving a plant tour and almost two hours later, he left with my promising to email with bad news (no deal) or call with good news (if we had a potential deal) on Wednesday—two days from now. After he left, I conferenced with Vinnie and Mike who both sounded optimistic about the prospect of bringing him into our JV as minority stockholder, if we could be sure to safeguard our interest and get the deal we wanted.

I spoke with Alice later, who had luckily escaped major injury from an off-road vehicle accident while on vacation, and she too sounded optimsitc as long as we got a good price. I then called Gary and Dave to figure out what price a minority interest would be worth. Of course I also called Wendy who, in addition to giving me undying support and loyalty, also has a great head for business and whose opinion I treasure. We decided to speak about it later that night. She told me that the only stipulation for any deal was that with all the work we had done, especially my efforts, I could not give up a majority interest in Ideal Jacobs-Xiamen. There was never any thought or consideration of my giving up any of our home stock. I emailed my two partners from Ideal Jacobs-Xiamen and waited for a response back. Obviously they would have to agree to no deal since they would have to help this new company move into our space and all learn to work together.

As part of the deal, the Competitor would install a roll-to-roll press line in our plant in Xiamen and would send over employees to run it and train our people there to operate and service it. We did not have that type of press currently, and it could be a good fit to our existing products lines.

The Competitor also told us that there were less than ten companies like ours operating in China right now, so we were in a near unique position. The Competitor came from a banking group who were interested in attaining a world position in the printing business, and being in China quickly was a key component to their plan. Here are the pros and cons for both sides:

Competitor Pros

- 1. An immediate entry into the Asian market with a running concern. He could start making and shipping product almost immediately. There would be no problems with the government or anything else to impede him. We would help with translators and every else needed for the business.
- 2. We would have or get any necessary licenses and certifications to ensure he could service his customers.
- 3. He would have access to our company in terms of research, marketing, and experience to help with his operations there.

- 4. He would be eligible to move with us to additional global plants and distribution centers as we went across the globe.
- 5. He could add whatever equipment he desired, and we would find people to run them after they are trained by his people.
- 6. We will put in an art design and film output center in Xiamen, if he wanted it.
- 7. We will put in a die-making center, if he wanted it.
- 8. He does not have to start from scratch, which would take a great deal of time and money.

Competitor Cons

- 1. It will cost him money to buy part of our company.
- 2. He will be a minority shareholder, which means we are in charge of the overall company.
- 3. He has to keep his customers separate from ours in China and in North America.

Ideal Jacobs Pros

- 1. Money.
- 2. We could pay off the debt we incurred building the China operation.
- 3. We would have extra money to expand faster both in China and in probably Europe.

Ideal Jacobs Cons

- 1. Losing control of part of the company.
- 2. Having to deal with partners.
- 3. Having the possibility of not getting along.
- 4. Agreeing on hiring personnel.
- 5. Agreeing about the path for the company.
- 6. Both sides' customers in the U.S. would have to be safe from the other.

07/29/05

<u>4:55pm EDT</u>

We got word back from out potential suitor that he liked the groundwork I had written down but felt I was asking too much money for a stake in our company. He said he would get back to us once he spoke more with his partner.

07/31/05

<u>9:00am EDT</u>

We are at our cottage in the Berkshires with our friends, Abi and Laura. The conversations ranged from my potential deal in China to world politics to social reform. It is rare that I discuss most issues involving the world outside of business, and I find it interesting how middle of the road I am on some issues and far right on others. It is nice to think we can all have a rational, pleasant, and intense conversation without it getting too tense. It is imperative to believe in things, and having a passion is a good thing.

Laura has that passion with health issues; she is a social/case worker for the State of New Jersey. She believes in the benefits of many state aid programs, but I tend to be on the other side. She works for the government, and I am a business owner who actually sees and lives with all different types of people on a daily basis. Her experience is broad-based, and mine is case-specific. It leads to a dichotomy in opinions as to what works and what is better for people in the long run. There is no doubt, however, that the more programs there are, then more that people like me, who are bosses, will be taxed to pay for them.

Neither of us changed the other's minds, but it is also the reason I often avoid discussions like this because they rarely change anything. I would rather talk about business, which is much more fun and changeable and has the possibilities of positive, financial movement. Our conversation has been a good diversion from not obsessing about my potential business deal with the Competitor. I am having a good time figuring out what our would-be suitors are planning. As with all of business, it is like one giant game of multidimensional chess with all variables changing constantly.

Life in the Berkshires is calm, but I can tell I am extremely stressed as to the amount of writing I have been doing for the past week. It is my way of sorting things out and making sense of the world. It also forces me to understand my options and give me clarity for my next move.

The breakfast I had this morning at the local diner—whole wheat blueberry pancakes and eggs—makes me want to sleep instead of ride my bike. But instead we are off to the Norman Rockwell Museum, and then I will then split off from the others, come back here, bike, and eat lunch. After the museum, they will go on to their favorite Vietnamese restaurant.

Last night, I was with my brother's family and with my parents celebrating their 55th wedding anniversary. It all went well. I find myself always on guard when I am around my dad regarding business and anything in our past. I am very sensitive to any comments that I might take as a slap at my abilities, my rate of progress, my thoughts, and my way of handling myself.

For all the years when I was being trained for the family business by my dad, I resolved that I would take any type of treatment from virtually anyone in order to reach the success level I craved. However, my ability to take criticism in recent years has plummeted toward zero. This is one reason why I am so hard on myself—if I am more tough on myself than anyone else, then no one else can hurt me. Only I can make myself feel bad. But my father is my father. His training was tough, harsh, and thorough which helped me to reach my goals but left me scarred. Unfortunately, those scars have come back to haunt us both because he doesn't view me any better now than he did then. I am not strong enough to be able to forget what I went through, and that is a pity for us both. These days I don't really think he means his comments to be harsh, cruel, or condescending, but I am so sensitized to what he says that any comments will be taken in the least positive way. I try to stop myself, but it is a normal reaction. It is a pity it has come to this, but at least with effort, most of the time I can take him for his good points and try to center on the positive, hoping that it was what he meant.

Yesterday's mountain biking was fantastic since I had great weather and lots of water.

Our friends are very calm and easy to be with, but I am already looking forward to next week when Wendy and I will be here alone. Sometimes I wonder what it would be like to be retired. To be able to sleep, write when I want to, maybe tour and teach about my books, and being treated more as an educator as opposed to a businessman. But I know I would last maybe a day, and my wife would throw me back out on the road because I would be impossible to live with. I love what I do and must keep going. It is not a choice; it is my destiny.

As for the possible deal, I have been trying to figure out more possibilities with what they might come back with; most of them deal with a lower price to get the stock participation they want. They would probably want more stock, but they are not getting it. My thoughts moved to different options, like if they had been buying a distressed company on credit and actually had no money themselves. In that case, what could they offer me if not cash? What if they offered me stock in their U.S. company in return? What if they offered a payout over five years? What if they offered a partnership for all of their holdings and not just the China venture? There are so many possible variations; it is hard trying to figure most of them. If they offered me less money, I could say I wanted a higher percentage of the profits out of China, as opposed to what they would normally get from their stock percentage. If they were offering to bring in equipment, I might agree to a different split as long as I got the majority of the tax write-offs for depreciation.

I always try to go into everything with as much advance planning as possible so I am not too clouded by emotion and can move decisively to show I am in control, or in as much as possible. I am not used to dealing with people in this area. I am sure they are used to getting most of what they want, under any terms they dictate, since they usually buy companies in trouble. This is not the case here. I know they want part of my business; but if they are not willing to pay for it, then will not happen. I also understand that I am their best chance to buy their operation in the future, if that is their long-range goal.

The Competitor looks to be in his mid- to late-60s, so I am also their best chance for the future. However, I also view them as a potential target to either buy them later or take over if they do not make it. They are bankers, not long-time printers, and have virtually no background in our industry. I have heard that venture capitalists sometimes get tired of watching others take over companies and then want to try it themselves. This is the Competitor's chance for his own deal; and although he is smart, aggressive, and has the desire, he has no printing or sales experience in this field. I am not sure he has enough of the others to make up for the experience he lacks. His group needs me more than I need them, and it is up to me to show them that.

I was just sitting here wishing I had someone to talk to about this. My father would not be suitable, or my grandfather if he were still alive. My Uncle Phil would have been great, but he too has already passed. Then I realized I had the perfect man: Wendy's Uncle Nate! He has done many deals like this and would be the the man to go to for guidance. When and if I get a counter offer, I may send all the information to him and check what he thinks. I value his opinion; I know he has my best interest at hand and trust him implicitly. I suddenly feel much better. The sides have been equalized, and he can give me the perspective from the outside, without emotion but laden with the benefit of his wisdom and experience.

07/31/05

<u>6:37pm EDT</u>

I do not know how Wendy can watch QVC on TV for such long periods of time. She says the bargains are unbeatable. Although she doesn't buy that much, she is devoted to their programming. As she also says there is no sex, drugs, or violence ever shown, so it has a lot of positive karma—if you don't consider capitalism, as I don't, a negative aspect.

We were at my in-laws yesterday and were discussing car repair. When my father-in-law found out that my Volvo had so much damage from that car accident I had; since it was almost totaled, he told me I should trade her in early on the lease. Now I feel a lot of loyalty towards my car and that will remain for the balance of our time together. She absorbed an amazing amount of impact that allowed me to walk away totally fine, and I feel it would be disloyal to trade her in early. But he said she must have sustained such a large amount of frame damage that it could cause trouble later. I thanked him for his advice but decided to stay with my gut feelings.

My son, Ben, wants to start rock climbing in the Maine mountains,

where he is working this summer. Although he did not request it, I sent a helmet along with his equipment when my wife drove up to see him. He politely refused it and sent it back with her. I was going to make a comment about it when I realized that my concern for his safety was the same as my father in-law had given me on my car. Instead, I emailed him that I understood and to be careful. Being consistent is one of the hardest parts about being a dad, a boss, and a member of this planet. There is the constant pull with this; it means a lot of discipline, but it also shows I am doing my best. So to my son, I say that I would rather he use the helmet; but I respect his decision, and we will move on from there.

Notes:

170 My Road To China 我的中国之路

<u>Chapter Eleven</u> August 2005

08/03/05

7:00am EDT

I am mid-flight, on my way to Omaha, Nebraska by way of Detroit, Michigan.

I just met Amy. She works for a company that builds stadiums. It's a rather unusual, but interesting job; she is part of a team that goes out and checks potential locations and works on all aspects, including funding, government relations, and marketing. However, she has a dilemma. She is in her 30s and travels constantly, but she has just been offered a job that will let her stay at home. So she can start a family, make more money, and be in charge of her own destiny. Why would she hesitate?

The answer is the uncertainty of life, of going in a new direction or going off on her own, and she is sensibly scared. To leave the sanctity of knowing what she has for what may happen in the future is a long leap of faith. After talking with her for a while, it is evident that she is competent, smart, aggressive, and ready to make a move. It is a done deal if the people recruiting her play it smart and give her what she thinks she deserves. She has already made the decision; she just doesn't know it yet or doesn't want to admit it to herself. Sure, she has to travel a lot now and it means she has to put off having a family; but if the money is good and she has an enjoyable life, why risk it all for something that might be better?

That is the answer—the quest for something better. With a personality like Amy's, it will always drive her toward the horizon looking for something better. So many people should not be in their own business or in charge of their overall lives. They wait for things to happen to them, as opposed to deciding on a course for themselves. There is nothing wrong with being able to take orders or being a part of someone else's vision or dream, as long as they have the best interest at heart. I have said it many times that the people who work for others have so much less stress than the entrepreneurs and bosses they work for. They can work a 50- or 60-hour week, make a good living, go home, and have a clear mind, whereas people like me are constantly working, thinking, or moving toward new goals. I am not complaining—I love my life; it is just not for most people.

People shouldn't judge themselves harshly if they don't work for themselves. Many people lose their life savings with this wrong idea. If people don't want to work for someone else, then maybe they should give it a try. But if they are happy with the arrangement, they shouldn't let someone else or even themselves push them into doing something that is not in their ultimate best interest.

I decided to drive myself to the airport today, so I would not be hassled with a car service and spending the day wondering if they would show up when I get back tonight. I found the daily parking lot, and the trip to the terminal by shuttle was painless. So far I like the idea of having my car there, assuming I can find it, and maybe I will do this again in the future. I am due toget home about 11:00pm, if all goes well.

Everything at the office seems fine; the operation in China is moving along; and we are starting to send business over there. The problems of billing, shipping, and customs have taken on momentous proportions and have changed the way I have thought about using our China facility.

This is how I understand it so far: If our company in Xiamen ships to another company in China, they have to invoice it in RMB (Chinese currency). If the home business ships a product into China, it is in U.S. dollars. If Ideal Jacobs-Xiamen ships a job for the home office and it goes outside of China, then it is in U.S. dollars and invoiced by the home office. It is very complicated and the further we get into it, the more detailed things get. But Ben and Oscar seem to be getting along well, and everyone is trying to make this work. There are bumps, but the goodwill of everyone concerned is seeing us through.

