

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, "**Big Fish—Are They Overeating?**", a discussion about project: size, resources, and potential, can be invaluable in both determining and capturing new value.

We hope you are enjoying a prosperous 2008, even with the economy having the problems it does!

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Paragon Update

Amazingly, PARAGON has remained vibrant and we are already formally scheduling first quarter 2009 assignments. It has been a record breaking year and we offer a very humble and sincere thanks to those whose trust has made this a reality.

Conferences

No conferences have been sent to us for November and December at this time.

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.

Technologies of Interest

1. Inductive Power Transfer: A client has considerably improved efficiency and distance in power transfer without wires or direct connection. This opens doors for many applications in electric vehicles, industrial applications, and other fields too numerous to mention.

2. Wax modifier: A client had developed an additive that modifies waxes with many new property improvements. One key one is that it makes waxes more adhesives which enables significant possible improvements in hot melt adhesives and sealants in cost reductions and enabling use in new areas.
3. Thermo-set process: A client of ours has developed a new thermo-set material that offers better processability to comparable thermo-sets such as polyurethanes while improving properties and lowering costs in many composites applications.
4. New engine: A client has developed a new and proprietary engine that could be used in automobiles and other vehicles. It is 40% less cost and weight with the same horsepower and it also would have 20% better fuel economy than a comparable horsepower motor. There is no compromise on robustness or durability.
5. Fuel cells: A client is investing in producing the next generation of fuel cells directed at large vehicles such as buses or trucks. They are interested in any new technology that could add robustness; power efficiency; storage; etc. to a commercially successful next generation platform.
6. Additive materials: A client is interested in licensing or acquiring either binder or additive materials that have differentiation in specialty; high performance; and industrial coatings.
7. Advanced materials: A client is looking to make significant investments in a wide range of advanced materials including metals; composites; polymers; and additives such as nano-particles. They encourage discussions with venture and academic communities in addition to commercial enterprises.
8. Acrylics technologies: A client is interested in any new technologies related to acrylics production or in functionalizing acrylics in areas such as coatings

For more information on the above 8 opportunities contact
Jack Peregrim @ (203) 288-4154 or Peregrim@ParagonDevelopment.com

9. Anti-Hair & skin amino acids: A client has a proprietary technology based on natural amino acids and peptides for anti-aging skin and hair with cosmetic and personal care formulations available. The technology addresses the issue of hair aging which is unique but also applies to areas such as: treating wrinkles; loss of collagen; dark skin and age spots; cellular inflammation; acne; facial oil; hair loss; and premature hair graying. This technology is available for licensing and other commercial vehicles.
Contact Shyam@BiodermC.Com

Quotes of the Month

“Imagination is more important than knowledge.” *Albert Einstein*

“The best way to have a good idea is to have lots of ideas.” *Bruce Lee*

“In any moment of decision the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing.” *Theodore Roosevelt*

“You will never find a better sparring partner than adversity.” *Walt Schmidt*

“The darkest hour only has 60 minutes.” *Morris Mandel*

“Bring ideas in and treat them royally for one of them may be the king.” *Mark Van Doren*

“Science has made us gods even before we are worthy of being men.” *Jean Rostano*

“The only nice thing about being imperfect is the joy it brings to others.” *Doug Larson*

“Success covers a multitude of blunders.” *Bernard Shaw*

Interesting Words

Obambulate: (o-BAM-byuh-layt) Verb
To walk about

Bidentate: (by-DEN-tayt) Adjective
Having two teeth or tooth-like parts

Palinode: (PAL-uh-noad) Noun

A poem in which the author retracts something said in an earlier poem.

Barrack: (BAR-uhk) Verb

To shout in support—to cheer.

Also to shout against—to jeer.

Serein: (suh-RAN) Noun

Fine rain falling from an apparently cloudless sky. Typically observed after sunset.

“Big Fish—Are They Overeating?”

Background:

We recently started a project with a client looking for strategic growth. They have a \$1 billion-plus business unit with a new General Manager who has the drive and reputation for growing the businesses he runs. The business has been a crown jewel for the company but is facing stagnation because of competition and the severe downturn in their core markets.

In conjunction with our project kick-off, we interviewed many people within the organization about their growth commitments and expectations. In doing so, we also discussed the internal efforts and resources employed to stimulate growth in present and past few years. What we have found exemplifies what we find in most clients and that is that the fish are overfed.

We realized that there were 4 or 5 projects that were receiving a disproportionate share of development resources (80%+) while many others were ‘pushed back’ or underfunded. The main point is that these 4 or 5 projects were basically oriented toward improving existing products for existing customers but the truly new and innovative projects that could offer differentiated new products or be directed toward different markets were all lacking resources.

The analogy is that of a fish tank where the few large fish eat all the food while many other fish hide or stay near the bottom and hope that food morsels might be left over when the larger fish ate all they could. Without food, the organization would never know whether any of the fish that are hiding or undernourished might grow to be larger and healthier than the present big fish. One more aspect that may be the most impacting is that the fish that are big now will stay big and eat the most until they die. And, all fish inevitably die!

The following are just a few of the many recommendations that could be made:

- Establish systems and motivate people to work on the ‘step-out’ projects. Give them as much visibility and support as those who are protecting yesterday’s business. Provide rewards for those dedicated toward creating a future that is comparable or even larger than the rewards to those delivering the past quarter’s numbers.
- Expand the project portfolio and make hard commitments to percentages that are larger than those today in ‘feeding’ the new fish when they most need it. If 10% of the portfolio is on step-out projects then make it 15%. And look for opportunities to give a project dedicated resources and not just shared ones at an earlier stage. E.g. when Stage 1 reviews show a large upside and not wait until Stage 2.
- Don’t limit the feeding to the food that has traditionally been served to the ‘big fish’. Look beyond internal funding for partnerships or even external venture money and resources. The new fish may just grow much faster and bigger without the existing paradigm of what ‘big fish’ need.
- Get upper management involvement and support. Upper management should ask more about these projects and use their time in the same proportionate level as the project portfolio reflects. In other words, they should spend 15% of their time reviewing, understanding, and being involved with them. And, yes it means taking that time from ‘massaging the numbers’ this quarter and next.
- Do not ask the ‘big fish’ to voluntarily give their food (support, funding, personnel) to the smaller fish. It just doesn’t work in practice.

Summary:

This is really just touching on a very deep and complex issue but we hope we have at least motivated our readers to think about whether they are just feeding the same old fish and watching them get old. Maybe it is time to put some of them on a diet and give the smaller fish a chance to grow.

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.

Trivia

1. What does laser stand for?
Laser is actually an acronym for Light Amplified by Stimulated Emissions of Radiation.
2. How many dimples are on a regulation golf ball?
336.
3. What percentage of a tomato is water?
95%.

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:

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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.

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.