

## *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 and this is our 40<sup>th</sup> edition of The PARAGON Perspective. 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: **"Dropping Good Projects."**

Jack Peregrim  
Pres., PARAGON Development  
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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.

At PARAGON we are finishing several projects that we had reported over the past few months and starting new ones with a large international flavor from New Zealand to Germany. These projects are also in fields as varied as bioinformatics to coatings to security processes.

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### Conferences

We haven't scheduled attendance at any conferences in November to report about. We will have upcoming conferences to cover in next month's newsletter

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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.

If anyone is interest in partnering with or even acquiring a small producer of unique pigments, please contact us: [peregrim@paragondevelopment.com](mailto:peregrim@paragondevelopment.com)

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### Technologies Being Sought

A client of ours has an interest in acquiring or licensing new technologies with applications in oil field drilling and production. The client is a large chemical company and would be interested in chemistries delivering unique functional value that could compliment their own. A key would be IP protection. If you have, or know of, any potential technologies or products for this client, please contact:

Jack Peregrim @ (203) 288-4154 or [peregrim@paragondevelopment.com](mailto:peregrim@paragondevelopment.com)

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### Quotes of the Month

"Problems cannot be solved at the same level of awareness that created them." *Albert Einstein*

"If you want the rainbow, you have to put up with the rain." *many authors*

"We fear things in proportion to our ignorance of them." *Titus Livius*

"Shoot for the moon. Even if you miss, you will hit the stars." *Les Brown*

"He who limps is still walking." *Stanislaw L. Lec*

"Be who you are and say what you feel because those who mind, don't matter and those who matter, don't mind". *Dr. Seuss*

"Motivation is what gets you started. Habit is what keeps you going." *Unknown*

"What's right isn't always popular and what's popular isn't always right." *Unknown*

"Everything is funny as long as it happens to someone else." *Will Rogers*

"You always miss 100% of the shots you don't take." *Wayne Gretsky*

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### Web Site Additions

We have recently updated our website 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

**Arrant:** (AR-ent) Adjective

1. Complete; unmitigated.
2. Notorious.

**Supperannuate:** (SOO-per-AN-yoo-ayt) Verb

1. Retire with a pension due to age or infirmity. Applied to employees
2. Discard as too old for further use. Applied to things

**Lacuna:** (le-KYOO-ne) Noun

1. A gap.

2. Something missing from a book or argument.
3. A hiatus.

**Variorum:** (Vair-ee-OR-em) Adjective

With notes of various editors or commentators or with various versions of a text.

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## Dropping Good Projects

### Background:

This topic is requested from a reader who had expressed frustration over being assigned to two 'good' projects over the past two years and then having them dropped at her organization's portfolio review process. We have not worked with her personally during the past three years but have worked with her organization on projects she wasn't involved with.

The organization is a specialty chemicals company that has a reputation for innovation and best in kind technology solutions. They invest more than average in R&D for their industry and segments served and their returns have been very robust from this investment. They have a very healthy pipeline of new products in various stages of launch and development. They also have a very rigid portfolio planning process 'skewed' toward getting things into the front end of the process and then having a competitive process after the first phase. In other words, they want their projects to compete against each other as well as against their competitor's developments.

This has created some frustration as reflected by this request for our perspective. People assigned to projects become loyal and committed to them and dropping those with positive NPV's is hard to understand at times.

Our perspective is meant as suggestions to many others beyond addressing this specific situation because it is something we encounter regularly. Some people have portfolio and project structures that have clear gates to pass through and the portfolio is only adjusted to add an emphasis to new projects or to fill in gaps to the portfolio's strategy. Other portfolios are set up to eliminate projects not only for failure to achieve review requirements but also to eliminate viable projects so that better ones have shortened time to market and get additional resources.

### Our Perspective:

Although it is frustrating to have a project dropped, we have found that the organizations who have a more competitive portfolio process are measurably more successful over both the short and long term.

The reasons are:

- Shortened time to market on fewer projects increases cash flow and NPV beyond original projections. (A standard approach is to pass a gate and then begin deliberately toward the next stage; but, in a committed project, management tells the team "speed is more important than cost".
- Competition always benefits business. We have also seen many development projects where the objective is to 'satisfy guidelines' instead of to 'deliver a home run'. Competition pushes the envelope.
- Our clients with competitive portfolios are very interested in technology transfer and this is a strong positive. If an outside capability is better than internal ones, they will win. This also ensures that the best is always theirs!

### Guidelines:

The guidelines that we have found to be the most effective are:

- Hold the project teams accountable for their work but not the project. If a team is on a project that is not one of the best, the people on the team should be judged by their ability to optimize what they had. Also, they are judged by their creativity, intelligence, motivation, acumen, and ingenuity.
- Look for alternative values for the project's accomplishments to date besides just 'killing it'. There may be potential for licensing or even venturing outside the main portfolio.
- Communicate clearly with the people involved so they understand the value of dropping the project and they understand how much their own value has been perceived without the prejudice of their involvement in a dropped project.

### As always:

We address many topics and most are at the request of readers, clients, and other business colleagues as this one was.

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**

#### Albert Einstein

A close friend of Einstein was asked if it was true that only ten people in the world understood the man. After thinking for a moment he replied: "Oh no. There are at least 20, but Einstein isn't one of them."

#### Plato

Diogenes came to Plato's house one day and was disgusted to find rich and exquisite carpets on the floor. To show his contempt he stamped and wiped his feet upon them saying, "Thus do I trample on the pride of Plato!" To which Plato replied: "And I see you are doing so with much pride."

#### Diogenes

Alexander the Great was puzzled to find Diogenes examining a heap of human bones. "What are you looking for?" he inquired. The philosopher replied: I am looking for the bones of your father but I cannot distinguish them from those of his slaves."

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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 unequalled 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.

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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.

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.