

## *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: "**Dominant Buying Urges**"

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### 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.

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### World Future 2005 World Future Society July 29-31, 2005

The WFS (World Future Society) is comprised of thousands of members who are 'futurists'. There are too many categories to catalog with people focused in areas related to markets, industries, geographic regions, functional fields, and technologies. Their backgrounds also cover a wide range from government to industry to academia. The commonality is that the members are all focused on studying and planning for the future.

Each year they have a large event that attracts over a thousand people; and the program has high value to anyone involved in future developments such as strategic or business planning, R&D, product or market development, or financial planning. The meeting will be held in Chicago and we recommend this event for anyone in the areas mentioned above.

This has proven to be an excellent event in the past and well worth the investment in time and fees.

Information can be found at: [www.WFS.Org](http://www.WFS.Org).

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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 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.

No new technologies have been submitted this month prior to going to press.

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## Technologies Being Sought

We have a client who is searching for new technologies and products with large appeal in coatings applications. This could target either additives that improve coatings or applications technologies.

The client is a very large global company with a considerable existing business and is thus looking to add a new platform to their existing product lines.

If you have, or know of, any potential technologies or products for this client, please contact:

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## Quotes of the Month

“The will to win is important, but the will to prepare is vital”. *Joe Paterno*

“If you don’t go after what you want, you’ll never have it. If you don’t ask, the answer is always no. If you don’t step forward, you’re always in the same place”. *Nora Roberts*

“Being defeated is often a temporary condition. Giving up is what makes it permanent”. *Marilyn vos Savant*

“Imagination is more important than knowledge, for knowledge is limited while imagination embraces the entire world” *Albert Einstein*

“Prefer a loss to a dishonest gain; the one brings pain at the moment, the other for all time”. *Chilton*

“It is better to debate a question without settling it, than to settle a question without debating it”. *Joseph Joubert*

“A gem is not polished without rubbing, nor a man perfected without trials”. *Chinese proverb*

“Anyone can make a mistake. A fool insists on repeating it”. *Robert Maynard*

“Show me the man you honor, and I will know what kind of man you are”. *Thomas Carlyle*

“Perseverance is not a long race; it is many short races one after the other.” *Walter Elliott*

“Pessimism never won any battle” *Dwight D. Eisenhower*

“You can judge your age by the pain you feel when you come in contact with a new idea”. *John Nuveen*

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## A face of a Native American. Or an Eskimo?



## 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.

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## Interesting Words

**Condign:** (Ken-DINE) Adjective

1. Severe and well deserved

**Lour:** (Lowr) Also Lower (LOW-er) Both verbs

1. Frown or scowl
2. Look dark and threatening. Like clouds or sky.

**Bathos:** (BAY-thos) Noun

1. In speech or writing, a ludicrous descent from the sublime to the commonplace. An anti-climax.
2. Sentimentality. Mawkishness.

**Sang-froid:** (sahn-FRWAH) Noun

1. Calmness in the face of danger or difficulty
  2. Composure; self possession
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## Dominant Buying Urges

Background:

One of the major things that branding experts understand is the dominant buying urges of consumers. Yet, the value of understanding that extends far beyond the trade names. It affects the entire value proposition and has a major influence in the product development and overall planning.

There are many examples of this premise with a good one being backup generators. What is the consumer really buying? Is it a device? Is it energy? Is it heat or AC? The dominant buying urge is most likely security. That is what the consumer is buying. The same goes for insurance and many other products and services. Once that is understood, price elasticity, marketing, and new product development are optimized.

The difficulty comes when a product has to appeal to multiple dominant buying urges from various purchasers. Automobiles are a good example with some people purchasing necessary transportation and others purchasing a status symbol. The same with clothing in which some purchasers are acquiring warmth while others are making an esthetic statement. This is a major reason we have so many product options today including a dozen options for Coke.

We have many clients who are not consumer goods marketers and they do not think in these terms yet would benefit to do so. Of course, we recognize that this approach shouldn't have the 'weight' that it would to a consumer marketer but it could provide another means of competitive advantage.

