

The PARAGON Perspective

From the President

PARAGON Perspective is sponsored by PARAGON Development We are not intending, and will not use this communication to promote our business. There are other times and places and opportunities for that.

We hope to inspire debate and pass along information that may enable all of us to better understand and succeed in our new business objectives in the future. We further hope you pass these along to colleagues who may have mutual interests.

We want to use this forum 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.

We welcome your comments on any topic and encourage you to contribute to future newsletters. The PARAGON Perspective is now in its fourth year. We thank everyone for their newsletter contributions and for the ideas and suggestions that have brought recognized improvements and made it easier for us to produce.

This month's newsletter will highlight our opinion on the business development topic: "**People Versus Information**"

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

Paragon Update

We have made changes to our newsletter in 2005 and will continue to do so throughout the year as we incorporate recommendations and contributions from readers into future editions. We have resisted adding 'marketing' oriented information about PARAGON but have done so at the end of the newsletter based on the number of requests. Thus, only those people who are interested need to review that information.

We are starting projects for major corporations focusing on helping develop strategies for their major business units.

PDMA-Executive Series Event May 23-25, 2005

PDMA - the Product Development and Management Association – is dedicated to best practices in new product development at all levels and for all industries. Each year among the many events they sponsor is a conference at an executive level on how to generate profitable innovation. The presenters are very high quality as exemplified this year by: Jack Welch, Steve Wozniak, Henry Chesbrough, Peter Senge, and Gerald Johnston. We have found the PDMA sponsored events to be very valuable and would encourage others to consider them.

Information can be found at: WWW.FrontEndOfInnovation.Com or WWW.PDMA.Org

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 several 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.

SAM Technology

SAM stands for novel Self-Assembled Monolayer bonding technology. It operates on the nano size level and creates a very strong bond that is superior to most other technologies. As an extra benefit it is 'green' and actually changes the surface of the material(s) into something else that can be optimized for desirable performance properties. It allows structures which are stronger, lighter, tougher, stiffer, more energy absorbent, more heat resistant, and more durable in difficult environments. It can bond dissimilar materials together.

It works by bonding on the molecular level and forms a covalent bond.

The technology is available for licensing.

Stewart's Technology

A start-up company at Virginia Tech has developed new perfluorinated lewis acids for use as a co-catalyst with metallocene catalysts for polymerization of polyolefins. They are looking for a licensing opportunity or development partner.

Perfluoroarylated Lewis Acids (PFLA's) are a new and rapidly growing subset of "Lewis acids" that are instrumental in the preparation of fuels, polymers, and drugs. Their advantages are: reduced toxicity and handling issues; higher catalytic activities; and direct application in environmentally friendly production methods. PFLA's are important as co-catalysts in the production of commodity polymers such as polyethylene, polypropylene, and ethylene-polypropylene rubbers. The new technology is a unique improvement.

If you have any interest in either technology, please contact Jack Peregrim at:
(203) 288-4154 or Peregrim@ParagonDevelopment.com

Quotes of the Month

"A hundred good contacts are more valuable than any thousand reference books". *Jack Peregrim*

"It's not what you know; but who you know". *Many sources*

"Why read the book when you can know the author?" *Jack Peregrim*

"The actions of men are the best interpreters of their thoughts" *John Locke*

"I hear and forget. I see and remember. I do and I understand"> *Confucius*

"You cannot escape the responsibility of tomorrow by evading it today" *Abraham Lincoln*

"Obstacles are those frightful things you see when you take your eyes off the goal." *Henry Ford*

"Don't put the fate of your business in the delusions of economists." *Peter Drucker*

"Opportunity is hard to recognize if your are only looking for a lucky break." *Monta Crane*

"We judge ourselves by what we feel capable of doing while others judge us by what we have already done."
Henry Wadsworth Longfellow

"He is only exempt from failures who makes no efforts." *Archbishop Richard Whately*

"It is a characteristic of wisdom not to do desperate things." *Henry David Thoreau*

New Technologies Being Sought

Products/Technologies

Coatings:

We are starting a project with a client who is interested in acquiring coatings technology. Our client is a global supplier to the coatings industry and is interested in novel materials (polymers, pigments, dispersants,

etc.) that have value in producing coatings. They would also be interested in processing and applications technology.