I got an email from the Competitor on Monday saying he was trying to locate his partner and would be back to us soon. I have no plans to call him, so we shall wait and see. Nothing else will happen with buying equipment for our new plant, or any other expansion or projects until this matter is settled.

The quest for ISO 9001/2000 is going well in China; hopefully they will be registered in the next two months. This means we can go after Dell as soon as we have it. After that we will go for ISO 14001, and then I will go through the U.S. EPA to their Chinese counterparts and try to get into their EMS programs, like the PT program over here.

I had a small meltdown yesterday and started yelling a lot. It wasn't too bad, but the pressure just got to me. People were not moving fast enough, so I made some noise. I was better soon after, and it is good for my people to see me upset once in a while. It makes them not be complacent and think I am too easygoing. I am supposed to have lunch with one or more buyers today. It will be good to go back to Omaha; I like it and the Midwest. It is supposed to hit 98°F with humidity; so I left my suit jacket at home, but I still have on the tie.

9:00am CDT

I am on my way towards Omaha via Detroit Airport; we were delayed a little, but it seems like it only cost us a half hour. I am in one of those small planes sitting next to a big man who has no choice but to drop over the universal line of demarcation between seats. He is doing the best he can, but I have even less space than normal. The flight should be over in less than an hour though.

<u>6:08pm EDT</u>

I am now airborne sitting on a Continental flight direct to Newark, hopefully putting me home two hours early. I am eating a Subway large sandwich, enjoying an empty seat next to me, drinking water with an apple standing by, and am feeling pretty good. It has been a good day so far.

After landing a little late in Omaha around 10:00am CST, I got lost twice after stupidly turning down a map from a nice rental car lady and ended up in Iowa, the next state over. After finding my way back to the main highway, I then got lost again but eventually made it to my customers in time. I started calling people on my contact list; many of whom I am sure were on vacation, but that didn't matter. The point was that I had made the trip out to see them, and it showed the effort taken. I gain almost as much showing up as actually seeing them, so I left lots of phone messages.

I was going to have lunch with four people, but two could not make so I ended up eating with two buyers I have known for a long time. I talked about my adventures in China and even got their opinions as to what the operation would be worth. I figured since they were both buyers that their opinions had merit, and I believe I was right. We talked about how their company was doing and how the head of purchasing had just retired after more than 40 years on the job. Their company has been downsizing, but they seem profitable so I have hopes they will all be okay for the future.

I got back to the airport, after picking up my sandwich and was sitting in the waiting terminal, when a fantastically nice woman working for the airline checked where I was going. She let me know that my plane would be delayed, meaning I would miss my connection, but she got me on another plane.

That flight, the one I am on now, will put me home two hours earlier. I jumped at the chance, moved like a winged horse... okay, a middle-aged man carrying two laptop bags and trying not to get too sweaty, went back through security, got new tickets, went through security again, and made it onto this plane. I have found that many people can be so nice, so I try to do the same for them. A smile and/or a thank you is all most people need to brighten their day and can go a long way, regardless of the gender receiving these gestures. I try to do it as often as possible because it also make me feel good.

08/06/05 4:48pm EDT

I realized yesterday that I owe a big debt to the Competitor. Oh, how I love fate! Since our companies may or may not have an agreement coming, I only have a limited time to go after accounts were he already may have business. There will be a standstill agreement between us to leave each others customers alone if we join in China. That time limitation has energized me to attack on all fronts. I guess I am a little unusual since most people, if they are kept waiting, are weakend in their resolve. In my case, however, every day that he is not calling me back with a counter proposal is making me tougher, more aggressive and more desirous of taking over his accounts. The longer he takes, the harder I will work to take his business. If we ever do have an agreement, then my company will be just that much farther ahead.

The man has been doing me a favor on multiple fronts, and I must remember to think of him that way if we ever do go into negotiations. As one might tell, I have heard nothing from him since the email last Monday. It's been a very good week; sales have been good; the people in China are slowly forging themselves into a positive, powerful, dynamic team that will become a force in the near future. I am very happy with their progress and how the team here is also advancing in their abilities, their focus, and their drive toward higher levels in all areas.

There had been a bet that Oscar and Carmen would not even stay for two months, let alone make it to the September deadline we set for them to return for a week. I kept thinking they might want to stay in Xiamen, and that idea has borne fruit. James, the driver for our company, has found an apartment for them. So our company has rented for them on a monthly basis. Oscar even said he would like to live there until next year and then buy a place so he can move his mother to live with them.

The apartment with two bedrooms, a maid, utilities, and some expenses should cost us about U.S. \$500 per month. The hotel they are in is currently costing about \$2,000 per month. So the sooner I get them out, then the better it will be for all. Besides they will then have their own refrigerator—Oscar can then get a cold beer and soda, two things that are in short supply there.

I have to remember to focus on the big stuff, to not worry about what phone calls, rentals, and things like that cost. They can be expensive but are really inconsequential in the overall picture. I can't let myself be annoyed at little things; I don't have enough energy to waste it there.

I started editing the beginning of this book since I plan to end it soon, and I was struck with how far off I was on my initial financial cost projections for the first 12 months. Things are now projected to be three times more expensive than I originally thought, which means the odds of success for any company who does not have the services of someone, like my partner Ben, are minimal at best.

I found out that I was in charge of a new group for the EPA's PT Participants Association. I am already a member of their board, but I am now in charge of the membership benefits section. Since I do not know yet what is expected I decided to revamp the entire existing section and move it to some more productive areas. It originally did a lot of good when the organization started, but the benefits have slowed. It is up to me to recharge its batteries and do some more good. I hope to start writing a newsletter for the section and hope they will leave me alone enough so I can write it and at least get the first issue out to our members to see what they need and want. I am an entrepreneur and used to making fast decisions and implementing them immediately. This enables me to make rapid changes. But it also can be threatening to those in large companies and the government. To launch and keep this newsletter going, I will have to be careful not to ruffle too many feathers, at least at the beginning.

08/08/05

I stopped in the office tonight, and there was an email proposal from the competition. It is not enough, but I sent copies to my people for review. They have to come up with more.

I will put on some soft music and try to go to sleep. Getting up tomorrow morning is going to be really tough.

08/10/05

I got an email from the Competitor yesterday saying he wanted to talk by phone with him and his head of operations. Then he wants come in for a visit next week. I also got an email from one of our bigger customers asking for some feedback on a proposal he had received from a Chinese group to start a JV. I told the customer "no problem," and after talking about the negative parts of the proposal my customer had received, I suggested that instead, he should come into a JV with Ideal Jacobs-Xiamen. He said he would consider it.

08/13/05

7:41pm EDT

I picked up Kayla from the sleep-away camp today. She was sad and crying about leaving her friends, but she quickly returned to her delightful self. We made it home without incident.

I went bicycling later in the day, about 13 miles, and it was about 97°F with high humidity. Wendy picked up Alex. He's home from five weeks in France and looks wonderful too. With the exception of Ben, we are back as a family again.

I have been racking my brain trying to figure out what the Competitor and his partner will propose on Monday when they come in. The offer I made to my customer is being considered, but I am not sure what they will do. Having 20% of their proposed company in China would be good for both of us, especially after my people make it easy for them to get their licences, set up their factory, work things out with government, help with joint marketing, and do business with each other. I like to think it is an offer they can't refuse, but hopefully I am smarter than that.

08/14/05

9:30pm EDT

It always seems to end up being Sunday night. The fear of not being able to get to sleep has never left me. I still work myself out to almost oblivion in order to fall asleep easily. But today would not be like that—the exercise, although strenuous with temperatures in the 90s and high humidy, has had no long lasting effect. At this moment, I don't think I am tired enough to fall asleep. It has been very hot and humid all week, and tonight there is heat lightning in the sky. It did storm before, but I am not sure it will happen again. Tomorrow is also supposed to be hot and humid; I am scheduled to play tennis at 6:30am with Mark.

Tomorrow morning is the meeting with the Competitor with his partner. I am sure that my two VPs have been like me and spent a great a deal of time thinking about the possibilities. I saw an article in the paper tonight about the rising price of oil and how it will precipitate a global recession/depression. I started to panic in my mind, figuring I should get a partner as soon as possible to retire the debt so I can move forward, free and clear. Then I calmed down and realized that even if the cost of oil is high here, it will also be high all over the world. The separating factor will be cost of operations and at this point, China is probably the best place to be. Our position there is probably now worth more than it was a few weeks ago.

Every time oil goes up, the value of our holdings there ride with it. I will be happy to get this meeting over; although I am aglow with anticipation as it is sapping my energy. I need to reach the next step, whether it is to go further to close this deal or close them out and go onto the others. More people are thinking my move into China was a good decision, and I hope to capitalize on our advance knowledge and experience, and use it to get chunks of other companies. I would really like to have all of our potential partners in the same building to maximize efficiency, but I am not sure how practical that will be. I have to be patient and let the market work toward us, but that is not my nature. I will have to go contrary to my normal actions of attacking head on. My family knows all about his adventure, and they are all behind me—a wonderful thing as they are happy to go with my decisions and stand by me, no matter what. I have the same reactions from people at work, so there is no downside. I only have to follow my chosen path, be open to what happens, reevalute, and move forward... or not, depending on the situations that present themselves. But what if I am wrong and have misread the market? The downside could be devastating and that thought is never far from my mind.

I tried to place some actual values on our China operations to get a feel of what someone from the outside might think, and project potential sales for the next five years. This is not a good thing to be doing when I am trying to go to sleep.

08/15/05

2:50pm EDT

I met with the Competitor and his partner this morning. They were pleasant, aggressive, and seemingly knew what they were doing. We spoke for almost two hours and they were okay with everything, except the money for the stock. They thought it was too much and had not changed their position. They left and said they would think about things and get back to us in about ten days. I was a little unsure how they wanted the stock and profits split, but the main thing now is getting the money settled out. After little sleep last night and this meeting, I took a nap and feel much better. I think the meeting went well, and this could be a profitable venture for all concerned if we can work out the money.

08/16/05

5:20am EDT

Getting up this morning was not easy. After spending the weekend thinking about China and then getting very little sleep Sunday night, I have a feeling the iced tea I made was not decaffinated. I was feeling a little down as I do when sleep deprived. As I went through my daily log list, I realized we had a customer in the Netherlands who was late with money; they had been on vacation, so I called got the buyer and hopefully that will be worked out.

Calling for late money is not usually one of my favorite things to do. But in the right mood, it actually gets my blood going a little and I feel better. The response to my calls was good, so the money should be coming in soon. In thinking back to yesterday's meeting, I think things went well. I have been vacillating a little with being so adamant about the sale price for the stock, but I feel it was the right way to go. Let's see what they come back with, if anything, and go from there. I was a little surprised about these two men because for venture capitalits who I would have thought were all quite wealthy, they did not appear to be in an economic bracket vastly different from mine.

As we talked, I felt we could get along and did feel their hunger emanating for all three of us to go for the brass ring and something big. I did not, however, want to have a merger because Ideal Jacobs stands alone. While they take their time to get back to me, I will continue to attack their accounts. We have no standstill agreement, so I will go after them everywhere.

08/26/05

10:00am EDT

I just came back from my parent's new apartment. It is very nice, even though my dad does not want to move from their house. They are getting too old for the steps and to be taking care of the place. The time has come, but he is going down fighting. I am helping with the kitchen renovations. Of the three potential contractors, I did not like the first; he didn't like the second, so I am hopeful for the third coming in on Monday.

Ben is coming home today for one night after a summer away. I spoke to him via cell and he sounds great and ready for school. All is well except his stay with us will be so short.

We got a call from one of our customers who said they now want to go to China and Joint Venture with us. I am scheduled to go see them on Thursday.

I heard from Ben in China. The fire inspector is not fining us like he threatened for not having the necessary permits for renovation. I am not sure how they rectified the situation, but that is what Ben does so I do not question anything-he just gets them done. He is amazing in making things happen. There are so many pitfalls involved with this situation that without Ben, we would be in serious trouble. Oscar and Carmen seem happier now after a rocky start. I even offered to bring them home early, but they assured me they want to stay for a while and maybe permanately. We will have to see if Oscar is able to lead. If not, he will have to come home anyway. It is a very difficult situation I trust him in; he does not know the people or the language, and he is in a foreign country and is expected to help Ben to put together a crew that can become a cohesive team who is skilled in areas where some have little or no experience. When I put it that way, I am amazed we are even trying this. But Oscar and Ben seem confident that it can work, so I will happily rely on them.

I emailed the Competitor after not hearing from them. He emailed me back a short time later, saying that since we were so far in terms of a buying price he felt there was no common ground to be found. He felt he could be in China within a year if he did it on his own. I thought he was out of his mind but did not say so and wished him well. In the end, I am glad he is not a part of us. I do not like people who do not contact me when they promise—positively not someone I want as a partner.

