

The PARAGON Perspective From the President

PARAGON Perspective is sponsored by PARAGON Development

We want to use this newsletter 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 sixth 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.

All issues of *The Paragon Perspective* are archived on our website so you may easily pass along past issues to colleagues.

This month's newsletter will highlight our opinion on the business development topic: **"The NEED for SPEED"**

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

Paragon Update

PARAGON is starting several new projects in February of which 80% are in the Chemicals and Materials industries. Our business has diversified over 50% into healthcare and other 'high tech' areas. So it is a surprise that we are seeing an investment made for growth by chemical companies, particularly the specialty chemicals companies.

One more aspect of our present work is the **urgency** of the projects. Our clients are reflecting a much greater sense of urgency to move forward on projects, all recognizing and valuing time to market much more than in the past. Some of that is based on using NPV measures over EDITDA and other financial measures where the value of money is more weighted by time and discounted cash calculated into the projections.

Conferences

This space is reserved for announcements of conferences or events that may have value to our readers.

INTERNATIONAL New Business Development Workshop
Sponsored by the CDMAEF
(Commercial Development & Marketing Association Educational Foundation)
March 21-22 in Philadelphia, PA

The CDMAEF is offering a course titled: "Winning in International Markets: Business and Cultural Best Practices". It will be in a workshop format and be delivered as an interactive course that will allow maximum value to attendees. It will have value to both managers and practitioners who are looking to grow internationally and will emphasize both the business and cultural requirements to succeed.

The CDMAEF is a non-profit organization that has created and offers very valuable courses and workshops in commercial and business development for business-to-business companies. We have been involved with them for a long time and endorse the value their courses offer. And, they are very cost effective compared to the fees charged by comparable University based courses.

For additional information, please contact:

Frans van Antwerpen - FvanAntwerpen@Sprintmail.Com / (405) 359-7554

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 of Interest

1. New technologies of interest for license or acquisition are:

- Technologies that are novel and have the ability to break down biofilms.
- Technologies or additives that improve functional properties in poly olefins and polystyrenes.

Anyone with technologies fitting the above should contact us as below and we will forward the responses to our clients so they can contact you directly.

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

Quotes of the Month

“When I was younger I could remember anything; whether it happened or not.” *Mark Twain*

“Determine that the thing can and shall be done; and then we will find the way.” *Abraham Lincoln*

“Opportunities are often things you haven’t noticed the first time around.” *Catherine Deneuve*

“If necessity is the mother of invention; discontent is the father of progress”. *David Rockefeller*

“There is no distance on this earth as far away as yesterday.” *Robert Nathan*

“Sometimes a majority simply means that all the fools are on the same side.” *Claude McDonald*

“History is a vast early warning system.” *Norman Cousins*

“The best vision is insight.” *Malcolm Forbes*

“Imagination is a good horse to carry you over the ground—not a flying carpet to set you free from probability.” *Robertson Davies*

“There is a great difference between knowing a thing and understanding it.” *Charles Kettering*

“Just remember that when you are over the hill you begin to pick up speed.” *Charles Schultz*

Interesting Words

Fizgig: (FIZ-gig) Noun

1. A police informer.
2. A squib: a type of fireworks made with damp powder so it makes a hissing sound when it explodes.
3. A kind of harpoon with barbs for spearing fish.
4. A flirty, frivolous girl.

Prise: (pryz) Verb

1. To force open or part something with a lever.
2. To extract information from someone with difficulty.

Pocourante: (po-ko-koo-RAN-tee) Adjective
Indifferent, apathetic, nonchalant.

Exigent: (EK-si-ject) Adjective

1. Requiring urgent attention.
2. Demanding; exacting

Pixilated: (PIK-suh-layt-id) Adjective

1. Mentally unbalanced; eccentric.
2. Whimsical.

“The NEED for SPEED (and opportunity documentation)”

The expression “speed kills” is usually looked at with a negative connotation; but in development projects, the opposite can be true. Better expressions may be: “Time cripples” or “Time = loss”.

We at PARAGON continue to see and discuss projects with value considerably diminished by the lack of speed of the initiative. In fact, projects that exemplify this are too numerous to count. If lost potential were calculated with the scrutiny of our present accounting system, then it would be a very serious senior management problem. (It is now; but it just lacks visibility and documentation).

