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 editorial is titled: "The Government as Primary Market".

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Paragon Update

Now that fall has arrived, we are close to full capacity with projects in a wide range of industries and varying types of objectives. This follows an annual pattern as Q4 and then Q1 represent two-thirds of our business because projects outputs in these quarters are used in planning and resource commitment for the following year. The difference is usually in the timing of the planning and budgetary cycles. In any regard, we are very busy with the same international split of clients – one-half being domestic North American and the others Europe and Asia.

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Conferences

No upcoming conference information has been sent to us for posting. As a reminder we are happy to do so without charge if requested as a service to our readers.

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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

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

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

<u>Coatings Technologies</u>: A client is seeking additives or other technologies that can improve coatings used in industrial applications of primary infrastructure – bridges, roads, dams, industrial sites, etc.

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

<u>Bio-Technology Services</u>: We have a client with 40 years experience who has provided expertise in microbial screening, strain improvement (both classical and recombinant), metabolic engineering and process development programs. They have introduced a new service in the area of bacteriophage control for companies concerned about contamination to large scale fermentation.

For more information regarding <u>Bio-Technology Services</u> contact: Earnie Porta at (302) 504-7401 or <u>EPorta@ArkionLS.Com</u>

Instantaneous Microbial Detection Technology: IMD technology available for licensing. BIOV Defense and Securities Technologies Inc. has developed an optical laser that can immediately determine the quantity and size of particles in liquid or air, and simultaneously determine whether each particle (0.5-20 microns) is inert or biological in real time. Applications include defense or homeland security operations encompassing the detection of small particles posing a bio-agent, bioterrorism or related defense or military security security in addition to areas such as airport security and unmanned air vehicles.

For more information <u>Instantaneous Microbial Detection Technology</u> call: Doug Adams at (267) 902-8124 or DAdams.IPconnection@GMail.Com

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Quotes of the Month

"Great discoveries and improvements invariably involve the cooperation of many minds. I may be given credit for having blazed the trail, but when I look at the subsequent developments I feel the credit is due to others rather than to myself." Alexander Graham Bell

"Judgment comes from experience, and experience comes from bad judgment." Simon Bolivar

"History has demonstrated that the most notable winners usually encountered heartbreaking obstacles before they triumphed. They won because they refused to become discouraged by their defeats." *Bertie C. Forbes*

"The art of living is more like wrestling than dancing." Marcus Aurelius

"The true idealist pursues what his heart says is right in a way that his head says will work." Richard M. Nixon

"Keep your face to the sunshine and you cannot see the shadows." Helen Keller

"The only thing worse than an expert is someone who thinks he's an expert." Aly A. Colon

"You may give gifts without caring, but you can't care without giving." Frank A. Clark

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Interesting Words

Precatory: (PREK-uh-tor-ee) Adjective

1. Expressing a request.

2. Nonbinding: only expressing a wish or giving a suggestion.

In use: He thought he was giving instructions to carry out but everyone took his recommendations as precatory considerations.

Catholicon: (kuh-THOL-i-kuhn) Noun

A panacea or cure-all.

In use: They thought a project review would be a catholicon to all the problems they are dealing with.

Bromidic: (broh-MID-ik) Adjective

Commonplace or trite.

In use: He had a bromidic presence that did not inspire those reporting to him.

Panegyric: (pan-i-JIR-ik) Noun

A formal or elaborate oration in praise of someone or something. Like a eulogy. In use: At the awards ceremony she gave a panegyric as she introduced the recipient.

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"The Government as Primary Market"

Background:

It is just amazing how many times each year we identify and quantify technology and product opportunities in which one of the lucrative markets is developing with and subsequently supplying a government. It could be the U.S.A.; the E.U. the Peoples Republic of China, etc. The clients we are working with are Global Fortune 100 organizations whose present revenues exceed \$50 Billion or the currency equivalent. They are also in many different industries—from chemicals, materials to medical devices. What they have in common is a lack of understanding, motivation, commitment, and resources needed to serve these markets.