08/29/05

<u>5:31pm EDT</u>

I am home and cooking dinner for just Wendy and myself. Alex is at the movies with friends, and Kayla is at a camp reunion at a concert at Central Park in New York City. As she drove away in another parent's car, I mentioned to a friend that I had seen the singer Carole King at the same location about 35 years ago and done something similar. A lot of time has passed since then. I continued to think about the meeting I had coming up on Thursday with the new potential JV partner.

I do not think there is any hard sell there; our two companies are working closely together now. I see no reason why that can't continue in Asia. Our experience there should be of major help to them, and we can even combine our selling efforts since we do not tread on each other's product lines. Even though we are the supplier and they the customer, I don't think they will have a problem giving us part of their new company in China since it will benefit us both. I am not sure, however, what they will think about it. They should realize that the massive amount of work we will have to do to get them up and running in all areas are worth a great deal.

We also should be able to get them started a full year sooner than everyone else and sooner than they could have otherwise, help them to increase their efficiency, and save on capital expenditures. I really hope we can all agree on the basics after the meeting.

After even more reflection about the other failed venture, I am happier it did not go through. I would have wasted a lot of time trying to mold the two companies together, and I am sure a lot of hassles would have developed which would have kept me from focusing on what is important. We have to make sure our company in China moves along as quickly as possible and spend any extra time we have on helping this other venture become a reality.

I got an email from Ben in China yesterday that Oscar and Carmen found an apartment they liked. Obviously they intend to stay for a while and even mentioned they want to bring Oscar's mother over to live in China. We will make every effort to make sure they are as comfortable as possible; I want them happy.

I need something new to put into the marketplace, and this book will be perfect because it is of interest to everyone. Most of us are bombarded with information about China, but few get any firsthand experience. I think people will find our journey very interesting, whether it succeeds, fails, or falls somewhere in between.

Abi and I were working on the good ship, Ideal. I figured that after she had the good shakedown cruise with a motor, no sails, was water tight, that it would be good if he and I practiced putting up the sails before going out on the water again. If was both fun and frustrating because everytime we got a part of the sail in the right position, we had to start over again because something else was not right. We finally finished with the confidence we could do it, and I will now check with my guys to make sure we can put all the ropes in the right places. These are the same guys who took her out on her last shakedown voyage with the motor, so I have a lot of faith in their consel.

We leave for the Berkshires on Tuesday afternoon (08/30/05) until Sunday (09/04/05). It was be relaxing, except for the trip Thursday to my customers to talk about the JV, which for me will also be fun. I plan to pay golf on Wednesday with my father-in-law and also spend some time editing.

08/30/05

<u>6:32pm EDT</u>

I am up in the Berkshires with my wife, Alex, Kayla, and Bailey, our dog. Ben is already back at school. I am having some trouble realizing I am on vacation, but the transformation should occur by the time we have dinner with my in-laws in a few hours. I got an email from my customer who mentioned all of their top people will be at the meeting on Thursday. I am going in alone. On the drive up, I tried to figure out what they could want so I could virtually give them everything and still get what I wanted. When we started this project ten months ago, one of my dreams was to have this company come with us. I do not know if that is possible, but it is a heck of a lot closer to reality than it was before. I trust these people so the combination of our two companies attacking the marketplace could be awesome. My stomach is churning again thinking about this as it will be one of the bigger meetings of my life. I still have two days to go to think about it, but I am having a lot of fun.

08/31/05

10:35am EDT

I woke up early this morning. Wanting to get ahead of the effects of Hurricane Katrina, I went out biking. It was not daybreak yet; but by the time I got to the woods, the sun was up and I could see the leaves had already started to change for the fall season. It was a magnificent sight. I was glad there was no rain since I did not have to wear rain gear, so I had a wonderful ride. When I got back home, I found out the stormy weather was supposed to hold off until this afternoon. I was just happy I got finished early. My wife, our two kids, and my motherin-law went out to breakfast while I am here waiting for the cable repair woman, doing a load of laundry, running the dishwasher, and taking it easy. I am still not relaxed but am doing better. My thoughts are continually running toward tomorrow's meeting.

I have decided I will eat breakfast before I go tomorrow and take a sandwich with me to eat right before I go into the meeting, so that way if it runs for hours, like it easily could, then I should have enough energy to last through it. I got an email from Ben in China this morning that they may now have some possible business in India. I have already offered to put a plant there in the future, but the prospects have to be good enough to warrant the time and expense.

Things are moving very quickly. I am due to have lunch with my father-in-law at noon, then it is off to the movies with my family and out to dinner later. Depending on the weather, we will probably be inside which is okay since I was already out this morning. I love it up here. I passed a fruit and flower stand on the way back from riding and bought a large bunch of flowers for Wendy. She loves flowers, and I really like to see them during the day. Bailey is waiting near my side as I wait for the return of the cable repair woman, who I think is out working on wires on one the telephone poles. Bailey is ready to bark and protect, and I am prepared to keep them both separated. After a few minutes together, he will be licking her in frenzied friendliness; we just have to get past the initial encounter.

Sales for this month are good, and I just sent another big chunk of money over to China for their running expenses. I do not expect to break even there for at least six more months. I hope business holds here, so I do not get squeezed in our cash flow.

<u>Chapter Twelve</u> September 2005

09/02/05 8:10am EDT

Yesterday was an amazing day. I got up at 5:00am and left for the meeting at 6:10am. The trip, according to the computer, should have taken about 2.5 hours. Since my appointment was at 9:30, I had plenty of time. Things went smoothly until about two hours into the ride when I started to see massive amounts of traffic. As it turned out, I got to my customer with only 20 minutes to spare. After a quick phone check at the office, I went to the meeting. There were five people involved and one or two via cell phone, I was never sure. They asked me to start off the meeting. I said I wanted to give them everything they needed to get them started in China, as economically and as quickly as possible. It was possible to even have them running by January 1st, 2006.

I gave them a brief background of how we got started in Xiamen, my two partners, some of the problems we had in the beginning, and how I saw us working together. After everyone else spoke about their initial concerns and hopes, the questions started. After about three hours, we ended with my needing to supply some additional information about the agreements we had in place, the possibilities of factory space in Xiamen, and whether they wanted to proceed.

They had various people to confer with before even thinking about making a commitment, so I left with the promise that they would get to us as soon as they could. I walked out happy because I felt I had done a great presentation, and there was a chance it would go ahead. A JV, in my opinion, would be the best for both companies. But now came the hard part, waiting for some feedback. With any venture, there is always the nagging question in one's mind as to whether the dream or vision has legs. While one usually has to go at it alone in the beginning, it is very nice to have the idea validated by the positive input of others. We are already in China; they need to be there. They know it; we know it; and we are the perfect vehicle to get everyone what they want

The possibilities of having our operation close or in the same building as their new venture would potentially skyrocket our efficiency and ease of doing business with each other. I also mentioned that as we move onto different parts of the world—meaning our customers tell us to go somewhere else—then we would go first, and then they could follow if they chose.

They thanked me for coming as I leaving, and for interrupting my vacation. I honestly had a lot of fun, so it wasn't that big of a deal for me. On the way out, I also mentioned if they did not want to buy their own

space in China, then we have about 10,000 sq. ft. they could rent from us to get started. I could see they were very interested and that just added to my excitement.

While this was happening, and in the wake of the Hurricane Katrina, the national screen printing show that was supposed to be held in New Orleans in October has been cancelled. The ink company we have also been talking with about putting in their new process for membrane switch panels and having a possible JV now has no venue in which to launch their new technology. I emailed the chairman, figuring I had nothing to lose and offered a JV in China to help launch his new product in the U.S. I am waiting for a reply.

After breakfast, I will call the office, and then go mountain biking. It is a spectacularly beautiful, late summer day here. Wendy had to go home for a party for a friend but should be back later today. In the meantime, the kids and I will have lunch. The afternoon is theirs to decide how to spend it.

Wendy just called and said she should be here by or around noon, so it will be nice to have the four of us back together.

Sleeping on the porch last night was exhilarating but chilly. I think it dropped into the 50s F. I had our dog outside with me, but he did not look great last night after being ill. I was afraid he would be sick somewhere inside, so I kept him out with me. It would have been easier to clean up outside if he had a problem. Thankfully, he seems fine this morning.

09/02/05

<u>4:26pm EDT</u>

I just got an email from the ink manufacturer who graciously rejected my offer. He easily could come back again in the future. I spent the day mountain biking, being with my kids, going shopping, and finish preparing for a family barbecue tonight. Things at the office seem fine. I have one more thing to finish before I am done for the weekend. I am tired but feeling very good. Tomorrow and Sunday should almost be email-free, and I will be back in the office Monday morning, which is Labor Day, after playing tennis with Mark. A few hours there should get me reasonably caught up and ready for the week.

We have a big meeting on next Thursday with Lucent Technologies and with the customer we are trying to JV with. I will hopefully hear if they have real interest in going to China with us.

We are suffering because our organization in China does not yet have its own database set up for artwork and production. The good news is that it will force us to get it up sooner rather than later.

09/03/05 12:54pm EDT

The emails have been ricocheting between Ben and me, and me to our potential JV partner. They wanted to know if they could by part of our space in Xiamen. Unfortunately, they could not because they are not a Chinese company and the owners of our condominium would probably not permit us to subdivide anyway. We can, however, rent to anyone we want and having our JV partner as a tenant is probably a good thing.

I slept on our porch last night again. It was crisp, and early morning was in the 50s F. Autumn comes earlier here than at home, and it is already moving in that direction. The bike ride this morning was glorious with a mostly cloudless sky and perfect riding conditions. I think I am going to take my daughter to one of the malls this afternoon. Possibly I will rent a sailboat for an hour, and then tonight we go hear and see Tony Bennett perform. Tomorrow morning, I will ride early as we have to get back on the road to go home. Wendy takes the kids with her, and I get Bailey with me.

Gas prices have zoomed again. Regular unleaded is now almost U.S. \$3.20 per gallon—a major jump in price since last week. I can only shudder at what this, and the effects of Hurricane Katrina, will do to our and the world economy. I feel very sorry for the people stranded and hurt in the storm. My company is sending a donation so I hope it helps.

09/04/05

Being obsessive-compulsive has many results, some good and some bad. One of the negative parts is the costant need to check and recheck, which in business can be good. But when trying to leave our house in the Berkshires, it is not. This time it wasn't too bad, Bailey and I got out about 9:50am and hit the road. Since he doesn't travel that well, we often give him a sedative. Wendy had done so at the correct time so by the time we got to the New York Thruway, Bailey was mostly sleeping and feeling no pain. I had plenty of time to play music and think; it was a pleasant ride.

After we got back home, Kayla and I went to play tennis. Then, one of those life moments hit me. We were hitting the balls back and forth when two high school boys came onto the court next to us. I got the distinct impression they were eyeing my daughter, but I was cool and said nothing. It made me think back to when I was their age, doing the same thing and trying to figure out not only how to talk to the girl, but how to avoid the wrath of the parent. Funny how the roles have switched now. Kayla is 14 years old and appears older. I am in for an interesting time for the next few years.

Ben emailed me this morning reminding me that if we were to rent

out the extra space, we had then would have to displace two companies already in there. Since the two companies are owned by my partners, it is not a giant deal; but we will have to find them other quarters and that will take a little time. We would have to modify the space to fit the needs of our customer and make sure this time we got the correct permits so the fire inspector is happy.

09/15/05

9:58pm EDT

I feel temporarily overwhelmed. My stomach feels like there is acid pulsating within, and I am weary. Sometimes I think I am crazy to have attempted this China thing. I am in debt; it is eating up a lot of money per month; and my house is on the line. It is okay when business is good, and it is, but I still worry a lot. I am also ecstatic, almost on a drug-like high all the time. This makes for a pretty weird but wonderful existence. I will try to go to sleep and remember how good I have it. It is almost always worst at night

09/16/05

<u>10:30am EDT</u>

I am at a Millburn, NJ doctor's office. No need to worry, this visit should just be maintenance. The pressure is building and at times, sometimes hard to handle. But this morning I added up the sales for the month. We should be fine so I immediately relaxed. The customer who may want to JV contacted us to say they wanted to start buying some of their labels from our plant in Xiamen. It is an anticipated shift which will accelerate Ideal Jacob-Xiamen's ability to stand on its own. On the other hand, it is volume lost to the home office, which means I have to work hard to replace it.

09/17/05

<u>11:51am EDT</u>

I got an email from my Rabbi/friend at the beginning of the week asking for some help to get a program together to get supplies for the victims of Hurricane Katrina. We mobilized quickly, including members of our Temple, their staff, my staff, and others. As of this morning, we had a 40ft. container parked at the Temple parking lot ready to be filled. Some of our people are over there now, and I am scheduled to supervise the 1-5:00pm shift. So far not many people have donated, but we are confident that the pace will pick up as the weekend continues. One minor misshap... when we were unloading empty cartons this morning, putting them together, and start filling them, we inadvertingly disrupted a colony of angry bees. Luckily, only two of my guys got stung, What could have been a disaster turned out to be nothing more than a nuisance. I am proud of my people; they heralded the call and have put in a lot of effort.

Yay, regular gas prices are once again below U.S. \$3.00/gallon.

