



## The PARAGON Perspective

### PARAGON DEVELOPMENT

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#### From the President

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 you may easily pass along past issues to colleagues.

This month’s editorial is in response to a request to share our experience and perspective when dealing with the fuzzy and unfocused stage of projects where tangible targets are not identified but management expectations are to move rapidly to results. This editorial and last month’s Part 1 are reprints of a similar request in 2011.

Jack T. Peregrim

Pres., PARAGON Development

Peregrim@ParagonDevelopment.com

#### Paragon Update

We are very pleased to announce that we have an alliance with STRATEGYMARK to jointly work with clients on buy side small and mid-sized acquisitions. Our combined resources and experience bring the best aspects of deal brokers and consulting support in a cost effective way. STRATEGYMARK has a history of working in the chemical industry with private equity as well as stand-alone companies and divisions or business units within larger corporations. This mirrors PARAGON's experience as well and the further focus is on non bolt-on acquisitions. Our combined support will identify technologies, products, and then candidates that are complementary but new. Our organizations have collaborated on many projects over the past decade and this formalizes a specific focus on M&A. Additional information can be attained through either party with the main contacts being:

Jack Peregrim, PARAGON. (203) 288-4154 [Peregrim@ParagonDevelopment.com](mailto:Peregrim@ParagonDevelopment.com)

Mike Brown, StrategyMark. (302) 235-2217 [Michael.D.Brown@StrategyMark.Com](mailto:Michael.D.Brown@StrategyMark.Com)

PARAGON’s new mailing address is: PO Box 185490, Hamden, CT. 06518-0490. Please change your records.



We are seeing an increase in projects focused on platform growth with M&A as the primary vehicle to achieve that growth. Clients are telling us they would like to get ahead of the deal flow curve as it increases during economic recovery in the coming years.

Another area that has picked up is projects for new businesses and products, groups focused on bio based and other renewable resources. A number of new clients are struggling with meeting projections after they have made investments because the markets are slower in accepting the new products than was originally projected. We are helping them with a two-fold approach to identify opportunities beyond the original targets in addition to speeding up the time to market in the targets already being pursued.

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## Conferences

No conferences have been sent to us for posting that will be held in the next 2 months. This space is open to any of our readers to post notice about conferences or meetings that might be of interest to our thousands of followers.

Just send us your posting and we will include it in future editions.

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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.

- A client has a new technology for converting cellulose polymers to glucose without enzymes. It is felt this will create efficient and cost effective processes in a wide variety of applications.  
Please contact Beth Edwards at United Catalyst for additional information. [Stewart@UnitedCatalyst.Com](mailto:Stewart@UnitedCatalyst.Com)
- A client has new, patented bacteria for breaking down waste that is specially formulated for cold weather applications. These bacteria will break down waste and will grow at 4° C and lower offering functionality at temperatures that have no comparable alternative.  
For more information contact: Tracy Finnegan at (630) 906-9791 or [ELFEnvirnmental@Aol.Com](mailto:ELFEnvirnmental@Aol.Com)
- A client has a new solvent that has a low toxicity and flammability rating, VOC exempt classification by U.S. EPA and a global warming rating of 1. It also has superior solvency comparable to HCFC 113 and performance characteristics. The opportunities should be large in coatings, adhesives, cleaners, and a wide variety of consumer applications.  
If interested, please direct inquiries to Jack Peregrim, [Peregrim@ParagonDevelopment.Com](mailto:Peregrim@ParagonDevelopment.Com), (203) 288-4154

## Technologies of Interest

Clients have expressed interest in investing, licensing, acquiring, or partnering in the following:

- A client is looking to make acquisitions in specialty materials as well as high value, differentiated additives and materials.
- A client is looking for new, novel, value-added technologies used in the production of active drugs.  
If interested, please direct inquiries to Jack Peregrim, [Peregrim@ParagonDevelopment.Com](mailto:Peregrim@ParagonDevelopment.Com), (203) 288-4154

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## Quotes of the Month

"We often discover what will do, by finding out what will not do, and he who never made a mistake, never made a discovery." *Samuel Smiles*

"Great deeds are usually wrought at great risk." *Herodotus*

"You can't build a reputation on what you are going to do." *Henry Ford*

"True wisdom is less presuming than folly. The wise man doubteth often, and changeth his mind. The fool is obstinate, and doubteth not; he knoweth all things but his own ignorance." *Akhenaton*

"Politicians are the same all over. They promise to build bridges even where there are no rivers." *Nikita Khrushchev*

