



## The PARAGON Perspective

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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.

First and foremost we hope you have started strong in 2015 and this will be your best year ever.

Besides our wishes for success, 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 “**There is no Certainty**”. This is based on a recent project in which the client's planning cycle was postponed for 6 months because of a need for quantifying the unquantifiable. To date it has not been resolved.

Jack T. Peregrim

Pres., PARAGON Development

Peregrim@ParagonDevelopment.com

#### Paragon Update

Quarter 1 has been very strong. The best quarter we have had since 2009. Q2 already has many new projects on the books and should equal Q1. This shows both a commitment to growth in these organizations and possibly signals that corporate America sees more potential after years of stagnant growth. Although our European projects have not recovered to where they were in 2009, we are seeing new projects with new clients, also a strong indicator of growth.

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

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#### Conferences

No conferences have been sent to us to post for April by our deadline. We will gladly post any relevant meetings or conferences that may be of interest to our readers. Simply send us the information and we will post it here.

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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.

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

- New adjuvant chemistries and technologies that enable active agricultural products to be more effective.
- Technologies that enable value added derivatives of phenol. Our client has a number of specialty materials and chemistries and is looking to in-license or acquire new technology.
- New lubricant additive technologies which will enable better and higher performing lubricants when used in formulations.

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

“What we call the beginning is often the end. And to make an end is to make a beginning. The end is where we start from.”  
*T. S. Eliot*

“There are things known and things unknown, and in between are the doors of perception.” *Aldous Huxley*

“The difference between perseverance and obstinacy is that one comes from a strong will, and the other from a strong won’t.” *Henry Ward Beecher*

“Every advance in civilization has been denounced as unnatural while it was recent.” *Bertrand Russell*

“Truth does not change according to our ability to stomach it.” *Flannery O’Connor*

“The successful revolutionary is a statesman, the unsuccessful one is a criminal.” *Erich Fromm*

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## Interesting Words

**Pernancy:** (PUHR-nuhn-see) Noun  
A taking or receiving of rent, profit, etc.

**Oneiric:** (oh-NY-rik) Adjective  
Of or relating to dreams: dreamy.

**Mansuetude:** (MAN-swi-tood) Noun  
Gentleness; meekness.

**Longueur:** (long-GUHR) Noun  
A long and dull passage in literature, contracts, documents, etc.

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## “There is no Certainty ”

Background:

Recently we supported the strategic plan update for a major organization that manufactures components in automobiles, appliances, and other durable goods. We held 2 Expert Forums to get an outside-in look at the business and to generate new options for strategic growth. These Forums identified 7 strategic opportunities that met criteria and were a solid strategic fit



and most leveraged existing capabilities in a substantial way. These were presented to the Board in the new STRAP and the Board responded with a request to choose and quantify the top 3.

The direction given was; “We want rapid, robust, sustainable growth with certainty and without any downside risk”. This was in new platforms. Two of the opportunities would be new products. The third had the biggest upside and also entailed new technology in the products the Company would need to develop or acquire but the potential was much higher than the others.

The client asked us to hold 3 additional Forums in each area. We ended with objective confirmation in each that the opportunities were solid and there was clarity on the value propositions that included the balance of performance and price that would achieve competitive advantage with large volume. After all the work, the Board told our client team that they needed absolute certainty without margin for error with sales by year 5 being a certain amount. One of the presenters in the team made the comment that they couldn’t provide that level of certainty in their existing business with several decades of experience. To which the Board replied that they felt the risk just wasn’t understood well enough to support the new platforms.

A key person on the client project quit and quickly was picked up by another organization. And, everyone else is frustrated and reluctant to try and look at any stretch new business.

#### Our observations and recommendations:

The example above is common in our experience although this example was more visible and extreme than most. But, we find this happening to one degree or another in almost every project. Everybody wants growth more than they can support with current investment but nobody wants any risk. It is not uncommon to identify a potential opportunity with potential for high margins and revenues and then to have very little or even no new resources dedicated to development. And, that is an example of having high expectations and without risk because nothing is invested. But, the outcome is lost opportunity and allowing others to fill the gaps - which they always will.

#### Recommendations:

- Place ‘stretch’ projects and new platforms outside of the existing guidelines for the existing business. Extension projects almost always have a shorter payback than new ‘stretch’ products or initiatives, yet, the financial hurdles are usually the same.
- Put the right people in place. We see too often where a ‘stretch’ project is assigned to junior people who don’t have the experience or internal credentials to move it forward efficiently and successfully. But, the best people do not want to be involved in projects that have uncertainty and look at involvement as a no win proposition because they understand that they will be fighting internal battles as much as those in the market.
- Budget uncertainty. We have a client that allows up to 2% investment in projects with uncertain success based on projected revenues in year 4 if successful. Thus, they can apply R&D or applications development without certainty of success in that they will achieve necessary performance specs at market attractive costs. If the potential is \$40mm in year 4 then they can request a budget of \$800K to work on it until it either passes or fails a Stage 2 gate.
- Encourage both talented new employees as well as experienced long term ones to choose a career path in new business. That means allowing failures and even applauding those who may fail as long as they managed development and risks with the right balance.
- ACCEPT THE UNCERTAINTIES! Nobody can quantify the future and every organization much change just to survive in our rapidly changing world. This applies much, much more in new platforms and new products beyond extensions. An old quote that we all know applies here. “You can never discover new worlds without the courage to leave sight of the shore”.

#### 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

### **Mark Twain**

A businessman notorious for his ruthlessness announced to Mark Twain, "Before I die I mean to make a pilgrimage to the Holy Land. I will climb Mount Sinai and read the Ten Commandments aloud at the top". "I have a better idea", said Twain, "You could stay home in Boston and keep them".

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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.

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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