09/18/05

<u>8:35pm EDT</u>

The weekend started well. Saturday morning, I went biking and stopped by the temple to make sure everything was okay and it was. I have a very good second-in-command for this project, and she performed well. I then got back there before 1:00pm, ready for my afternoon shift. Although the response was below our expectations, spirits were high; and everyone was very appreciative that our company had underwritten the cost of the container and truck. As I was heading home, I got a call that my Mom had another attack of diverticulitis and was in the local hospital emergency room, so I went right over. She ended up having to spend the night and would eventually need surgery—not a pleasant prospect.

Apparently, the stress she has been under from the move, plus dealing with my dad's illness has been too much for her. I promised to help more with the move. With some drugs, she started to feel better.

The donation drive went well today, especially when a truck from another temple arrived with lots of supplies. By the end of the day, the truck was about 3/4 full. We still have tomorrow, so I am hopeful we can get it mostly filled. We can also donate the balance of the flat cartons we haven't used. I am happy we did this and will be happy when it is finished.

This Friday I leave for Cleveland to spend the weekend with my son, Ben. It may be one of my few chances to see him over the next six months and will be the longest time we have spent toagtehr in the last few years. I think we are both looking forward to it.

The JV appears to be moving well, but I will feel more comfortable when we have something in writing.

09/23/05

<u>9:12am EDT</u>

I am on my way to go see Ben at Case Western Reserve University. It is Parents Weekend, but I am going alone. Wendy is staying at home with our other two children.

I am excited both to see Ben and to also get away for a few days as it seems like I am living in a pressure cooker. The plane I am on is uncharacterically packed; I think it is filled with family members of Case students, so it should be a pleasant flight. I got a phone call this morning from the head of sales for one of my suppliers. I have been keeping in touch with him about our progress in China, and he is interested in a change in his career and maybe starting his own business. Having a plant in China is a marvelous thing right now. As the world market becomes smaller due to the rising cost of fuel, it also becomes more regionalized. Customers are demanding they have local suppliers to cut down on their transportation costs and so they get faster deliveries. Local is defined as having a plant in both hemispheres, which we have, so our position in the marketplace currently is good enough to get us onto the playing field for most companies. I am trying to leverage our position as quickly as possible which means keeping myself open at all times to as many possibilities.

We have already begun transferring orders from our plant here to China so the finished product can be closer to our customer's out there.

Business for the month has been good, and we should be fine with our debt payment, running expenses for China, and also the yearly bonuses we just gave out. It has become apparent that our company in some areas cannot utilize younger people, and in such case we are adjusting our situation to utilize older workers. This is espcially true in the press are where people under 25 do not seem to have the right mindset to learn everything needed or have the patience to do the jobs right. I have no problem with older people as I am one myself. I will be 50 in a few months and have no hang-ups that only young people can do the best job.

We finally finished filling the 40 ft. container last Monday night. It is hard to imagine how much a container that size holds, but we finally did it. It also includes some boxes we did not use. It was a good feeling to help and get it done. The next hurricane is already hitting New Orleans, but I do not think another relief effort will be nearly as successful. They gave once, I do not know how many would donate again.

I look forward to being with Ben later today. A man just came by and asked to see this laptop; he was looking for one for his daughter going to college. He wondered why the screen was not bright, and I said because I could not find the brightness control and then he showed me. Talk about your lucky day!

We were going to go away for my 50th birthday in February, but it was too hard to schedule with the kids. Besides I did not want to spend the money. Hopefully Wendy will not be too disappointed. Perhaps we can go to the Berkshires for an overnight stay—I don't get to go there much anyway. It is a calm, easy place to be, and the overall feel is one of serenity that I cherish. Besides it has the best mountain biking area anywhere and if it is not too cold I can go for a ride.

We have been doing employee reviews in the company. Mostly everyone is doing okay; a few may end up leaving because they are not being as productive as we feel they should be. September is not my fondest month because of going through these reports, telling people how they can do better, spending all the money, and feeling the accompanying stress. The less productive employees often have an inflated feel of their worth, and I have little patience for them. If the reports on them from their managers are negative, then they will have a hard time convincing me they can continue with their jobs, let alone get more money.

09/13/05

12:26pm EDT

I got in to Cleveland this afternoon on schedule. Ben is great, except he has a cold. We hung out together for a while. I saw his dorm room suite and walked into the bathroom. A girl, one of his roommates, was just coming out of the shower and was in a towel. This was much different than my days in college, where it was an all-male dorm. I then took Ben and four of his friends out to dinner, and we had a marvelous time talking about everything. They are good, solid, and great kids, and I can see why Ben is so happy here and with these friends. I asked him to drop me off early at my hotel because I was tired. I had no urge to sleep on the sofa in his suite as I am not that young anymore. Tomorrow he is going to pick me up at 11:00am after I had a chance to work out and after he gets some extra sleep. Then, we are going to spend the day together.

09/24/05

7:29pm EDT

I have sampled the various flavors of Cleveland today, compliments of my wonderful son. We had breakfast, visited his fraternity, then we went to the university's sports center. There, I climbed the rock wall for a while. Rock climbing is the kind of sport where you need lot of upper and lower body strength. Although I feel I am in good shape, this sport demands a different set of muscles. I was okay but would need a lot of practice to become decent at it.

It was then back to his dorm where we collected a few friends, and off we went to the movies. After that, we went to a sandwich shop for dinner and they dropped me back at the hotel. For tonight, we are supposed to visit a Hookah bar, a place where you smoke from Hookah pipes, watch belly dancing, and I am not sure what else. I have already said I wanted to go but, like the Presidents before me, I doubt I will inhale.

College life does not have a lot of appeal to me—too many small spaces with too many people living in too-crowded conditions. It was fine when I was a young man but a bit claustrophobic now. I will admit that many of the women look good, which is a great reason never to break the three rules of travel. And for those who don't know, they are: Never be in the same place for more than 24 hours; Never go out after 9:00 at night; and Never drink alcohol while traveling, unless you have eaten something that might make you sick and that the alcohol might kill it (whatever might cause the sickness) first.

With my son here, however, I am making an exception. I will get up tomorrow morning, work out, then get on the plane, and hopefully be home by 3:00pm. I have already agreed to go with Wendy down to the Newark courthouse in New Jersey to show her how to get there again since she has jury duty next week. It is an area where one does not want to be lost in terms of possible danger, so I have no problem spending the time and making sure she knows the most direct way.

I might even get luckier and have the time for a short bicycle ride, but I am not counting on it. Tonight should be fun. My son has said I should be home by 11:00pm. It will be a big night out for me. I got up at about 7:10 this morning, which meant I got more than nine hours of sleep. It is a lot, so I should not pass out in front of everyone tonight, at least not from fatigue. But then again, who knows? I make no promises.

09/27/05

5:15pm EDT

I am back at my home office in New Jersey. I have come to the conclusion yesterday that Oscar and Carmen can not stay in China. First of all, we need them here.We need them on press and secondly we need an Asian manager to be able to get the most out of our people there. After much stomach churning, I spoke to Ben, Vinnie, and Alice, and we agreed the change had to be done. In true Ideal Jacobs spirit, everyone bands together. I emailed Oscar this morning and expect to hear from him tomorrow. Either we will hire a Chinese bilingual manager out there and bring him to the States for training, or Vinnie will go out there and train on site. It will be a transition, but just another change in a constantly morphing world. I hope Oscar and Carmen are both ready to come home.

Business for the month has been good, which is really great because expenses have been high. Our JV possibilities are still on track, and I am hopeful on all fronts. This Friday, I go to Washington, DC for an EPA PT Participants Association board meeting. I am becoming the small business representative for them, and it is my job to keep our collective small company voices heard amongst the giants.

09/30/05 - AM

Every small business owner watches and waits for the last day of the month. How were sales, expenses, and most of all, the profits? I was thinking about the difference between small business owners and the people who work for large companies or the government. The things that happen to us are personal and directly affect us. Whatever is happening, it forces us to decide on our own. It is a personal as well as a business decision. It is a much different mindset than those who are not immediately and directly affected.

I am trying to hold off eating as long as possible. Just before I turned 40, my metabolism changed and I had to modify my workouts to make them harder in order to keep my weight and body proportions as they were. Now shortly before my 50th birthday, I fear the same thing may be happening again. My weight is stable, but I think it is redistributing . This means it could be a lot harder to maintain a somewhat flat stomach. May it be my worst problem!

09/30/05 - PM

I am now writing this at the Washington, DC airport. Just when I think I am getting smarter, I go and do something really stupid. One of my suppliers asked us for a price for imprinting some panels, and I faxed the price back to the fax number on the sheet. Unfortunately, I did not check the number first and it went to the wrong person. It caused a little trouble, but not too much. The only really bad part is I feel bad.

As for today's meeting, it went well. It looks like I will indeed be in charge of the small business section and create what I called the PTPA (Performance Track Participants Association) Small Business Newsletter. The newsletter will probably become the main communication instrument for the section. I feel I can make a real contribution to get new members and assist the ones we have now.

I also suggested that we get one of our large members to designate that all of their suppliers for a specific location be required to have an EMS in place or they can no longer be a vendor. I think it is a great idea for the following reasons:

- 1. Having an EMS will mean greater efficiency for the supplier. This means bigger profits for them which can be partially passed on to the main company.
- 2. Having an EMS in place should reduce the overall pollution levels of the company.
- 3. Making it a requirement will create an avalanche of interest in the EMS, in general, and will mean a large amount of the suppliers will immediately enter to process.

If we could just get one plant to implement this, I believe it could be the showcase to prove to everyone else how important having an EMS can be to a company. The advantages are not just limited to environmental betterment. Our small business group could act as mentors for their supply chains. While I can see some really good results, I will have to convince a company to try it first. That will be a very hard sell. In the meantime, I will sit here and feel stupid because of the fax mistake for a while longer.

It is a beautiful day here and at home. If the flight is on time, I will have just enough time to get to my car, drive to the tennis club, change and get onto the court to play with my brother. It would be a nice ending to my afternoon and a good way to stretch my body.

Notes:	

<u>Chapter Thírteen</u> October 2005

10/02/05

<u>10:11pm EDT</u>

I am supposed to be asleep, but it is Sunday night, and we all know how that goes.

I was thinking about our press operations. We are planning a revamping of our senior management for the U.S. and Xiamen offices. Alice is taking over as head of world operations, Vinnie is in charge of global manufacturing, Mike Valentine is in charge of global IT, accounting and HR, Ben is still President of the Xiamen office, but he will also move into global marketing and spearhead the next move into Eastern Europe. Oscar will move up to manager of the press lines in the home office, Doug will move up to manager of the die-cutting operation.

In the meantime, it is Rosh Hashanah tomorrow until Tuesday, and I will be at Temple. I am sure everyone will be fine without me; it is good to have a great organization supporting me.

10/09/05

Evening reflection

I got a call from my sister today. She is two years older and lives in the same town as I. She asked if I had seen our mom lately. She was worried because she did not look well.

My dad has had numerous medical problems—we say he has nine lives but has already used five. My mom has only recently been having trouble and is due for a stomach operation in November; that is, if she is well enough to have it. She is slowly dehydrating, and if things get much worse she may have to go back into the hospital.

Like the vast multitude of the baby boomer generation, I am watching my parents get older and it is a very difficult thing. I always remember my dad as a vibrant guy with huge amounts of energy. My mom, I see the same way; she always seemed to be able to do anything that needed to be done. But that time has passed for both of them. Now they spend a the lot of their waking hours going to see doctors and dealing with their illnesses.

My parents have just closed on a condominium. They will be moving at the end of this month. They will be leaving the home where they spent 55 years of their lives—the place where we kids grew up. It will be very strange going past that block and seeing a place that no longer belongs to us.

In fact, the house has already passed us by. I used to know all the people on the street and many of my friends lived within a five-block radius. Now they are all gone. The area wasn't that built-up when I was very young. At the top of our street there used to be woods with blackberry bushes. We would pick the berries, even getting cut by their protective sticker bushes. But at the peak of their potential, they were wonderful. My longtime best friend, Steve Lang, and I, before he moved across town, used to wander everywhere on foot or by bicycle without our parents—something that would never be accepted today.

The street we lived on went almost straight up, and it was the area I used to learn how to run and then train for soccer. Making it to the top the first time without stopping was a great accomplishment. On the street above us was a golf course that was restricted to all religious and ethnic groups they did not like, including mine, and I used to go in the rock quarry next to their course and look for golf balls.

Close by lived a girl named Cathy who I liked for years, but she would have nothing to do with me in a romantic way. We were friends, however, and I used to go over her house for pool parties and be ashamed at the fact that I was overweight. I hated having everyone see me in a bathing suit, but it was moments like those that forged my will to take control of my body. Those memories have helped me stay in shape now. When I go back and see her house, it seems so much smaller than before, and perhaps she was not as beautiful as I remembered. Sometimes memories are better than the original.

Past the golf course and a group of houses was a large, wooded park known as the "reservation," where I also trained and liked to walk. The woods were beautiful then and still are. They bordered on a skating arena and local zoo. My grade school class were one of the first visitors to see the animals there many years ago.

