

## *The* **PARAGON Perspective** From the President

PARAGON Perspective is sponsored by PARAGON Development We are not intending, and will not use this communication to promote our business. There are other times and places and opportunities for that.

We hope to inspire debate and pass along information that may enable all of us to better understand and succeed in our new business objectives in the future. Plus, we hope to make you smile and think. We further hope you pass these along to colleagues who may have mutual interests.

We want to use this forum 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.

We welcome your comments on any topic and encourage you to contribute to future newsletters. The PARAGON Perspective is now in its fifth year. We thank everyone for their newsletter contributions and for the ideas and suggestions that have brought recognized improvements and made it easier for us to produce.

This month's newsletter will highlight our opinion on the business development topic: "**Sign Posts**".

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### Paragon Update

This is the fourth installment in 2006 which is our 5<sup>th</sup> year.

We are starting new projects in healthcare and valuating a strategic acquisition.

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### Conferences

This space is reserved for announcements of conferences or events that may have value to our readers. We have resisted posting 'monthly' meetings and have focused on major or National events, but due to the many requests, we will add those in 2006.

PARAGON highly recommends the CDMA conference May that is for creating new value (new business development) by expanding overseas. This conference deals with business as well as cultural success factors and is jointly presented by two very distinguished organizations and with experienced professionals in their fields. The two organizations are: THT (Trompenaars Hampden-Turner) and the CDMAEF (Commercial Development and Marketing Association Educational Foundation).

"Doing Business Overseas: Best Practices and Avoiding Cultural Uncertainties"  
Marriott Hickory Ridge Conference Center, Lisle IL  
May 16-17, 2006

China is a strong focus but there are also presentations applicable to India; Europe; South America; and the Middle East. The conference is very reasonably priced and includes many extra amenities in the overall program.

Registration and more information can be found at: [www.CDMAonLine.org](http://www.CDMAonLine.org)

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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 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.

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### **Technologies Being Sought**

A client is looking for new additive technologies for non-olefin polymers that provide superior scratch resistance over existing commercialized products.

If you have, or know of, any potential technologies or products for these clients, please contact:  
Jack Peregrim @ (203) 288-4154 or [peregrim@paragondevelopment.com](mailto:peregrim@paragondevelopment.com)

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### **Quotes of the Month**

“Character consists of what you do on the third and fourth tries.” *James Michener*

“There are only two ways to live your life. One is as though nothing is a miracle. The other as if everything is a miracle.” *Albert Einstein*

“To believe with certainty, we must begin by doubting.” *Stanislaus I*

“Opportunity is sometimes hard to recognize if you’re only looking for a lucky break.” *Monta Crane*

“Few things are harder to put up with than the annoyance of a good example.” *Mark Twain*

“We are not retreating—we are advancing in another direction.” *General Douglas MacArthur*

“No one ever excused his way to success.” *Dave Del Dotto*

“Courage is often a lack of insight, whereas cowardice in many cases is based on good information.” *Peter Ustinov*

“Don’t expect anything original from an echo.” *Many sources*

“A habit is something you can do without thinking—which is why most of us have so many of them.” *Frank A. Clark*

“An optimist thinks this is the best of all worlds. A pessimist fears the same may be true.” *Doug Larson*

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### **Web Site Additions**

Our website has been updated but we will continue to add to our alliances and partnerships page. It provides sourcing to our clients on services they may be seeking in specialized functional or industry areas. As such, we will post organizations and individuals who we know to excel in products and services.

If you would like to be included in this listing, free of charge, please submit a request to us with a short (50 word) description of your products and services, as well as direct contact information. We view this as a mutual service to our clients as well as companies, consultants, and other entities we have had the pleasure to work with.

We encourage readers to review the organizations and individuals on the website as they are limited to those people we have personally qualified. This is also a service we offer without any compensation as our intention is to serve as a catalyst for success in a broad way that extends beyond those areas where we are best in kind.

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## Interesting Words

**Cant:** (Kant) Noun

1. Insincere use of words, especially conventional expressions of piety.
2. Hypocrisy.
3. The language peculiar to a party, class, or profession; jargon

**Barratry:** (BAR-e-tree) Noun

1. In law, the offense of frequently stirring up lawsuits and quarrels.
2. Fraud or gross criminal neglect by a leaders such as a ship's captain.