"The best armor is to keep out of range." *Italian proverb*

"There is always an easy solution to every human problem--neat, plausible, and wrong." *H. L. Mencken*

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## Interesting Words

**Nimiety:** (mi-MY-i-tee) Noun  
Excess or redundancy.

**Noesis:** (no-EE-sis) Noun  
1. Cognition; perception.  
2. The exercise of reason.

**Bumptious:** (BUHMP-shuhs) Adjective  
Self-assertive in an obnoxious way.

**Tractable:** (TRAK-tuh-buhl) Adjective  
Easily handled; managed; or controlled.

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## "Fast-tracking the Fuzzy Front End—Part 2"

### Review:

Last month, Part 1 discussed the situation regarding the difficulty and inefficiency in managing the *fuzzy stage* of the development process, both in strategic initiatives and in tactical new business projects. It also highlighted many of the causes of these inefficiencies and the large ramifications of the lack of success. A major point is that the real value lost cannot be quantified so we do not realize the extent of loss by not improving this stage. It is very likely that the potential value we could have created is greater than what is actually achieved by the successes that do make it through our systems.

### Recommendations:

The following recommendations been individually applied and might be incorporated into your development and planning.

- Accounting – perform detailed post project or post initiative reviews (including spreadsheets) based on strategies and tactics that could have been employed with the benefit of hindsight. This should be done in all projects or at least a high percentage of them if resources are limited. Each project would have multiple scenarios. Each would include things that might have been done and the associated costs - costs saved, time to market, etc. It may take years to truly understand the failing in any particular organization but that will be needed for long term success.

Several things have been found by clients who did extensive 'post mortem' analysis, two of which stand out. The first was in the business models employed where the technology was extended beyond the primary market and done utilizing their existing sales force and channels. Much greater value (top and bottom lines) would have been captured by licensing and partnering.

The second example was based on the preference of always working with the top 1 or 2 customers in a market. This strategy failed because the nature of their technology offerings was more disruptive than substitutional. The customers

they worked with had more to lose by seeing it succeed than would a secondary player without large existing investment in the status quo.

Neither case was recognized in the case-by-case review of projects but a comprehensive review over the long-term found that each organization had a common theme that was recognized as a cause that led to a great deal of lost value.

- Another recommendation mirrors a paper called “innovation beyond invention”. This is where we stop looking for continuous innovation once an invention is developed and is in our business value capture process. Creative problem solving should be used to add to the initial invention by looking at optimal value capture approaches such as: business models, channels, pricing, contracts, and others that are different from the existing way business is being done. The world changes, our business changes, our customers change, and we too often want to take a ‘cookie cutter’ approach to our business even while we are inventing brilliant new technologies and products.
- Incorporate a vision and not only a mission approach to planning and development. The difference is that in a vision approach the focus is on what can be achieved and not considering how that can happen. It is less step by step than the mission approach. Its value is in looking at the prize more than the journey.
- Keep the existing process regimented but incorporate flexibility into the process by allowing alternatives to justify continuous support. An example of this involved a new material that was originally oriented toward multiple applications but the processes required a clear focus and justification with major customer commitment. The initial application did not allow the firm to have sustainable advantage so a new plan was created to pursue a second area, then a third and a fourth. Each time an application was found to fail to achieve expectations and criteria, a new effort would have to begin with separate market research, Voice of Customer work, testing, etc. All application were known upfront so the best way to proceed would have been to work on multiple areas and allow the project to pass through the stage it was in if any of the areas were found to meet gate requirements instead of having to go back several stages, duplicating work, losing time and competitive advantage.
- A last recommendation is to get back to basics: “you can’t get something for nothing”. Be realistic about expectations and accept the cost of failure by recognizing that one large success can cover multiple failures. The mentality should be on finding those successes and not managing to avoid failures. Plus, getting through the fuzzy stages quicker brings the failures to a close more rapidly at less cost while the successes have the economic benefit of faster and bigger. Be bold and not as ‘corporately, politically correct’.

#### In summary:

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 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 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 to anyone with a development topic or an approach they would like to share or even just comments or criticisms of a past topic. Many of you - consultants, company managers, and academics - have very solid and profound contributions that could be presented in future newsletters as a guest contributor. 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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## Anecdotes

### **W C Fields**

A lifelong agnostic, Fields was discovered reading a bible on his deathbed. When asked about that he said: "I'm looking for a loophole."

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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](mailto:contact@paragondevelopment.com) and include the word SUBSCRIBE in the subject line or message. We will never sell your email address to others.

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Your friends at:

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