The primary reasons are:

- The lack of experienced in-house personnel who understand how to secure and protect government business, particularly since even large corporations have driven down P&L to smaller business areas for accountability. Most do not have anyone dedicated to government development.
- The complexity and convoluted nature in the process. Unless you are experienced, it can be overwhelming to identify who and where you should start. Then you deal with a process that is hard to understand and many times not rational in that slight mistakes in filings for approvals can cause an entire request to be discarded.
- Each government agency is like a distinct market segment in regard to requirements and needs. In the U.S. there is a huge difference in dealing with the Department of Defense or the National Institute of Health. And there are several dozen other departments and agencies that also have differing processes and requirements.
- The bureaucracy!

Rationale to invest in Government Business:

There are many reasons why this should be a primary focus if not <u>the</u> primary focus in many cases. Just some of the reasons are:

- The size can be overwhelming and is almost impossible to quantify upfront. We have had many projects over the years where our Expert Forums have directed client development into a particular government application and once it was established there, the segment that was the original focus became less than 10% of the overall large business with the U.S. Government. The product was a coating that was approved by the Department of the Navy for use there and then quickly spec'ed into preferred use by other military departments, the GSA, the Interior Department, etc.
- But, the potential cannot be quantified upfront which makes it very difficult to prepare a spreadsheet or project NPV
 or other financials. If you have a technology or product, the process is somewhat like dealing with a black hole in

regard to potential. There are hundreds of anecdotal stories where government applications were pursued and there was a strong pull through and monetary support for completed development only to have everything stop. The opposite is also true though where minor efforts resulted in a bonanza of business, exponentially more than first projected.

- The ability to get and maintain competitive advantage. There are instances where a government or agency may request that technology be shared for security or political reasons so that any one organization does not serve as exclusive supplier. But, there are many more cases where the process leads to a sustainable competitive advantage because the competition does not want to invest in everything necessary to compete. We have been amazed at the times that major competitors who go head-to-head in all other markets tend to stay away from competition in government supply.
- Governments can be superior development partners in that they will invest in and compensate for technology and product development if the outcome is directed towards meeting strategic objectives, as exemplified by the U.S. investing over \$30 Billion yearly in its support of work done by the multitude of national labs. And, this is a fraction of the programs buried in all the other departments and agencies. (Europe and China are similar in process, currently with a smaller scope but still very significant)
- "If not this, then what?" The answer to the age old question asked internally about where growth is going to come from and the answer is that in most cases sales to governments is the largest potential untapped market.

Considerations and recommendations:

Looking at government targets is not for the faint at heart but any should be considered for the large potential. In a major corporation, it is almost certain that there is considerable potential in many different businesses. And, with a small organization, there is potential that their best *hope* is to direct a major project toward government applications if development support allows things to be done where the internal capital is not adequate.

A recommendation is to start with a benchmarking effort and look first at organizations who are *primarily* dedicated to government sales and contracts. Compare their level of technological competence and personnel backgrounds. Look at their revenues and ROI and determine the attractiveness and strategic fit with your organization. Then benchmark their core competencies and skill sets that allow them to succeed beyond actual technology and product development, (lobbying, government sales and bidding experience, regulatory, etc.).

Set up a corporate program supported by all the SBUs that is similar to how R&D is budgeted so that it is either corporate overhead or a portion of every business' overhead.

A final recommendation is to formally make government sales a target in all internal processes – from market research to product development. Create a gate requirement to investigate and generate data on the potential in this market.

In summary:

Government development and sales is by far the largest potential opportunity we find that is neglected by our clients. It is worth looking at more closely than we are doing now and most organizations are leaving a lot of *money on the table*.

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 beyond those considered every day. We do not try to 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 will continue to focus on topics that the readers choose over ones we consider within our staff, so please continue to send requests for topics you want 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. We ask that your submission be from 600 to a 1000 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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Trivia

- 1. What is distinctive about the metal gallium?
 - It has such a high melting point that it can turn to liquid with the warmth of a hand.
- 2. What is unique about the dates 4/4, 6/6, 8/8, 10/10, and 12/12 every year?
 - They all fall on the same day of the week. In 2010 it is on Sundays.
- 3. How many cells are in the human body?

The human body usually has between 60 and 75 trillion cells and each cell may have as many as 75 trillion atoms.

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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.

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