



The PARAGON Perspective

PARAGON DEVELOPMENT

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From the President

We hope all of our readers enjoyed a very happy and productive summer!

For those of you not familiar with us and may have received this as a ‘forward’ from the original recipient, The 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 past issues may be easily passed along to colleagues.

This month's editorial is titled *“Intrinsic AND Extrinsic Business Development”*.

Jack T. Peregrim

Pres., PARAGON Development

Peregrim@ParagonDevelopment.com

Paragon Update

Heading into the last Quarter of 2012, we are still busy with projects but it looks like we will fall short of a yearly record. Many clients are budgeting for 2013 with expanded commitments while curtailing as many expenses as possible for the remainder of this year. Although several key clients are doing this, we have new to PARAGON clients engaging us and our process for the first time this Quarter.

We have added a section that started last month and will continue in this and future newsletters. The first month has already generated solid results and we wish the same for following editions. The section presents organizations and individuals who we have worked with that we can provide first hand recommendations. In many cases we have worked jointly on projects as is the case with the first organization. There are just so many solid choices to highlight that we wish we had begun this a long time ago and we ask the many people who should be presented to be patient as we will get to everybody over time.



We are also excited about our new logo although we did have a few issues where organizations and individuals had this newsletter and other correspondence flagged because of the new 'embedded image'. We apologize for any inconvenience but it seems that the problem is on the receiving end where people need to 'unflag' our originating address.

Step 2 for us will be a redesign of our website which we will do over the next 3-4 months.

Conferences

LES US/Canada Annual Meeting

Toronto, CN

October 14-17, 2012

The Licensing Executive Society is the premier organization for managers and practitioners in licensing, intellectual property, and, more broadly, technology transfer. The meeting typically has over a thousand attendees and we recommend it for both educational and networking. Details can be found at: <http://lesusacanada.org/meetings/annual-meeting/2012-annual-meeting>

iBIO Commercial Development Annual Meeting

SOCMA's First International Forum on Commercializing Global Green

Philadelphia, PA. November 12-14

This conference is focused on looking at bio based products from production to brands. Presentations will be from major producers of biologically derived products and others through the value chain up to major brand companies who will discuss their future objectives in using bio based materials and products. We have been involved in the planning and securing speakers and will be actively supporting this conference on site and hope to see you there. Details can be found at: <http://www.socma.com/events/>

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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 in executive positions who either oversee or practice 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

New monomer and copolymerized derivatives: A client has created a new monomer with copolymerized derivatives that have the ability to apply Teflon® type properties without the need for specialized application equipment. Thus, coatings can be applied with conventional techniques such as spraying, spreading, brushing, rolling, et cetera and still have a coating with very low surface friction. They anticipate using this in a wide variety of coatings applications.

If interested contact: Jack Peregrim at (203) 288-4154 or Peregrim@ParagonDevelopment.Com

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Quotes of the Month

"A people that values its privileges over its principles soon loses both." *Dwight D Eisenhower*

"It is a bad plan that admits of no modifications." *Publilius Syrus*

"A hunch is creativity trying to tell you something." *Frank Capra*

"Worry is like a rocking chair, it will give you something to do but it won't get you anywhere." *Anonymous*

"Growth is the only evidence of life." *John Henry Newman*



“Good judgment comes from experience and the best judgment comes from learning from other people’s mistakes.” *Jack T. Peregrim*

“Formula for success: under promise and over deliver.” *Thomas Peters*

“Be wiser than other people, if you can, but do not tell them so.” *Philip Dormer Stanhope, Lord Chesterfield*

“The best remedy for anger is delay.” *Brigham Young*

“Take calculated risks. That is quite different from being rash.” *George Patton*

“All the great things are simple, and many can be expressed in a single word: freedom, justice, honor, duty, mercy, hope.” *Winston Churchill*

“Let us not look back in anger, nor forward in fear, but around in awareness.” *James Thurber*

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Interesting Words

Ramify: (RAM-i-fy) Verb
To divide into branches.

Hiemal: (HY-uh-muhl) Adjective
Of or relating to winter.

Suss: (suhs) Verb
To inspect, investigate, or to figure out.

Concomitant: (Kuhn-KOM-i-tuhnt) Adjective & noun
Adjective: Occurring concurrently, especially in an accidental way
Noun: Something that occurs concurrently

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“Intrinsic AND extrinsic business development?”

Background:

In several recent sets of Expert Forums, there were stark differences in what teams were presenting in regard to the business value of technologies. And, the different sets were very unrelated with focuses in bio, electronics, and chemistry. What stood out was the value that the various teams rationalized for the same technologies. Each was pretty compelling but also very different with half focused on intrinsic and the other half on extrinsic value. The PARAGON project teams shared the process findings with each other and recognized the commonalities.

We must admit that this was the first time we recognized the difference and are sharing this with you as it is likely that your organization is focused on one more than the other. That was evident from our pre-forum planning with each client and it was only the objective, unbiased nature of the forums that uncovered the varying value perspectives.

Intrinsic and extrinsic:

We have found a number of different definitions and explanations for both and will present the following which reflect both dictionary definitions as well as Wikipedia and other explanations.

