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Solving Problems Before They Occur

Beginning March 28th, PIMA and CPBIS will offer a series of three interactive skill development webcasts on “Problem Solving or Problem Prevention – Best Practices on Solving Problems before They Occur.” The material expands on the well known premise that problems prevented are easier to handle, save time, effort and money, and avoid injuries. It will include new systematic ways of thinking to prevent and mitigate problems before they occur.

Why don’t organizations approach problem prevention with the same rigor and discipline as troubleshooting? The easy answer is that problem solving is more rewarding – the hero saving the day has a more rewarding personal return than one performing routine analytical evaluations. However, a disciplined approach to problem prevention, along with opportunity management, pays larger dividends for manufacturing operations.

The three-session webcast will describe the critical thinking and operational improvement skills of Problem Prevention/Risk Analysis, Opportunity/Benefit Analysis, and the art of documenting actions and processes.

Webcast sessions will be held on alternating Wednesdays – March 28, April 11, and April 25. Each session will begin at 11:00 a.m. (EST) and last approximately one hour. Digital recording of the session will be available after each event for those from an attending site who were either unable to attend or wish to review the presentation at a later time.

The cost is $500 per session per site. Discounted pricing of $300 per session per site is available for members of PIMA, CPBIS, TAPPI or PAPTAC. A discounted program rate per site is available to those who subscribe to all three sessions.

To participate, reserve a meeting room at your site and invite as many colleagues as you would like. You will need a PC, Windows XP, a sound card, speakers, and a 56kbs or higher Internet connection. You may also wish to use an LCD projector and a large screen.

For more information on how to register for this interactive webcast series contact Bob Patterson (bob.patterson@cpbis.gatech.edu or call 770-855-0232)

Pulp and Paper Industry Innovation Examined

A working paper describing the results of research funded in part by CPBIS has recently been posted on the Sloan Foundation’s Industry Studies Web site. The paper, Innovation in the Pulp and Paper Manufacturing Industry: Insights from the 2005 Georgia Manufacturing Survey, was authored by Jan Youtie, Phillip Shapiro, John Slanina, and Erin Lamos, all of the Program on Science, Technology and Innovation Policy, Georgia Tech School of Public Policy. Here’s the abstract:

The need to enhance innovation capacities has received growing attention in recent years. This paper aims to profile innovation methods within the pulp and paper industry based on a survey of Georgia manufacturing establishments and in-person interviews. Pulp and paper survey respondents are compared with those in other industries in terms of their introduction of new or significantly improved products, processes, and organizational approaches; differences in form, size and type of pulp and paper operations are noted. Three unobserved dimensions of innovation – intellectual-property based, supply-chain based, and business-process based – are identified through
exploratory factor analysis and differences by sector are highlighted. Pulp and paper firms are generally found to lead other sectors in supply chain and process innovation, but lag in intellectual-property based innovation. Qualitative in-person interviews suggested that innovation through the supply chain may reduce firm distinctiveness and offered approaches such as migration to different product types and relocating R&D to university campuses as examples of efforts to shift from traditional innovation practices.

The full text of the paper can be obtained via a link at http://www.industry.sloan.org/industrystudies/workingpapers/default.asp

**Sloan Industry Studies Committee to Host Southeastern Regional Meeting**

A special event at Georgia Tech on March 30, 2007 is the first of several regional meetings that the Industry Studies Committee (ISC) will sponsor, with the objective of promoting awareness of common interests among industry studies scholars. Chip White and Pat McCarthy (directors of the Trucking industry center and CPBIS respectively) are the co-hosts for this event and have taken lead roles in preparing the program.

The Industry Studies Southeastern Meeting will be an opportunity for invited participants to share information about their research programs and learn about the research interests of other industry studies scholars in the region. In addition, information will be provided about small grants that the Sloan Foundation makes available to support the development of industry studies, and participants will discuss how the organization that is building around industry studies can help to support career development and promote individual research programs.

