



## The PARAGON Perspective

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#### From the President

We hope all of our readers are finishing a very successful year even though the economy is still in the doldrums. We are looking forward to a 2013 that finally sparks significant economic expansion. Our best wishes for a wonderful Holiday Season and Happy New Year.

For those of you not familiar with us and may have received this as a ‘forward’ from the original recipient, The 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.

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

This month's editorial is titled *“Dealing with Unquantifiable Terms?”*

Jack T. Peregrim

Pres., PARAGON Development

Peregrim@ParagonDevelopment.com

#### Paragon Update

We are closing out this year starting a few projects but most clients are deferring new projects until Q1. Several clients have already told us their cost cutting pressures will be alleviated in the first quarter of 2013. We have clients that have undergone 8 quarters or more of cost reductions and even though we have had projects with them. We are looking forward to a return to post recession levels.

We added a section four months ago – Alliances and Partnerships – which will continue in this and future newsletters. The organizations highlighted have already had solid results and we wish the same for following editions. The section presents organizations and individuals we have worked with that we can provide first hand recommendations. In many cases we have worked jointly on projects. There are so many to highlight that we wish we had begun this a long time ago. We ask your patience as we will get to everybody over time.

We are planning a redesign of our website in Q1 2013.



## Conferences

LES Exec 100  
Licensing Executives Society – Invitation only  
Phoenix, AZ. February 11-12, 2013

The Licensing Executives Society is a premier organization for licensing and commercializing technology and they hold a once a year event with an upper limit of 100 executive who hold relevant positions in corporations and universities. Service providers are not provided invitations.

We have found the content, attendees, and format to be a superior value and would recommend requesting registration for all who qualify at <http://LESUSACanada.Org> The conference is global, as are the attendees.

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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 over six thousand individuals who are in executive positions who either oversee or practice 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

New monomer and copolymerized derivatives: A client has created a new monomer with copolymerized derivatives that have the ability to apply Teflon® type properties without the need for specialized application equipment. Thus, coatings can be applied with conventional techniques such as spraying, spreading, brushing, rolling, et cetera and still have a coating with very low surface friction. They anticipate using this in a wide variety of coatings applications.

If interested contact: Jack Peregrim at (203) 288-4154 or [Peregrim@ParagonDevelopment.Com](mailto:Peregrim@ParagonDevelopment.Com)

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## Quotes of the Month

“One path leads to despair and utter hopelessness. The other, to total extinction. Let us pray we have the wisdom to choose correctly.” *Woody Allen*

“Nothing is a waste of time if you use the experience wisely.” *Auguste Rodin*

“The invariable mark of wisdom is to see the miraculous in the common.” *Ralph Waldo Emerson*

“Precision is not reality.” *Henri Matisse*

“By asking for the impossible we obtain the best possible.” *Giovanni Niccolini*

“It is in self-limitation that a master first shows himself.” *Johann Wolfgang von Goethe*

“We don’t see things as they are; we see them as we are.” *Anaïs Nin*

“When in doubt, win the trick.” *Edmond Hoyle*

“We are what we repeatedly do. Excellence is therefore not an act but a habit.” *Aristotle*

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## Interesting Words

**Emulous:** (EM-yuh-luhs) Adjective

1. Eager to imitate, equal, or surpass another.
2. Jealous or envious.



**Pervacious:** (puhr-vi-KAY-shuhs) Adjective  
Very stubborn.

**Cautelous:** (KOT-uh-luhs) Adjective  
1. Cautious.  
2. Crafty.

**Rhadamanthine:** (rad-a-MAN-thin) Adjective  
Inflexibly just or severe.

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## “Dealing with Unquantifiable Terms”

### Background:

This may be the most difficult topic we have addressed and we honestly cannot prescribe clear methodologies or resources that are effective in a majority of cases. This topic is based on requests from two separate organizations that wanted our perspective. It is based on the terms/claims that are used but without any meaningful guidelines to measure performance. Examples are:

- Safer
- Lowers carbon footprint
- Greener
- Cleaner
- More environmentally friendly
- Promotes sustainable solutions

We could add another dozen to the examples above. Issues we have all seen and had to deal with either competing with others using these terms or in our investments to make products having these claims. A large portion of those claims are based on environmentally-beneficial over those that are improved, safer, easier to use, et cetera. We will focus primarily on those types of development.

