

PARAGON Perspective

From the President

Welcome to our first monthly newsletter.

To those new to the distribution, the following is being repeated to describe our objectives and the intent of the **PARAGON Perspective**:

The purpose of our newsletter is to update, educate, stimulate, and enlighten our friends and business colleagues on many topics involving new business development as well as the world at large as it affects "our businesses and/or our professional interests". We want to use this forum to do the following:

- Share learned information we consider important concerning best practices, trends, successes and failures, conferences, and other elements that will enable all of you to maximize your organization's top and bottom-line results.
- Alert you about selective client initiatives based on technologies, markets, or business needs that could fit within the scope of those client's interests.
- Pass along personal observations and humorous items shared with us by others.
- Bring special attention to a particular business process. This newsletter brings insights into doing business with federal government laboratories.

This newsletter format has been created in such a way as to allow our busy contacts the ability to look at areas of interest easily and productively. Some things bear repeating and may be duplicated from previous newsletters because they are relevant and still worth consideration. Our content, as a general rule, will cover new issues and information.

We welcome your comments and invite you to contribute to future editions much as a "letter to the editor" would be included in a newspaper. We will not use anyone's name or organization without their permission.

We have tried to model this newsletter after the one George Gilder produces for the telecom industry - Easy to produce, not fancy, personable, but with valuable professional information and insights. We do, however, appreciate the feedback and will make gradual improvements as we go along.

Here's to a prosperous and rewarding 4Q 2002.

Jack Peregrim
Pres., PARAGON Development

Paragon Update

As usual, we had many interesting assignments including the identification of leading technologies in electronics and leveraging technologies in packaging.

The Corporate Venture Partner launch has created a great deal of interest and our first partnership is likely to be consummated in the fourth quarter 2002. Interestingly, the greatest need and demand is with 'basic industry' clients such as chemicals, polymers, and other materials.

Several PARAGON personnel have given presentations at conferences over the past month and others are scheduled in the next two weeks. Most of the requests for speaking are about Voice of Market® methodologies and applications. We enjoy doing these and will consider accepting presentations to appropriate audiences that are either at general conferences or directed to groups within a single organization.

Newsletter Responses

Responses from our last newsletter were higher than expected. Our readers not only responded to the content of our newsletter, but we also received resumes from those seeking new positions, or asking to be included in our PARAGON Network®. Several organizations that we work with on a regular basis also asked for referrals. Our consulting experience spans many years and with access to over 40,000 leaders from our PARAGON Network™ we are regularly contacted for referrals independent of our practice.

As a reminder, we encourage responses from organizations with positions available. We will only share the information to the degree you determine including not communicating your interests outside of our professional staff who would be passing along resumes, vitae, or even just contact information

Responses directly related to the last newsletter fell in 2 categories:

- Comments (all supportive) on the need for and difficulties in establishing a successful Corporate Venturing Program.
- Follow-ups on various topics posted in behalf of clients who either have a technology 'searching for a home' or who are looking for an enabling asset to meet business objectives. Those have been handled specifically between the various parties involved.

In regard to the Corporate Venturing discussion, the responses universally agreed that their organizations wanted to and needed to establish or expand their venturing but could not do so for the following reasons:

- No internal competencies or mechanisms.
 - Inadequate (or lacking) a budget to support a program.
 - Inability to integrate into strategic commitment because of organizational structures and culture.
 - Short term focus overwhelms long term vision.
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National Labs

We visited Los Alamos and Sandia Labs in New Mexico this month and have several impressions that we would like to share with you.

- There is a vast amount of unfulfilled potential (commercially) of the many breakthroughs they have made over the years. There isn't any way to begin to mention even the limited capabilities we were exposed to but it is considerable to say the least. Both Sandia and Los Alamos have yearly budgets of over \$2 billion. These budgets are independent of the more than 600 other federal government sponsored labs such as Lawrence Livermore, Oak Ridge, etc.
- There isn't a corporate client we know that would not love to be sitting on just a fraction of the capabilities that exist in the labs.
- There is a vast portfolio of technology available for commercialization in addition to the ability to develop new technologies or solve problems that industry hasn't been able to.
- There can be difficulties in accessing this information, e. g.:
 - Each national lab is independently managed by a different organization with unique protocols and focus. E.g. Sandia is managed by Lockheed Martin, Los Alamos by the University of California. This complicates partnership efforts to some degree even though there is a great deal of communication and coordination among the labs.

- Technologies are in various stages of development with many still in the early stages. The pleasant surprise was the level of applications development of some of the technologies that makes them much closer to being commercially viable than originally thought.
 - The breadth of technology under investigation was also a surprise. Technology is being developed with applications in chemicals and polymers, telecommunications, electronics, process development, and mechanical products.
 - Commercializing technologies are outside of their “mission” and they lack the information necessary for relating markets and products which would create value.
 - There are unique internal processes that “outsiders” must understand in order to work within their system.
 - They lack the ability of a corporation to quickly monetize technology although they have a professional staff for licensing and forming partnerships.
 - They have recently adopted a new outlook in that they now consider “equity as a form of licensing” allowing more options for corporate partners.
- Research Fellow programs are very productive -- corporations fund a senior scientist at the lab who then works with them on behalf of the lab to advance corporate in-house technology development; identify technology within the labs that fit the corporation, and initiate new developments based on the synergies of capabilities in both organizations. We have interacted through clients on two programs and both clients were very satisfied with the outcomes
 - There is a strong interest in technology and/or commercial needs that may be outside the labs but that clearly fit their missions. An example would be “threat reduction.” Federal labs are interested in outside technologies that could be integrated or refined to fit within government programs that address threat reduction. The flip side would be communication about clear needs in industry that fit within their missions, such as protecting hazardous or toxic chemicals from sabotage.

WORLD FUTURE SOCIETY

Many of you may be unaware of the World Future Society (www.wfs.org). A common misnomer has always been that it is about *predicting* and *prognosticating* about the future, but the majority of their work (both by the Society and members) is based on very solid analysis over speculation and scenario planning. Their studies provide information with value to anyone with responsibility in planning or development.

CDMA

The CDMA Fall meeting is in San Antonio and runs from October 20 through the 23rd. CDMA focuses on new business development and growth and is certainly worth the investment (membership fees as well as cost of attending meetings). Information can be accessed at www.CDMAonline.org.

We hope you learned something from this and/or stimulated an action that leads to new opportunities for you and your organizations. Archived issues of the **PARAGON Perspective** can be found at <http://www.paragondevelopment.com/resources.html>.

Our best wishes for success.

Your friends at:
PARAGON Development
www.paragondevelopment.com