

Dusty's Success Story



Quality Research



Personal Luck Events

Quality
Research

- Born in Thailand 1944
- Went to Teacher Training School instead of working for “Yellow Bus”
- Free Ride for six years of scholarship (1960-1966)
- Thai Statistician (1966-1972)
- MS in Statistics, NIDA (1971-1973)
- An exchange student at Westinghouse Electric Corporation and PhD from UGA (1974-1978)
- A US immigrant (1979)
- A US citizen August 20, 1986
- QR 1990 - 2003, built a wonderful company for hardworking people

Dusty has Fulfilled his American Dream

Success Statistics

Quality
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- **50% Planning**
- **30% Opportunity**
- **20% Luck**

Best People, Process, Tools & Culture



A Generic Business Model

BUSINESS IS A PARAMETRIC MODEL:

▪ **WHAT DO WE WANT TO BUILD?**

- A Company With People who Are Happy?, Love?, Care?, Peace?, Success?, With Profit 5-7% and Wonderful Growth?

▪ **WHAT ARE OUR ACTIONS?**

- Build It the Way We Want
- Recruit the Best People
- Tell Them What We Want and Let Them Perform
- Loyal to All Employees and Customers
- Get Rid of Bad Blood, Add Good Blood
- People Are the Causes of Our Successes
- Recruit, Retain, and Reputation
- Train All Levels of Our People to **Be the Best**
- Invest for Productivity Improvement, Always

Common Sense and Team Consensus

A Specific Business Model (Sam Walton, C⁴LeSSAM)

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- Commit to be the Best (Even Bad Jobs)
- Control Our Parameters (Profit, Revenue, Quality, Customer Feedback)
- Communicate (Manage by Interfacing with Our Employees)
- Celebrate (Share Our Successes with Both Customers and Employees)
- Listen (Good Leaders Listen)
- Exceed Expectation (Be the Best)
- Share Profit (Profit, Bonuses and Stock)
- Swim Upstream (Work Tirelessly, Do Not Give Up)
- Appreciate (Give All Credit to the Troops)
- Motivate All People (Self Motivation)

Learn From Successful People

An Entrepreneurship Model

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- A Good Entrepreneur Must Understand People's Nature First
(People are Different, Social Animals, Wanting Animals, Self
Defensive, and Trainable)
- Remember, People Are **Trainable**. We can Come Up with a Win-Win
Solution (Consensus Mgt.)
- We Always Have Problems to Solve. Solutions Come From Our
Employees and Customers
- If We Want People to Love Us, We Must Love Them First. They Will
Give Us Unlimited Love Back
- The More We Give, the More We Get

If Everyone Goes Fishing, We Will Have All the Fish For the
World

Corporate Philosophy

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Build the Best Team



QR Practices

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Research

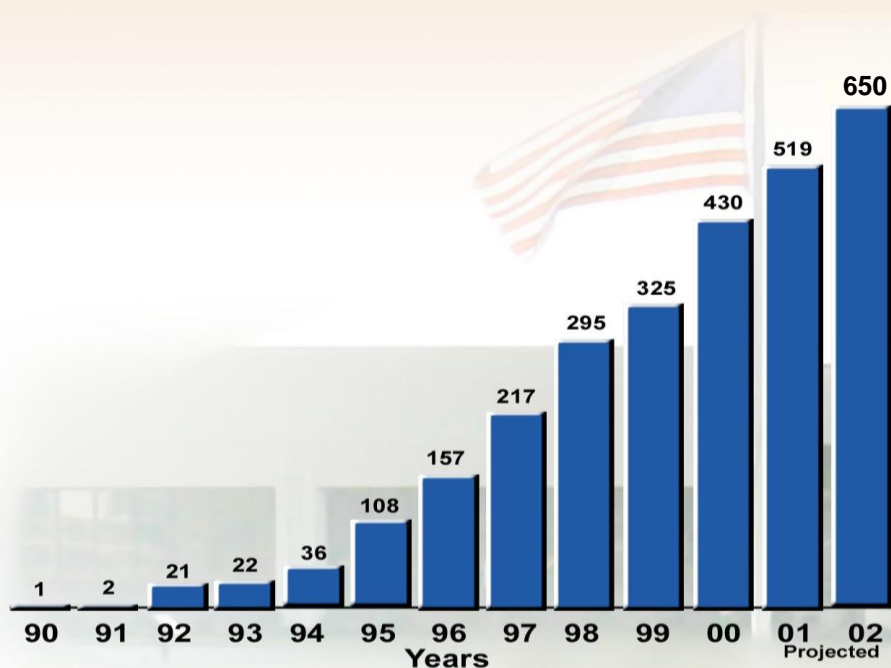
- Be legal and ethical.
- Build mutual **TRUST** and mutual **RESPECT**, “we are equal”.
- Give what QR customers want and make them win first.
- Build true happy company.
- Be the best in all activities.
- Build the team with **LOVE** and **CARE**.
- Practice **FAIRNESS, DISCIPLINE** and **CONSISTENCY**.
- Weed non-performers and feed best workers.
- Prohibit internal competition and no micro management.
- Build rewarding system and promote entrepreneurialship.
- Use Sam Walton’s business rules (C⁴LeSSAM)
- Adopt Bill Gates’ **DIGITAL AGE** rules

No Need to Re-Invent the Wheel!

