



Center for Paper Business and Industry Studies

Newsletter of the Center for Paper Business and Industry Studies
A Sloan Foundation Industry Center ♦500 Tenth Street ♦Atlanta, GA 30332 ♦<http://cpbis.gatech.edu/>

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Management Development Course: Online Registration Now Available

The next offering of the highly regarded CPBIS professional development program, *Management Development for Enhanced Performance* will be May 15-19, 2006. The course is divided into 8 sessions:

- The Art of Leadership
- Effectively Managing Change
- Creating Successful Bargaining and Negotiations Outcomes
- Effectively Managing High Performance Teams
- Leveraging People Resources for Improved Performance
- Improving Capital Effectiveness
- Designing, Managing, and Improving Processes
- Customer Relationship Management

Online registration is now available via the link http://www.cpbis.gatech.edu/conted/management/management_main.htm Early bird rates are in effect until April 3.

The course provides participants with an opportunity to learn about current and future competitive challenges that will affect the industry and how they can effectively deal with them. Past attendees have provided favorable feedback, remarking upon how being able to interact with their peers enhanced the learning experience and how well the material taught complements ongoing corporate initiatives within their firms.

CPBIS Research Culminates in First-of-Its-Kind Book

The CPBIS research project, “Revitalizing the US Market Pulp Business: Demonstrating Paths to Success,” has resulted in the publication of a unique practical resource book on market pulps, the characteristics of each, appropriate applications and selection criteria. The book, entitled “The World of Market Pulp,” has just been published. In addition to technical background information on pulp categories, requirements for specific paper grades, and factors affecting pulp quality, it includes a series of 11 essays by well-known invited contributors on various aspects of the market pulp business. Perhaps the most significant part of the work from the standpoint of the potential pulp purchaser is a comprehensive “atlas” of pulps. Entries for each of the 60 pulps described include fiber species, distinctive attributes, applications, fiber morphological information, sheet properties, and electron micrographs of sheet surfaces and cross sections. The authors are Dr. Hiroki Nanko, principal research scientist at Georgia Tech, director of the IPST microscopy programs and a principal investigator on the CPBIS project, Dr. Alan Button and Mr. Dave Hillman. Both Button and Hillman are well known for their extensive experience in the market pulp business.

In their preface, the authors make the case for publication of the book and for expending the massive effort that was required. They state that the past two decades have seen the market’s emphasis turn from a small variety of mostly mixed-species pulps to new, single-species pulps such as those from acacia, aspen, radiata pine and hybrid/cloned

Brazilian and Chilean eucalyptus. Large, new, world-class mills have taken their place alongside traditional suppliers and buyers now have a much wider variety of pulps from which to choose.

The bottom line is that “Refocusing the strategies of the global market pulp industry requires that they endeavor to achieve the following goals:

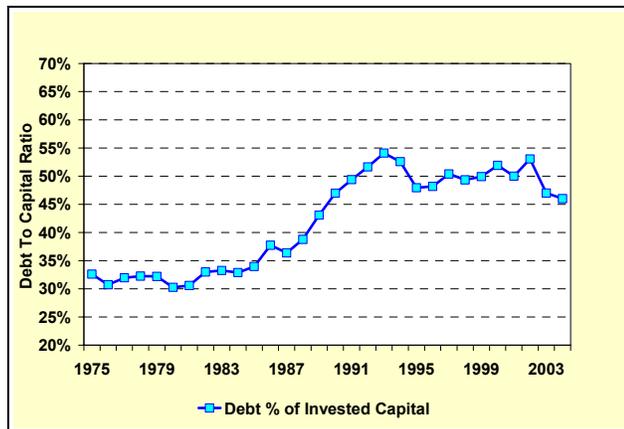
- Change the primary method of pulp selection from one of price to that of benefits and distinctive properties.
- Recognize and then fully utilize inherent pulp properties to optimize their potential contribution.
- Develop innovative, functional products designed around those carefully chosen pulps capable of making the greatest practical contribution.
- Develop novel, cutting-edge non-papermaking applications and alternative uses for pulp.”

For more information, contact Hiroki Nanko (hiroki.nanko@ipst.gatech.edu), Alan Button (abutton@new.rr.com) or Dave Hillman (dhillman87@juno.com).

More Observations on the State of the Industry

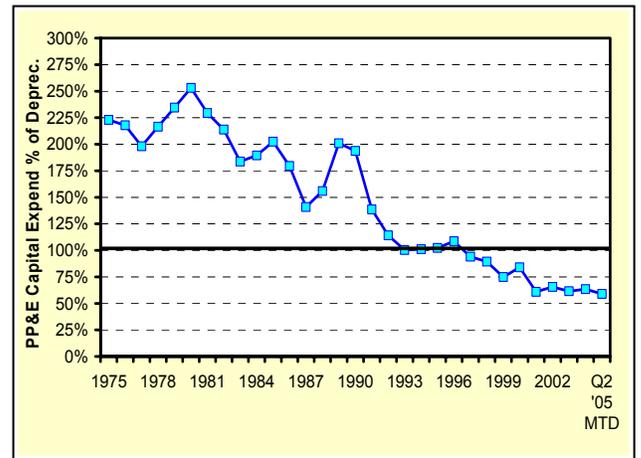
by Jim McNutt, Executive Director

Since 1975, the US paper industry’s level of debt has steadily increased from below 30% to levels that have consistently averaged above 45% since the late 1980s. This high level of debt has impaired the industry’s ability to implement needed revitalization strategies. Moreover, these improved debt levels are still high enough to constrain needed business investments, although debt levels have improved of late with somewhat enhanced domestic industry performance.



With the US paper industry unable to sustain acceptable returns, capital spending has been substantially constrained of late. Compared to the

1970s, 80s, and 90s, today’s capital expenditures are *significantly below depreciation levels* – even seeming to stabilize there. Of concern is that, just as sustained capital spending levels above depreciation can be destructive, so can capital spending at sustained levels below depreciation. The key is a balance across time -- which the US paper industry seems still to be seeking.



BoE to Meet Next Week

The CPBIS Board of Executives (BoE) will meet next Thursday, Feb. 23, in the Board Room at IPST in Atlanta. Among the items slated for discussion are the CPBIS sustainability plan, a restructuring of the Industry Advisory Board, the research agenda, and plans for requesting renewal of the Sloan Foundation grant for the years 2007-2009

From Mills Online Updates

The mill in Middle Falls/Greenwich, NY, formerly owned by American Tissue Mills of Greenwich, is now owned by United Fibers, L.L.C. The mill is still closed.

The Riverside Paper Corp. Mill in Appleton, WI closed in 2005. Its annual production capacity was 77,000 short tons of uncoated free sheet.

See <http://www.cpbis.gatech.edu/millsonline/>

Upcoming Events

PIMA/CPBIS Spring 2006 Webcast Series. “Applying Lean Manufacturing in the Paper Industry” Biweekly on Wednesdays, Feb. 22 – May 3, 11:00 a.m. For more information, see <http://www.pimaweb.org/training/spring06seminar2.html>

CPBIS Management Development Course. May 15-19, 2006. For information or to register, visit <http://www.cpbis.gatech.edu/mgtdev> or call 404-894-1488■