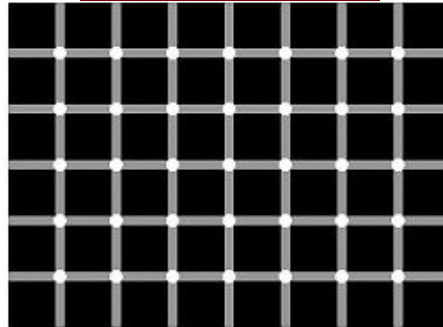
Food Ingredients:

Another client has an interest in naturally based products based companies available for acquisition. They want companies between \$5mm and \$50mm in annual sales with a base on using processed natural materials that will provide strong value in processed and baked food products.

If anyone has technology or products of interest, please contact us and we will arrange a presentation or communication with the respective clients. You can contact:

Jack Peregrim at Peregrim@ParagonDevelopment.com or (203) 288-4154

Count the black dots!



Web Site Additions

We have recently updated our web-site but will continue to add to our alliances and partnerships page. It provides sourcing to our clients on services they may be seeking in specialized functional or industry areas. As such, we will post organizations and individuals who we **know** to excel in products and services.

If you would like to be included in this listing (free of charge), please submit a request to us with a short (50 word) description of your products and services, as well as direct contact information. We view this as a mutual service to our clients as well as companies, consultants, and other entities we have had the pleasure to work with.

We encourage readers to review the organizations and individuals on the website as they are limited to those people we have personally qualified. This is also a service we offer without any compensation as our intention is to serve as a catalyst for success in a broad way that extends beyond those areas where we are best in kind.

Interesting Words

Immure: (i-MYUUR) Verb

1. Imprison
2. Shut in; seclude

Profligate: (PROF-li-git) Adjective

1. Recklessly wasteful or extravagant.
2. Dissolute; immoral

Autodidact: (AW-toh-DI-dakt) Noun

A self-taught person, especially one who has mastered a subject without benefit of formal education.

Mountebank: (MOWN-te-bangk) Noun

1. A swindler
 2. A Charlatan
-

People Versus Information

Background:

We have had innumerable cases where the success or failure of a project comes down to people and people access - not knowledge and information. This is exemplified by a recent project where our client's technology had broad potential across many markets. The issue was one of displacing existing systems without a compelling reason for doing so. (No regulatory or legal drivers. The technology did not address an area that was a huge cost expense. Existing suppliers were well entrenched.) But, the technology was clearly a better value because it worked better without increasing costs to the customers using it.

As we looked at the many markets and determined the potential and best value propositions for each, a common issue encountered was a reluctance to change to the new technology for the reasons mentioned above. Even though it was admittedly better, nobody felt compelled to switch and use it.

What drove the actual first commercial application was a **person** who championed the technology. This person was in one of our Forums and the day long exposure was what excited them and galvanized their decision to create a foundation in a major market segment. If they were not in the Forum, the likelihood would have been that the client would face a very gradual, up-hill commercial development effort that would take longer and have significantly lower NPV. The Forum basically established a relationship that produced a champion.

Process:

From a process side, our business processes (Stage-gate, etc) are without a doubt vast improvement over the unstructured efforts of the past. But one thing that may be lacking is the people-networks that had been the major focus of business/commercial development executives. We have de-emphasized the value of contact/access networks and used processes that are much more analytical and internally based. Even requiring Voice-of-Market™ and Voice-of-Customer efforts is only as productive as our access to the right people.