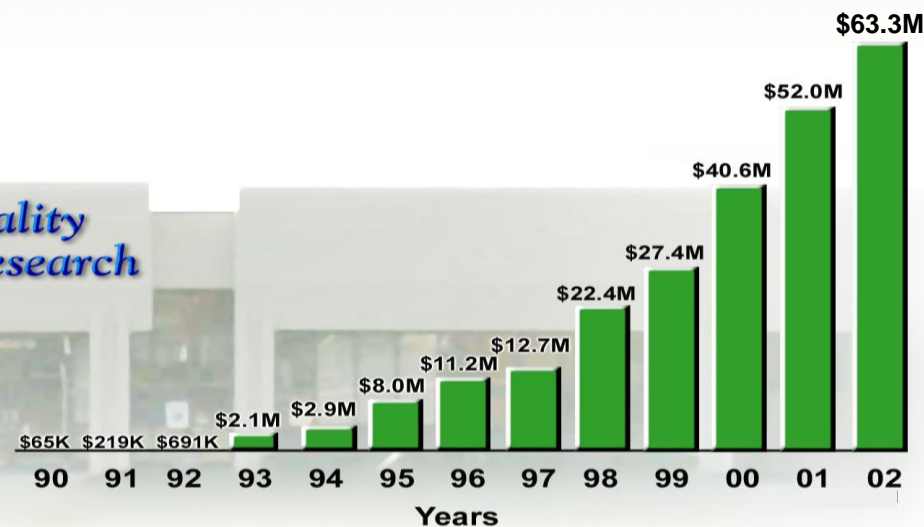
QR Growth History

Quality
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Employee Growth



Financial Growth



Technically Proficient Small Business

- Founded by Dr. Dusty Charern
- Certified Small Disadvantaged Business

Awards

★ 1996
Huntsville/Madison
County
Technology Services
Small Business
of the Year

★ 1996
Inc. 500
The 52nd
Fastest
Growing
Private
Company

★ 1997
Inc. 500
The 236th
Fastest
Growing
Private
Company

★ 1999
Inc. 500
The 447th
Fastest
Growing
Private
Company

★ 1999
SBA Region IV
Small Business
Prime Contractor
of the Year

★ 1999
Dusty Charern
Huntsville/Madison County
Chamber of Commerce
Small Business
Executive of the Year

Successful, Growing Company with Extensive Software & Enterprise IT Experience

Quick Assessment How Are We Today?

Quality
Research

AN ELEVEN YEAR OLD COMPANY With an Excellent Corporate Culture, Capable Executives, Wonderful Customers, Layers of Best Employees, Best Team Infrastructure (Finance, Administration, Information Support)

■ WHAT ARE OUR STRENGTHS?

- Solid Reputation (**Employees and Customers**)
- A Fairness System (**No Unfair game Can Be Changed to Be a Fair One**)
- A Happy Company (**Smile, Smile, Smile**)
- Our Wonderful Growth (**Three Times Inc. 500 Winners**)
- A Sound Financial and Administrative Team (**The Best Ever**)
- A Diversified Company (**Geographical and Customer Bases**)
- New GSA Contracts (**IT and Engineering**)

■ WHAT ARE OUR PROBLEMS?

- Huntsville Small Businesses Will Be Down Because of No Opportunity and Competition (**Omnibus Type Contracts**)
- Lack of Executive Training (**It's My Fault, Laziness**)

I Am Very Proud of Our Executives and Employees

QR Short-Term Strategy

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Research

- **Grow Outside Huntsville**
- **Recruit New Business Leaders**
- **Build Advancement System for Hard Workers**
- **Help Each Other Tirelessly**
- **Replace Deadwood Type People**
- **Stay on Our Values: Customers, Employees, Technical Excellence, and Build QR Value**

Best Recruitment, Retention, and Reputation



Textbook Leader

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PERSONAL HUMILITY

Demonstrates a compelling modesty, shunning public adulation; never boastful.

Acts with quiet, calm determination; relies principally on inspired standards, not inspiring charisma, to motivate.

Channels ambition into the company, not the self; sets up successors for even more greatness in the next generation.

Looks in the mirror, not out the window, to apportion responsibility for poor results, never blaming other people, external factors, or bad luck.

PROFESSIONAL WILL

Creates superb results, a clear catalyst in the transition from good to great.

Demonstrates an unwavering resolve to do whatever must be done to produce the best term results, no matter how difficult.

Sets the standard of building an enduring great company; will settle for nothing less.

Looks out the window, not in the mirror, to apportion credit for the success of the company – to other people, external factors, and good luck.

Personal Humility and Intense Professional Will



Textbook Action Items

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- **Blend Extreme Personal Humility with Intense Professional Will**
- **Transform a Good Company into A Great One**
- **Put the Right People on the Bus and Take the Wrong People Off the Bus**

**These Are Good Ingredients to Build the Best
Company**

Dusty's Dream

Quality
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• 1/100 Make 1 Million a Year

- Unique Talent with Customer's Need
- Good Business Plan
- Hard Work with Extra Mileage (60+ Hours per Week)
- Good Recruitment of 20 People

• 1/1000 Make 10 Million a Year

- Build a Team of 100 People
- Customer Campaign and Satisfaction and Reputation
- Business Diversification
- Cash Flow Management
- Good Financial and Administration Hiring
- Proven Winners Recruitment

\$0

\$1M

\$10M

\$63.3 \$100M

\$1B

Baby

Child

Teenager

Young Adult

Mature Adult

• 1/100,000 Make 100 Million a Year

- Team Cohesiveness and Realistic Vision
- Process Oriented and Best Tools
- Good Size Contracts
- Employee Ownership
- Best Infrastructure
- Acquisition Success

