

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.

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

The business topic of focus in this newsletter is an old problem that is making a comeback and needs to be revisited and: **“Paralysis by Analysis”**.

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

Paragon Update

PARAGON has seen a significant increase so far this year in projects that involve new ‘step out’ platform growth. Even with the global economic malaise; many organizations recognize that growth is critical and that many internal and bolt-on acquisitions options are not available to achieve the objectives for growth. We also have started several projects in unrelated industries with objectives to “capture downstream value from services or partnerships”.

Conferences

This space is reserved for announcements of conferences or events that may have value to our readers. Upcoming conferences we have been asked to include in the newsletter are:

Food Hydrocolloid Conference

Organized by IMR International, the leading association covering the producers and users of hydrocolloids, the conference will be in San Francisco April 27 to 29. More information can be found on their website at www.Hydrocolloid.com.

LES Spring Meeting

The Licensing Executive Society is the premier organization for licensing and technology transfer with over 6,000 global members. Their Spring Meeting is in Chicago from May 4 to May 7 and we have committed to presenting part of a day-long add-on workshop titled “Licensing’s key role in global innovation”. Information about the conference can be found at <http://www.usa-canada.les.org/meetings/2008spring/>.

We are familiar with both of these respective organizations and heartily endorse them for the value they bring to attendees that fit their charter.

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. **'Semi-permanent' anti-microbial:** A client of ours has an anti-microbial that can be incorporated into just about any polymeric matrix and applied OEM or at end user to provide long lasting anti-microbial protection. They are seeking partners and licensees in food processing, consumer care, healthcare, pharma, and other related industries. For more information, contact Barbara Heimlich at Heimlich@ParagonDevelopment.Com.
 2. Paragon has clients seeking:
 - a. New high performance composite materials for strategic investment.
 - b. New pharmaceutical 'non-active' materials; chemistries; or even processes.
 - c. Replacement/substitution chemistries which are environmentally friendly, particularly in personal care. A critical criterium is that it must have strong IP that could be acquired.Anyone with technologies fitting these should contact Jack Peregrim at (203) 288-4154 or Peregrim@ParagonDevelopment.com. Responses will be forwarded to our clients, so they can contact you directly.
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Quotes of the Month

"A fine is a tax on doing wrong. A tax is a fine on doing well." *Anonymous*

"Happy are those who dream dreams and are ready to pay the price to make them come true." *Leon J. Suenes*

"The mark of a good team is how it reacts when things aren't in their favor." *Chris Osgood*

"Whatever will satisfy hunger is good food." *Chinese proverb*

"Everything should be made as simply as possible; but not simpler." *Albert Einstein*

"A man is but a product of his thoughts; what he thinks, he becomes." *Mohandas K. Gandhi*

"When you reach for the stars you may not quite get one; but you won't come up with a handful of mud either." *Leo Burnett*

"Patience is the ability to put up with people you would rather put down." *Ulrike Ruffert*

"The past should be a springboard, not a hammock." *Ivern Ball*

"It's not easy taking my problems one at a time when they won't get in line." *Ashleigh Brilliant*

Interesting Words

Vilipend: (VIL-uh-pend) Verb

1. To treat someone with contempt
2. To disparage

Cingular: (SING-gyuh-luhr) Adjective

1. Of or pertaining to a cingulum, an anatomical band or girdle on an animal or plant
2. Encircling; girdling; surrounding

Hypnopompic: (hip-no-POM-pik) Adjective

Pertaining to the semiconscious sleep before wakening

Sternutation: (stur-nyuh-TAY-shuhn) Noun

The act of sneezing or a sneeze.

Echt: (ekht) Adjective

1. Authentic
 2. Typical
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“Paralysis by Analysis”

Background:

“This project offers platform potential and has the ability to generate contribution beyond any extension developments we have in our pipeline. Let’s budget for it next year and we will begin with an ‘analysis’ of the potential that can allow us to put together a business plan within 6 months.”

Does the above sound familiar? We have heard that expressed more times than we can count. The timing reflected above may not be that long before actually doing something, but we have also seen it much longer. The end result is delaying what may be the most lucrative opportunity an organization has to develop with a potential for significant impact on NPV, as well as shortening the life of the opportunity.

