The **PARAGON** Perspective

PARAGON DEVELOPMENT

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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.

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 *"Time Keeps on Ticking"* is contributed by Mike Dalton whom we have known for many years. We are greatly impressed with the work Mike's been doing since leaving a corporate position. He has an excellent book in print called "Simplifying Innovation" and is doing impressive work with his clients helping them improve new product and technology results. We appreciate his sharing his perspective with our readers.

Jack T. Peregrim
Pres., PARAGON Development
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Paragon Update

We have decided to formally expand our horizons with a new offering for facilitating client events and programs independent of the Expert Forums, our primary product. Our clients have asked us to assist them in various capacities such as:

- Planning training programs and training the trainers on using interactive facilitation. We have done several with training in areas as diverse as a new IT system, marketing excellence, and HR supported legal training.

- Facilitating major functional events such as marketing, sales, technology, and other planning meetings.

- Facilitating customer focus groups in the client's behalf.

This is an exciting new program. We are listening to the market that has been asking us to support them beyond using our Expert Network.

Conferences

LES Spring Meeting
May 14-16
Seattle, Washington
http://www.lesusacanada.org/meetings/spring-meeting/2013-spring-meeting

The Licensing Executive Society is the preeminent organization for intellectual property and technology transfer with a business value perspective. This meeting will have hundreds of attendees who will learn about best practices in licensing and intellectual property in a broad sense. It is also set up to have healthy exchanges in networking sessions in addition to excellent content driven presentations.

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.

Technologies of Interest

No new technologies for April have been sent to us to post as of the deadline.

Quotes of the Month

"Better than a thousand days of diligent study is one day with a great teacher." *Japanese proverb*

"Only mediocrity can be trusted to be always at its best. Genius must always have lapses proportionate to its triumphs." *Max Beerbohm*

"You don't know all you see and you can't see all that you know." *Jack T. Peregrim*

"If words are to enter men's minds and bear fruit, they must be the right words shaped cunningly to pass men's defenses and explode silently and effectually within their minds." *J.B. Phillips*

"Less is more." *Ludwig Mies van der Rohe*

"I always tried to turn every disaster into an opportunity." *John D. Rockefeller Jr.*

"I don't know the key to success, but the key to failure is trying to please everybody." *Bill Cosby*

Interesting Words

Filip: (FIL-ip)   Noun & Verb
1. Noun: A snap made by pressing a fingertip against the thumb & releasing it.
2. Verb: To stimulate or to incite to action.

Sagacious: (suh-GAY-shuhs)   Adjective
Having keen judgment or wisdom.

Malapert: (MAL-uh-purht)   Adjective
Boldly disrespectful.

Percipient: (per-SIP-ee-ant)   Adjective
    Having deep insight or understanding.

"Time Keeps on Ticking! What's a day of innovation delay costing you?"

Contributor: Mike Dalton, Ph: (262) 672-2700, MDalton@GuidedInnovation.Com

Companies that try to improve return on new product investment by managing project expenses are pulling the wrong lever. I'm not saying cost isn't important. But once staffed, project cost is largely driven by the length of time the project team takes to finish. Managing project completion dates is a much stronger lever for controlling the cost side of the equation. As an added benefit, that lever creates tremendous impact on the revenue side.

Let me share a jaw dropping discussion that I had with a mid-size business last week. We were discussing their innovation bottleneck which was getting projects through development on time. One project was more than six months late, so I asked if they knew what the extra development time was costing them.

"Well the project costs could easily end up double what we anticipated," the COO told me. "But that's not my biggest concern." He then explained that a competitor had recently released a new feature and had taken almost 20% market share. They needed the project just to catch up in the marketplace. Even if they could only regain half of the loss, every day of delay was costing them nearly $50,000 in lost sales: quite a hit for a mid-sized company.

Delivering the project late was not only impacting the project costs but the revenues too. When he shared this information, his project leader was stunned. If only she had known! She would have prioritized differently. She would have put lower priority projects on the back burner. She wouldn't have allowed new product perfection to get in the way of good enough.

So, is there anything you can do to help your teams deliver projects in less time? Here are a few strategies that can have a big impact:

1. Conduct comprehensive project planning - Have your team evaluate potential obstacles and develop plans that includes early verification of technical, manufacturing, and commercial feasibility. This planning requires full participation from supply chain all the way to marketing.

2. Inform project teams - Everyone on or supporting the team should know how much each day of delay affects the company in both higher costs and lost revenue. Align incentives correctly and peer pressure will make the team much less likely to accept unnecessary delays.

3. Freeze product requirements before design starts - Nothing delays a project like adding new features and design requirements during development. One consumer products company had a project, originally estimated to take a year, which was passing the three-year mark. I found that well-meaning executives were continuing to suggest changes well into the design stage, which the project manager felt compelled to include. Innovators need to treat project schedules like train schedules. Railroads don't call the train back to add new passengers; they put them on the next train.

4. Employ critical chain project planning techniques - Ask how quickly someone can complete a task if everything goes perfectly and they might say 1 week. Ask how long it would take to complete the same task with a very high degree of certainty (95% or more), and they will normally double their original estimate. The difference between the two is the task safety buffer. If a student knows that they have two weeks to finish a task that takes one day, many only start the day before the assignment is due. Because of this "student syndrome", individual tasks rarely finish in any less than the time allotted. Since this consumes the safety buffer at each step, any unforeseen problems result in project delays.

Critical Chain Project Management (CCPM) attacks this problem by estimating each task length at both a high degree of certainty and at the shortest possible time (50% certainty). The project plan uses the shortest time as the planned task time and adds a shared safety buffer that replaces the task buffers. The difference is that the project buffer only needs to be half the size of the task buffers since tasks start as soon as possible and sharing reduces the overall variance. By definition, CCPM accepts that half of the tasks will take longer than planned. So the buffer still gets used, but on its intended purpose of unexpected delays and problems: not on unnecessary waiting and procrastination. As a result, companies implementing CCPM usually reduce project completion time and cost estimates by 25% or more and achieve on-time completion rates of 98% or better.

5. Limit multi-tasking - I say this every time, but only because it's so harmful to productivity. People stretched across too many projects are less productive, but even worse the quality of work suffers and waiting delays use up the project buffer unnecessarily.

The Bottom Line - Project delays are a major drain on new product return on investment, and they have the added impact of driving up costs while also delaying new product revenues. If getting new products through development is holding your company back, these five strategies can help eliminate the constraints that are preventing you from delivering more impact.

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. Many of you - consultants, company managers, and academics - have very solid and profound contributions that could be presented in future newsletters. 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

Albert Einstein

Einstein was once traveling from Princeton on a train when the conductor came down the aisle punching the tickets of every passenger. When he came to Einstein, Einstein reached in his vest pocket. He couldn't find his ticket, so he reached in his trouser pockets, it wasn't there either. He looked in his briefcase but couldn't find it. When he looked in the seat beside him, he still couldn't find it.

The conductor said, "Dr. Einstein, I know who you are. We all know who you are. I'm sure you brought a ticket. Don't worry about it."

Einstein nodded appreciatively. The conductor continued down the aisle punching tickets. As he was ready to move to the next car, he turned around and saw the great physicist down on his hands and knees looking under the seat for his ticket.

The conductor rushed back and said, "Dr. Einstein, Dr, Einstein, don't worry. I know who you are; no problem. You don't need a ticket. I'm sure you bought one."

Einstein looked at him and said, "Young man, I too, know who I am. What I don't know is where I'm going."

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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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Your friends at:

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