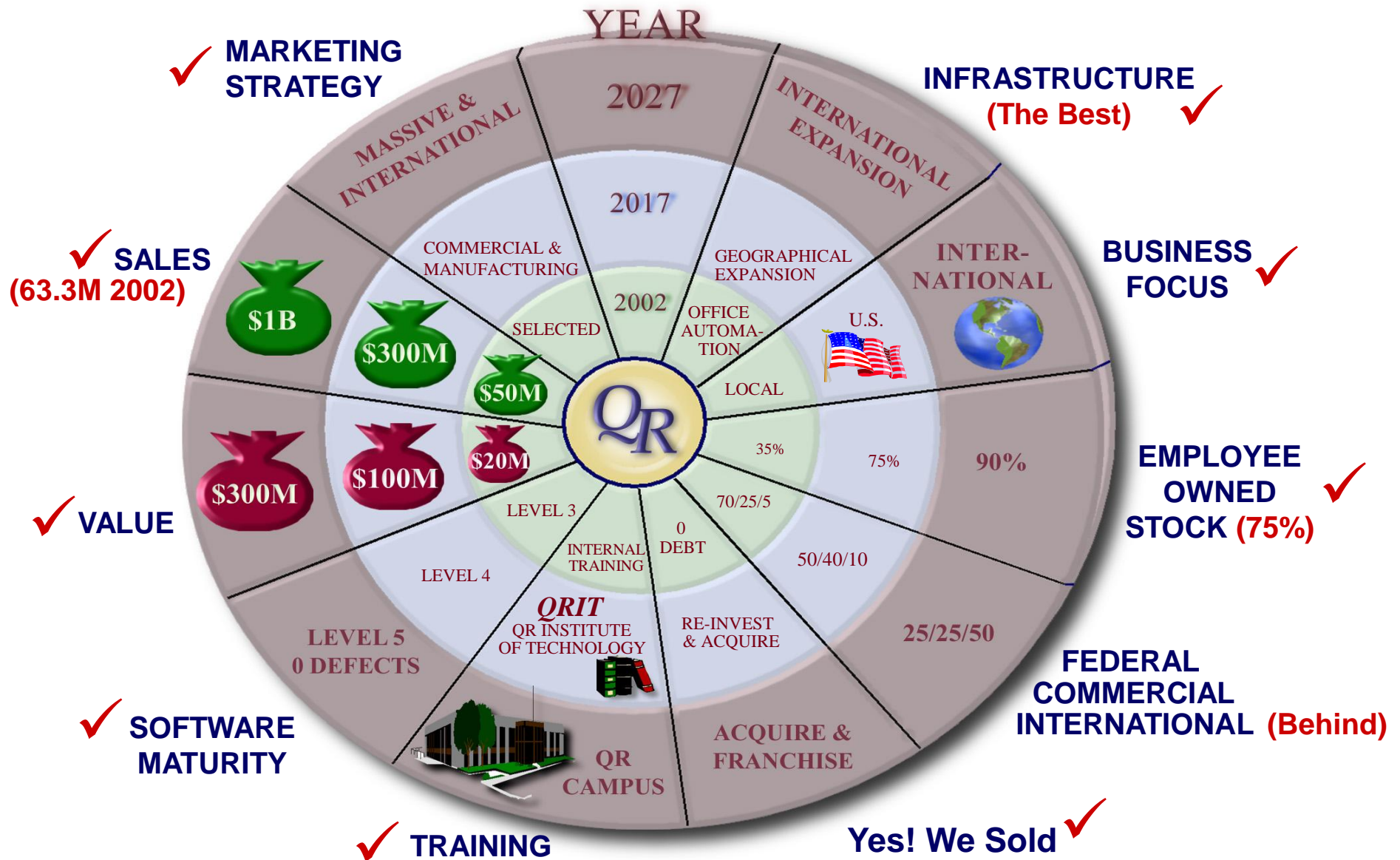
• 1/1,000,000 Make 1 Billion a Year

- Best Vision and Execution
- Nationally Known Products
- Public Stocks
- Generations of Rising Stars
- Process Maturity
- Best Services
- System Oriented
- Customer Best Choice
- Best Acquisition
- Economy of Scale
- Massive in Everything

Moving Up With Tireless Team.

Dusty's Dream

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Summary

Quality
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QR Management Concept - “We are in only One Van”



- One Team, One Vision, One Culture
- Build Value, Increase Profit and Grow Revenue
- Indirect and Cost Control (Minimize Operating Cost)
- Conform to QR Policies, Procedures and Standards (No Exceptions)
- Fairness, Consistence
- Business Decision (Not Personal One)
- No Walls Among Us (a Seamless Team)

“Get in the Same Van . . .
or ***Hit the Road !*** “



10 Reasons a company is Successful

Quality
Research

- People make organizations. Peoples strengths and weaknesses are different. Supplement peoples weaknesses with another persons strength.
- The better you are to people the harder they will work for you. This applies to all areas to include providing an excellent work environment and compensation.
- Business is business not personal.
- What gets measured gets done (ie., annual performance evaluations & bonus metrics).
- Reward must be greater than the risk for all business decisions.
- Bet on the winners not the losers.
- Listen more than you speak.
- Make small consistent changes.
- Build consensus when making critical business decisions.
- Don't just talk the talk but walk the walk. Execution is what separates an successful entrepreneur from an employee.