### Dilemmas:

Responsible organizations do invest in doing ‘the right things’ for their customers and society at large. Yet, it is difficult to do the right thing when we are not sure what that is. We are involved in multiple projects exemplified by a new functional chemical additive that is still at an early stage. It has the potential to make existing polymers much more biodegradable so the final products can be recycled more easily in applications such as packaging or durable plastic parts. This allows a more responsible claim without the need for a complete conversion to biopolymers to support making products from “more responsible” materials.

But, what is the “right thing” to do? If it allows 5% greater recyclability is that significant enough to make a responsibility claim or does it need to be 50% or even 90%? Is this even less responsible because it provides an alternative based on cost drivers that undercut the best overall environmentally beneficial solution? In Expert Forums, there were many conflicting opinions and perspectives and the issue just could not be resolved. We have many other examples in which technology investments just could not be quantified in terms of value and value capture. This even applies to existing, mature products.

Another dilemma is in the overwhelming press and pressure about needs that are considered to be strong drivers. We are inundated by articles, conferences, and even regulations that make it appear that business success is certain based on new products that are focused on delivering these types of favorable attributes.

### Recommendations:

As we stated above, there are no established metrics in many of these cases; so the best we can do is to share some ‘general’ recommendations that should be considered based on dozens of relevant projects and with a decade of case studies considered. We believe you should consider:

- Consider unquantifiable claims as secondary in value until they can be quantified. If you are investing in new product development only base investment on hard, measured attributes such as: lower cost, 20% less energy, minimizes downtime, et cetera. If your new product or technology is justified by quantifiable and clear claims, then it is worthy of investment without the otherwise substantial risk. Let the secondary claims provide ‘bonus differentiation’.
- Base new products on the harder claims in their first generation. Get them established; then look to incorporate additional claims in differentiated extension products. This also allows different pricing levels that will maximize profits over time.

- Separate internal accounting and accountability so that products with benefits that are more socially responsible are not held to the same standards as other products in regard to margins and profitability. Also, avoid the “trap” where a new product does not have the value expected in the market and the response is to raise the price to support base costs with higher revenue. This almost always leads to a more rapid failure.
- Invest in extensive value engineering to look at system cost and value. This is not easy or inexpensive because of the difficulty in getting accurate data downstream but it can allow claims to be made that are meaningful. The biggest problem is in protecting the claim against fast reacting competitors that simply make identical claims. There can be IP protection but it is sophisticated.
- Decide on a fast response strategy yourself and do not make the first investments.
- Make sure you have significant downstream development or commercial partners. Do not proceed without formal and solid commitments, (skin in the game), that ensures the values you achieve are meaningful to those in whom you are basing projections. Particularly in this area we have seen countless examples of failures based on: “If we make it, they will come”.
- Establish a continuous research effort to monitor changes in regulatory or influencing organizations that lower risk based on better clarity. Also establish relations with credible and reputable organizations who can provide endorsements or third party credible “audits”.

#### Summary:

We are not trying to curtail or discourage product improvements that are more environmentally friendly. As clearly as we can state it, “This is not our intention.” The issue is really about unquantifiable terms which, unfortunately, are affecting us in business, most in dealing with environmental claims. The following summarizes what we believe:

- Do invest in environmentally friendly products. Not making these investments is also risky.
- Be prudent in expectations for revenue and time to ramp up volume.
- Don’t fall into either trap where you over-estimate value based primarily on environmental claims and also where you are paralyzed and avoid all investment because value is impossible to quantify.
- Timing is everything. Better environmental solutions will be required but no one knows clearly which products will be most affected and when. Some may be impacted significantly in 2013 and others in 2033.