Example:

We recently finished a project with a client whose product would have value in bio-processing, the production of biologics. This process would allow a simplified approach to making materials that had commercial value. Our client viewed the dominant buying urge of their prospective customers as being focused on selected attributes of the process, particularly those involving waste reduction and a 10% advantage in overall cost associated with the production. Our Forums confirmed that the value was as they felt it was. But, that wasn't the dominant buying urge.

The dominant buying urge was flexibility in planning and managing operations. The process was much less complex than other competing ones and would thus allow a producer to locate in areas with lower cost

requirements and then hire and manage a labor force that did not need extensive training. This was invaluable to the producers.

Following the Forums, the client went out to customers that they had already approached and received lukewarm responses. They told us they immediately received a much greater response when presented with the new value proposition. The client is now continuing development along a path that new products are focused on simplifying operations and not on cost reduction as the primary objective.

#### Recommendations:

The lesson we believe we have learned is that developers need to get beyond the features and benefits. We are much better today in focusing on the benefits instead of just the features but the dominant buying urges are beyond the benefits. Like a knowledge spectrum (Data → Information → Knowledge → Foresight), we need to move to identifying and leveraging the dominant buying urge. And, we see a large potential for competitive advantage for business-to-business sellers because this is a concept that few are embracing.

We wrote about value engineering in a previous newsletter and that is a good start in looking at repositioning existing products. It is a little like 'Monday morning quarterbacking' but it is insightful in recognizing **why** people are buying present products. The next step is extending that to new products and services.

#### Steps/Actions:

Several things can be done that do not require large changes in our existing processes. The most important one is philosophical. That involves a commitment to asking "why" after you have already heard the first, second and third answers. It is like peeling away an onion. Take all the answers and keep asking why. When you hear that people are interested in flexibility, as an example, ask why. When they answer, ask them again what is so valuable about it. Then ask why that is more important than other things. Then ask what that value would be. Just keep asking and the most valuable things can come out long after you would typically stop. It is another means of creative problem solving if anyone has studied it.

Other things that can be done include:

- Using Forums or focus groups in which open ended questions can be asked and trained facilitators can keep following up.
- Involve different people at targeted customers. Develop account depth and then use it to go beyond purchasing, operations, R&D, or product development. Get to the CFO or other 'C' level contacts. Work with strategic and business planning departments.
- Make this a part of your gate processes in which an extensive effort needs to be documented in getting to the dominant buying urge. Then set up a mechanism to translate that into product performance, branding, and pricing.
- Include dominant buying urges in long-term strategy as another platform. We usually include core markets or technologies as platforms; but dominant buying urges can be another means of obtaining and maintaining competitive advantage. If you appeal to security as an example, this opens up many options for new products and customer bases but still leveraging a core competency.

#### In summary:

Very few of our industrial clients have given even a cursory look at understanding their market's and customer's dominant buying urges. In many cases, they actually know what they are but quantifying and documenting this can have huge rewards. Unless you determine and catalog it systematically, it is guesswork and we have too much invested in most new products to leave this to chance.

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 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.

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### **Business & Other Anecdotes**

#### Benjamin Franklin

At a meeting of a Parisian literary society, Franklin found himself getting lost in understanding all the flowery French language. Thus he decided it would be safest to applaud when his acquaintance was doing so. After

the gathering was over, a friend came to him and expressed his surprise in that Franklin only clapped when they praised him.

#### Alfred Hitchcock

Hitchcock had a habit of falling asleep at parties and one time he slept for over 4 hours when his wife woke him to suggest they go home. Hitchcock protested that "It was only 1 AM and the hosts might think they aren't enjoying themselves".

#### Socrates

Socrates was known for being frugal and very basic in his needs. One time he was with a friend and very excited about looking at some flashy wares that were for sale in the market. The friend was surprised and inquired why Socrates was both so excited but also not buying anything. To that Socrates replied: " I am just always amazed to see how many things there are that no body needs".

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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.

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

Your friends at:

PARAGON Development  
[www.paragondevelopment.com](http://www.paragondevelopment.com)

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### **PARAGON Development**

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#### 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 <sup>™</sup> that generate very targeted information that our clients require.

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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.

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