Quality
Research



Life, live, love, and laugh

Dusty in the News

Dusty Charern

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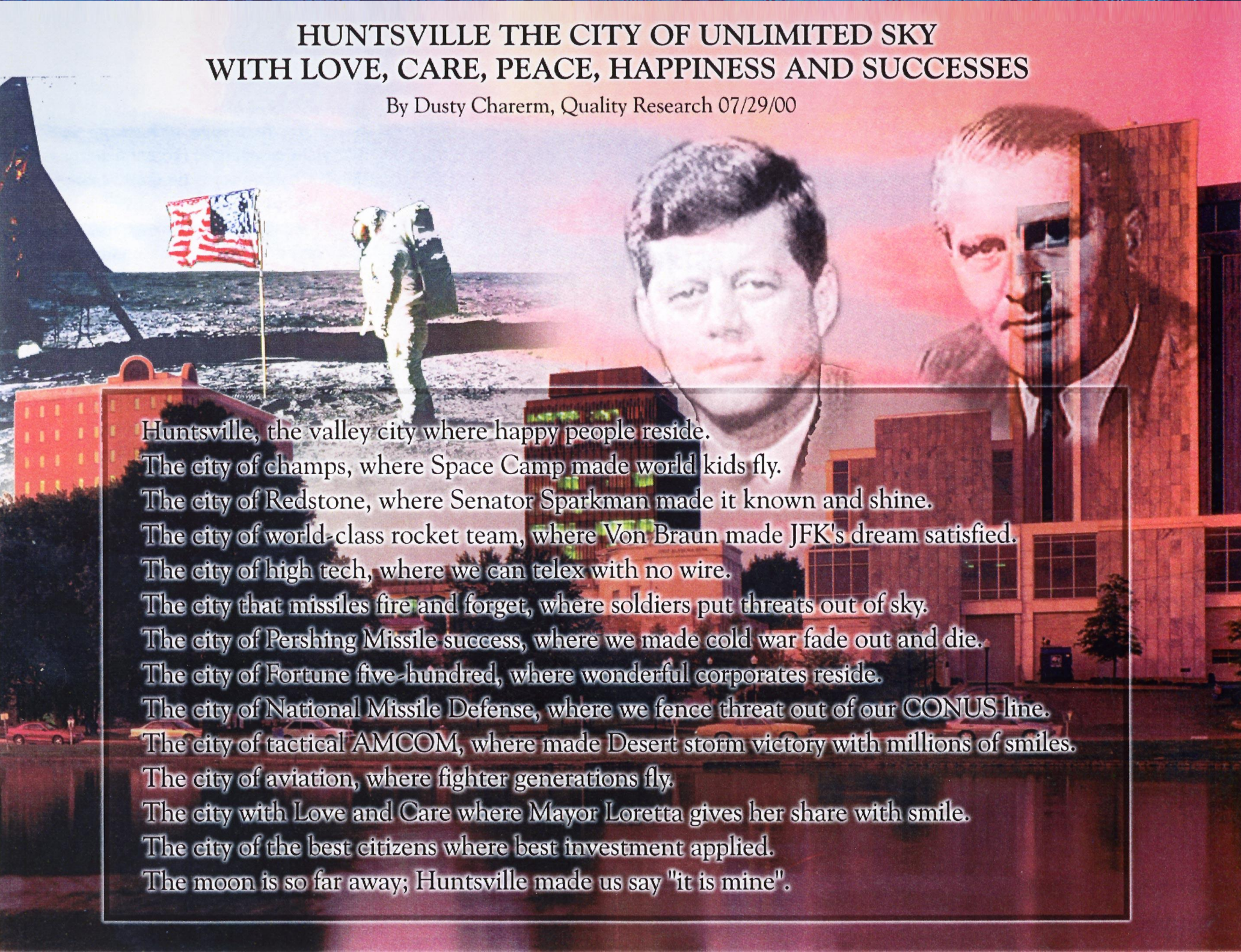
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HUNTSVILLE THE CITY OF UNLIMITED SKY WITH LOVE, CARE, PEACE, HAPPINESS AND SUCCESSES

By Dusty Charerm, Quality Research 07/29/00



Huntsville, the valley city where happy people reside.
The city of champs, where Space Camp made world kids fly.
The city of Redstone, where Senator Sparkman made it known and shine.
The city of world-class rocket team, where Von Braun made JFK's dream satisfied.
The city of high tech, where we can telex with no wire.
The city that missiles fire and forget, where soldiers put threats out of sky.
The city of Pershing Missile success, where we made cold war fade out and die.
The city of Fortune five-hundred, where wonderful corporates reside.
The city of National Missile Defense, where we fence threat out of our CONUS line.
The city of tactical AMCOM, where made Desert storm victory with millions of smiles.
The city of aviation, where fighter generations fly.
The city with Love and Care where Mayor Loretta gives her share with smile.
The city of the best citizens where best investment applied.
The moon is so far away; Huntsville made us say "it is mine".

Business Plus D

Tuesday, November 10, 1992

Quality Research growth curve rising

By DIANNA SHERAM
For The Times

The American dream of great success through hard work is alive and well, says Dr. Dusit "Dusty" Charern, one of its most enthusiastic keepers.

Charern is president of Quality Research Inc. and has been well known in the defense and engineering industries here as an assistant professor of computer sciences at the University of Alabama in Huntsville since 1981.

The growth curve at Quality Research has skyrocketed since the business was certified as a 8a company earlier this year.

During the past six months, Quality Research has landed more than \$6 million in contracts.

Charern has long mingled his academic achievements in the business world and his efforts may be finally paying off after years of hard work.

He boasts a blue-chip academic background, eventually earning a Ph.D. in statistics. But he has added to his education through course work in mathematics, control theory, signal processing, radar, guidance and control, rocket propulsion, database theory, system engineering, software engineering, computer graphics and artificial intelligence.

Charern has traveled between his native Thailand and the United States, interchanging between the academic, government and business environments.

He spent eight years in Thailand, first as a statistician at the Thai National Census Bureau and then as an assistant professor of statistics at the National Institute of Development Administration (NIDA) in Bangkok.

But he returned to the United States because, in his words, he "felt his career growth potential

could be greater in the 'Land of Opportunity.'"

Charern says, "The people in American companies are different from others in the world. They are so kind. They don't hide technology and will train you in how to use it. In other countries the companies aren't as open."

He has spent time working for Westinghouse Corp., Computer Sciences Corp., Intergraph Corp. and eventually



Dusit Charern

Sparta Inc. It was in 1988 when Joe Scalf, a friend and fellow engineer, suggested that Charern should start his own company.

"Without his encouragement, I doubt I ever would have done this," Charern said. "The next day, I filed the papers to incorporate Quality Research, which has as its primary goal to produce high-technology research with an engineering focus specializing in software engineering, simulation and signal processing for the U.S. government."

The name was picked because, Charern says, "Quality" is a word the Japanese use as their motto for all products produced in their country.

"It's the word that never dies," he said. "There is no better word for what I intended to accomplish, so that's why we became Quality Research."

Charern admires Japanese business methods a great deal. "They study existing technology, take the best from a variety of sources, and package it into one product. Then the state-of-the-art technology

Quality

Continued from page D1

they've adopted from each source is customized in a new design which pleases customers with high quality, low maintenance, and low cost."

U.S. manufacturers need to do more of that type of product development, he said.

For two years Quality Research was inactive, but Charern was laying ground work for the future. He completed advanced course work in radar signal processing at Southeastern Institute of Technology and continued teaching statistics as an assistant professor at UAH.

