

The PARAGON Perspective

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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 is on an issue that is rarely handled well. The title is: **“New Customer Planning.”**

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Paragon Update

PARAGON's business has picked up considerably and Quarter 2 projects include many who are first time clients or those with whom we have not actively worked with for several years. We are even seeing an increase in European projects even with the weakened Euro adding to the project cost in most cases.

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Conferences

World Future Society ---Boston MA
July 8-10

The World Future Society is the leading organization in trends and forecasting in any industry or market. They have a very affordable annual meeting that is of high value to anyone in planning or development functions. More information can be found at: www.WFS.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 over six 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 of Interest

Enzyme design and production: A client has a very sophisticated and world class capability to design and engineer bio-catalytic solutions based on enzymes and some proteins. They have focused in food, bio-fuels, pharmaceuticals, and industrial applications.

Packaging Adhesives and Coatings: A client is interested in any technologies or developed products with applications into packaging adhesives and coatings. They have a substantial existing business and are looking to expand their pipeline of development projects and offered products. They would also be interested in standalone companies with attractive products.

Silicones: A client is interested in licensing in or partnering on new technologies that improve performance in silicones for a wide variety of applications

For more information regarding the above technologies, contact:
Jack Peregrim @ (203) 288-4154 or Peregrim@ParagonDevelopment.com

Performance Plastic Production System: A proprietary technology allows physical control of the molecular orientation of plastic polymer sheeting materials with the potential to improve properties and decrease costs. The field of this innovation is automated production of plastic materials using web extrusion; casting, thermoforming, or vacuum forming. This enables innovation in packaging, medical, consumer, and construction products. Reduces resin required by up to 25%, lowering input and transportation costs while still maintaining performance properties. Also enables greener materials like PET to be cost competitive with PS.

More information can be gained about the Performance Plastic Production System technology by contacting:
Clyde G. Hanson at (612) 418-1192 or Clyde.Hanson@GMail.Com

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Quotes of the Month

"More good things in life are lost by indifference than ever were lost by active hostility." *Robert Gordon Menzies*

"Courage is contagious. When a brave man takes a stand, the spines of others are stiffened." *Rev. Billy Graham*

"No two people are alike and both of them are happy for it." *attributed to both Mouris Mandel and Steve Richards*

"Beware the fury of a patient man." *John Dryden*

"Ideals are like stars. We never reach them but, like mariners on the sea, we chart our course by them." *Saint Exupery*

"Some people are always grumbling that roses have thorns; I am thankful that thorns have roses." *Alphonse Karr*

"Success has a simple formula; do your best and people may like it." *Sam Ewing*

"The work of the individual still remains the spark that moves mankind forward." *Igor Sikorsky*

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Interesting Words

Atrabilious: (at-ruh-BIL-yuhs) Adjective

Gloomy or ill-tempered.

In use: The atrabilious young man ruined the party for everyone.

Costive: (KOS-tiv) Adjective

1. Slow to act or speak.

In use: His costive style of presenting put everyone to sleep.

2. Stingy.

Parapraxis: (par-uh-PRAK-sis) Noun

A slip of the tongue (or pen) that reveals the unconscious mind. Similar to a Freudian slip.

In use: His speech was full of parapraxis that revealed his true feelings.

Popinjay: (POP-in-jay) Noun

Someone who indulges in vain and empty chatter.

In use: I sat next to a popinjay on my last flight and ended up with a splitting headache.

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“New Customer Planning”

Background:

Very few organizations have strategic criteria for choosing new customers and we have not seen any that highly rate the position or types of customers as a primary consideration. (We are just too happy to have any customers at all for new products or technologies!)

This approach has serious downsides in both short and long term value capture because we end up:

- Taking much too long in the commercialization process.
- Considerably limiting value pricing options.
- Being locked into agreements with the wrong parties at too early a stage.
- Exposing ourselves to legal and other contractual liabilities.

Rationale:

There are many reasons that we fall into the traps of focusing on the wrong customer(s) and they are easily justified:

- We have exerted a great deal of effort with the technology or product development and are probably past time limits for expectations of revenue. We therefore ‘scramble’ to get anyone interested and as quickly as possible. Our first and main criteria is that a customer is a good one if they are interested when we are pressured to have someone who could justify completing development.
- We have existing customers for other products or technologies and they are the first ones we approach with new ones. We don’t consider that the new offering may have a completely different value proposition and one that is not as highly valued as the existing products and services we supply. We consider it as account preference that makes the sales force ‘happy’ and we believe that our existing customers will not use the leverage they have with present business to minimize profitability or strategic position. Yes, we do believe this!
- We have internal pressures from our stage-gate and other processes and by individuals who want results now in projects that need more time to optimize value capture. We consider new customers a ‘checklist’ item that is needed to get continued support; so, again, any customer that qualifies is a good one and we are just grateful to have one so we can move on.

Recommendations:

Our recommendations are simple and very evident once we recognize that we have a ‘problem’. The first and primary one is to set detailed criteria that qualifies and quantifies new customers. Put in place a qualifying process where customers are screened and rated in their meeting criteria and have the process outside of the development team. (Market research is a good internal function to have involved and there are external consultants and service providers who can do it as well) It will open many eyes as to the best options over time for the organization.

Other recommendations are to initiate bonuses based on things such as: targeting new customers that are currently less than 1% of sales; setting a value pricing level and with bonuses to achieve it for the first 2 years of sales; getting strong management commitment to it and use tools such as NPV that verify the extra benefits over time in sacrificing initial volume for higher prices and shorter time to market maturity.

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. This edition and three of the last Perspective topics were submitted by others. 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.

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Trivia

1. Who was the only U.S. President to obtain an invention patent?

Abraham Lincoln. His patent was for a boat lift.

2. How far do arctic terns migrate over their lifetime?

Arctic terns migrate the equivalent to 3 roundtrips from earth to the moon over their 30 year lives.

3. How many flowers does a bee need to visit to make a pound of honey?

They need to visit two million flowers just to produce one pound of honey.

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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:

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