My life has been so wrapped up in the area, centered on the house where I grew up. For me, this was and forever will be inhabited by my parents—frozen in time as the best part of their lives.

Those are my memories, but the time coming may not be so pleasant. If the best happens, my parents will move, settle in, and learn to love their new place and hopefully have some years enjoying it. If not, then my brother, my sister, and I will be around to help them. It is so hard to see the pillars in life begin to give way, but that is life and why we all have to remember to appreciate what we have now.

10/10/05

1:50pm EDT

I just finished lunch with my friend, John Rudder. When I first saw him, I was feeling a great deal of stress from both my parents' illnesses and the multiple changes going on with business in general and China in particular. I sat there with a cup of green tea; we were at a sushi restaurant. I thought back to the last time I felt this much stress, and then it hit me. I was nearing a new level change. In this case, it meant that the roles of father to son and mother to son had indeed switched. Our roles have been switching and now I was the one who had to make sure they would be cared for.

The same held true for everything else in that I had to push through to the next plateau in order for things to keep progressing. It is not a destiny but more a trial by fire of forcing yourself to keep moving. Because to stand still and rest meant that I would not get the chance again to move ahead. What am I running towards? I am not sure, but I know what is behind me. Some of it has been great, but I have no urge to stay there for eternity. The time has come where if I refuse or hesitate to move forward, then I will lose my chance forever. The stress and pressure is a product of that forward motion. I see it now and have less fear to test the waters.

10/11/05

I got word that the customer, who might want to JV with us, visited our plant in China and liked what he saw. He now wants to move ahead quickly, which is music to my ears. He even wants their company logo on our site as quickly as possible since they will be moving into our spare space. Our customer mentioned that his company was losing business because they did not have an Asian presence. That holds true for many others and gives us a high potential area for JVs if we can fill their needs.

10/14/05

8:58pm EDT

Vinnie and I are in the Cathay Pacific lounge in the JFK Airport, waiting for our flight to Hong Kong via Vancouver. From there, Vinnie goes to our plant in Xiamen, and I go to Singapore. It has been an exciting week; business has been good. Oscar and Carmen have rejoined our crew in New Jersey as a scheduled visit back here and are doing so well that we defiantly decided bringing them back from Xiamen a month earlier than planned. Vinnie and I will check out everything in Asia and are hoping the crew there can work on their own until he comes back in January.

I like this lounge—it is filled with interesting people, has a good selection of furniture, and is nice and roomy. Vinnie is fun to be with, agreeable, and ready for changes as they occur. We are both hoping that our press lines in Xiamen are running smoothly, machinery-wise. Because if not, he will have to spend valuable time fixing things when we both prefer he be training and checking our sources of supply. I should be in my hotel room in about 27 hours; let's see how close I get to being right.

10/15/05 1:22am EDT

There are 1,351 miles to go to Vancouver. I am not sure if we have to get off the plane or not. I got up at 4:00am yesterday which means that, aside from a few naps, I have been up for almost a whole day. This is good because I should acclimate reasonably quickly to the time in Asia. At the moment, I am not tired so I will probably brush my teeth and do some more editing..

A friend of mine is in trouble, and I can do nothing about it. He is my age and was taking some blood pressure medication, and his body rebelled. He is now in the intensive care unit fighting to breathe and survive. It has already been a week, and the doctors don't know how long it will be. He is doing as well as he is because of the care he took in keeping himself in great physical condition.

My mom is in and out of the emergency ward now. She has diverticulitis and will need an intestinal operation within the next month. She has been in a lot of pain and is having a hard time. It is very difficult watching someone you love not feel well. My dad is holding is own with his medical problems at the moment., although having my mom sick is putting an extra strain on him. She always took care of him and if something happens to her, the family consensus is he will have a very hard time coping.

I made reservations for January to go down Florida to see my inlaws for the weekend. I plan to spend the weekend playing tennis, golfing, walking, swimming, and being outside in the what I hope will be beautiful, warm weather. I love my in-laws, and it is a treat to go down to see them. They live in an apartment complex in a resort where there is a heated pool. That water is a real treat after coming down from the colder weather in New Jersey. I do not golf frequently. In fact, I almost only golf with Jeff, my father-in-law, but we have a good time. I usually only use a five iron and a putter both because it is easier for me and drives him crazy. He is an avid golfer and uses all of his clubs. He also likes my eccentric behavior and is also a very strong-willed man; we get along well.

I tried to find an Irish dancing teacher again, and it still did not work out. I am beginning to think I am not fated to learn this art form; perhaps it is for the best.

10/15/05

2:45am Vancouver time, 5:45am EDT

We are in Vancouver and should be leaving soon. I got a few hours of sleep which felt very good. I watched a movie but now plan to start writing the PTPA Small Business Newsletter. I will try to figure out what will appeal to small owners, but at the same time not bore bigger business, educational, and government people. It will be hard to keep everyone's attention, but the one thing I have going for me is that most people at one time or another have thought about having their own business. I also hope to have other guest writers to keep the viewpoints varied and the material interesting. I go to Washington in a few weeks to try out the newsletter; therefore I hope I have something dazzling to show them.

10:24pm China time, 10:24am EDT

I had a scare a little while ago. I checked the Sky Map, and it showed we would not land until almost the time I was to take off for Singapore. This, of course, meant I would miss my flight. I tried to stay calm and started monitoring our progress and gradually the arrival time went back down to where I have a chance of making my next flight. I will try to remain calm; I have been in this situation before; and there is nothing I can do, so I will attempt to go to sleep in a while. As of this moment, we should arrive about 9:04am, and my flight is at 10:40am. I have to go through immigration and customs, and check in, I may still make it. If not, I will either find another flight or stay the night in Hong Kong.

It is morning back home, and I would usually be just finishing services at our local synagogue or most likely go biking. These last two weeks covered the Jewish High Holy Days. They start with our Jewish New Year (Rosh Hashanah, that lasts two days) and then eight days later, it is our holiest day called the Day of Atonement (Yom Kippur) where we are supposed to fast for 24 hours. I drink water, however, because I think it is permitted. I am also in charge of the ushers for our temple which covers quite a few services and a lot of usher positions. It is usually a hectic time, but I love doing it.

The services generally went well; we have thousands of people coming in and out, and I was pleased with the way our crew handled themselves. It is a lot of work but very rewarding. For the limited amount of time I am involved, I look forward to it. My ushers now expect my phone call in August or September reconnecting to see that they would be on duty again, confirming their time slots, and just touching base. I try to make it fun and make sure I am at every service so I can lead by example. I try to do the same thing everywhere. If I do not do as I say, why should anyone follow my lead?

We are now flying over the Pacific Ocean, going toward the Bearing Sea over Alaska. We are traveling at 538 miles per hour at 32,000 feet, with 4,734 miles to go. Only 10 hours and 39 minutes left.

10/16/05

3:53am China time, 3:53pm EDT

We left my house almost 23 hours ago. We have about five more hours to go on this flight. If I catch the next flight in time, I think I will be in my hotel in Singapore about 12 hours from now. That is a lot of time to get someplace and does not count if I miss my connection. We are almost to Japan, and the plane ride has been a bit bumpy but not enough to stop Vinnie or me from eating. It is not nearly as bad as when Wendy and I went on a boat to go whale watching in Hawaii. I would not have tried eating on that voyage; the waves were way too high.

I have been doing the final edit on the first section of my next book. I find editing very boring, so I can't tell if the work is any good. I will leave that decision to those I give the final product. Since they are not paying for it, I hope they are kind with their appraisals.

Right now we are currently on schedule, but I have a lot to do before I get to my connecting flight. There is some question as to whether I will make it. It will probably depend on how soon our luggage comes out. I hope the lines at the ticket counter are not too bad as I still have to recheck my suitcase. In the future, I will make sure Vinnie and I both go to Xiamen first so we can check everything though from Newark and not have this problem.

Tomorrow's sales calls should be fun. I am going to see all new people, and that is usually a good time. It would be nice to get a good meal, work out, and swim tonight, but nothing is settled until I get to my hotel so I will keep my hope in check.

8:09am Singapore time, 8:09pm EDT

We got into Hong Kong Airport late, but with enough time to get to our next flights. The last time I saw Vinnie, he was heading for the ticket agent for Xiamen Airlines while I went to Cathay Pacific. Just before takeoff, I got a phone call from Ben that Vinnie's Visa had expired, and he could not get into Xiamen. Ben said he would take care of it, but Vinnie might not be able to fly out until Monday or Tuesday. By that time I got that information, I had been traveling so long I just said okay and hoped Vinnie was not too angry. After failing to get Vinnie on my cell phone, I resigned myself to what the fates allowed and moved on. I had previous Visa problems myself, so I wasn't that upset from my side and hoped he would utilize his extra time in Hong Kong the best way possible. Maybe he could go see some suppliers or even take a tour of the city. It did not matter because there was nothing I could do to help him at that moment.

Meanwhile I got into Singapore about 3:00pm. I spoke to Ben who had spoken to Vinnie and Ben did take care of thing as best he could. But Vinnie would still have to wait for a new Visa in Hong Kong. This is going to be his trial by fire to get through this adventure, and it will show how well he can handle himself in unusual circumstances. I had confidence he could do it and would be fine. The rain here was torrential, but we got to the hotel safely. When I went to open my suitcase, I found that the zipper had snagged. I was able to get through one layer of the suitcase and then cut my way through to the next, thanks to the knife supplied by the hotel. Then I went out looking for food for dinner and a new suitcase. There was a shopping mall attached to the hotel, so I did indeed find dinner, but no suitcase. I always find food shopping in new places interesting.

I went back to my hotel room and tried to get Vinnie again, but with no luck and gave up. Finally after eating, exercising, and going out to look unsuccessfully again for a suitcase, I went back to the hotel room again. I watched part of a surfing movie which made me cry, which meant I was way tired, and decided to sleep.

I got up this morning and walked around the local area which was beautiful. This hotel is near the Singapore River which is flanked by shops and restaurants on both banks as far as the eye could see. It seemed safe, according to the man at the hotel's front desk, and there were a number of people out early walking or running.

I am now almost dressed and ready to start my visits. I did get an email from Vinnie this morning saying he was okay an would make his way to Xiamen as soon as possible and he did not know why his mobile phone was not working.

<u>1:42pm Singapore time, 1:42am EDT</u>

I am ready to go sell. The first sales call this morning was to Shinei Corporation. They are owned by Solectron, and we have the chance at making labels for them. We have had some dealings in the past but have sold them very little so far. I met one of their buyers this morning, and it was a good meeting. I was supposed to see some other people, but they were all either busy or not there. It was still worthwhile to be there.

Later I went to Flextronics Corporation, a current customer, but we haven't dealt with this particular location yet. I met two men there who were happy that I came here, glad that we had a plant in China, and were interested in doing business in the future.

Finally I went to Sanmina-SCI. There were three buyers who were skeptical that we could compete with their local suppliers, even with a plant in China. I went over our capabilities, and they agreed to give us a try. I asked them to send their toughest jobs and what they had for pricing with the highest quality requirement as those are our best areas, and they happily agreed.

My sales calls for the day were now completed, so I went to a local mall and decided to have lunch at a Vietnamese restaurant in honor of Wendy who loves that type of food. Let's just say, it is now not one of my favorites, but at least I tried She will be very happy about that. I am currently in the Singapore Airlines lounge with about 2.5 hours to go before I leave for the gate to catch my flight. It is a very nice lounge, so it is no pain to be here and I have lots of stuff to work on. No more word from Vinnie, I hope he gets to Xiamen tonight.

6:03pm Singapore time, 6:03am EDT

I am on my way to Shanghai. I should be in my hotel room by 11:00pm. Depending how much sleep I get along the way, I will either work out again or just relax. The newspaper I have been reading is full of warnings about a possible flu pandemic. I even tried to get the vaccine while I was here but none is available. It is a frightening prospect. Since I am traveling back and forth to Asia, like some of my employees are, we are definitely not immune from the potential danger. Of course, just being around people does not make us immune either, so maybe we are better off being in motion.

The U.S. is trying to get China to move on letting their RMB currency float thereby having the exchange rate reduce in comparison to the U.S. dollar. I am not sure how far the Chinese government will go, but I can see pros and cons in all directions.

I found out one of my competitors just opened a plant in China. It was bound to happen, and I am sure more will follow. I wonder if the other supplier is having the same experiences that we are.

7:55pm Singapore time, 7:55am EDT

I have been reading more about the Chinese economy and am more convinced that the tact we are taking has the best chance for long-term, higher profits. We need the capability to make incredibly fast, shorterrun metal/plastic component products for telecom equipment that we can design from scratch. To that end, I will ask Ben to start pricing the injection molding equipment and get mold making sources right away. I cannot let us slip behind the front lines of the industry which we occupy right now. Prices in China will rise; the profits will be there, but we have to establish a position now before we are left in the dust. If we need to make some of the products our labels are attached to, then so be it. I see a market; I see profit; and I am not going to wait around for someone else to get there first.

10/17/05

10:43pm China time, 10:43am EDT

What a day it was!

