



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://www.cpbis.gatech.edu/>

Vol. VI, No. 8

November 16, 2006

CPBIS at the TAPPI EPE Conference

**By Colleen Walker, Associate Director,
Industry Liaison**

CPBIS hosted two sessions at the TAPPI Environmental, Pulping and Engineering Conference last week in Atlanta. CPBIS Executive Director Jim McNutt kicked off the first session with an up-to-date presentation, “*State of the North American Pulp and Paper Industry: Industry Competitiveness and Enterprise Transformation.*” Speaking to a packed audience, Jim explained how the industry has slowly lost its competitive edge, and then highlighted the pivotal role that enterprise transformation can play. He reviewed the context, potential value, key elements, and framework for enterprise transformation, with illustrations of successes in other industries. This presentation will soon be posted on the CPBIS website (www.cpbis.gatech.edu) – look under the “Resources” tab for the *State of the Industry*.

CPBIS also hosted a second session, *Trends in Global Demand and Industry Innovation*. In the first of two presentations, CPBIS Director Patrick McCarthy presented a comparative analysis of trends in consumption and imports in four major regions: the North American Free Trade group, Asia, Europe, and South America. His work explored the shift in global demand for paper and paperboard products. Dr. McCarthy also reviewed the per capita consumption of pulp and paperboard for these regions and related it to per capita Gross Domestic Product (GDP) within these regions, demonstrating some unique differences within these regions.

Dr. Vivek Ghosal, Associate Professor of Economics at Georgia Tech, presented a preliminary report of his research on innovation within the industry. Dr. Ghosal and his co-researcher, Dr. Usha Nair-Reichert, looked

at several parameters as indicators of innovation: research expenditures, patent activity, new investments (equipment, technologies, etc.), and merger and acquisition activity. Preliminary results from this study were based on information on new investments taken from industry publications. While the authors acknowledged that this is a poor dataset – and the audience verified this – it is one of very few datasets available for analysis. Dr. Ghosal’s work is primarily based on establishing a framework within which to evaluate innovation. Watch this newsletter for updates on their work.

This is the fourth year of CPBIS sessions at the TAPPI EPE Conference. That attendance at CPBIS sessions has steadily increased over the four year period suggests that these business-related sessions are finding a niche at the Conference and providing additional value to Conference delegates. We hope to see you next October 21-24, 2007 in Jacksonville, Florida for CPBIS sessions at the PIMA-TAPPI Pulp and Paper Conference!

Sloan Foundation President Ralph Gomory Visits CPBIS and Tech

By Colleen Walker

Invited by CPBIS under the auspices of its Distinguished Lecture Series and co-sponsored by CPBIS and the Trucking Industry Program, TIP (two Sloan Industry Centers at Georgia Tech), Dr. Ralph Gomory participated in the College of Management’s IMPACT speaker series on Wednesday, November 8th. Dr. Gomory spoke to a large audience of faculty and students on concepts related to his book “Global Trade and Conflicting National Interests” (MIT Press, 2000) co-authored with distinguished economist Dr. William J. Baumol. Gomory and Baumol have analyzed standard international trade theory with an

emphasis on the effect of technological change. Their findings lead the authors to conclude that there are inherent conflicts in international trade – often improvement in one country’s production capabilities is only attainable at the expense of another country’s general welfare – as well as conflicts between the profit-making obligation of global corporations and their contribution to the welfare of their home countries.

Gomory is well known both as an individual researcher (integer programming) and as a technical leader. He earned his Ph.D. in Mathematics in 1954 at Princeton, then served for three years in the U.S. Navy, after which he taught for two years at Princeton. He joined IBM in the early days of computers (1959) and in 1970 became the Director of Research, responsible for IBM’s Research Division. He retired from IBM in 1989 as Senior Vice President for Science and Technology and became President of the Alfred P. Sloan Foundation. Dr. Gomory has received many honorary degrees and awards including the National Medal of Science.

During his visit, Dr. Gomory met with Georgia Tech President Dr. Wayne Clough, as well as with CPBIS and TIP staff and researchers.

Improving How You Do Business

By Colleen Walker

We all know the value of education for acquiring new skills and honing those used everyday. Twelve industry professionals dedicated one week of their busy lives to do just that last month. CPBIS regularly offers a five-day management development program that allows industry managers to gain new tools to do their jobs better. In the current state of the industry – with compressed time schedules, tight margins, and low costs – we all need to be getting the most out of ourselves and our employees every day. This five-day class focuses on leadership skills, managing change, and team performance. Other topics include customer relationship management, negotiating, leveraging human resources, capital effectiveness, and strategic decision making. The twelve individuals returned to their jobs with new tools, a fresh perspective, and the ability to bring value to their respective organizations.

The next offering of this course is scheduled for June 4-8, 2007. Please check the CPBIS website for additional information (www.cpbis.gatech.edu).

Upcoming Events

CPBIS Board of Executives Meeting, February 22, 2007, Atlanta, Georgia.

PIMA/TAPPI Pulp and Paper Conference, Jacksonville, Florida, March 11-15, 2007. (CPBIS will

be hosting three sessions at this event. Watch for details next month.)■