Another example is a recent project where we became involved after the client had a product and was committed to developing 2 markets out of the many first identified. We were to look at the potential in additional markets for a number of reasons: for potential licensing revenue to improve present NPV; to optimize applications patenting; to look for overlap in product development with the broadest possible appeal. We came to realize that their existing market development efforts were following a formula based on 'the usual suspects'. In other words, they contacted their targeted customer's R&D, purchasing, and product managers. They did not have any previous relationships with them and had entered a long development cycle along with many other new suppliers trying to do the same thing. The other new suppliers did not compete with their products but did compete for the time and attention of the target customers.

The reasons that the above occur too frequently are:

- New platform or breakthrough projects are often most appealing beyond the existing main customers. The activity is not one of **sales**. It is longer term and requires a different skill set and contact base.
- We use teams of people on projects; and typically it is represented by people who bring functional knowledge of their area (many different 'vertical' experts who know how to provide analytical, judgmental perspectives); but we lack the people who, again, have broad contact bases.
- We are dealing with people like us! Our potential customers are spread very thin and don't have the time or inclination to handle anything beyond those issues that are 'putting out fires'. Thus, they don't have the time or risk inclination to champion new things beyond short term improvements.
- Many times the best first customer for a new technology is not the same as our existing best customers for present offering; so, we don't have someone to champion an investment in making changes from things that are not considered their 3 biggest concerns.
- Certain functional areas have never emphasized the value of people. (R&D, engineering, operations, etc.). They tend to believe that they only need to show superior value in their area and the rest is a *marketing problem*.

Recommendations:

The first and primary step may be to develop a knowledge base of your own personnel as to who they know in addition to what they know. We have found that very few organizations have done this. Just think of the value of knowing that someone in another business unit or even another project is a very good school friend of a key potential contact who is not accessible without 'going through channels'. (Ask yourself how many successes were based on access to a customer's Senior VP.)

The above is easy to do. Simply survey your personnel and ask who they might know that they believe would give them a sincere audience if asked. It doesn't have to be names of people but just the organizations and descriptors of their business, function, and areas of responsibility. (If you ask for specific people, many will hold back the names.)

Other recommendations are:

- Encourage and invest (**Budget**) people to develop networks. This is expensive and requires us to change things we've established the past few years. Going to conferences and trade shows with a long term value of establishing contacts and not just selling something this quarter. The pendulum has swung too far in discouraging people to go to meetings or events.
- Teaching people the value of who they may know and not just what they know. This is a big change in attitude for many people.
- There are people that actually consult with organizations on 'how to work a trade show or conference' and there are also books on the subject. It is not as simple as it sounds to someone who hasn't done it before. Make sure your people have the skills to accomplish the objective of establishing a network.
- Set up efforts to catalogue contacts, both individually and organizationally. When someone makes a contact they believe may be valuable in the future; they need to do two things.
 1. Capture the information about them and put it into a form that can be found in the future. Whether it is written or software driven is a personal preference although organizational knowledge needs to be software driven. This includes the all-important personal information: marital status, interests, commonalities...
 2. Set up a contact mechanism to nurture the relationship. Just meeting someone at a conference many years ago means very little, but many contacts in-between develops a relationship that could ensure that your contacts may support you when you need it. Again, it isn't information driven, it is people driven!
- Use your own senior management as much as possible. They have access to people that will short-circuit many development efforts and they have the best chance to know the champions who are critical for success. We are too often reluctant to ask them for support and help.
- Use outsiders such as consultants where necessary. There are many senior level executives available and their key asset is access to organizations in addition to just being able to recommend the best approaches to take in working with particular companies. These people are not the typical 'information specialists'.

In summary:

The above is not to say that we are terrible at people contacts or interpersonal skills. It is just that the 'people access' value is not developed or emphasized to the degree it should be. If you have to work on improvement to your existing development approaches or resources; we would suggest the above.

We hope that this perspective has stimulated thoughts and helped improve your successes. 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 be beyond those considered every day. We do not try to presume to be the leaders in all areas we cover and we 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 also will continue to focus on topics that the readers choose in almost all cases over ones we consider within our staff so please continue to send requests for topics that you want to have covered.