I got up at 5:00am to exercise and walk. Going through the streets of Shanghai, as always, is an experience of the old and new. I am constantly amazed at the architecture, modes of transportation, and the general philosophy around.

I met Ben at 8:30am and told him of the problem the night before with no driver meeting me at the airport. I ended up paying someone else, and as usual I probably paid more than I should. I don't know this culture well enough to understand when bargaining is okay, expected, or what should have been done. In addition, being an American unfortunately seems like an open invitation to be taken advantage of by people supplying certain services like transportation and supplies.

We went first went to Shinei Corporation and after talking, some new potential business came up. But before we could get a chance at it, we had to contact the end customer to get on their bill of materials so we can do the work. Shinei is a contract manufacturer who assembles products for other companies.

The second call was to Lucent Technologies where we picked up a copy of a long-awaited contract for labels. It also turned out they were benchmarking our prices against a local Chinese supplier. This meant the competition would be stiff. We were, however, going to put all of this business through our Xiamen location, so we should be able to compete against anyone and anywhere, if we choose to do so.

From there we went to Jabil Corporation where the head buyer is being transferred, and we also met her replacement. Business potential is there as well, and we left with a plan for more communication that will hopefully lead to more business.

Ben and I got back about 6:00pm. We parted company for the night. I went swimming, had dinner, and then worked for a while. Almost everything today had gigantic potential and has the ability to make our plant here very successful. I heard from Vinnie; he is Xiamen and has lots to tell me as I do him when I see him tomorrow. I hope he says that the operation there is on its way to going well with Oscar and Carmen.

10/18/05

7:26pm China time, 7:26am EDT

It was a great day today. We started off the day at Viasystems where they mentioned that they have business that they would be happy to have us quote on if we can get approvals from their customers to get on their bill of materials. I will work on getting the approvals when I get back to the States.

Our marketing plan has emerged and been defined over the past few days. Our goal is to find multinational companies who utilize contract manufacturers in Asia. Once located we will try to sell to those contract manufacturers saying that since we are now a local supplier in China, it will be much easier for them to use us as opposed the U.S. and European vendors on their bill of materials. Their customers benefit because we are also a recognized U.S.-based supplier, so they are also getting the use of a local supplier and dealing with us directly there. Being global has really good results—we can be local for everyone. As for European customers, we are planning a presence there soon anyway. In the meantime, we have customers there already. The trick will be to locate the customers and get approvals added to their supplier lists.

I believe that this strategy holds the best chance for a profitable longterm business and is the avenue we will take for the foreseeable future. I see little chances of productive selling to Chinese-based companies; they do not seem to have a use for our products at this time.

We are exploring the idea of installing a new injection molding line into our Xiamen operation. I believe it has real possibilities to help our customers and to expand our product lines. I do not want to wait too long before we start; niche markets are hard to identify and even harder to capture. The window of opportunity for market penetration is usually very small.

I saw Vinnie for the first time since we separated in Hong Kong, and he looks good, full of confidence, and ready for the next challenge. He made it through the test with flying colors. Although I never would have wished it on him, I think the experience was a great adventure.

His opinion is that our plant is running well and can handle itself without Oscar and Carmen after November when they come home. This is great news, and I am extremely pleased. We also spoke to one of the die-cutting suppliers today and are working on getting our die-making problems solved. The last thing is that we have to work on inventory control and making sure we have enough raw materials. I think that once we get this operation moving, we will get very busy and become much bigger. But first, of course, we have to iron out a few kinks.

Ben, Vinnie, James (the company driver), and I went to dinner at the same outdoor restaurant we have gone to before. It was absolutely gorgeous—a clear evening with a beautiful moon—we ate outside and watched ocean with the stars coming out. There were fishing boats moored on the water, and they became ghostlike with their lights as evening fell. Two birds kept going back and forth in front of us, almost in a mating dance of hide and seek. It was all so magical, and I hope we go back there again.

After dinner, Vinnie had to go back to the plant to work out some informational transfers from the U.S., and then he and Ben are going out for green tea and whiskey. I am planning on snacking, taking a walk, calling the office, and then going to sleep. It all sounds good to me. I am excited that is all happening, but I will still be ready to go to Hong Kong tomorrow and then home on Friday morning. We are leaving a little earlier than planned since we finished everything we needed to accomplish. This will give me time to show Vinnie the incredible sites of Hong Kong harbor. If we can get there in time, and if it is a clear night, it will be a scene he will never forget.

As Ben said today, we never would have gotten the information and chances for new business we did from our customers had we not gone in person. As my dad always said, "You have to go belly-to-belly." Happily, we are all ready to do that. Alice goes to Europe in December, and I plan to be back here in January. Vinnie will also probably be back here in January, so we are all in motion. While the schedules may change, the intent and direction are all forward.

10/19/05

5:38pm Hong Kong time, 5:38am EDT

The company that is interested in utilizing our services to help them establish a presence in China. Is going to need a lot of help from us including licenses, government help, setting up their operation, and helping to find them key employees. It will be great experience and will enable us to streamline the system as to what is needed and the time periods necessary to get them done. We plan to have their new wholly-owned foreign subsidiary up and running by January, which is probably three to four times faster than anyone else could achieve. Ben is an amazing man, and this type of thing is where his multiple talents truly shine.

The extra space, which will now be rented by this customer for the next six months, will then be used as an incubator for new companies who want to start up in China. For future ventures like this, we will either get a piece of the operation if it is set-up as a JV, or we will be paid a fee if they are creating a wholly-owned foreign subsidiary. In either case, it opens an additional area for not only making money but also spreading out our product lines.

At the plant this morning, Ben and I interviewed an injection molding salesman. After he left, we decided to go ahead with this venture. It probably sounds like it is crazy to expand before we are barely up and running, but now is the time.

After an unsuccessful trip of trying to buy my wife some pearl earrings, Vinnie and I flew to Hong Kong. Unfortunately, neither of us had any Hong Kong dollars, and they will not exchange any money in the airport, a truly bizarre situation. We were finally forced to buy some things from a store with U.S. dollars and get the change in Hong Kong dollars so we could pay for the cab ride to our hotel. Another good lesson to remind ourselves to always carry currency of the country we are visiting.

The hotel turned out to be beautiful. We then went to the harbor to see the skyline. It was great watching Vinnie's face as he gazed upon it for the first time. It was a warm, beautiful, windy night, so we had dinner at an outside restaurant and watched the people and harbor lights. Then we went for a walk. Shortly after, we then went back to the hotel. We did a lot of stuff in a little amount of time, just the way I like it. But we are both ready to see New Jersey again.

10/21/05 <u>7:03am EDT</u>

We are on our way home!

Good news on our space in Xiamen—it has gone up 20% in value since we bought it less than a year ago. We got it for a good price and real estate has also been rising. We have about 6.5 hours to go; I hope everything goes smoothly. I really would like to play tennis outside today. Ben is due home tonight with his friends; it will be great to see him and to also get home myself. I will need to be in the office for at least a few hours to go over email this weekend, and I may need to go to the Netherlands for an overnight stay within the next week. We may have another JV potential there.

I have been working for a long time, and my body is aching. Now I am chair dancing to Stevie Wonder music. I think everyone around me is sleeping; and if not, they can watch me if they want. I have pretty good rhythm when I am by myself.

10/23/05

5:00pm EDT

We did indeed get back to New Jersey early enough for me to get to play tennis. When I was at home later, I slept well. I went to the office and worked out the next day. My son, Ben, is home with some of his friends and looks great. I got up this morning and rode my bike in the crisp, wonderful autumnal air. I spent part of the day editing and the other part going to a Succoth party —a Jewish holiday that celebrates harvest time—at my brother's house. I got an email from the proposed general manger of my customer's new plant in Xiamen who will be renting space from us. There are the usual startup problems, and we are at the same point that is characteristic of every big deal where it will either collapse or go through to fruition.

10/25/05

<u>9:45pm EDT</u>

We are out of space at our New Jersey operation, and contrary to my idea that with the China facility we will not expand here anymore, we have to do something. I contacted our landlord to offer him a partnership in going after a new building. He was happy to say yes since he would probably not be able to give us more space in our current building and that he might as well be a part of something new as opposed to just losing us as a tenant. So now we will start the search to find something new, which is another great possibility, but also incur more debt. Although my bank will probably be happy to back this one without another lien on my house. More owed money... the mere thought makes my stomach squirm, but we will do as needed.

There has been more discussion about our extra space in Xiamen.

Plans will move forward to break up both areas of extra space into condominiums for new JVs as soon as our new customer has grown enough to move from the area.

So far no more word of a major spread of the bird flu. Regardless of pandemic breakout, I will get us a vaccine as soon as it is available, just as a precaution.

10/27/05

<u>9:52pm EDT</u>

Interest in our new injection molding line is growing. So far, we will be testing two different types of composite materials to see which has the best characteristics for our customer's products. We plan to offer both types, but I want to be prepared to offer our thoughts on the various good and bad parts of each. Word is spreading that we are moving into this market, and the positive buzz is starting to grow. New areas always cause different types of reactions from various fronts. Some people are happy, while others are not; some feel threatened, while others are liberated by an abundance of options. We can use this new area not only to expand our product lines but to help our customers to do the same. It is up to us to exploit these new products in the fastest and most productive ways possible for the benefit of all.

10/29/05

10:18pm EDT

Daylight savings time ends at 2:00am; that means it gets dark very early from now until April, and that winter is coming.

I had a very minor disaster this morning. I was getting ready to go walking with Dave and was in the bathroom. While there, my BlackBerry seemed to leap off my belt and do a perfect swan dive into the toilet. I shrieked to myself, took it out, and washed it off. In retrospect, that was probably a bad idea considering the water damage. I soon realized my BlackBerry was in big trouble. After the walk with Dave, I went to the synagogue, then to my office for a while, and finally to pick up Kayla and Alex to go for lunch. I then ran some errands and eventually ended up at the BlackBerry store. I bought a new one, feeling guilty the whole time for ruining the original; but I also bought one for Vinnie.

After we got home, I went biking. By the time I got back, the story of the BlackBerry had already spread throughout my family. I had a feeling it would not be the last time I heard about it. Tomorrow, I hope to play tennis, walk, or bike, do some errands with Kayla, and hopefully do some more editing.

I bicycled to look at a potential building to buy in town, it looks good and I hope to see it this week with my landlord.

10/30/05

<u>9:38pm EDT</u>

Today I played tennis and got beaten as usual and then went home to go biking. It was a beautiful autumn day since the leaves are changing; and the temperature was mild.

I returned home and to go pick up Kayla at work. We then went to my office to drop off my work clothes for the week. Then it was to the diner to get some food; I dropped off Kayla at home; and I went to see my parents at their new apartment. They seemed tired yet fine.

I was talking to my dad and mentioned that we were out of room at the home office and are looking to buy a building, figuring he would feel good about the company doing well. I told him we would buy it with my landlord, that we were looking at a building across the street from one that used to be owned by one of the biggest printers in the area who had since gone bankrupt. I said we would have looked at that building also, except it wasn't for sale.

His comment was that we would never be big enough for that space. With that vote of negative confidence, I quickly finished the conversation and left. My dad was never in favor of expansion and has not seemed to be a fan of our growth. It is unfortunate that he feels this way as it makes it difficult to talk to him about business. His counsel would have been very helpful, especially when the high stress shifts into gear, but I will not get that benefit. It is hard for me to not be able to talk to him about our progress, especially since it is a business where he was once a major part. But to him, it was a job and to me a passion. I will have to move on without his counsel.

I have sworn it will not happen this way with my children. I feel they are healthy, well-rounded, happy individuals who will be ready to go after whatever their passions lead. Their betterment is my happiness; their joy is food for my soul; and their hardships are my tragedy. I want the best for them, and they have to earn it through hard, honest work so they can appreciate winning. Nothing good is accomplished with luck, and I wish them the ability to be able to make the decision to go after something and keep going until they change their minds, fail at the attempt, or succeed. I do not want them to have frustration with me, which is a truly worthless use of energy. They will have enough of frustrations from the rest of the world. I want to be a positive force—not someone they feel they have to deal with because it is their duty. We will see if their mother and I have earned that. My father said he did the best he could; I will say the same and hope my kids think it was enough.

10/31/05 <u>9:49pm EST</u>

No matter how careful I am and how hard I try, I still manage to get into trouble for being too open and honest. I sent an email that was construed as declaration that I was after a piece of business owned by one of my customers and was after a part of a product area they want to protect. I was not trying to take anything from anyone, but I must be more careful. Obviously the bigger our company grows, the more we can be seen as a force that can be trouble.

Notes:

Chapter Fourteen

November 2005

11/03/05

Our new database is coming online, and it will cause a lot of changes both here and in Xiamen. I want it instituted as quickly as possible for the efficiencies it will create and the extra time it will give my people to do other things. It should especially save Alice a few hours a day, which if nothing else means she can go home earlier.

I have hired a sales rep, and have him help sell labels and the new products from our injection molding line. Fred Paolucci is a good man with a lot of experience, and I think he will do a very good job for us.

