

The PARAGON Perspective

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From the President

We wish our readers a very productive start to a prosperous 2012! It is hard to believe it but this is the 12th year for us at PARAGON. We are very, very grateful for the opportunity to have served our clients over those years and to continue to serve old and new ones in the years ahead.

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: **“Don’t Put Limits on Your Potential Value Capture.”**

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Paragon Update

In the past 6 weeks we have had a significant number of projects delayed from December and January starts because of economic and budget uncertainty. It is hard to project when industrial confidence will truly recover. It looks like a fairly slow start to 2012 and our hope is that the second quarter will be more in line with our historic levels and growth.

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Conferences

PanPac Conference: A request has been made to post a very valuable conference focused on microelectronics. The focus is a balance between technology and business and it is a superior networking even for attendees regardless their discipline if related to the microelectronics industry and markets. Information can be found as follows:

PanPac Conference
Kauai Hawaii
February 14-16, 2012
www.SMTA.Org/PanPac

LES Executive 100 Conference: There is another unique conference at the end of January that is by “invitation only” however it is possible to request an invitation if certain criteria are met. The criteria are that invitees are executives in an industrial organization (not service providers) and have an interest in capturing value from technologies. There is no additional focus on the particular industry and representatives will be from diverse fields such as pharma, defense, electronics, chemicals/materials, etc. The conference is limited to 100 people and there is a balance of expert and peer learning that provides a very valuable interactive experience. Past attendees have left with significant takeaways that can be applied short and long term. We will be at this conference from a support perspective and hope to see you there. More information can be found at:

LES Executive 100 Conference
 Biltmore Hotel, Phoenix AZ
 January 30 & 31, 2012
<http://www.lesusacanada.org/meetings/ip100/january-2012>

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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 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.

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Technologies of Interest

Odor absorption: A client has a new family of products with the potential to absorb a very wide range of odors. They have focused on industrial applications and are looking at a new platform in consumer and personal care applications.

If there is interest in the above, please contact Jack Peregrim for additional information.
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Quotes of the Month

“All life is an experiment. The more experiments you make the better.” *Ralph Waldo Emerson*

“All that glitters may not be gold, but at least it contains free electrons.” *John Desmond Baernal*

“The beginning of wisdom is found in doubting; by doubting we come to the question, and by seeking we may come upon the truth.” *Pierre Abelard*

Note: The following quotes were sent by a reader and are particularly interesting as the U.S. enters the next Presidential Election year. The quotes, however, are not meant to reflect any specific endorsements or views of the PARAGON team.

“Foreign aid might be defined as a transfer of money from poor people in rich countries to rich people in poor countries.”
Douglas Casey

“Suppose you were an idiot and suppose you were a member of Congress.... But then I repeat myself.” *Mark Twain*

“A liberal is someone who feels a great debt to his fellow man, which debt he proposes to pay off with your money.” *Gordon Liddy*

“Giving money and power to government is like giving whiskey and car keys to teen-age boys.” *P.J. O'Rourke*

“Government is the great fiction, through which everybody endeavors to live at the expense of everybody else.” *Frederic Bastiat*

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Interesting Words

Interstitial: (in-tuhr-STISH-uhl) Adjective

Concerning or located between things, especially things closely spaced.

Antediluvian: (an-tee-di-LOO-vee-uhn) Adjective

Extremely old, old fashioned, primitive.

Mantissa: (man-TIS-uh) noun

1. An addition of little importance.
2. The decimal part of a logarithm or the positive fractional part of a number.

Equable: (EK-wuh-buhl) Adjective

1. Not easily upset; tranquil.
2. Uniform; steady.
3. Free from extremes.

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“Don’t Put Limits On Your Potential Value Capture”

Background:

This subject has been addressed in different ways over the past few years but is worth emphasizing again; and several readers have expressed interest in our revisiting it. The issue is locking into your value capture options too early and rigidly based on how value is captured with new technology and products such as making a decision to license new technology without considering other means of ‘transaction’ – partnering, alliances, venturing, etc. This inflexibility has the tendency to cause large corporations to minimize contributions. Some of the reasons for this are:

- Rigid corporate practices that we decide after much study to be ‘best practices’. Things are done a certain way because they are best but, in fact, there is no single best way that fits every scenario and circumstance. Thus, a company with little past success at partnering will assume that it is a poor option on a new development project.
- Managerial experience which is related to, but different from the previous reason. Managers tend to direct their staff to execute in ways that the manager can understand and be comfortable in oversight.
- Resource allocation that forces decisions based on short term investment requirements over long term contribution.
- Lack of information and knowledge about the value capture potential via different commercialization approaches.
- Internal accounting where P&L resides lower in an organization and thus, overall value, may not be rewarded to a specific business unit.

Recommendations:

To be sure that maximum value is extracted from the original investments in new products and technologies, we recommend the following:

- Perform a value assessment from “the outside in”. In other words, look at Voice-of-Market™ or other external processes to determine both the best potential value capture options but also put together a staging strategy that may use several different approaches dependent on time and applications/markets. Engaging those who can best determine optimal value is critical. If not targeted to a single customer, look at alternatives prior to Voice-of-Customer approaches.
- Set up a portfolio approach that will support the staging strategy discussed above. Benchmark others with analogous offerings and set up and work with a matrix that ensures all value capture mechanisms that are relevant are studied.
- Look for and determine strategic and business value beyond the specific transaction. We had a project recently where a client used a specific new chemistry to form a partnership that pulled many other products into new applications. The value of the partnership was minimal but the overall value to the company was significant. Set up a reward system for the business unit in which the technology or product resides.

- Line up external resources with the functional expertise lacking internally. As an example, if you have very little in-house expertise on licensing, then have a licensing consultant that can be brought in both to evaluate potential and then also help with transaction support.

In summary:

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 up to anyone with a development topic or an approach they would like to share. We ask that your submission be from 600 to a 1000 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

What common sources glow under a black light?

The short answer is that any substance that contains fluorescent substances that absorb UV light will glow under a black light. They basically re-emit the energy from the ultraviolet light and send it back in one millionth to one billionth of a second. The emitted light is typically of a longer wavelength than that which was absorbed.

Some surprising materials contain fluorescent compounds. Quinine, which is a fluorescent compound, can be found in club soda. Vitamin A, thiamine, and riboflavin are fluorescent. Chlorophyll fluoresces with a red color and blood, urine, and other bodily fluids contain fluorescent compounds as do jellyfish. Since about 1950, white paper has had fluorescent additives in it to make it look brighter. Other compounds typically containing fluorescent compounds additives include antifreeze, laundry detergents, dental whiteners, and postage stamps.

Who decided which Presidents were on Mount Rushmore?

The sponsors asked Gutzon Borglum who was the sculptor to carve the monument for tourism value and they wanted Presidents Washing, Jefferson, and Lincoln. Borglum was friends with Theodore Roosevelt and even sold him a piece of sculpture so he lobbied to add him and got his way.

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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 and include the word SUBSCRIBE in the subject line or message. We will never sell your email address to others.

We encourage you to visit our website at <http://www.paragondevelopment.com> to find out more about PARAGON Development, who we are and how we assist our clients.

Your friends at:

PARAGON Development

<http://www.paragondevelopment.com>

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