

The PARAGON Perspective

From the President

PARAGON Perspective is sponsored by PARAGON Development We are not intending, and will not use this communication to promote our business. There are other times and places and opportunities for that.

We hope to inspire debate and pass along information that may enable all of us to better understand and succeed in our new business objectives in the future. Plus, we hope to make you smile and think. We further hope you pass these along to colleagues who may have mutual interests.

We want to use this forum to do the following:

- Share information we have learned that we consider important concerning best practices, trends, successes and failures, conferences, and other elements that will enable all of you to grow your organizations with maximum top and bottom line results.
- Share information about select client initiatives that may be of interest based on technologies, markets, or business needs that you believe could fit within the scope of those client's interests.
- Share personal observations and even humorous items given to us by others.

We welcome your comments on any topic and encourage you to contribute to future newsletters. The PARAGON Perspective is now in its fifth year. We thank everyone for their newsletter contributions and for the ideas and suggestions that have brought recognized improvements and made it easier for us to produce.

This month's newsletter will highlight our opinion on the business development topic: "**Invest Proportionate to Importance**".

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Paragon Update

This is the eighth installment of 2006 and our 5th year. We are seeing increases in projects in the Chemicals, Material, and Healthcare areas as well as focuses on new technology commercialization over market extensions for existing products.. Many projects have been scheduled for September starts, so it looks like a very busy Fall for the Paragon team.

Conferences

This space is reserved for announcements of conferences or events that may have value to our readers. We have resisted posting 'monthly' meetings and have focused on major or National events, but due to the many requests, we will add those in 2006.

**LES (Licensing Executives Society)
New York City
September 11-14, 2006**

PARAGON highly recommends the LES conference in September for Licensing, Intellectual Property, and Technology Transfer. The conference deals with ways to optimize value creation through best practices in protecting and leveraging intellectual property and focuses on best practices in attaining technology developed outside an organization as a means for new growth. It is very reasonably priced and includes many amenities in the overall program. It is always well attended to present networking opportunities and the presentations are very informative and valuable.

For more information and registration visit the website at: www.LES.Org.

We will be presenting a three hour workshop on the Voice-of-Market™ process at the LES conference on September 13 as well as speaking at the September **Chemeca Conference** in Auckland NZ.

Technology Transfer/Capabilities

This section is open for clients, friends, and other newsletter recipients to spotlight technologies they have available for licensing, acquisition, development, or could be available to use. Please send a description of your technology to be posted in this section for future newsletters. Inquiries can either be sent directly to those who have posted information, or, we could forward any/all inquiries to you. This section highlights non-client project technologies.

This newsletter has a distribution of several thousand individuals who are primarily in new business development, so the audience has the potential to generate legitimate interest. We do reserve the right to withhold posting any technology closely related to ones in which we have a client conflict.

Technologies Being Sought

A client is looking for new opportunities in bio materials. They are a major producer of specialty polymers and looking to establish a platform in bio materials.

If you have, or know of, any potential technologies or products for this client, please, send us your information. We will forward it to the client so they can contact you directly. Please send the information to:

Jack Peregrim @ (203) 288-4154 or peregrim@paragondevelopment.com

Quotes of the Month

"The greater danger for most of us lies not in setting our aim too high and falling short; but in setting our aim too low and achieving our mark." *Michelangelo*

"He who has imagination without learning has wings but no feet." *Joseph Joubert*

"Swing hard in case they throw the ball where you are swinging." *Duke Snyder*

"The best vision is insight." *Malcolm Forbes*

"Fall seven times. Stand up eight." *Japanese proverb*

"Goals determine what you are going to be." *Julius Irving*

"Good luck is with the man who doesn't include it in his plan." *Graffiti*

"Anyone who thinks there are not two sides to every argument is probably in one." *Many sources*

"You must be involved to have an impact. No one is impressed with the won-loss record of a referee" *John Holcomb*

"The biggest mistake you can make is to believe you are working for someone else." *Bits and Pieces*

"These things are good in little measure and bad in large: Salt, yeast and hesitation." *The Talmud*

Web Site Additions

Our website has been updated but we will continue to add to our alliances and partnerships page. It provides sourcing to our clients on services they may be seeking in specialized functional or industry areas. As such, we will post organizations and individuals who we know to excel in products and services.

