



The PARAGON Perspective

PARAGON DEVELOPMENT

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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 is about looking at the balances of incremental versus breakthrough projects. It is another contribution from Mike Dalton whose work and writing we have found to be very valuable and insightful.

Jack T. Peregrim
Pres., PARAGON Development
Peregrim@ParagonDevelopment.com

Paragon Update

PARAGON has a new postal address: PO Box 185490, Hamden, CT. 06518-0490. Please change your records.

We have started a number of projects this past month on new technologies that range from electronics to chemistries. In addition we have also started a few projects looking at markets to help understand unmet needs related to specific client criteria. Several M&A projects are active but nothing new started in the past month.

Conferences

Biological Wastewater-- Activated Sludge Process Control
8am - 4:30pm, May 12 & 13, 2014
at: Water Resources Department
City of St Petersburg - 1650 Third Ave N., St Petersburg, FL 33713

The seminar will be presented by Tracey Finnegan, Environmental Leverage.



For more information contact Bryan Cook, Bioengineering Specialist - 630-906-9791 or visit <http://environmentalleverage.com/newsletters/StPetersburg,FL20142dayOperator.pdf>.

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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 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.

- A client has a new solvent that has a low toxicity and flammability rating, VOC exempt classification by U.S. EPA and a global warming rating of 1. It also has superior solvency comparable to HCFC 113 and performance characteristics. The opportunities should be large in coatings, adhesives, cleaners, and a wide variety of consumer applications.
- A client has new, patented bacteria for breaking down waste that is specially formulated for cold weather applications. These bacteria will break down waste and will grow at 4° C and lower offering functionality at temperatures that have no comparable alternative.

For more information contact: Tracy Finnegan at (630) 906-9791 or ELFEnvironmental@Aol.Com

- A client has a new technology that improves the performance and lowers the cost of Type 3 compressed gas cylinders.

If interested, please direct inquiries to Jack Peregrim, Peregrim@ParagonDevelopment.Com, (203) 288-4154

Technologies of Interest

Clients have expressed interest in investing, licensing, acquiring, or partnering in the following:

- A client is looking for new technologies and products that improve upon traditional ion exchange resins.
- A client is looking for new, novel, value-added technologies used in the production of active drugs.

If interested, please direct inquiries to Jack Peregrim, Peregrim@ParagonDevelopment.Com, (203) 288-4154

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Quotes of the Month

“One forges one's style on the terrible anvil of daily deadlines.” *Émile Zola*

“Being a hero is about the shortest-lived profession on earth.” *Will Rogers*

“A good solution applied with vigor now is better than a perfect solution applied ten minutes later.” *George S. Patton*

“Good advice is something a man gives when he is too old to set a bad example.” *Francois de La Rochefoucauld*

“Nearly all men can stand adversity, but if you want to test a man's character, give him power.” *Abraham Lincoln*

“To err is human, to forgive, infrequent.” *Franklin P. Adams*

“The first man to use abusive language instead of his fists was the founder of civilization.” *Sigmund Freud*

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Interesting Words

Quiff: (kwif) Noun

1. A tuft of hair brushed up above the forehead
2. A woman considered as promiscuous



Ambage: (AM-bij) Noun
Ambiguity; circumlocution

Impecunious: (im-pi-KYOO-nee-uhs) Adjective
Having little or no money

Arrant: (AR-uhnt) Adjective
Complete; thorough

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“Balancing breakthrough versus incremental innovations”

By Mike Dalton

New product resource usage can be classified lots of different ways, so it’s useful to go just a little deeper than incremental versus breakthrough. Here’s one way I find helpful:

Platform Development – New product lines offering significantly different benefits and maybe even using different technology than you already offer. Line Extension – New products extending your existing platform into new market segments or adding features and benefits for the existing segments. Line extensions can be critical to realizing all of the value created by your platform developments. Cost Reduction – Projects to reduce the cost to produce your product through some combination of design, material, and process work. Some cost reduction projects will be invisible to the end user. Others are borderline line extension projects and may actually be marketed as lower cost versions of your main products. Tactical Customization – Tweaking existing products for specific customers or market segments. Line maintenance – support required in manufacturing to maintain quality and supply.