His hard work finally paid off in April 1990 when Quality Research got its first Defense Department contract for \$50,000 from the guidance and control directorate. The company ended 1990 with \$75,000 in sales.

The company had started growing in a competitive non-8a (minority business) environment. The next year, sales hit \$219,000.

Earlier this year, the company received 8a certification and the company has since secured three contracts for more than \$6 million from the Army's Strategic Defense Command.

Revenue from contracts this year will top \$600,000, said Charern. That will jump to \$2.5 million in 1993 and should increase by at least \$3 million a year, thereafter, he said.

NASA will be his next target followed by commercial market penetration, according to Charern.

He plans to open branch offices throughout the United States and eventually internationally.

Charern wonders how government budget cuts will affect his company but feels confident, saying "a high-performance company like ours can survive in this country because the government always needs strong research and development firms. If you do good work, there's going to be plenty of opportunity."



MADE IN THE TENNESSEE VALLEY

Winning with Quality

Company president says open office atmosphere trust key to success

By MARIAN ACCARDI
Times Business Writer



(Glen Beebe/Huntsville Times)
Doug Barclay, a senior manager at Quality Research, sits in cockpit of virtual helicopter.

There are two things you won't find at Quality Research - parking spots reserved for management or a closed door to the boss's office.

They're just not part of the "we are equal" business philosophy that Dr. Dusti "Dusty" Chareem follows for his Huntsville computing and engineering company.

"We don't want differences among employees. We don't want walls between us," Chareem said as he settled into his office at a new 20,000-square foot building in Cummings Research Park East. "We use the open-door, open-eye, open-ear, openmind philosophy. If you're not open, you can't have trust."

Mutual trust and respect, said Chareem, the president and chief executive officer, will benefit the company internally and in the competitive business world.

When Chareem was still working at Sparta Inc., a friend, Joe Scalf, suggested that Chareem had the people and motivation skills to start his own company.

"I saw the light," Chareem said.

The next day, he paid a lawyer \$250 to incorporate Quality Research, picking that name because "quality is a name all Americans like."

"Winning with Quality" is even part of the

company's logo.

He stayed at Sparta for two more years - until 1990, the year he won his first contract. The \$55,000 contract was for simulation and modeling work for the guidance and control directorate at what is now the Army Aviation and Missile Command.

Chareem was on his own in a rented 400-squarefoot office that first year, clearing some \$65,000 in sales. "The most difficult thing was, I didn't get paid for six months," he said.

Getting credit from a bank also was difficult for his startup company.

"I kept moving until I found a bank that would take care of us," he said.

Now, the company has 275 employees - with about 130 of those at the Huntsville headquarters. Offices have been opened in Anniston; Atlanta and Columbus, Ga.; St. Petersburg, Fla.; New Cumberland, Pa.; Washington, D.C.; and Colorado Springs.

The company specializes in engineering and analysis, software engineering, informational technology, planning and analysis and training and education.

Sales last year reached \$12 million and are expected to increase to about \$20 million this year.

"Growth came from the trust from our customers," Chareem said. "We work hard for them. We always put our customers first."

Terry Jennings, the company's chief administrative officer, said Chareem is committed to his employees.

"Rather than take the profits he gives back to the employees," Jennings said. He started a stock option program for high-performing employees and eventually Chareem hopes to make the company employee-owned.

Chareem pointed to a framed picture of bears in the wild with the wording: "Love and care and happiness."

"That's the model I'm using," he said.

But Chareem has no room for slackers. A sign right next to his desk reads in bold green letters: "Weed 'n Feed."

"We weed out nonperformers and feed the high potential employees," he said. "If you don't weed out nonperformers, the corporation will be in trouble."

The company really began growing in February

Developing robots to use for clearing land mines

2 Huntsville firms involved in effort

By JAMES McWILLIAMS
Times Technology Writer

While fighting it, the Vietnam War, Thomas Watkins regularly saw land mines kill fellow soldiers. "I've seen the scars and missing legs," Watkins recalled Thursday. "I was in a convoy once, when a friend in a jeep drove over a mine."

Watkins, a senior vice president at Huntsville's Quality Research, is now part of an effort to prevent other people from suffering such tragedies.

The U.S. military has awarded a \$900,000 contract to develop a mine-clearing robot to prime contractor Summa Technology Inc., also of Huntsville. Joining Summa in the project are Quality Research and a Norwegian firm, Hagglunds Moelv AS.

If a one-year feasibility study by the partners is successful, the military could award them an additional \$5 million to \$7 million to develop and test the robot during a second year, said Marine Col. Ken Curcio, who leads the Defense Department's ground-robotics program at the Army's Redstone Arsenal.

Curcio's program is a cooperative effort by separate military branches to develop technology useful for all of them.

Clearing land mines became a prominent issue worldwide after Britain's Princess Diana called attention to the number of children killed by abandoned mines after wars end.

In 1996, the United Nations Children's Fund called for a global ban of antipersonnel mines, which are designed to kill individual people, rather than heavy equipment, such as tanks. Antipersonnel mines have killed more than a million people since 1975.

Although the United States hasn't joined the ban,



Eric Schultz/Huntsville Times

Marine Col. Ken Curcio, left, talks with Thormod Bjerke of Hagglunds Moelv AS, Dusty Charen of Quality Research and E.C. "Pony" Lee of Summa Technology in front of a tank that will be converted into a mine-clearing robot.

it has supported efforts to prevent civilians from being injured by them. The United States has also worked to develop better mine-clearing technology.

Hagglunds began developing a mine-clearing device three years ago that is now being tested by the Norwegian army, said Hagglunds President Thormod Bjerke.

The device includes heavy, spinning chains attached to a rotor on the front of a small German tank. The chains beat the ground ahead of the tank to detonate mines before they can hurt anyone.

A drawback of Hagglunds' device is that a human must be in the tank to operate the mine sweeper, said Pam Shain, an executive with Summa. Although that operator is protected by armor, the person could still be injured.