Business & Other Anecdotes

Helen Keller

With her teacher, Anne Mansfield Sullivan, Helen Keller lectured all over the country, answering questions from the audience communicated to her by Miss Sullivan. A question that came up many times was: "do you close your eyes when you go to sleep?" To which she replied: "I never stayed awake to see."

Yogi Berra

Having ordered a pizza, Berra was asked whether he would like it cut into four or eight pieces. His reply was: "better make it four, I'm not hungry enough to eat eight."

Oliver Wendell Holmes

Oliver Wendell Holmes proved that money has a universal appeal and rarely did anything without compensation. As an example he was once invited to deliver a lecture and he sent back the following reply: "I have at hand your kind invitation. However, I am far from being in good physical health. I am satisfied that if I were offered a fifty-dollar bill after my lecture, I would not have strength enough to refuse it."

We hope you learned something from this and/or stimulated an action that leads to new opportunities for you and your organizations.

Previous issues of our newsletters can be found at <http://www.paragondevelopment.com/perspective.html>.

Your friends at:

PARAGON Development
www.paragondevelopment.com

PARAGON Development

1485 Dunbar Hill Rd. Suite 4010
Hamden, CT. 06514
(203) 288-4154
www.ParagonDevelopment.com

Mission:

To ensure that our clients make decisions that optimizes their growth and measurable value creation. We will do this with unequaled effort and efficiency.

Background:

PARAGON has over a dozen employees and affiliated industry partners who are dedicated to helping clients optimize their planning and development efforts. We bring over 40,000 external industry experts who provide objective information and insight into critical areas affecting our client's success potential. In addition to our own experience base and the external access to knowledge, we utilize a decision making process that combines best practices such as Voice-of-Market™; Stage-Gate; and Discovery Based Learning. Very simply stated, we combine efficient processes with the information necessary to ensure that commitments are made with solid, objective knowledge. We allow planning and development from the 'outside in' that compliments internal efforts.

We are not industry specialists and the experts from our PARAGON Network™ provide the specific knowledge in their fields while PARAGON brings process and functional experience that generates and interprets the relevant information.

Focus:

Our client assignments are broken into three main areas:

1. Retainer agreements in which we offer discounted plan with minimum thresholds for numbers of Forums or phases. They are exemplified by clients who may write us into their R&D or new product development processes in which a PARAGON Forum is required as a part of a gate approval.
2. Evaluation and monetization of assets such as technologies, operational capacities, or new product extensions. PARAGON's support is particularly valuable when the potential is unknown but falls outside core markets or industries.
3. Support in strategic planning and strategic expansion into non-core business areas. The deliverables are typically in the form of a strategic commitment into new platforms.

Mechanics:

The steps employed are a combination of internal (client) and external events. The internal events include:

- Setting criteria for the project.
- Examining the internal knowledge base.
- Setting scope and charter issues.
- Determine specific outputs required for overall success.

External events are:

- PARAGON Forums that have 6-8 external experts who bring distinct but complementary knowledge about markets, industries, trends, competition, channels, downstream value, and function excellence

that is specific to the assignment. These are typically day long events that have been referred to as “Super Focus Groups” with the client involved in the planning and then viewing the group and providing guidance and direction throughout the day. All this without the outside experts knowing whom the client is and they are thus unbiased, creative, and provide different perspectives than our client has because of their ‘inside-out’ viewpoints.

- Surveys and interviews with people from our PARAGON Network ™ that generate very targeted information that our clients require.

We hope that you have enjoyed the issues of *The* Paragon Perspective that you have received and will let others who might find this newsletter useful know about our publication. To provide us with profile changes; or to let us know about other individual interested in receiving our newsletter; or for other information just click on this link <http://www.paragondevelopment.com/contact.html> (or copy and past this shortcut) and complete the Contact/Request for Information form (be certain to include your email address) or you may simply reply to this email and provide us with (or ask us) the information.

If you no longer wish to receive *The* Paragon Perspective please respond to this email and include the word REMOVE in the subject line or in the message.