Sloan Industry Centers Seek Formula for Sustainability

by David Bell, Coordinator, Business Development

At a December 14 meeting in Cambridge, MA, the Sloan Foundation Industry Centers Directors and Affiliates met to discuss strategies for achieving long-term sustainability. The stated policy of the Foundation is to fund a newly created Center for a period of no more than nine years. After that, it is expected that the Center will have been so successful in demonstrating its value that the industry being studied will want to assume full responsibility for the Center's funding. Since it is by no means obvious how to achieve this desirable goal, and since both the Sloan Foundation and its Industry Centers have a vested interest in doing so, the Foundation was receptive to the idea of funding a workshop one year ago at which the directors of a selected group of Industry Centers met to explore the subject. All of the Centers were invited to participate in the more recent meeting, which was a follow-up to the earlier one.

When we at CPBIS first discussed creating a sustainability plan with our Board of Executives, we envisioned creating a fundraising plan. This changed after Kathy Buckman Gibson, Chairman of BuLabs, gave us visionary advice. She said that industry executives would not be interested in serving on a “fundraising board”, but would be interested in helping to create a valuable resource for the industry. Financial support would then follow naturally.

This advice molded discussions at the first Sustainability Workshop in January 2005. The meeting evolved to a discussion of effective practices and sharing with each other and learning from each other strategies that have worked, as well as strategies that have not worked very well. Abundantly clear to all participants was that this was a most productive day. More importantly, the group was infused with the understanding that the power of a cluster of Centers was much greater than that of any individual Center. Participants left knowing that they are part of a larger entity – The Sloan Industry Studies Program – and that each can learn much from the others. Jim Ferris, facilitator and coordinator (along with Ron Durbin) of the January meeting, has prepared an effective practices document which captures the thoughts of those Center Directors that were involved. Diran Apelian, Director of the Powder Metallurgy Center, said, “The first meeting in January was formed in order to share with others the things that have worked for them in the past. However, for me it was more than that; it was a transformative meeting. I learned so much from the International Automotive Center that I went back and successfully solicited the beginning of an endowment to ensure a succession plan.”

The objectives of the December meeting were to establish an ongoing process for the Centers to learn from each other and capture their collective effective practices and a strategy for creating brand awareness.

Gail Pesyna, Sloan Industry Centers Program Director shared with the group her definition of sustainability. “We mean fundraising but that is not the total picture. Being able to continually attract good faculty and students to your Center and to have young scholars be attracted to Industry Studies is important to sustainability. University administrators must appreciate the value of the Centers. We hope that the academic community, your peers, will view your research for the quality
of its scholarship. We hope that your Center is being viewed by the key people in your industry as a value to that industry. And lastly, we hope that those in government recognize the Centers as a credible place to go for valuable information.”

In ensuing discussions within two focus groups, individual Centers outlined their approaches to achieving sustainability and creating brand awareness; each Center benefited from hearing what the others were doing to meet these objectives.

Stay tuned for further outcomes of these meetings, and further developments in the Centers’ collective efforts to ensure that their work is valued and supported by the industries they study.

More Observations on the State of the Industry
by Jim McNutt, Executive Director

Recently improved paper industry profitability is closely associated, in part, with a modest rebound of the industry’s demand structure, which had suffered a substantial step backward during the past three years or so. With increased global capacity to provide cost effective imports back into the US, any further demand backsliding within the domestic economy will quickly and directly influence pricing and returns for US paper industry players, as domestic shipments have not quite matched the trend improvements in domestic demand.

Important to the US economy in general, and the forest products industry in particular, is the recent surge of energy prices. Note that $65-70+/bbl oil & $11/Mcf natural gas pricing will create GDP & industry instability. However, sustained natural gas prices of $6-7/Mcf or more raise very real and substantial value opportunities for wood conversion to energy products via newly evolving biorefinery technologies. Some have estimated that in two to three decades 25% or more of the domestic energy supply will come from biorefinery-processed wood fiber.

Spring 2006 PIMA/CPBIS Webcast Series Announced

“Understanding and Applying Lean Manufacturing in the Paper Industry” is the theme for the Spring 2006 series of Webcasts co-sponsored by PIMA and CPBIS. The series begins Jan. 25, 2006, and continues through May 3, 2006. All seminars will be held 11 a.m. to 12:30 p.m. EST.

Whether you are new to Lean Manufacturing or you just need to sharpen your practice of it, don’t miss this PIMA-CPBIS Webcast series. Plan now to attend by reserving a meeting room at your facility and inviting your colleagues to collectively explore the pros and cons of implementing this very important methodology.

The eight-session series will be taught by consultants from World Competition Consultants, Maryville, Tenn. The company has been in the consulting business since 1983 and has a core team of 35 seasoned professionals who can address all disciplines of manufacturing and all types of businesses to quickly make clients more profitable. The main focus of their work is rapid implementation of cost, quality and delivery improvements in manufacturing businesses. For more information on the webcast series, see http://www.pimaweb.org/training/spring06seminar2.html

Upcoming Events


CPBIS Management Development Course. May 15-19, 2006. Global Learning and Conference Center, Georgia Tech. For info or to register, visit http://www.cpbis.gatech.edu/mgtdev or call 404-894-1488.