

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: "**Downstream Innovation.**" This essay was originally published in a 2002 newsletter and is being reprinted at the request of a client facing the same issue within the organization referenced in the case study.

Jack Peregrim
Pres., PARAGON Development
Peregrim@ParagonDevelopment.com

Paragon Update

This is the sixth installment in 2006 which is our 5th year.

Several new projects are scheduled with European organizations who are using the relatively strong Pound and Euro to invest in new growth in North America.

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.

PARAGON highly recommends a conference in August that is held only once a year for the general public on industrial market research (B2B). It is sponsored by the Commercial Development and Marketing Association Educational Foundation (CDMAEF) and is limited to 25 attendees each year. What makes it such a valuable course is that it combines presentations with experiential learning where the attendees are break into small groups to work a case study through the various modules. A strong faculty staff and mentors with decades of experience are assigned to each small working group. Modules include scoping out project strategy, internet searching, attaining primary intelligence (interviewing and surveys), using consultants, analyzing and processing information gathered, and formulating and presenting reports and findings.

**Basics of Industrial Market Research
Marriott Conference Center; Lisle, IL
August 21-24, 2006**

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

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.

Special Request – Second Posting

The following was posted in last month's newsletter and we are repeating it one more time because we've had several responses with promises to send 'care packages' to our servicemen and women overseas. We heard from others who have contacted their area's locally stationed bases and then sent us e-mails to express thanks for our highlighting this issue. Again, please don't hesitate to just request that we forward the information that follows. We will simply send an e-mail that represents past updates from one particular Marine Company now in Iraq.

The PARAGON 'family' has a son who served with a Marine unit that has been deployed for a second time to the Middle East. Although his tour of duty is over, he has been receiving updates from the Unit about life in Fallujah including losing one of their own. If anyone would like to be copied in on those updates, please respond to us and we will do so. It is very enlightening to get an uncensored first hand account of what life is like for those serving our country.

This is a special request to all our readers in support of our troops in Iraq and Afghanistan and comes directly from those soldiers, sailors, and marines who are in hazardous duty stations who would greatly appreciate it. They need and very much appreciate simple things such as protein bars or insect repellent. Most states have a local deployment and it would be very easy to put a 'care package' together and have it sent to the troops.

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

We have a client who has developed a new material that kills mold; mildew; and algae in a non-systemic way. It also provides a long lasting bonding as a coating to many surfaces and is currently being tested in the building and construction markets where mold is a health as well as liability concern.

If you have, or know of, any potential technologies or products for these clients, 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

"Statistics are used like a drunk uses a lamp post—for support, not illumination." *Vin Scully*

"Successful people ask better questions, and as a result, they get better answers" *Anthony Roberts*

"It is hard to fall, but worse never to try and succeed" *Theodore Roosevelt*

"Life is like a deck of cards. The hand that is dealt you represents determinism; the way you play it is free will."
Jawaharlal Nehru

"Success isn't a result of spontaneous combustion. You must set yourself on fire." *Arnold H. Glasow*

"Success without honor is an unseasoned dish; it will satisfy your hunger but it won't taste good." *Joe Paterno*

"Well done is better than well said." *Benjamin Franklin*

"Dig the well before you are thirsty." *Chinese proverb*

"Imagination is more important than knowledge" *Albert Einstein*

"When we are well, we all have good advice for those who are ill." *Terence*

"Ideas are like rabbits. You get a couple and learn how to handle them, and pretty soon you have a dozen."
John Steinbeck

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

Sedulous (SEJ-e-les) Adjective

1. Diligent and persevering.
2. Assiduous.

Irrefragable: (i-REF-re-ge-bel) Adjective

1. Indisputable and uncontestable.
2. Unanswerable.

Operose: (OP-e-rohs) Adjective

1. Of work—requiring much effort; tedious; laborious.
2. Of a person---industrious.

Congeries: (KON-je-reez) Noun

1. A mass or a heap.
 2. A disorderly collection.
-

"Downstream Innovation"

Case Example:

A project we were involved with several years ago had an objective to create a new business platform from a new breakthrough additive that could improve functional properties in several polymers without any increase in cost. In fact, there would be decreases in finished cost due to process cost reductions. Very strong opportunities were identified in packaging, molded forms, and decorative accessories. In a recent meeting with a representative of this company, we learned that the project results have been disappointing although it is clear that there is a high value potential.

The main reason was the failure to be innovative in the commercialization of the additive to the same degree that they were innovative in developing the additive itself. Many experts in the project contributed to a business case that recommended the commercialization be within a different business model than that employed in the company's traditional business. For example, partnering with equipment companies to get to the customer in

one of the targeted markets, focusing on specification selling in another, and selling the product in the form of a “cocktail” in still another model, where their material is mixed and sold with other materials that are purchased and blended by the company. The company insisted, however, to do things the “same old way”. They had the invention so therefore everything else should be the same. Same sales force making another call. Sell to the resins companies and only the additive.

It is our experience that this is all too common. Companies believe that innovation ends with an initial invention. They fail to recognize the potential value they could capture by being innovative in their business model, market approach, or position of their value chain entry.

Organizations believe that they are reducing risk and increasing certainty by following standard procedures that “have always been our model”. There are two conflicting issues with this approach. The first one is that the best way is *usually* the way that an organization has set up its support structure. There are competencies and resources that are leveraged that are critical to the success of many, if not most, of the organization’s initiatives.

The second issue is also an important factor and that is that many failures are because the organization would not, or could not, monetize the invention in the way that would create the greatest value. There are many reasons and the following are the most common we have experienced:

- The “implementers” do not have the experience or courage to “fight the battle” with upper management. It usually requires quite a sell to get the VP of Sales to give up a potentially lucrative new product that would contribute to his/her revenue objectives. Even if an alternative sales channel is better.
- A focus on mission, strategic fit, and core competencies leads to a tunnel vision of options. A belief that the core competency created in support of present successes is a model to everything the company should pursue in the future with the same results expected.
- The belief that you would not be as harshly judged by failures when they have followed “accepted practice” as much as if failure was a result of “being too radical”. “Why “fight the fight”?”

Also an issue is the commercialization/implementation stages. In the early stages of commercialization/implementation there is a propensity to be innovative that is lost in the middle stage that gets “locked in” to “doing business as usual” as the plan is *finalized*. An experienced practitioner knows that surprises are the norm in all stages. Can you recall a launch in which everything went exactly as planned without having to make adjustments, corrections, and sometimes, complete course changes? A dynamic exists at all stages with a need to be pro-active in innovation in all stages of development. There needs to be approvals early, and approvals don’t come without specific commitments and focus.

Our recommendation is simple:

If your mission is to support your internal organization by leveraging your resources the same way all the time then keep doing what your doing! But, if your mission is to create new value for shareholders, owners, and other stakeholders, then you should look to be innovative **in every facet of your business and at each stage of every initiative**. This doesn’t mean that every development will be unique, but at least the ones that warrant it will be.

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:

- Leonardo Da Vinci invented the scissors.
- The cruise liner QE2 moves only 6 inches for every gallon of diesel fuel it burns.
- Women blink nearly twice as much as men.
- Our eyes are always the same size from birth but our nose and ears keep growing.

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:

PARAGON Development
www.paragondevelopment.com

PARAGON Development

1485 Dunbar Hill Rd. Suite 4010
Hamden, CT. 06514
(203) 288-4154
www.ParagonDevelopment.com

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.

If you no longer wish to receive *The Paragon Perspective* please respond to this email and include the word REMOVE in the subject line or in the message.