Summa and Quality now want to automate Hagglunds' technology, and place it on a larger American tank. The resulting robot would destroy both antipersonnel and antitank mines, said representatives of the companies.

The robot will be manufactured at Summa's plant in Cullman, said Quality Research founder and CEO Dusty Charen.

Summa President E.C. "Pony" Lee praised the international cooperation involved in the deal to make the robot.

"When two NATO countries get together and develop a product with great humanitarian potential, it's something we can all strive for, Lee said.

U.S. peacekeeping forces have used robotic mine-sweepers before, in Bosnia, said Curcio.

Previous mine-sweeping robots have been mounted on a modified John Deere tractor, on a vehicle similar to a jeep, and on an older-model M-60 tank that is becoming difficult to repair, Curcio said.

The last of those three vehicles destroys mines with a large roller, which Curcio described as "big, heavy and susceptible to damage."

The roller pushes the force of explosions away from the tank, but not without being hurt, Curcio said.

A sweeper that detonates mines with chains might suffer less damage, because a chain simply "flies in the wind when hit," Curcio said.

Summa and its partners plan to create a robotic flail usable on the newer M1 and possibly M1A1 Abrams tanks.

Watkins said the robot would initially operate under remote control, along the line of sight of a human controller a half mile away or more. In the long term, the robot might find mines autonomously, using programmed instructions similar to, artificial intelligence.



Chamber bestows awards to businesses

BY CANEY SHERFIELD
Times Business Writer

The predicted Y2K, pandemonium proves that people, rather than technology, are the key to success for start-up companies crossing the bridge into the Year 2000.

That's what Max Wallace, chief executive officer of Cogent Neuroscience — a biomedical research company in Research Park Triangle, N.C. — told the 62 nominees for the Huntsville/Madison County Chamber of Commerce's 1999 Small Business Awards during a breakfast ceremony last week.

Tuesday night, the award winners repeated Wallace's theme during the chamber's Small Business Awards Celebration dinner, where each received a golden, star-shaped trophy to commemorate their companies' successes.

Dust "Dusty" Chareem, of Quality Research Inc., named the 1999 Small Business Executive of the Year, said his small business success is thanks to an environment of strong teamwork.

"It takes mutual trust, mutual respect and mutual benefits to be successful," said Chareem, the president and chief executive officer of the software and systems engineering company.

"Employee entrepreneurship — that's the next millennium," he said, in keeping with the ceremonial theme: "Building the Bridge to the New Millennium."

"You have to let your employees own part of the business."

Chareem said he made a few changes with his team this year to improve the company's office climate, and he thinks that helped him win the award.



Patricia Miklik/Huntsville Times

Dust "Dusty" Chareem, chief executive officer of Quality Research Inc., receives his Small Business Executive of the Year Award during the Huntsville/Madison County Chamber of Commerce small business awards ceremony.

"I ONLY ALLOW THE INFRASTRUCTURE TEAM TO BE THE WIND BENEATH EVERYBODY'S WINGS."

Dust "Dusty" Chareem
Quality Research Inc. CEO

"In most companies, the infrastructure team — finance, administration, and new business development — dominate the people," he said. "But I tell them 'No, they must serve them instead.'"

"I only allow the infrastructure team to be the wind beneath everybody's wings."

Thanks to his recognition by the chamber, Chareem will get the opportunity to share his small business tips with students as an honorary business professor at the University of Alabama in Huntsville.

Approximately 850 people were in attendance at the Von Braun Center North Hall to congratulate the 18 finalists and six winners. There were six categories in which 240 businesses with fewer than 350 employees were nominated.

A group of judges representing a cross-section of the business community selected three finalists from each category based on: community involvement, financial strength, growth in employment, innovativeness of product or service, number of years in business.

Please see AWARDS on B10

Quality Research Inc. CEO wins Executive of the Year.

Awards

Continued from page B8

ness and response to adversity.

Rick Bradford, president of Bradford Electric Company Inc. — a major contractor on new Cummings Research Park buildings for Cybex Computer Products Corp. and Adtran Inc. — accepted the small business award for manufacturing/construction.

Finalists in the manufactur-

ing/construction category were Huntsville Design & Construction Inc. and L. Hughes Associates, Architects.

In the wholesale/retail category, Century Automotive Group President Tracy Jones drove home with the top award. Other finalists were N&L Enterprises and Brian's Tire & Service.

In the business services category, FPMI Communications Inc. President Ralph Smith accepted top honors. Huntsville Apartment Guide and Sterling Travel Agency were finalists.

In the personal services category, the top award was accepted by Mark and Teresa Noble, owners of Prism Sports Therapy. The Beauty Market and Turfkeeper Inc. were finalists.

Local defense contractor Quantum Research International Inc., was the winner for technology services. Finalists were Analytical Services Inc. and DESE Research Inc.

Quantum's president and chief executive officer, Frank Pitts, accepted the award.



Growth that gets attention

Five area firms make high-profile Inc. 500

By GINA HANNAH Times
Business Writer

Five North Alabama companies are on *Inc.* magazine's list of the nation's 500 fastest-growing private companies.

Two are newcomers, two returned to the list for the second time, and one is enjoying the honor for a third time.

Quality Research Inc., a Huntsville company specializing in information technology, modeling and simulation, is ranked 447th this year. The company was on the *Inc.* 500 list in 1996 and 1997, Nos. 52 and 236, respectively.

Returning to the list this year are Soldering Technology International Inc. in Madison, ranked 468th, and SOS Temporary Services of Huntsville, ranked 79th.

This year's newcomers are AI Signal Research Inc. in Huntsville, No. 46 on the list, and Parrett Trucking Inc. in Scottsboro, No. 443.

The *Inc.* 500, published today, reports on the companies - and their chief executive officers with the most rapid growth rate during the past five years.

To be eligible for the list, a company must have been independent and privately held through 1998, have at least \$200,000 in sales in the base

year (1994), and its 1998 sales must have exceeded its 1997 sales. The ranking is based on the percentage increase in sales from 1994 through 1998.

