

The PARAGON Perspective From the President

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.

We welcome your comments on any topic and encourage you to contribute to future newsletters. The PARAGON Perspective is now in its sixth 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.

All issues of *The Paragon Perspective* are archived on our website so you may easily pass along past issues to colleagues.

This month's newsletter highlights our opinion on the business development topic: **"Can value be measured without documentation?"**

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Paragon Update

This is the first installment of 2007, our 6th year.

We had numerous responses to our request for possible changes to the newsletter this year and all asked us to keep the newsletter in the same format and with the same topics. Quotes - being the most favored.

The only request we will not 'honor' is to improve the graphics and that is because past efforts have caused the newsletter to be sent into the spam filters for hundreds of our recipients. This has been tried several ways and we will keep the format very plain only to ensure that people who have requested this newsletter receive it.

Paragon is continuing to expand with both projects from a record number of new clients as well as new projects from existing clients. We believe this is indicative of a commitment to growth in corporations who have optimized their structures and systems with regard to costs.

Conferences

This space is reserved for announcements of conferences or events that may have value to our readers.

No conferences have been sent to us for posting in the first two months of this year and thus there are none to highlight in this edition of The PARAGON Perspective. If anyone wishes to include a notice of an appropriate conference we will be happy to add it next month.

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.

Technologies of Interest

1. **Client** technologies are available as follows:

- A new anti-microbial technology that is based on chemistries never before combined and will have a particular benefit in applications where microbes develop resistance to a specific mode of action.

Anyone interested in either of these technology opportunities should contact us as below and we will forward the responses to our clients so they can contact you directly.

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Quotes of the Month

"The quiet words of the wise are more to be heeded than the shouts of a ruler of fools." *Ecclesiastes 9:17 (Solomon)*

"If necessity is the mother of invention; then capability is the father they join to create Opportunity." *Rick Davies*

"Inspiration and genius are one and the same." *Victor Hugo*

"Expectations are more powerful than reality". *Jack T. Peregrim*

"Time does not change us. It just unfolds us." *Max Frisch*

"The future depends on what we do in the present." *Mahatma Ghandi*

"The secret of a good sermon is to have a good beginning and good ending; and to have the two as close together as possible." *George Burns*

"Don't worry about temptation; as you grow older, it will avoid you." *Winston Churchill*

"Why not upset the apple cart. If you don't, the apples will rot anyway." *Frank A. Clark*

"In skating over thin ice. Our safety is in our speed." *Ralph Waldo Emerson*

"The value of experience is not in seeing much; but in seeing wisely." *Sir William Osler*

Interesting Words

Speculum: (SPEK-yoo-luhm) Noun

1. A mirror used as a reflector in an optical instrument, such as a telescope.
2. A metal such as any of various alloys of copper and tin used in making mirrors.
3. A bright patch of color on the wings of certain birds such as ducks.
4. An instrument for holding open a body cavity for medical examination.

Delate: (di-LAYT) Verb

To report an offense. To denounce or accuse.

Guttle: (GUT-el) Verb

To eat voraciously; to devour greedily.

Senectitude: (si-NEK-ti-tood) Noun

Old age.

Oscitant: (OS-i-tant) Adjective

1. Yawning or gaping from drowsiness.
 2. Inattentive, dull, negligent.
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“Can value be measured without documentation”

Background:

Many times in business development, we can quantify lost business because there is a base to calculate from. But, in new business development, we have no existing basis for calculations. This creates critical strategic problems such as:

- An inability to get commitments and resources because projections cannot be made with ‘hard’ numbers, particularly with regard to enabling technologies that have potential to improve products over ones that create new products.
- Downstream problems set by over-estimated expectations. We have been involved with clients with almost identical scenarios where NPV was the same in each. (We will use the figure of \$15mm). But, one of the projects had originally been calculated at \$50mm while the other was calculated at \$5mm. The client invested heavily in the one that had increased it’s expectation even though it was at an earlier stage and thus the calculations had a much broader range of possibilities; and mainly for ‘internal political’ reasons, just barely funded the other project. “Expectations are more powerful than reality”.
- Projects are ‘slow tracked’ with an initial focus to generate numbers as the primary outcome over generating value created. (“Let’s slow things down while we study the data generated. We can increase volume later.”)
- Our business processes such as six and nine sigma are requiring high certainty in the ‘soft’ functions such as planning, strategy, and research.

All of the above can be summarized by saying that we require quantifying the future-which cannot happen. It is always our objective and should be a driving goal, but it should not hold us back from capturing value from new growth opportunities.

Tools:

There are several if not many tools that enable us to produce enough intelligence (note that the word data is not used) to satisfy our needs for risk certainty. The key is that it takes multiple approaches that collectively lead to the knowledge we require. Those processes are:

- **Stage-Gate.** Our stage gate processes provide a two edged sword to this dilemma. On one side they require a great deal of information and data (which may be impossible to attain) and on the other side they allow projects and initiatives to pass through gates if the management gate keepers allow it.
- **Scenario Planning.** Using scenario planning in conjunction with a project program such as Monte Carlo that looks at various potential variables, makes calculations on ranges, and provides at least an analytic means of estimation.
- **Qualantifying.** Yes, this is a new term but perfectly describes the process of providing enough qualifying intelligence that certainty is produced without data or historical intelligence. (Quantified). Basically using qualifying intelligence to meet quantified requirements. (We will have a future article on this.)
- **Competitive Intelligence.** Using sophisticated methods that go beyond intelligence about what a competitor is doing and getting to the level where you know what they will do based on scenarios.
- **Discovery Based Learning.** This process gets to critical success factors that are not even under consideration during initial planning steps.

This topic is so broad and has so many variables that a book could be written about it instead of our just touching on things in a few sentences and bullets. In fact, we will be addressing it again in different ways and expanding certain aspects of it in future editions of this newsletter.

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.

Trivia:

Why don't we just make fresh water from hydrogen and oxygen when we need it?

We could produce water by combining oxygen and hydrogen but the cost financially and environmentally would be exorbitant. The current methods to create water from its basic building blocks are impractical because it would take a massive amount of each to produce a small amount of water and the labor, equipment, and energy would be extensive.

Better methods would start with methane and produce water by burning it in an oxygen rich environment but that is only slightly better economically and not any better from an environmental standpoint. Desalination is a much better way still but also requires expensive processes that are not feasible to most of the world.

What is the most common surname in Denmark?

Jensen.

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:

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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 employees and affiliated industry partners are dedicated to helping clients optimize their planning and development efforts. We bring a network of 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. 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.