If you would like to be included in this listing, free of charge, please submit a request to us with a short (50 word) description of your products and services, as well as direct contact information. We view this as a mutual service to our clients as well as companies, consultants, and other entities we have had the pleasure to work with.

We encourage readers to review the organizations and individuals on the website as they are limited to those people we have personally qualified. This is also a service we offer without any compensation as our intention is to serve as a catalyst for success in a broad way that extends beyond those areas where we are best in kind.

Interesting Words

Encomium: (en-KOH-mee-em) Noun
High praise given in speech or writing.

Inure: (in-YUUR) Verb
1. Accustom, especially to something unpleasant.
2. Habituate.

Sententious: (sen-TEN-shes) Adjective
1. Putting on an air of wisdom.
2. Dull and moralizing.

Dudgeon: (DUJ-en) Noun
1. Resentment.
2. Indignation

“Invest Proportionate to Importance”

Problem defined:

At a recent dinner with a client, the President of a Division was bemoaning the costly and time consuming problems of a SAP system they had recently installed. He had been involved in an installation 3 years earlier with another organization which went very smoothly and had anticipated the same with his new organization. However, he was unable to use the same vendor to oversee the effort because their estimate was \$30,000 over the competing offer of a much smaller and less experienced firm. The new firm was supported by his VP who was in charge of getting it done, as well as a Senior VP at Corporate, who both complimented each other over the savings in their choice. Needless to say, the implementation will cost exponentially more in direct costs than any savings that could have been made and the indirect costs of lost goodwill cannot be calculated.

In very similar situations, we, along with others, have been asked to discuss projects and found that the clients have ‘gone cheap’. That is not sour grapes or meant to be derogatory in any way.

There are many reasons an organization should ‘go cheap’ and we would even encourage it! Often, a “bucket of water is not needed to put out a match” when a simple bit of breath will do it. Unfortunately many vendors over prescribe solutions where they receive better rewards and are not competitive with better, simpler solutions.

Another reason to limit investment is when the outcome has little value. No one should expend a million dollars to increase sales by tens of thousands.

[This whole topic is analogous to putting lower level and inexperienced people on major projects because ‘they are available and willing’ while more senior people are performing ‘business maintenance’ activities. This is a topic discussed in this newsletter in the past.]

Another example is a client that approached us for support in putting together a new strategy for a \$600,000,000 business. They were looking at new business models and possibly acquisitions if the strategy could be created to justify them. They asked for proposals from many organizations and finally chose one that promised to do all the work and deliver a new strategic plan for \$8,000, a fraction of what we and others had proposed. The winner was basically a one person operation whose experience was in the same technology platform as the client. We, of course, felt we would be a much better option; but there were several others who also submitted proposals that we know would have delivered a superior product. Instead the client placed responsibility for their entire organization’s future strategy in the hands of someone who would save a few dollars right now. Even if the client doesn’t accept the outcome; they have lost 6 months of time and opportunity.

Recommendations:

Match the resources to the importance of the outcome! That is the sum of all the recommendations we could give. If you are in an organization of any size, you are almost certainly not doing this in an optimal way. That is about 100% certainty in our experience. Although we highlighted examples of external ones it includes internal efforts as well.

Options:

The following are things that can be done to ensure that investments are proportionate to impact:

- Rate potential impact on a scale of some kind. One through ten works where a ‘10’ is so important that it could have a major effect on the whole business and a ‘1’ is something no one will even know about it. Other ratings could be critical, high, moderate, and slight.
- Break an investment into ‘pieces’. An example would be to create a new strategic plan and have one group do market research, another competitive intelligence, another technology comparisons. That might avoid fees an integrated and expensive firm would charge. The same with internal development, where a dedicated team is scaled up and not completely staffed initially. (As long as the critical components are involved early.)