**Opinion: The China Trade Deficit and the Need for Innovation at Home**

A recent op ed in the Baltimore Sun, brought to our attention through the network of Industry Studies Centers and their affiliates, may be of interest to readers of this newsletter, given the impact of developments in China on the domestic paper industry. It was written by Gary Gereffi, director of the Center on Globalization, Governance & Competitiveness at Duke University and a professor of sociology. His e-mail address is ggere@soc.duke.edu. The op ed is reproduced here with his permission.

February 8, 2007

DURHAM, N.C. -- The Department of Commerce will release data Tuesday showing a record trade deficit with China of more than $200 billion in 2006. This news will likely fuel reaction alleging China is plotting to harm the U.S. economy and its workers by flooding the American market with cheap goods. Such vilification is based on a mirage.

Nearly $300 billion worth of U.S. goods were imported from China in 2006. Based on the pattern for China's total exports, up to two-thirds are likely to have come from other countries' corporations that are operating in China. That includes a few American companies that are profiting from China's cheap labor and efficient infrastructure.

More than any nefarious strategy, the China trade deficit reflects the state of the global economy: China is the world's factory and the U.S. is its supermarket.

There are, however, data that are far more telling about America's place in the global economy. Consider these basic statistics on the U.S. economy in 2006: 4.6 percent unemployment and 3.4 percent growth in gross domestic product. They are signs of a healthy economy. Financial concerns among American workers do not stem from a national economy battered by China.

Pressing China to let the yuan appreciate - the current U.S. policy - even if successful, would contribute only slightly to the U.S. economy. Far more fruitful would be addressing the anxieties of American workers about job security, retirement and health care with new ways of providing the social supports once found in pensions, lifelong employment, company health insurance, Social Security and Medicare. Another telling statistic is the growth of Wal-Mart. Since 2001, its global sales have ballooned from $191.3 billion to around $350 billion, with 80 percent of that coming from the U.S. market. Combine that with an average household credit card debt of $2,350, according to the 2004 Federal Reserve Survey of Consumer Finances, and you have a powerful consumption machine obsessed with low prices.

The manufacturing boom in China over the last two decades is a result, mainly, of companies such as Wal-Mart, Nike and Mattel, as well as numerous Asian electronics makers, seeking to supply the American market with inexpensive goods. China's surge is caused as much by demand from American companies as by Chinese stratagems.

Denouncing China for its low wages, as some labor groups do, puts the blame in the wrong place. In fact,
one of China's economic strategies is to add high-wage jobs by attracting research centers built by companies such as Microsoft and GE, while letting factory jobs move to the interior of the country or to Southeast Asian nations. The Chinese government wants to raise wages in order to create an expanded middle class whose consumption would provide a more balanced engine for its economic growth.

Cheap Chinese goods and labor have pitted the American consumer, in love with inexpensive goods, against the American worker, in fear of cheap labor. Unfortunately, these are often two sides of the same coin: America's workers are also its consumers.

Innovation is the only option left if Americans don't want to compete with China on wages and aren't ready to rein in their spending. A study I did with three colleagues found that 24 percent of the international patents filed in the U.S. in 2006 listed at least one foreign national as an inventor, up from 7 percent in 1998. An increasing percentage of innovation in America is coming from people who weren't born here and may have received much of their education elsewhere.

Nourishing innovation requires an educational system that produces talented homegrown researchers and welcomes foreign ones, and it requires a visa system that encourages them to stay, even in a day and age when security is an ever-present concern.

When the latest batch of trade data comes out next week, don't look to China in search of problems to fix. We'll have to find our answers right here at home.

**Upcoming Events**

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


**PIMA and CPBIS webcasts on “Problem Solving or Problem Prevention – Best Practices on Solving Problems Before They Occur.”** March 28, April 11, and April 25. Each session will begin at 11:00 a.m. (EST). See Article above.