- **Intrinsic value** is that perceived as value that delivers a generally attractive property. It may be quantified but is generally qualified yet the value is inherently evident. Examples could be things like: flexible, environmentally friendly, natural, clean, clear, simple, easy, et cetera.
- **Extrinsic values** are those that are typically more economically justified in business and are almost always quantified. These values are outcomes oriented in specific ways and with measurable results. Examples of economic values could be: revenue, profits, cost savings, et cetera. Non-economic values could be: number of votes, level of applause, patents, awards, et cetera.

The motivation and focus from the people or the organization offering them may be vastly different from each other, as are the vastly different purchase rationales from the perspective of the customer and markets.



Examples from four team presentations in one set of forums about a new biobased polymer were:

1. Focus on a particular market where 'green' has been a formal and public commitment and thus they will be attracted to this new alternative and motivated to purchase it with a premium so it can satisfy the claims and objectives that were made.
2. Focus on several markets where alternative raw materials provide insurance, leverage, and a hedge against using traditional polymers not purchased in commodity quantities and not major cost centers by percentage of the final product.
3. Focus on the cost savings in an application where the polymers used a particular process and where the biopolymer had processing advantages that could be measured in regard to cost savings.
4. Focus on a value chain position where their customers favored biobased products and where our client had very minimal market share. Thus, revenue projections could be measured as almost completely new and pricing was clear and attractive.

The first two examples had intrinsic value while the second two focused more on extrinsic value. (As a side note: our client had originally directed their efforts unsuccessfully toward intrinsic opportunities although their focus was on the wrong markets. They focused on the obvious suspects where competition was greatest because everyone was orienting the most effort toward them.)

Recommendations:

- Much like strategic planning, start with 'big picture' perspective and look at the focus of new product, technology, market, and business development. Is there a balanced portfolio and what is an ideal balance based on your industry and type of business? A service based business has a different optimal balance than a materials organization which is also different from a consumer products company. But, we have found that no organizations we have worked with even consider intrinsic versus extrinsic values let alone look at optimal balances to create new value.
- Look tactically at each project and ensure that both values are independently determined from Stage zero through the last stage. It is the only way to ensure that your developments are focused on the right success factors to ultimately generate business successes. Possibly assign roles with at least one team member on a project dedicated to one over the other.
- Dedicate market research efforts to include a balance to serve as a springboard for future technology and product research that is beyond incremental or specific customer based efforts. (A GM/VP in one of the Forum debriefs in the projects referenced above had said she was going to formally dedicate and support such an effort within the next 2 quarters.)

Summary:

We tend to focus on either intrinsic or extrinsic based new business growth but rarely consider a balanced approach. And, although it was not emphasized above, there is an analogous value in considering this in M&A as well.

In closing:

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 beyond those considered every day. We do not try to presume to be the leaders in all areas we cover and 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 will continue to focus on topics that the readers choose over ones we consider within our staff, so please continue to send requests for topics you want covered.

PS:

We want to remind our readers that this section of the newsletter is open to anyone with a development topic or an approach they would like to share. Many of you - consultants, company managers, and academics - have very solid and profound contributions that could be presented in future newsletters. We ask that your submission be from 300 to 800 words. Let us know and we will gladly distribute your topic to the thousands of people on our distribution list. We agree that the copyright and ownership be kept by the contributor and that our only right is to reproduce it in conjunction with this newsletter.



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Trivia

Who was Mona Lisa”?

Most experts have concluded that she was Lisa Gherardini, the wife of a Florentine silk merchant named Francesco del Giocondo.

What was the origin of the expression “you can catch more flies with honey than vinegar”?

The origin was from Poor Richards Almanac and attributed to Richard Saunders which was the pen name of Benjamin Franklin. The actual original advice was: “Tart words make no friends; a spoonful of honey will catch more flies than a gallon of vinegar.”

Who invented the match?

Robert Boyle, an Irishman is credited as the inventor around 1680.

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Alliances and Partnerships

The number of organizations that we have worked with and collaborated with is too numerous to mention but we wanted to add this section to highlight organizations we are comfortable endorsing to our wide body of readers. We will add a new organization each month and listing those from previous months with a few words about their focus and contact information.

This month:

Chemical Search International – global offices

North American Office – Philadelphia, PA: Ronald Thompson

Phone: (267) 386-4920 / E-Mail: RNT@ChemicalSearch.CO.UK / Website: WWW.ChemicalSearch.CO.UK

Chemical Search International specializes on Executive Search primarily in the chemicals and materials industries. They have a proven ability to find and place candidates that are difficult to both locate and deliver. We have worked with them directly over the past few years and with high respect and success.

Last month:

NFB Consultants, Pleasanton, California

Alex Merolli, Principal / Ph: (925) 462-7428 / E-Mail: AM@NFBConsultants.com

NFB is an acronym for Food—Nutritional—Business. We have worked with Alex numerous times with a high value delivered for the clients jointly and with knowledge of what NFB delivered independently. Its focus is on strategy and business development within the food and nutritional area and with outside, new suppliers to succeed in getting into these areas.

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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 and that you will let others who might find this newsletter useful know about our publication. Previous issues of our newsletters can be found at <http://www.paragondevelopment.com/perspective.html>. If you would rather not receive the newsletter please respond to this email and include the word REMOVE in the subject line or in the message. To subscribe to our newsletter, please send an email to contact@paragondevelopment.com and include the word SUBSCRIBE in the subject line or message. We will never sell your email address to others.

We encourage you to visit our website at <http://www.paragondevelopment.com> to find out more about PARAGON Development, who we are and how we assist our clients.

Your friends at:

PARAGON Development

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