- Start an effort with parallel approaches where one is much less expensive. (Two proposals accepted with exit clauses in each.) It costs a little more at the beginning but you can always curtail the more expensive approach once you see that the results are equivocal through the less costly approach.

As always:

We address many topics and most are at the request of readers, clients, and other business colleagues as this one was.

We hope that this perspective has stimulated thoughts and helps improve your future returns. It has been our intent to pass along things we have learned or experienced on topics involving growth and new business development. Particularly ones that may be provocative or be beyond those considered every day. We do not try to presume to be the leaders in all areas we cover and we invite others to contribute with comments, additions, or criticisms. We encourage feedback in any media and will post your contribution in a future newsletter if you allow it.

We also will continue to focus on topics that the readers choose in almost all cases over ones we consider within our staff so please continue to send requests for topics that you want to have covered.

Trivia:

- Butterflies taste with their feet.
- The highest point in Pennsylvania is lower than the lowest point in Colorado..
- Ten percent of the Russian government's income comes from the sale of vodka.
- The cigarette lighter was invented before the match.

We hope you learned something from this and/or stimulated an action that leads to new opportunities for you and your organizations.

Previous issues of our newsletters can be found at <http://www.paragondevelopment.com/perspective.html>.

Your friends at:

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Mission:

To ensure that our clients make decisions that optimizes their growth and measurable value creation. We will do this with unequalled effort and efficiency.

Background:

PARAGON employees and affiliated industry partners are dedicated to helping clients optimize their planning and development efforts. We bring a network of external industry experts who provide objective information and insight into critical areas affecting our client's success potential. In addition to our own experience base and the external access to knowledge, we utilize a decision making process that combines best practices such as Voice-of-Market™; Stage-Gate; and Discovery Based Learning. Very simply stated, we combine efficient processes with the information necessary to ensure that commitments are made with solid, objective knowledge. We allow planning and development from the 'outside in' that compliments internal efforts.

We are not industry specialists. The experts from our PARAGON Network™ provide the specific knowledge in their fields while PARAGON brings process and functional experience that generates and interprets the relevant information.

Focus:

Our client assignments are broken into three main areas:

1. Retainer agreements in which we offer discounted plan with minimum thresholds for numbers of Forums or phases. They are exemplified by clients who may write us into their R&D or new product development processes in which a PARAGON Forum is required as a part of a gate approval.
2. Evaluation and monetization of assets such as technologies, operational capacities, or new product extensions. PARAGON's support is particularly valuable when the potential is unknown but falls outside core markets or industries.
3. Support in strategic planning and strategic expansion into non-core business areas. The deliverables are typically in the form of a strategic commitment into new platforms.

Mechanics:

The steps employed are a combination of internal (client) and external events. The internal events include:

- Setting criteria for the project.
- Examining the internal knowledge base.
- Setting scope and charter issues.
- Determine specific outputs required for overall success.

External events are:

- PARAGON Forums that have 6-8 external experts who bring distinct but complementary knowledge about markets, industries, trends, competition, channels, downstream value, and function excellence that is specific to the assignment. These are typically day long events that have been referred to as "Super Focus Groups" with the client involved in the planning and then viewing the group and providing guidance and direction throughout the day. All this without the outside experts knowing whom the client is and they are thus unbiased, creative, and provide different perspectives than our client has because of their 'inside-out' viewpoints.
- Surveys and interviews with people from our PARAGON Network™ that generate very targeted information that our clients require.

We hope that you have enjoyed the issues of *The Paragon Perspective* that you have received and will let others who might find this newsletter useful know about our publication. To provide us with profile changes; or to let us know about other individual interested in receiving our newsletter; or for other information just click on this link <http://www.paragondevelopment.com/contact.html> (or copy and past this shortcut) and complete the Contact/Request for Information form (be certain to include your email address) or you may simply reply to this email and provide us with (or ask us) the information.

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