Inc. verified all information through tax forms and audited financial statements and by interviewing company officials.

"This is the biggest thing for a small start-LIP in Huntsville," said Quality Research founder and CEO Dusty Charern. Founded nine years ago, Quality Research provides software development and engineering services. Its sales have increased from \$2.9 million in 1994 to about \$22.4 million in 1998 - an increase of 671 percent. During that time, the company has increased its payroll from 35 employees to 256.

Charern credits the company's success to a commitment to treating employees and customers with respect. Other *Inc.* 500 companies reflected those values.

Mike Parrett said when he learned Parrett Trucking, his flatbed trucking-service company, was on the list, he told his 160 employees they would get a bonus.

"It was my dream, but it was their hard work and dedication," he said. "As a trucking company, it's hard to make it because it's so capital-intensive."

"This really belongs to the entire team," said

North Alabama Inc. 500 list for 1998

Company (rank)	Sales growth '94-'98 increase	'98 sales (in thousands)	'94 sales
46. AI Signal Research Inc.	3,446%	\$12,554	\$354
79. SOS Temporary Services	2,344%	\$10,143	\$415
443. Parrett Trucking Inc.	680%	\$9,230	\$1,183
447. Quality Research Inc.	671%	\$22,432	\$2,911
468. Soldering Technology International Inc.	635%	\$6,854	\$933

Source: Inc. Magazine

Huntsville Times

Jen-yi Jong, president and owner of AI Signal Research.

The 9-year-old company analyzes vibration signals of machine engines and aircraft for NASA, and recently began marketing a software package that will help detect engine vibrations in industrial operations. With innovation comes growth: The company's sales have increased from \$354,000 in 1994 to more than \$12.5 million in 1998; the number of employees has grown from three to 200.

Becky Latham-Kerce, president of SOS Temporary Services, said she never expected the company she founded in 1993 to grow as rapidly as it has. SOS, which offers positions in clerical, light industrial and technical fields, was ranked No. 89 on last year's Inc. 500 list.

"It's beyond my wildest dreams," she said.

Soldering Technologies, which provides soldering training and equipment, is also enjoying its second year on the list. President David Raby said the company began growing "tremendously" after it moved to Madison from California in 1993.

The company ranked 409th on last year's list.

"We've got good employees and good customers, which is what you want," Raby said.

This is Inc.'s 18th year charting the progress of entrepreneurs and small to midsize businesses. California has 75 companies on the list; Texas is second with 38. Virginia and Massachusetts tie for third, with 27 companies each. Georgia and New York share the fourth spot (24), and Illinois (23) rounds out the top five.

The No. 1-ranked company in the nation was Roth Staffing in Brea, Calif., whose sales went from \$361,000 in 1994 to more than \$73.7 million in 1998 (a 20,332 percent increase).

Computer-related companies dominated the list (46 percent of the 500). The remainder of the list: business services (15 percent), consumer goods and services (10 percent), financial services (6 percent), telecommunications (5 percent), construction (5 percent), health/medical (4 percent), industrial products (4 percent), transportation (2 percent), media (1 percent) and environmental (1 percent).

QR has been built primarily for its customers and loyal employees. We are committed to be THE BEST in every thing we do. We balance between HAPPY PEOPLE and bottom line. We use mutual trust and respect to make sure that "We Are Equal." We work together seamlessly without internal competition. We have built a "TRULY HAPPY COMPANY."

We build long-term bonds with our customers, employees, teammates and vendors. We are very competitive but respect our competitors as well.



**I want this to be
the last place you
work.**

Dusty Charem

Quality Research wins contractor of year for region

By JAMES McWILLIAMS
Times Technology Writer

Huntsville's Quality Research Inc. has been named the U.S. Small Business Administration's Prime Contractor of the Year for the Southeast.

"Our customers and our people drive us to be successful said Quality Research founder and CEO Dusty Charem.

Quality Research is an information-technology company that works in modeling-and-simulation software, system engineering and related fields for the military, law-enforcement agencies and commercial customers.

The U.S. Army Space and Missile Defense Command nominated Quality Research for the SBA award. After winning in the Southeast, Quality Research now competes against companies from seven other regions to take the national title.

To win the Southeast title, Quality Research competed against 22 other nominees from Alabama, Mississippi, Florida, Georgia, Tennessee, North Carolina and South Carolina.

SBA executive Mitchell Morand said Quality Research stood "head and heels above the rest" of nominees.

Judges evaluated the quality of Quality Research's goods and services, customer relations, management, financial stamina, labor relations and resource utilization, said Morand.

Charem immigrated to America from Thailand in 1974, toward the end of the Vietnam War. He went to work for Westinghouse Electric Corp. in Athens, Ga., while taking postgraduate studies at the University of Georgia.

After gaining a doctorate in statistics in 1978, Charem wrote all the computer programs for the 1,500-employee Westinghouse

plant, and did troubleshooting for plant computers, he said.

In 1981, Charem moved to Huntsville to do computer work for a contractor with Army Missile Command. He worked for Computer Science Corp. on and off for seven years, worked two years for Intergraph Corp., and taught computer science at the University of Alabama in Huntsville for more than a decade.

In the midst of all that work, Charem became a U.S. citizen Aug. 20, 1986, which he considers a second birthday.

"I'm not 13 years old yet," Charem joked.

Charem started Quality Research in 1990, when the company won its first contract from Army Missile Command. That contract was valued at \$55,000.

In 1996, *Inc.* magazine named Quality Research the fastest growing private company in Alabama, and the 52nd-fastest-growing nationwide. The company's revenues had grown 3,067 percent in the previous five years.

In 1998, Quality Research had revenue of \$22.2 million, up 75.8 percent compared to the previous year. The business now has offices in 11 cities, including Atlanta and Washington.

Although Quality Research has federal 8(a) status, which gives temporary help to small, minority-owned businesses seeking government contracts, it recently competed against businesses outside the 8(a) program to win a \$75 million contract from the Army according to a news release from the company.

The contract is for Quality Research to provide information technology services to the Space and Missile Defense Command.

