

## *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.

This month's perspective can be invaluable in both determining and capturing new value. "**Thoughts About Tough Times**" is meant to initiate a discussion about balancing present project requirements while facing limited resources due to a lack of economic certainty.

We hope your New Year is off to a productive and prosperous beginning!

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### Paragon Update

PARAGON has finally started to see a slowing on new projects based on client's curtailing project investments in the first quarter of 2009. We anticipate the project work to be simply pushed back a few months; and all indications are that things are delayed and not cancelled.

This potential 'slow-down' is not reflected in our volume this quarter, however, as we are very busy with projects funded and initiated in 2008 that are still carrying over.

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### Conferences

LES (Licensing Executives Society)  
Winter Meeting  
February 25-27, San Antonio, TX

LES is an organization that is best in class in technology transfer and intellectual asset management well beyond the licensing aspect of it. We will be presenting there and assisting in a round table exchange of best practices. We thoroughly recommend this conference and hope to see you there. Information and registration is at: <http://www.usa-canada.les.org/meetings/2009winter/>.

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### 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 over six 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.

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### **Technologies of Interest**

**Bulk manufacture of a ferrofluid:** A client has developed a highly stable ferromagnetic fluid together with a process that allows the ferrofluid to be manufactured in bulk. This manufacturing process has been implemented and the ferrofluid is commercially available. The scale of the manufacturing process allows the product to be supplied at a fraction of current market pricing levels, potentially opening the technology to application in many new markets and end-uses.

**New disinfectant and sanitizing products:** A client, an existing global supplier, is in search of these products for the broadest possible range of markets and applications or expand their portfolio of products.

For more information on the above opportunities contact  
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### **Quotes of the Month**

"It is the loose ends with which men hang themselves." *Zelda Fitzgerald*

"Two dangers constantly threaten the world. Order and disorder." *Paul Valéry*

"Simplicity when carried to an extreme becomes elegance." *Jon Franklin*

"Discipline is the refining fire by which talent becomes ability." *Roy L. Smith*

"A mistake proves that someone stopped talking long enough to do something." *Phoenix Flame*

"You may be disappointed if you fail but you are doomed if you don't try." *Beverly Sills*

"Thinking is the hardest work one can do which is probably the reason so few engage in it." *Henry Ford*

"Ignoring something condones it. Condoning something teaches it." *Sag*

"Never assume the obvious is true." *William Safire*

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### **Interesting Words**

**Syncretic:** (sin-KREH-tik) Adjective  
Combining different forms of belief or practice

**Sui generis:** (soo-ee-JEN-uhr-is) Adjective  
Of its own kind; unique

**Cohere:** (ko-HEER) Verb  
To be united; to work or hold together

**Nugatory:** (NOO-guh-tor-ee) Adjective  
1. Of little value; trifling  
2. Having no force; ineffective

**Imprimis:** (im-PRY-mis) Adverb  
In the first place

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### **"Thoughts About Tough Times"**

2009 is expected to be a very difficult year without regard to the industry you are in or the markets served. There are some exceptions but their significance is overshadowed by the trends downward affecting projects in the

majority of areas. Yet, the management of several companies we have met with in January has brought to light some positives that may come out of this. They are:

- An ability to change or at least tighten up development processes that may not be optimized. (We will expand on that below.)
- An opportunity to upgrade personnel by not only eliminating redundant and less productive people but by also adding new contributors who are available now that have not been in the past. The winning organizations will do this now and not after the downturn is over.
- A need to expand and extend technologies and products into markets and applications that were previously considered too small. When current markets offer close to capacity potential there was little need or desire to dilute efforts by going into new areas. By being forced to today, a foundation can be set to have platform growth in the future when the base markets return.
- An increase in potential M&A. We recently had a CEO tell us that they are reviewing organizations and companies who can be acquired at 'fire sale' prices. The M&A people are waiting a quarter or two but are extremely busy studying the possibilities so they can move quickly at an opportune time.

The following are recommendations based on discussions with clients and our own experience in regard to business and development processes. They all have in common their changing paradigms about the 'absolutes' from the past.

- One of our clients is a major, global specialty chemicals company and the head of one business unit has looked at the expenses in preliminary testing of new products and the investment in resources from the stages of "proof of concept" to formal applications development. What they found was that an extraordinary amount of resources were applied to tests and continued development of technology prior to determining the commercial potential. (Yes, even with a long established formal stage-gate system.) He is having his people pitch new technologies and products at a much earlier stage than the researchers are comfortable with. The resistance is the same: exposing things prior to patenting and being embarrassed by presenting imperfect and underdeveloped products. But, the savings are tremendous from those projects that would end up being killed; and the projects with early market confirmation have a clearer understanding of development pathways and the resources needed so they have larger success potential with less resources required. The 'trade-off' based on the objections is well worth the change in process.
- Minimizing large group meetings and finding ways to have the same level of communication with alternative approaches such as multi-locational web cams. This is also applied with meetings with prospective partners and it allows participation of higher executives that might be beneficial to moving things forward and shorten implementation time.
- Looking more closely at team make-up which had been originally set up to have input from many disciplines but, over time, had lost much of that. When business was expanding, the operational, sales, marketing, and other disciplines were too busy to spend the necessary time on new R&D development project teams. Also, the other aspect is that R&D people who have projects cancelled due to lack of funding are now more open to joining sales and marketing in customer interactions.
- Creating contact strategies with customers and partners. In many cases the 'status quo' dominated with a familiarity of people in your organization dealing with customer and partners. There had been very little change and in many cases the established relationships blocked expanding contacts beyond what became 'gate-keepers'. With all the changes today, there is an opportunity to both expand your influence network while also gaining greater access to information and understanding. A key part is to plan and document contact strategies that go beyond previous practices. (If it isn't planned, it is luck.)

Summary:

Nobody would wish a recession would occur just to allow us to make changes; but the key is to use this situation to come out of it better and stronger. At the very least we must be stronger and more effective than our competitors; so we should focus on the ways that we can both reduce costs and initiate new, optimal ways to look at development.

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.

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### **Trivia**

1. Why we can't balance a bicycle unless it is moving? (Thanks to Jeff for sending it in)

*We can stand up on a moving bicycle because of the active control of steering. This is why we learn to ride a bike by others pushing us into motion and not by being stationary. We first learn by falling over to one side then the other and then start to learn to steer which generates forces that tilt us back upright again thereby putting the wheels back under the center of gravity that enables us to stay upright. We begin very wobbly until we get a smoother experience of steering and can ride in a straight line through innumerable corrections. The faster we ride, the smaller the steering adjustment needs to be. When riding slowly, the steering adjustments required are large. When at rest, the steering can do nothing for us and we have the most difficult balancing act.*

2. What is a byte?

*A byte in computer terms means 8 bits. A nibble is half that or 4 bits. Thus, 2 nibbles equals a byte.*

3. What does the botanical name of the chocolate plant, Theobromba cacao, mean?

*Food of the Gods.*

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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>

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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.

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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 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.

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.