11/07/05

<u>8:01am EST</u>

I am on my way to Washington DC for a PTPA conference with our members, prospective members, EPA officials, and other educational and government people. My role is simple as I am not speaking or running anything, I am just participating as a board member, conducting interviews for the new PTPA Small Business Newsletter, and looking to have a good time. I am very excited about the newsletter because it will be the first time that our organization has addressed the overall situation for small business people like me. We will look at our needs, how to get more members and help to make a difference in our nation's and world's environment.

I love deal making with organizations like these; although my company is small, in comparison to some of our other very large members, we still have a voice.

Things in our company have been going well. Between our two locations, we now have 50 employees and are planning to expand more. We project day-to-day operations breaking even in China within the next six months and can then concentrate on paying back our loans there.

Our new injection molding line should be up and running in December, and we will begin prototyping right away. The good news about this new process is we have no experience, However, that is also our weakness—we have no bad habits in production and no preconceived ideas of what can and can't work. However, we will learn as we go and as with everything else, there will be bumps along the way. I like new things and new chance for business.

11/08/05

<u>7:03am EST</u>

The EPA PTPA conference yesterday went very well with people from all across the U.S. We all came together focusing not only on how to make our organization bigger, stronger, and more efficient, but how to help the oval environment as well. It is such a joy to sit with government officials and not be scared to speak openly with them and to treat them as colleagues, as opposed to the bad guys. We all have the same basic agenda, which is to make things better for all as quickly as possible. We have lofty goals as a group but actually have the chance to make a difference, and it is an honor to belong to an organization like this.

In the quest for more small business members, I have been speaking with individuals from smaller companies attending the conferences. I hope to forge a new alliance where we can band together to help benefit all. If our new newsletter is well-received, then we can become a forum, not only to spread information, but to help spur commerce as well.

As I have been in Washington, DC before, I knew this town basically shuts down after 7:00pm. I bought my dinner at the food court yesterday afternoon, which consists of salad and sushi, so I had a feast in my hotel room. It was quiet and calm, and between speaking with my wife and the office, it was a very nice time.

I got up this morning, worked out, had the breakfast I brought with me, and will go back to the Ronald Reagan Center for the balance of the conference. I will leave about 1:00pm for a 3:00pm flight and will hopefully have time to vote before the polls close and get home shortly after. I miss my wife and family. I am looking forward to tennis tomorrow morning and life going back to normal.

2:07pm EST

I am back at the DC airport getting ready to go home. Tomorrow promises to be a busy day. Today went well with more small company people coming to me, so we can figure out how to get more members our size (under 50 people in the U.S.) for PT and PTPA, set up a database to exchange information, and see about doing business with our larger members. The newsletter should be ready to go by tomorrow. I am interested in seeing the response.

<u>9:48pm EST</u>

I am back at home. Yay!

I am not a billionaire. I do not have 10,000 employees, am not a governor or president, but I swear I see something that almost no one else does and saves so much time and money. It seems so clear to me, and everyone else either ignores it or is too busy running in one

direction or another to look. It seems so simple that "he who processes raw materials to finished goods more efficiently than his competitors will win." Since raw materials are commodities worldwide now and basically cost the same, it is the rate of processing of them and amount of waste left over that will separate those who can excel from those who can't. I have been to China; I have seen what they do; and we have a plant there now. With our EMS in place, we can produce less waste than others. With that weapon we are able to sell as needed. Price becomes a weapon, not a bastion of what must be. It is true that the cost of labor and overhead is less in some parts of the world than others, but even those advantages can be somewhat neutralized with a maximizing of efficiency.

I have always liked being alone with my thoughts. "Andrew, you are crazy" is music to my ears. Not following the crowd, going my own way, and happily resting on my own beliefs have been right enough to build our business. But this is one area I do not want to be alone. We, as a nation, have to wake up and realize that we can compete globally right now, but we have to do it from a position of strength and intelligence. We have to put in these systems ourselves and then force, cajole, or get new suppliers for our supply chains to ensure that these systems permeate through our entire marketplace. It is only then that we can extract significant cost savings across the board while still maintaining their profit levels. It can be done because our company has proven it. It just takes a lap of faith, but so few are willing to do it that we will stay as an isolated example. Unfortunately, it also means that our nation's trade imbalance will keep getting worse, and people will call for embargos that won't work. Our real problem is not globalization, but stubbornness and fear from not seeing the reality of the marketplace. Our responsibility is to be global environmental stewards.

If you help the environment, the world will pay you back with increased profits. If a company remains stagnant, then it will desappear. Right now everyone seems to focus on China. Soon it will probably move to Russia, Vietnam, Africa, and whatever underdeveloped places are left. The rest of the world will catch up; globalization will be truly global. The survival of the fittest means the lasting of the best, and the only people who can do that are the most efficient, and by definition are also the best for the environment. Who would have thought that it all points to the same direction.

11/09/05

<u>9:52pm EST</u>

Putting in a new product line is always a strange event. The first thing I realize even before we start is there is going to be a lot of unforeseen circumstances along the way. Not just in the purchasing of the machinery and the raw materials, but the gathering of the available technology and finding people with experience. I am constantly trying to gauge the marketplace, hoping I can recoup the investment and even make some money. We are putting in an injection molding line to go after a piece of business that no one seems to want. Those others think that short-run parts for various types of telecom products can't be profitable, because the tooling is too expensive. They are usually in a rush and believe there are too many factors for this to be a profitable area.

Not many want this market, which is why we gravitated toward it. Of course, there are others who are already there. There are various types of materials to consider when some work better than others. The issues that always come up: what to do, how to do it, and how can we move faster, more efficiently and make better products that what is already in the marketplace.

I am reminded of a sales situation I heard about today. We are looking to expand our operations in New Jersey and have been looking for a bigger building. Since we hope to partner with our landlord, he was going to go look at it with the realtor who also happens to be my best friend.

I was at a meeting and could not be there; but when my friend told me the realtor, representing the building owner, came to the meeting in a ridiculously expensive car I knew the deal would never happen. "Why?" my friend asked. Because I said, "If the man has such a large ego, with so small a self-worth, that he has to prove to everyone he is rich by his car, which might not have even been his, then that is was someone I would not deal with."

I have been taught by my father that the small things matter, which is one reason we are putting in this injection molding line. Our customers want the capability we will provide. I do not pretend we are experts or that we will become giants in the industry and want to make millions of parts. Our purpose is to meet a need that is currently there. We will try our best and utilize all of our resources to help our customers get what they need in the time periods they require. In exchange, I hope to make money and do more business. It is a philosophy that has done well for my family over the last 85 years, and I see no reason to change.

We go to the areas where others do not venture because that is where we are needed. That is my job, not just to sell a product but to help people along the way. The real estate salesman, with the expensive car, and I obviously have different ways of doing business. A lot has happened over the last few years and most of it has been good. I will not change the way I do things because everything has not gone my way. No one promised it would be a safe, easy ride, and I do not expect it. But a consistent, steady course, even when going into areas where everyone else thinks you are crazy, is often the safest way to go.

11/17/05

<u>9:41pm EST</u>

My wife was just out doing the swim team carpool for our daughter, Kayla.

A friend from down the street just called thanking us for sending her family some flowers. Her husband just came out of the hospital after successful brain surgery. Some type of infection had attacked his body. They do not know where it came from, but after a series of splitting headaches and loss of vision, they found an abyss in his head and went after it. He is apparently okay, mending and happy to be home now. The flowers my wife sent were used as an early table setting for a pre-Thanksgiving celebration for the relatives who had come to help them. How fitting that they would have Thanksgiving twice this year for they have so much to be thankful for since he easily might not have made it.

Our friend also mentioned how much her husband liked my gift of a can of tennis balls that we brought when we came to the hospital to visit them. Bruce is a fierce competitor, obvious to anyone who watched him compete on the tennis court. One always knew where he is coming from because it is 100% right at your center; the balls come fast and straight, so I am lucky if we stayed even. It used to be that I was in better shape so that gave me a slight advantage, but he increased his training so my edge was gone.

Then this happened, and he lost part of his vision. I asked his wife how long before he would be able to play again. She softly said she did not know. I said not to worry; I would wait. In fact, I would play with him no matter how much vision he had. If necessary, I would only hit the balls to only the places he could see. Bruce is that way; he will want to play if he any chance to win and probably more so if he doesn't. Physical limitations will not stop him so long as he has a chance, and I will make sure he gets one. Worst case scenario is that we will play doubles. He can have the side where he can see. I know he will always hold up his end—that is never a question.

Men have certain, but not many, advantages when it comes to relationships over women. We guys are able to be close in one area, but don't have to be everywhere else. One small area is often enough, and while it is strong there it needn't happen anywhere else. Bruce and I don't really talk much, not that it is a strain; we just don't. Our link is the tennis court—our field of positive battle where we run ourselves crazy, burn calories, scream a little, and have fun. Then we both go on our way until the next time. It works for us.

It is always good to see someone react well in rough situations. Even in the hospital, I could tell he was up for the fight. He will come back, and even if it takes a while, he will be as good as he can be. People never know how someone will be until the stress hits—a tough situation, being put into a position people would not wish on anyone. That is what marks a good man. People also find out who their friends are and the kind of family people have.

The support Bruce got could not have come any faster, stronger, or better. He has built a great life for himself, and I would be greatly surprised if it took three months before he was back out hitting balls early in the morning. Don't worry, I won't be too hard on him at the start, at least until he starts beating me again. And on that day, I will look at him and say "great job," and be thankful that my friend got a second chance to be back in the game.

11/20/05

9:56pm EST

I am doing a lot of thinking about our new product line—when and how to launch it, who to include, what companies to attack, etc. The trick will be to make people aware and have them get excited about it and then be able to handle the initial rush of maximizing market penetration at the beginning. Experience has shown that we do not get a second chance; it either goes right at the beginning, or the chances for success will significantly drop.

11/22/05

<u>9:47pm EST</u>

Kayla has been trying out for the swim team; I hope she makes it since she really wants this. Ben is home from college and looks great. Meanwhile, Alex is studying for his PSAT tests. These test results will show where he needs to focus to get ready for his college entrance exams next year.

11/23/05

10:32pm EST

Our part-time salesman, Fred Paolucci, is doing well and making good penetration in many of the leads I have given him. I have him traveling everywhere, and I think he has great potential to bring in more business. Since I have been on and off the road for most of my adult life, I think I understand what he needs and seems to thrive with the help and support we have given him.

Alex got his car today—it is big and hopefully very safe. I care less about an accident; I want make sure he is okay. He will take his driving test the end of next month. Until then, a registered drive over 21 will have to be in the car with him.

11/28/05

<u>9:35pm EST</u>

My plan for our metal/plastic products is to make molds of all of the basic sizes for telecom front panels and then customize them for our customers' needs. We plan to go after the small- and medium-sized markets because they are more likely to be amenable to move quickly to new types of products and less likely to have gigantic price pressure in this new area. We should be ready to launch by late January. We will probably need to add an extra support staff and a design engineer to our staff to make the necessary drawings for the molds, but it should not be a gigantic financial risk to expand in this area. I am already highly in debt from the plant in China, so a little more will not be a big deal—at least not until the government wants to be paid taxes for 2005.

I make no complaints because we have done really well, but I will be a lot calmer once we are out of debt. Of course, then we will either buy a building and or put in another plant, so... I am probably going right back into it. I feel that we may be on the cusp of something big, and I am not going to shortchange myself by holding back. We must attack hard everywhere with intelligence, and we have to do it now.

An old employee of mine, Pete, called tonight. His wife has ovarian cancer—she should find out tomorrow how bad it us. With hope, it has been contained by her surgery and that's it. I pray it is so. With things like this, it causes me to be thankful for my life; I am a very fortunate man.

<u>Chapter Fífteen</u> December 2005

12/01/05

9:48pm EST

Pete's wife went home yesterday. Things appear to be okay. All right!!

12/02/05

10:03pm EST

The month ended well.

We need one more piece of equipment, which is a C&C routing machine, to be able to customize the metal/plastic faceplates for each customer's need. Once we have that, we can make customized faceplates for customers within a week—probably much faster than the rest of the industry. This will help to give us the opening we need in terms of delivery times.

12/03/05

10:48pm EST

It turns out that some of our people had the same idea about buying a C&C router. We all agree that we need it, so now it is just a matter of finding the best one—whether it is in China, the U.S., or both. We will probably have to hire a technician to run it. We already have 27 employees in China; one or two more probably won't make that much difference.

I also spoke to Vinnie about putting in a die-making operation into Xiamen. If my plans pan out, then there will be a massive amount of die-making work coming in there. We might as well get used to making our own tools now instead of going through the continuous hassles of buying them locally. Maybe we can send Dave, our master die-maker, over there for a week to offer training if needed. Once the die-making ability is in Xiamen, that means the only outsourcing will still be needed for making film positives to make our screens.

We saw our friends, Abi and Laura, tonight for dinner and a movie. They are good people and said some very nice things about our kids. We returned the sentiment for their eldest son, who goes to school with Ben in Cleveland. We are close enough where I refer to their son as my third son, and I don't give that designation to anyone else.