Each type will be required at a different level depending on your company’s specific situation and the strategy you have chosen to address it.

For example, if your main product line is in a dying market, you will probably be focusing heavily on cost reduction and capacity rationalization in order to maintain margins against eroding volumes. At the same time, some portion of your resources should also be going to creating new platforms for adjacent markets where there is still growth potential.

However, after successfully launching a new platform, your efforts may be more focused on line extension and tactical customization work required to extend the platform into underserved markets and customers in order to realize full value.

Cost saving and line maintenance will likely be part of the mix at any time as you ramp up volumes in the early stages and defend your cost position as time goes on.

So the answer to Eric’s question is that it’s all a matter of balance and the only right balance is the one that best addresses your current strategic position.

Of course, there’s also the matter of execution, without which no strategy can ever succeed. And there are two basic approaches to managing – either integrated or separated resource pools.

With either approach, anytime a project is finished, another project is pulled out of the backlog and moved into execution. This pull approach limits work in process (WIP) and dramatically improves both speed and predictability—keep an eye out for an upcoming article using the dice game to show why this is so important.

With an integrated resource pool, you use the same talent pool regardless of project type. To achieve balance you set the cadence for project starts. For example, let’s say that you have decided that 1/3 of your resources will go to platform projects, 1/3 to line extensions and 1/3 to cost reduction and line maintenance. Further, let’s say that platform projects are 3 times as long as line extensions and 9 times as long as cost reduction and line maintenance. So the required cadence to achieve the desired 1/3-1/3-1/3 balance is:

Platform Cost Reduction or Line Maintenance Cost Reduction or Line Maintenance Cost Reduction or Line Maintenance Line Extension Cost Reduction or Line Maintenance Cost Reduction or Line Maintenance Cost Reduction or Line Maintenance Line Extension Cost Reduction or Line Maintenance Cost Reduction or Line Maintenance Cost Reduction or Line Maintenance Line Extension Platform and so on.....

The cadence is a guideline, not a hard and fast rule, so it can flex with priorities. But deviate too often and it will be tough to maintain the desired balance.



However, I usually prefer to use separated resource pools for longer term and fast turn work. Following from the example above, you would use two-thirds of the resources as a pool for platform and line extension work and the remaining third for line maintenance and cost reduction work. Each pool would have its own backlog from which to pull the next project.

The downside of the separated approach is that you give up some flexibility. But in my experience, it is well worth it for the improved focus in execution. Additionally, you'll often find that your engineers and scientists are better suited to working in one pool vs. another. I've had chemists who were only so-so on bigger development projects but performed like superstars in fast turnaround project work and visa versa.

More Impact Bottom Line

Balancing sustaining and breakthrough development is a matter of strategy and achieving the right resource split for your situation. But as with any strategy, execution is critical, so you also need to decide how to manage your resource pool and limit WIP for maximum speed and productivity.

Mike Dalton is the founder and principal of Guided Innovation® and he is a noted author and practitioner in speed to market strategies and new products based on innovation. We have long admired and appreciated his work and insights and we certainly endorse his organization for they value they brings to their clients. And, we appreciate his contributions to this newsletter.

WWW.GuidedInnovation.Com

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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 or even just comments or criticisms of a past topic. Many of you - consultants, company managers, and academics - have very solid and profound contributions that could be presented in future newsletters as a guest contributor. 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

Julian--Roman Emperor

A former provincial governor was accused of embezzlement, which he strongly denied. Eventually the judge, irritated by the absence of proof and the accused protestations of innocence, turned to Julian and demanded, "Can anyone ever be proved guilty if it is enough just to deny the charge?" To which Julian responded: "Can anyone be proved innocent if it is enough just to accuse him?"

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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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