



Center for Paper Business and Industry Studies

Newsletter of the Center for Paper Business and Industry Studies
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Develop Your Leadership and Management Skills

CPBIS, in partnership with PIMA, will again offer the highly regarded professional development course, *Management Development for Enhanced Performance*. The course will be offered at the Global Learning and Conference Center at Technology square on the Georgia Tech campus, in Atlanta, GA, May 9-13.

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

Previous participants have enthusiastically endorsed the course. Quoting Larry Newell, General Manager, Liberty Paper Inc.:

“My personal valuable take away, was the peer-to-peer interactions – even with added cost above and beyond Internet based training – human interactions are so important. Taking theoretical training and turning it into fact-based conversation among the group is where we gained the most value.”

Steve Sena, Business Development Manager, Honeywell, said:

“The class was a great networking opportunity as well as a great learning environment. The academic

portions were very polished and understandable and the industry instructors provided great insight into capital management and decision processes. The guest dinner speakers gave us a lot to think about and provided for great discussions/debates. As a vendor, I was glad I attended from two perspectives – how I operate in my own company and how my customers make decisions – that will help when developing selling strategies.

Dr. Philip Russell, Director, Technology Application, Weyerhaeuser, offered the following:

“The course was well designed and delivered by a strong faculty. The leadership portion was inspirational and demonstrated that most qualities of strong leadership can be learned and developed, and becoming a strong leader is within everyone's grasp – leadership is not just for the small number of people who innately possess the optimum set of personality traits. Other segments challenged some long-held industry beliefs that are limiting our profitability. I came away with specific ideas on how our company could generate increased profits and shareholder value.”

To register, or for more information, see: http://www.cpbis.gatech.edu/conted/management/management_main.htm

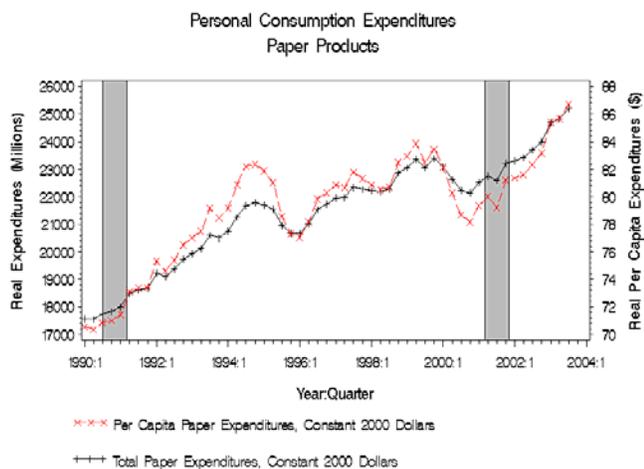
So Where Is the ‘Paperless’ Economy?

by Patrick McCarthy, Director

Recent estimates suggest that information technology (IT, broadly encompassing computers and software, communications equipment and telecommunications services, including the Internet) contributed 1.2% to the gross domestic

product (GDP) growth rate of 4.1% in the 1995-2000 period. During this same period, IT prices fell .43% while overall GDP purchase prices rose 1.7%. There were 30-40 million worldwide Internet servers in 1998 and today nearly all US firms have web servers. These are further indications of the presence and potential impact of the information economy in virtually every sector of the US economy, including telecommunications, banking and finance, electronic commerce, supply chain management, and education.

Early on, there was talk of a “paperless economy” as households and firms substituted electronic commerce and internet communications for traditional, higher priced, paper-based commerce and communications. The figure below indicates this may not have occurred to the extent expected. There has been continuous growth, except during the mid-1990s and early to mid-2001 periods, in the consumption of paper products. As seen on the left vertical axis, seasonally adjusted real consumption expenditures on paper products (quarterly data reported at annual rates) rose from less than \$18 billion in 1990 to over \$25 billion in the third quarter of 2003. On a per capita basis, real consumption increased from less than \$72 to more than \$86 during the same period.



Source: U.S. Department of Commerce, Bureau of Economic Analysis, National Accounts Data. Expenditure data are quarterly data expressed at annual rates. Shaded areas represent periods of economic contraction.

Although the IT revolution decreased the relative price of accessing information and led to some substitution away from paper, at least two factors limit the extent to which a “paperless” economy will emerge. First, the substitution away from paper is tempered by a large increase in the demand for information, offsetting to some degree the initially large decrease in the relative price of electronic information. Second, and more importantly, the information economy will likely have much less impact on the paperboard, packaging and converting, and tissue sectors of the industry, which in 2004

collectively represented 65.8% of US paper and paperboard capacity. At least for the foreseeable future, the paper-based economy appears to be alive and well.

Weyerhaeuser on Technology

In a February 25 Distinguished Lecture Series event, George Weyerhaeuser, Senior Vice President, Technology, at Weyerhaeuser Company, viewed the current state of paper industry R&D against the historical backdrop of Weyerhaeuser’s dependence on new technology. Drawing on his own personal experiences, he documented the industry’s frustration with technology: from the standpoint of suppliers, whose latest developments remained on the shelf while manufacturers struggled with current operating problems; from the standpoint of management and shareholders, who took a dim view of the pace of the industry’s own technology development efforts; and from the standpoint of researchers, who viewed as inadequate the resources allocated to R&D. He argued, however, that such frustrations are largely unfounded. To support this position, he cited historical examples of technology deployment at Weyerhaeuser that were vital to the company’s survival and continued prosperity, as chronicled in 1934 and 1959 Fortune magazine articles, as well as more recent anecdotal information. “Technology,” he concluded “is the key to the industry’s sustainability,” urging others in the industry to renew their commitments to R&D investment. See the CPBIS Web site for the recorded webcast.

New Research Proposals Sought

On March 1, CPBIS issued a request for proposals, the first step in the process of initiating a new set of research projects. The full RFP may be seen at http://www.cpbis.gatech.edu/research/RFP_CPBIS_05_06.doc

Upcoming Events

CPBIS - PIMA Online Professional Development Course. Mar 23, 11:00am-12:30pm EST. See <http://www.pimaweb.org/training/webcasts.html>

IPST Papermakers’ Classic Golf Tournament. April 9, Wolf Creek Golf Course. Organized by the CPBIS-supported TAPPI/PIMA student chapter. All are invited. For more information, including sponsorship opportunities, contact Cameron Thomson at cameron.thomson@ipst.gatech.edu

Management Development Course. May 9-13, CPBIS. See <http://www.cpbis.gatech.edu/mgtdev> ■