**Minatory:** (MIN-e-tor-ee) Adjective

1. Threatening.
2. Menacing.

**Quixotic:** (Kwik-SOT-ik) Adjective

1. Chivalrous and unselfish to an exaggerated degree.
  2. Impractical; visionary.
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## “Sign Posts”

Background:

We have a very successful client who is considered the leading growth company in their industry. They have requested to remain anonymous in relation to this editorial but have granted us permission to speak generally about one of their keys to success.

The Division we have been working with has emphasized ‘Sign Posts’ in their stage-gate process. And, the VP/GM of the business values these sign posts higher than many of the financial projections, especially in the earlier stages.

Description:

The sign posts are signals that the business needs to capture and process. They are early symptoms of something that is “about to” or “beginning to” occur. Our future success or failure is based on many business processes that have uncertainties because the key factors used in calculations have not yet happened. Strategic, business, market, technology, product, operations planning, etc. are all based to a considerable degree on the things that will happen in the future along with the timing of those events and trends. (We are all aware of great opportunities that have failed because they were too early or too late and some of us have lived through examples personally).

Case Study:

Many years ago several of us worked on a project where the client had developed a process to produce PLA (poly lactic acid) polymers. The process was superior to any other but required large capacities to produce it economically so the investment required large volumes within a short time.

In order to project the required volume with certainty, we used outside experts to set up sign posts that would indicate the potential volumes in major targeted applications. A major value in PLA is that it is categorized as bio-degradable. So we looked at sign posts that would determine the commitment of the markets to back up the ‘talk’ about environmentally friendly solutions. A signal was the willingness of fast food chains to use this in conjunction with sandwich wrappers that used other polymers to coat the paper. We went to several major fast food chains and the answer from McDonalds at that time was indicative of the rest, “We will not use this polymer at 4 cents more per 2,000 wrappers just to get bio-degradability”. The ‘tipping point’ was recognized to be many years out when people would consider the value of biodegradability to be worth even a small premium. Our client would have lost considerable money if they had gone forward with the capital investment they were planning to make. And, only now is the market for PLA starting to reach the volumes necessary for having a reasonable ROI.

The lesson this client learned was to set up sign posts that were more tangible than the ‘talk’ about needs for bio-degradability. They had every intention of making the large investment and they had market trends and data to support doing that.

Types of Sign Posts:

Our client has identified the following as being some of the major sign posts they try to identify and interpret.

- Competitor’s activities. Not what they are saying, but what they are doing.

- Regulatory trends and enforcement. (Changes in enforcement is the key for this client who has many products in building and construction.)
- End user buying habits and desires that are not 'fads'.
- Related patents with a particular emphasis on those filed by non-current competitors. They look for a proliferation of patents in specific fields in addition to a lack of new patenting where there were many which might indicate new hidden major developments.
- Customer's organizational structures with an emphasis on influence and power among the various disciplines. (Product management; operations; R&D; etc) This is a good indicator about future strategies with trade-offs of features versus costs.

There are about eight more used but are considered confidential. We are able to use one unique one as an example and that is looking at service based businesses that are starting up and rapidly growing. The customers would not be investing if these areas were not growing; and their growth in services will lead to growth in products related to their focus. This client also has a value proposition related to human health, both physiological and psychological. They are looking at the huge growth in 'lifestyle coaching' and this is influencing new products they are creating.

#### Recommendations:

Very simply, every development and strategy initiative has unique sign posts in addition to those that the overall organization needs to be watching. We have found that very few organizations pay enough attention to even understand what the best sign posts will be to watch.

The first step is to determine which signals to look for. The second step is setting up a system to spot those signals. This is typically a multi-faceted process that includes internet searches, government bulletins, internal feedback with contacts, and even general reading. The third step is in cataloging the information and analyzing it with recommendations.

#### 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.

### Trivia

- Babies are born without knee caps. They don't appear until they are between 2-6 years old.
- All 50 states are listed across the top of the Lincoln Memorial on the back of the \$5 bill.
- February 1865 is the only month in all recorded history to not have a full moon.
- Based on average lifestyle and life expectancy, the average American will spend 6 month's waiting at red lights.

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  
[www.paragondevelopment.com](http://www.paragondevelopment.com)

## PARAGON Development

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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 unequaled 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 past 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.