Projects ALWAYS take longer than they should but we accept that as normal because we don't know how to do otherwise. Ask yourself if any of the following apply to your organization and you will have your answer:

- Projects are kept alive for political reasons or to assuage personnel or managers. Part of acting ‘with speed’ means to kill things early. This is as important as moving forward with those things we should. **No** is a great word and we should do all we can to hear it often but also early.
- We don't track ‘lost opportunity’ costs. We are aware of a few consumer products companies that do this. One of our clients (pharmaceuticals) has started; but we are unaware of anyone doing this systematically. There is basically no effort to track this. Of course this is difficult but that should not prevent us from making an attempt and require reporting on at least an annual basis. How to do it is too long to cover here but it can be done!
- We have “institutional amnesia” where we forget and bury failures to capture value. If we succeed with a new product and it captures 20% market share we will surely celebrate that but we just would never recriminate ourselves over the fact that it should have been 40%. And, we **know** which projects these are!
- Project personnel are assigned temporarily, part time, or extended from one phase to another. Not because they are the ‘right’ people for the new phase, but because they are ‘all that is available’. Personnel are critical success components and projects will not succeed without champions and single point accountability by someone who has that project as their primary responsibility.
- Committing to a number of projects and not basing each investment on value. We see many cases where a company has an arbitrary number of projects each year. Let's say this year it is 6 but the actual number of projects with very positive NPV is a different number. If it is ‘10’, then we have delayed 4 projects. And if it is actually 4, then we have delayed new projects with our plates filled with commitments made to the wrong things.
- Lastly, we have missed optimum ‘launch windows’ such as critical conferences or trade shows or customer products that we should have participated in. How often has that happened where we finally commit to a project and support it only to find that we need to wait 9 months for the best launch window?

Solutions:

The best solutions are the most obvious and are reflected by the 6 symptoms mentioned above. It is not necessary to go over possible tactics ‘point-by-point’ as the best approach is usually evident once the above issues are recognized as being the reason for lost value. The solution in each should be based on the specific organization's repeated failures to move as rapidly as needed to maximize value capture. As a general statement, the right course of action is more about ‘blocking and tackling’ after the issues are made visible and documented. In fact, documenting ‘lost opportunity costs’ will open the eyes of everyone in the organization from the CEO down and that is what we really want to focus on in a very brief overview.

A critical aspect of documentation is based on getting information from a continuous series of “What if?” questions. These should be elicited from both existing and potential customers, from market experts and channel experts, from people who understand the competitive environment or even intellectual property, plus

others specifically relevant to an opportunity's critical issues. They include past, present, and future oriented questions such as:

What if we *did* ____? (In hindsight, where would we be with various actions?)

What if we *do* ____ now? (What problems or rewards will we face?)

What if we *plan* to do ____? (When should we do it and how? What should we expect?)

The three types of questions on opportunity **potential** sound simplistic but they are far from it. Keep in mind that each requires access to the right people who will have answers that are clear, objective, and relevant. It is easy to ask questions but getting the right, participating respondents can be very difficult indeed. Other factors are how and who asks the questions and gathers the information. Surveys are done all the time by advocating entities that almost always get the answers they want because of how they structure things. It is an art and science to ensure that responses are truly objective.

Summary:

If we leave this topic with a single 'take away' it is to spend the time to establish mechanisms to document opportunity and lost opportunity costs. We are losing value and documenting and highlighting that will create the momentum necessary to initiate fixes.

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.

PS: An offer

We would like to open this up section of the newsletter up to anyone with a development topic or an approach they would like to share. Four of the 12 topics last year were submitted by others and we know many consultants, company managers, and academics who have very solid and profound contributions that they could make in future newsletters. We ask that it be from 600 to a 1000 words although that is not a 'hard' range. Let us know and we will gladly distribute your topic to the thousands of people on our distribution list. Also, we will agree that the copyright and ownership is kept by the contributor and that we only have a right to reproduce it in conjunction with this newsletter.

Trivia:

Why, when someone is dismissed, are they "given the sack"?

One version is that sultans in old times used to get rid of concubines by putting them in sacks and drowning them in the Bosphorus.

But, the main and most accepted origin comes from medieval times where workers would carry all their tools in a sack. Whenever they worked, they would leave the sack at their employers worksite. If, at any time, the employer decided to dispense with their services; he would hand them their sack so they could pack up their tools and leave. Taking their sacks with them for the last time.

Origin of the term 'mole'?

The word 'mole' was first used in connection with espionage in 1622 by Sir Francis Bacon.

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.

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