Tomorrow Kayla is taking me to see the movie, *Harry Potter and the Goblet of Fire*. It may snow, so we will probably take Alex's new car with 4-wheel drive, which he can't drive by himself yet anyway. I did tell him I was taking it—after all, we bought the car—and said I would

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give him money to get it washed if I got it dirty. He was happy with that. Snow is predicted for tomorrow; it is coming early this year.

I went biking with Dave today. It was very cold, almost freezing. I wore a mask and goggles the whole way. It took a while to warm back up once I got home.

Yesterday the head of the printing department from Kean University came in to ask me if I would teach the same course about being an entrepreneur and starting your own business that I did last year. I happily said "yes" and hoped it would be a little easier to prep this time since I saved my notes. I look forward to seeing a new group of faces.

12/04/05

<u>9:46pm EST</u>

The day started with emails from Ben in China. We were talking about our new injection molding line, the necessary finishing operations, and my new book.

After shoveling the snow and playing tennis with my brother, I then was off to pick up Kayla at work. She had gone in late because of the snow, and we were scheduled to go see a movie. But when I got there, she said we could not leave because a stray dog had wandered onto the property. She was afraid to leave him because he could have been hit by a car. How can someone turn that down? My daughter is being a good person, so I parked and helped. It turned out the dog was in very good shape and obviously had broken free from a tie somewhere. He was barely wet, a full-grown Husky male who my daughter called "Eddie." We spent the next half hour trying to find "Eddie's" tracks in the snow to find his home. But that was not successful, so we took him to the temple where one of the members offered to take him for the night until we could find his owner My daughter wanted to take him home, but we already have a dog and were not sure they would get along. Kayla and I then went to my office to make a large poster saying that "Eddie" was lost. We put it up underneath the large temple sign in the front of the building. My apologies to the heads of our temple-our sign was probably more noticeable than theirs, but we did find him on temple grounds so I figured they had a stake in this.

After that, we stopped off at our friend, Phoebe's. She is an 81-yearold widow. She wasn't there, but her driveway wasn't shoveled so we took care of that and went home. I was very proud of my daughter today; she would not leave until the dog was okay and took responsibility to help and make sure it was done. She is an incredible person; instead of just having a pleasant day at the movies, we shared an adventure that we both will never forget.

12/08/05

10:13pm EST

One of our customers may be going through a logo change. This is music to the ears of any printer because it means that everything with the company logo will probably have to be reprinted. In this case, they may need our help with art design and modifying art masters, which we can supply in the form of putting another one of our designers at their site. We already have one working there two days a week.

A lot is happening. I need to get back to China and Europe by early spring.

12/09/05

<u>10:57pm EST</u>

I publicly acknowledge that I am an email addict. I am supposed to cut off at 9:30pm, and I keep missing my deadline. I am always trying to get one last message from Ben in China before going to sleep. I will try harder to keep to what I should do.

Alice's mom died tonight; she sounded very sad. The funeral is probably a couple days from now. Death has such finality; I hope she is okay.

It snowed again. I helped Rebecca, our niece who lives in the same town, to shovel out her driveway and get her car out. Her parents are coming back from Hawaii tomorrow.

12/10/05

10:51pm EST

I got confirmation today I am going to Guadalajara, Mexico next month. It will be for one day. I will fly out on Sunday and leave there Monday for Arizona and for another meeting Tuesday. Then I will leave Tuesday and get back to Newark hopefully by midnight. It will be a tough, short voyage but necessary. It sounds like we may have to put a depot into Mexico, but we may be able to tag it onto one of our customer's sites, so it will only cost us money. This is a much easier way to do things as opposed to our own distribution center or a plant.

Word about a possible pandemic continues. If it happens worldwide, borders may be closed and millions may die—especially those who are already hindered by being extremely young, old, sick, or in adverse conditions. This does not even address the potential problems to the global economy. I will try to stockpile flu medicine and get the vaccine as fast as possible, if one is offered. It is a scary thought from all perspectives.

I saw my parents today. They seem to be settling into their new place, which is good news for everyone.

Alex and Kayla are away for the weekend at a religious retreat, so it is just Wendy and me. Oh, and our dog, Bailey until tomorrow morning.

Our China operation is doing well. The injection molding line is now waiting for a test mold. I have been trying to get a drawing to make such a mold for weeks.

Most of the Telecom industry is closemouthed about their designs, so I am having trouble getting something to prototype. I will keep pushing!

I am looking forward to getting back on the road soon.

12/11/05

<u>9:50pm EST</u>

Alice's mom was buried today and there was a viewing service later that evening.

The rest of the day was spent playing tennis with my brother, walking with Bruce who is feeling better, editing, and eating. It was sad to see Alice's dad who is 89 years old and alone for the first time in about 68 years, without his beloved wife. He seemed reasonably okay; Gregory, Alice's oldest son, told me that he would be getting married the last week of January in Turkey, his future wife's homeland. This means that Alice can now go to Asia during the first or second week of January. I will try to book her trips tomorrow. But since she is out until Wednesday, it is liable to be pretty hectic. Anna, one of the students I taught last year, comes in for an interview as a part-timer tomorrow. I think she has a lot of potential.

While walking with Bruce, we spoke about the possible pandemic coming. We both agreed the world would probably not shut down if it happens. The media is always looking for a news story. This one has the potential to be a good, long-lasting one (for them), so they are hyping it up now to get the most news they can, even if it doesn't actually occur.

Our cash crunch continues; people owe us a lot of money. Hopefully a bunch comes in by tomorrow afternoon for payroll and bills. If not, I always have other options. We are growing, and I would not have it any other way. It does mean the company needs more money for cash flow. The banks seem happy to help us in any way we want, but I do not want to take on more debt. The ultimate in business freedom is to owe nothing, and I will strive to reach that end as soon as possible.

12/12/05

<u>9:48pm EST</u>

It was a crazy day. The good part is that we are being forced to utilize the new database system so it will be in use right away. The bad part is it keeps me from focusing on the other things I need to do. The system must be put in now, and it will be done. I am very grateful the work is there to keep us busy.

12/20/05

I am on my way to Toronto, Canada. Since I had an early flight, a 6:15am EST takeoff, I decided to get up at 3:00am so I could get to the office and answer any email. It was good that I did because once there, I not only had a lot of email but also got two phone calls from the same person in the Netherlands. It was good that I was there because she wanted to place an order and had questions.

Vinnie is getting ready to leave in China in less than two weeks. The Chinese government just changed the vacation schedule for Christmas and New Year's, so part of the emails this morning was discussing whether to put off his trip. He is going there for multiple purposes which include:

- 1. Refining our die-procurement procedures in China to make sure our suppliers there are giving us the best product possible.
- 2. Checking out our new injection molding system and learning as much about it as possible.
- 3. Going to see machining suppliers to check on their capabilities, so we can either use them and or put in a system ourselves to customize the faceplates we plan to make.
- 4. Going to visit some of out material suppliers.
- 5. Seeing one customer in Hong Kong.
- 6. Making sure that our new tenant is on schedule for everything they need to launch their new operation in January.
- 7. Checking our printing operation to make sure everything is running smoothly and seeing what else is needed.

This is a lot to do in the span of ten days, but I am sure he can accomplish everything needed.

When I got to the airport, I realized in the waiting line that I had my pocket knife with me. So once again, I had to throw it away before getting to security. This is at least the second time this has happened, but I am so used to carrying it that I am not upset. I did like the knife, however, and was sorry to see it go. With the holiday season, the airport was a little crazy, but I made it through security with enough time. We seem to be on schedule for takeoff. I am not sure of the weather in Toronto, but I hope it will not be a hindrance.

We plan to have our first mold reading for our new injection molding line in January with samples to be ready by the end of the month. We will then have them tested and see where we are regarding their properties, strength, rigidity, etc. Having the ability of being able to mold and machine products, make and adhere labels and packages is a big plus, especially for short runs. I believe we have a giant potential market.

12/20/05

<u>9:13am EST</u>

I am waiting in a conference room at Celestica Corporation where I have been before. This is one of the places where they beat up on the suppliers to get what they want. I wonder how I will do.

My driver for the day, Tony, did a great job in getting us here. I am confident we can probably get to at least one more place before I have to get back to the airport. The main thing is I am here and ready.

It is lightly snowing outside. I do not think it is cause for concern. I wonder if the planes will be on time since coming up was great. I met a woman named Glenda on the plane. She lives here in Toronto but spends a lot of time traveling on the road. I gave her a copy of my latest book, and she mentioned she was trying to launch her own clothing line. As we went through customs, the agent said I had not filled in the flight number on my entry documents. I did not have my ticket stub readily available, so I yelled down the customs line to ask Glenda our flight number, and she called it back. In retrospect, it was an odd thing for me to do; but no one seemed to mind, and she did know the answer. I hope she does well.

<u>2:03pm EST</u>

I am at the Toronto Airport as it looks like we are delayed getting home. I got through the first stop at Celestica and then went onto Sanmina-SCI, where I finally met some of the people I had only been emailing or calling for years. It is a good place and looks profitable. I ended up at Mara Technologies. I saw the buyer who is a very nice man, wished him a happy holiday, and moved on. It has been well worth the trip and I am very tired. I will edit for a while here, call the office and maybe take a nap.

It looks like we may need to set up a distribution hub in Mexico. We will have to see if it will be profitable before we make the effort. I look forward to being home tonight.

12/26/05

I got back from Celestica last Tuesday and decided that what they want in a contract supplier is probably more than I am willing to give. Therefore, after a few days and considerable thought, I emailed that I was not interested in pursing that goal. The world is getting smaller; certain areas of large business will be left to those who are willing to work on razor-thin profit margins. In the event of an economic slowdown, they will be sucked into a global meltdown of bankruptcies that will shake the world. Since I have no plans to participate in that area, or that meltdown for that matter, I will hopefully leave that downward stampede to others and move my company's efforts to different areas. Part of the fun of all of this is trying to figure out where the niche areas of profit will be; it is like multilevel chess where the stakes are usually much higher than going to the racetrack. I wonder if I will be right in the course we are taking.

12/29/05

10:58pm EST

We have been here at the Berkshires since Tuesday (12/27/05), after Alex successfully completed his driving test. Now he can take care of driving himself and hopefully his sister—another milestone in the Jacobs Family. I have spent the last few days vacationing with my two sons, my daughter, and one of Alex's female friends. Ben left this morning. and we go home tomorrow morning. I miss work, which I know sounds crazy, but I like the action and being able to make things happen quickly. I feel out of the loop when I am here, even though it is calm and relaxing. I have already had a few panic attacks worrying about cash flow, next year's sales, marketing, and China in general.

When I get stressed like this, it is like living in a pressure cooker that boils over every once in a while. I am still exercising a lot which helps a great deal, and tomorrow I am also due to play tennis with my brother after we get home. The year ends in a few days. We had a record for sales at Ideal Jacobs, U.S., and I am very thankful. I will try to go to sleep in a little while, but if that doesn't work I will go back to editing.

The new book should be off press by the second week of February, which also marks the end of the big Chinese New Year holiday in Asia. I will begin the book launch by my traveling in person to see customers and potential buyers. I will also be sending the books and new product samples by mail.

A new book always means a lot of selling work by me and generally a large churning of the market for new business for both companies. The full launch will probably take about six months, which means I should be busy until about July when I will take some weekends in the summer to be back up here with my wife and dog, ride my bike, and watch the lightning bugs come out as night.

Epílogue

I decided to end Part One here at the end of 2005. It has been an amazing journey so far, and it changes almost daily. From the time I get up to the time I fall asleep, the thoughts of business and China are never far away. The last 14 months have seen some of the most exciting times of my life. And no matter what happens, it is a journey I am glad that I pursuing. If you are wondering what is going on now, please go to our website **www.idealjacobs.com** for the monthly updates on the Ideal Almanac. Part Two for this adventure is slated to be completed sometime in the middle of 2007. As always, if we can be of help please feel free to call or email. Thanks for sharing the ride.

Regards, Andrew

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Colophon

This book was prepared using Adobe InDesign CS2 on a Mac Mini running OS X 10.4.4. The original text was supplied from the author as individual Microsoft Word files and was imported into Adobe InDesign CS2.

The body text is set in 10 point Book Antiqua. The chapter headings and section breaks are in 24 point Papryus. All body fonts are PostScript Type 1 fonts.

Chinese translations were performed by Ben Meng.

The front and back cover designs were created using Adobe Illustrator CS on an Apple PowerMac G5 running OS X Panther. The cover was designed by Richard Green III and utilizes a digitally manipulated photograph by Vincent Santoro. Globe graphics were created by Michael T. Valentine.

Layout and formatting were done by Richard Green III.

Editing was performed by Kriste A. Matrisch. Proofreading corrections were entered into Microsoft Word files by Igor Gomes and Kriste A. Matrisch.

The finished layout was exported from InDesign CS2 in Adobe Acrobat version 6 format. The resulting PDF file was used to transfer the volume to the print facility for imposition, set-up and printing.

RG3

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