Quality Research plans to pursue more commercial clients in the near future, and to acquire businesses in the profitable niche areas, Charem said.



Caring about people one man's key to his success in business

By GINA HANNAH
Times Business Writer

Speaking in front of a group of local business professionals, Dusty Charearn, founder and chief executive officer of Quality Research Inc., shared with the lunch crowd the three most important factors in his success.

People.

People.

People.

"How to win people is not difficult. If you want them to love you, then love them," Charearn, the Huntsville/Madison County Chamber of Commerce 1999 small business executive of the year, said. "If you want them to give you money, then give to them."

He said his employees are largely to credit for his success, and he treats them with respect.

"They can tell me to shut up," he said. "They can tell me to wash dishes and I'll do it. I love them."

Quality Research specializes in information technology, modeling and simulation. The company, founded in 1990, is ranked 447th this year on the *Inc.* 500, *Inc.* magazine's list of the nation's 500 fastest-growing privately held firms. The company was also on the *Inc.* 500 list in 1996 and 1997, ranked 52nd and 236th, respectively.

Charearn said he believes in giving his employees flexibility and not wielding too much control over the day-to-day opera-



Dusty Charearn
Quality Research Inc., CEO

"THEY CAN TELL ME TO SHUT UP. THEY CAN TELL ME TO WASH DISHES AND I'LL DO IT. I LOVE THEM."

tions of the business.

"Don't assign difficult things to newcomers," he advised. "Make them love you first."

Charearn's philosophy has netted Quality Research numerous awards, including the chamber's 1996 small business of the year and the small business Administration Region IV prime contractor of the year for 1999.

The company's sales grew 671 percent between 1994 and 1998 — from \$2.9 million to \$22.4 million. The company has about 260 employees, up from 35 in 1994.

Offices have been opened in Anniston; Atlanta and Columbus, Ga.; St. Petersburg, Fla.; New Cumberland, Pa.; Washington and Colorado Springs.

"Customers know we will work hard for you here," he said.

Charearn, 55, was born in Thailand. He moved to the United States in 1974, after earning a bachelor's degree in math and

master's in statistics in his homeland. He received a Ph.D. in statistics from the University of Georgia in 1978. He became a U.S. citizen in 1986.

Before moving to the States, he was a statistician at the Thai National Census Bureau, then assistant professor of statistics at the National Institute of Development Administration in Bangkok.

He has worked for Westinghouse Corp., Intergraph, CSC Corp. and Sparta.

His affinity for America began long before he moved here, he said. It happened in 1969.

"I watched the man on the moon (on television)," he said. "I was worried about Neil Armstrong. I said 'I love that country.'"

"He's the humblest guy I know," said Ted F. Baudendistel, chief financial officer. "He has a very good sense of humor."

SAIC to purchase Quality Research

Huntsville-based firm says it will benefit from having major parent company

By **SHELLY HASKINS**
Times Business Editor
shaskins@htimes.com

Quality Research, a Huntsville-based defense and space contractor recognized as one of the country's fastest growing privately owned companies, is being sold to San Diego-based Science Applications International Corp., the companies announced Tuesday.

Dr. Dusit "Dusty" Charern, chief executive officer and founder of Quality Research, said the sale is expected to be finalized within the next month, pending approval by Quality Research's 300-plus private shareholders on Jan. 29.



Charern

Financial details of the deal were not disclosed.

Quality Research, with annual revenue of \$63 million in 2002 and 635 employees in 21 locations across the country, has about 300 employees in Huntsville. Those employees will become part of SAIC's Applied Technology Group, which currently has 500 employees in Huntsville.

SAIC, the country's largest employee-owned company, has more than 41,000 employees in 150 cities worldwide.

Quality Research was named three times in the 1990s to *Inc.* magazine's list of 500 fastest-growing privately owned companies in the U.S. It was No. 52 on the list in 1996, No. 236 in 1997 and No.

447 in 1999.

Charern said the company couldn't grow much more without the deep pockets of a major parent company like SAIC.

"We can grow, but we cannot grow big because the bankers cannot loan us tons of money," Charern said. "SAIC has tons of capital. They are a big, \$6 billion-plus company."

Charern, who will stay on as a consultant during the transition, said he chose to sell to SAIC because it has a similar corporate culture that focuses on keeping employees and customers happy. The Quality Research employees will have more opportunities and more long-term stability as part of the larger company, he said.

"We moved to a bigger lake and we can have more fishing in there," Charern said.

In its 12-year existence, Quality Research has reaped numerous other awards, including the Huntsville/Madison County Chamber of Commerce's Technology Services Small Business of the Year in 1996, and the Small Business Administration Region IV prime contractor of the year for 1999. Charern was named the chamber's Small Business Executive of the Year in 1999.

The acquisition is being managed for SAIC by Bill Gurley, senior vice president and manager of SAIC's Applied Technology Group in Huntsville. He will oversee the Quality Research employees once the acquisition is complete.

Gurley stated in a news release that Quality Research has capabilities in computer modeling and simulation "that complement and add to the existing ca-

Please see **PURCHASE** on **B11**

Charern will stay on as a consultant during the transition

Purchase

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pabilities" of SAIC. Quality Research also has a customer base and existing offices in "several strategically important locations," including Fort Leonard Wood, Mo.; Vicksburg, Miss.; Panama City, Fla.; Portland, Ore.; and Orlando.

Charern, 58, was born in Thailand. He moved to the United States in 1974, after earning a bachelor's degree in math and master's in statistics in his homeland. He received a Ph.D. in statistics from the University of Georgia in 1978. He became a U.S. citizen in 1986.

Before moving to the U.S., he was a statistician at the Thai National Census Bureau, then assistant professor of statistics

at the National Institute of Development Administration in Bangkok. He has worked for Westinghouse Corp., Intergraph, CSC Corp. and Sparta.

Charern, who founded Quality Research here in 1990, said Huntsville helped him achieve his American dream.

"This place gave me a wonderful life and a wonderful challenge," he said.