



Financial Investing In Your Future

Now And In Hard Times

For Privately Owned EE Companies

Looking for Success

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Financial Investing In Your Future

1. The first involves the majority of individuals who look for a secure future as regular employees. To a large degree they contribute and depend upon their employer's stability and the value of their 401K plan.
2. The next category includes the members of the top management of both big and small companies. They look for both a stake in the company and diversification of assets. Many of the members of these first two categories have used wrong commercial or private advice and the number of bank failures and personal bankruptcies speak for themselves. The Stanford banking system and other bank failures speak volumes about good advice vs. greed.
3. The third group are those individuals who own their companies (small or large). I am going to address and concentrate on this last group from a long-term perspective.

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Some thoughts for business owners: First Focus

- a. Strong relationship with the bank (if undercapitalized)
- b. Have the best, not the most expensive, lawyer draft the bylaws and the employee handbook and all future contracts.
- c. Create and focus on your products and strive to be the leader.
- d. It is essential to generate your own patents (rather than violate others, which some “big players” frequently do as they think they have more money and better resources for all litigation scenarios).

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Some thoughts for business owners:

After approximately three years of success (and a mortality rate of about 80% for new ventures), the well-managed small company will frequently fare much better than big corporations.

Maximize your earnings:

- a. In a booming business climate you should invest in research to refine products.
- b. Expand Business
- c. Save some money for a “war chest” in rainy days.
 - Of course there are risk problems even with your own company.
 - Your own company gives you the highest return on investment.
 - As a matter of rule, these earnings should not be used as dispensable income but instead to build equity and minimize bank/other investor dependency.

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Some thoughts for business owners: What happens now

Today, in June of 2009, there is an almost unprecedented climate of uncertainty for many businesses.

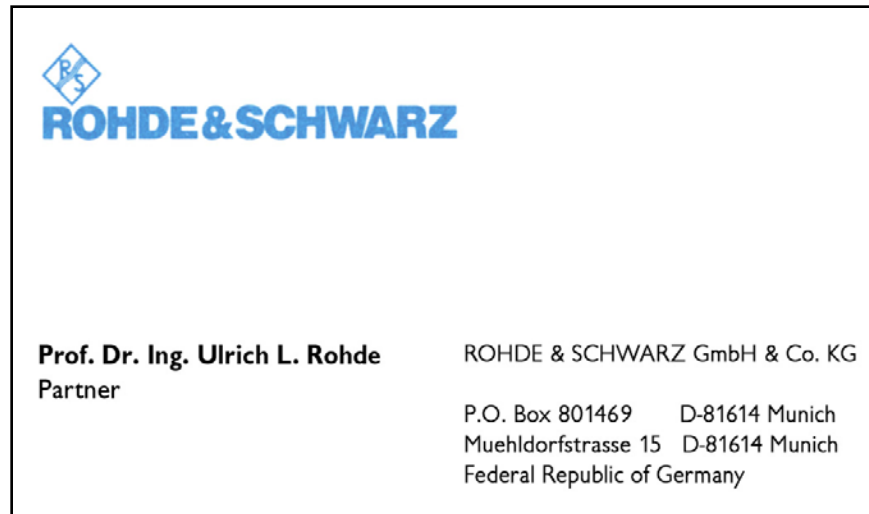
The market has become weaker and fear rules the mood and business decisions of the day.

- a. The prudent way to deal with this is to analyze the cost and earnings structure.
- b. Multi-year system projects (i.e. DARPA) tend to stabilize sales and the income we can work from.

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How do I know this? Am I credible?

Coming from Germany, I ran the Rohde & Schwarz operation in the USA from 1974 to 1980 and I am a long-term partner of the Munich, Germany based Rohde & Schwarz GmbH & Co. KG.



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In 1980, I joined RCA where I was responsible for Counter Counter Electronic Warfare Equipment (3 Billion in sales and about 8,000 employees). In 1984, GE bought all of RCA. Talk about layoffs after mergers!

RCA | Government Systems Division
Government Communications Systems
Camden, New Jersey 08102 | Telephone (609) 338-6237
Dr Ulrich L Rohde Director, Radio Systems

The RCA logo, consisting of the letters "RCA" in a bold, red, sans-serif font.

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In 1984, I bought and rebuilt the ailing Compact Software which was in a way abandoned by Comsat to the point where its employees felt poorly treated. Twelve years later, I merged this company with Ansoft. Last year Ansoft merged with Ansys and Ansoft's stock went from \$5 to \$70.

http://en.wikipedia.org/wiki/Compact_Software



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Besides being partner of Rohde & Schwarz, I am Chairman of Synergy Microwave Corp., NJ USA which forces me to always look ahead and outside the box. My world-class team and I am driving the development of exotic microwave circuits and systems, where we are generating a large number of important patents.



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If uncontrollable size (General Motors, GM) is not your goal, I think that growing only with earned money is the best situation to be in. To have huge emotionally oscillating up and downs derived from “smart” analysts opinions, or reporting to members of a board of directors, who mercilessly scrutinize you every 90 days, and not always objectively can be painful.

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Why are we profitable and have zero bank liabilities?

I operate my companies as a close knit family, where both employees and employer share the rewards of success. This results not only in a long lasting positive relationship but also in an unbreakable bond of company loyalty. Some employees have worked for me for 30 years and I sincerely believe that in the present business climate this mode of cooperative operation is fading. On the opposite side, the worst case, of course, is when companies owned by families or family members are at war with each other and destroy all value created over the years.

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In this industry, I have many vested interests and I recommend to everybody to get positively involved in a wide range of challenging activities.

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Mechanical Engineering,
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and Industrial Engineering



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In summary, the positive mode of operating and looking at the details pointed out above is the best advice I can give.

I would like to thank all persons and companies who have permitted my sometimes eccentric thinking and have supported my decisions.

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Thank You!



Are there any questions?