Underlying reasons:

There are many reasons that we delay opportunities that should be fast-tracked. And, they are valid considerations that should not be dismissed. But, they should be addressed much more rapidly. Some of those are:

- There is a lack of personnel to rapidly jump on a new project regardless of the potential it may have. The reality is that we are staffed (understaffed for the most part) in managing our existing business and we need to do that to be competitive in what we are doing today.
- We are measured by our results this quarter so management focuses most of its efforts in the short term. We can measure our contribution this quarter, but we are not viewed with the same level of accountability for contributions that may be years away because it cannot even be quantified.
- We have ‘the baggage of history’ that recognizes the many other times that potential platforms were never more than potential and did not become the early projected successes that we based development efforts on.
- Everything we do costs money and there is no (or very little) discretionary budget funds that can allow us to rapidly develop a project. (Or even quickly generate an analysis before committing to development)
- Because of our organizational structures, we do not have dedicated champions and sponsors that are needed to make the considerable and rapid commitments for development. The key word is ‘dedicated’ which reflects the point in the first bullet above about staffing.

Prescriptions:

If the quote above under the background section is acceptable to you and your company then there is nothing to recommend. If this is not acceptable, then read further.

Our future requires us to generate long term, sustainable growth; therefore we need to identify and successfully generate new technology, product, and market platforms. And, we need to maximize their value creation contributions in addition to just growing revenues. The following are ‘general’ (which is the only way they can be reflected in this short article) but can be expanded and implemented if the decision is made to a solid commitment to move rapidly into developing new platform opportunities.

- First and foremost; our stage-gate process is an underlying tool to be both a catalyst and an analytical tool. The problem is that it needs to be adapted to meet the needs of breakthrough or platform opportunities. If we apply the same standards and risk assessment (avoidance) that we do on extension business, then we end up analyzing things forever and miss the opportunity.
- Secondly, an organization needs to be proactive and back the new platform opportunities with even more enthusiasm than we do in our ‘normal’ development activities. These projects need more support which is difficult because they are harder to justify ‘this quarter’. Yet, the bottom line is that they require the effort and our choices are either to make them happen or just “hope for the best”. This enthusiasm must come from above and be **real**, which means it is backed with tangible support and not just encouraging words. Speeches and declarations are pabulum if there is nothing backing them.
- We need a solid portfolio management process that has budgeted funds for new opportunity platforms that could surprise us at any time. How many times have we faced an opportunity presented to our organizations and we frustrate and discourage the initiator because we just cannot do anything about it at the time. How many of those opportunities end up in organizations other than ours?
- Develop high risk management as a core competency. There are ways to do that; and it isn’t risk avoidance but philosophically it starts with embracing the risk and recognizing that it can be the single biggest means of achieving competitive advantage. If you can do it right, then you have a considerable and sustainable edge

over others. One of the key components of this competency is the '90/10' rule which is to rapidly eliminate 90% of the risk with only 10% of the monetary and personnel commitment. (But, the big trap is trying to do it with 1% instead, so we end up both wasting investment and losing the opportunity)

- Recognize that new platform opportunities do not come along that often, at least not those that can and will succeed and achieve objectives. In fact, lucrative new platforms are preciously few and they are all 'born with warts' which prohibit our embracing them early.

Summary:

We have recognized over-analysis quite a few times in the last 6 months in our client project work; and a common thread has been that our clients did not recognize that they were agonizing much too long before doing anything. Ask yourselves if this fits you or your organization. If it does, then the next step is to fix it and with a sense of urgency reflecting the major, but undocumented impact it has. (Much like an iceberg)

One last perspective, we at PARAGON like to ask the simple question: "If not this, then what?" If you already have more significant platform opportunities than you can handle then you must delay new ones. But, if you have large commitments for future growth and contribution and your existing projections will not achieve them, then you need to make commitments on the possibilities that exist.

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:

We want to remind our readers that this section of the newsletter is open up to anyone with a development topic or an approach they would like to share. Four of the twelve topics of 2007 were submitted by others and we know many consultants, company managers, and academics who have very solid and profound contributions 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

1. What are eyebrows and why do we have them?

There is a condition called alopecia in which a person has no eyebrows. The main gripe in not having them is that the sweat pours into your eyes—probably one of the two main reasons we have them in the first place according to experts.

Another use for those over-the-eye arcs of stubby hair has to do with expressing emotion. If you ever doubt the power of eyebrows in conveying mood, just pay closer attention to the person you are speaking with. See how often those eyebrows move up and down as the person speaks different tones. The position of the brow, emphasized by the eyebrows, is what gives us a strong visible clue to what the person is really feeling.

2. What is vanilla made from?

The extract of fermented and dried pods of several species of orchid.

3. What is a 'jiffy'?

A jiffy is actually a proper term for 1/100th of a second.

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

<http://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.
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We hope that you have enjoyed the issues of *7th* 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 paste 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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