#### In closing:

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 beyond those considered every day. We do not try to presume to be the leaders in all areas we cover and 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 will continue to focus on topics that the readers choose over ones we consider within our staff, so please continue to send requests for topics you want covered.

#### PS:

We want to remind our readers that this section of the newsletter is open to anyone with a development topic or an approach they would like to share. Many of you - consultants, company managers, and academics - have very solid and profound contributions that could be presented in future newsletters. We ask that your submission be from 300 to 800 words. Let us know and we will gladly distribute your topic to the thousands of people on our distribution list. We agree that the copyright and ownership be kept by the contributor and that our only right is to reproduce it in conjunction with this newsletter.

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## Trivia

### **Who first wore a mullet?**

Nobody knows where the hairstyle originated but in 1200 BC it was depicted by Homer in the Iliad where he and others wore their hair cut short around the face and long in the back over the neck.



**Who picked the seven wonders of the ancient world?**

Nobody picked all 7 but Herodotus, the Greek historian chose the first 6 and then many others were considered for the seventh and it was not until the middle ages that agreement was finally made by scholars that the seventh should be the Lighthouse of Alexandria.

**Who has had the most wives?**

That distinction is felt to be held by Solomon who had 700 wives and another 300 concubines.

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## Alliances and Partnerships

The number of organizations that we have worked with and collaborated with is too numerous to mention but we wanted to add this section to highlight organizations we are comfortable endorsing to our wide body of readers. We will add a new organization each month and listing those from previous months with a few words about their focus and contact information.

**This Month:****Global Sustainable Solutions**

Jamshid Armaghani, Ph.D. P.E. Phone: (352) 336-1161, Mobile: (352) 338-2913, [Jamshid@BellSouth.Net](mailto:Jamshid@BellSouth.Net)

Global Sustainable Solutions is a consulting company that specializes in pavement and materials engineering, new product/technology evaluation and marketing. Focused on infrastructure engineering, they provide innovative and sustainable solutions and intelligence to public and private clients.

**Previous two months:****XLR8 Business Solutions**

Krishna K Rao. Phone: (281) 298-6622 or (281) 795-4600 [KrishnaKRao@GMail.Com](mailto:KrishnaKRao@GMail.Com)

XLR8 has a focus in the petrochemical industry although they have taken assignments beyond that. We have found that they have a very high degree of competence in attaining and interpreting business, market, and technology/product intelligence. We have employed them looking at many vertical applications in petrochemicals that ranged from exploration, refining, downstream processes, and end products. Also, they have generated reports focused on India, China, and Taiwan. We would recommend them for anyone needing high quality and comprehensive understanding of any issue or area in petrochemicals.

**Chemical Search International – global offices**

North American Office – Philadelphia, PA: Ronald Thompson

Phone: (267) 386-4920 / E-Mail: [RNT@ChemicalSearch.CO.UK](mailto:RNT@ChemicalSearch.CO.UK) / Website: [WWW.ChemicalSearch.CO.UK](http://WWW.ChemicalSearch.CO.UK)

Chemical Search International specializes on Executive Search primarily in the chemicals and materials industries. They have a proven ability to find and place candidates that are difficult to both locate and deliver. We have worked with them directly over the past few years and with high respect and success.

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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 and that you will let others who might find this newsletter useful know about our publication. Previous issues of our newsletters can be found at <http://www.paragondevelopment.com/perspective.html>. If you would rather not receive the newsletter please respond to this email and include the word REMOVE in the subject line or in the message. To subscribe to our newsletter, please send an email to [contact@paragondevelopment.com](mailto:contact@paragondevelopment.com) and include the word SUBSCRIBE in the subject line or message. We will never sell your email address to others.

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