Institute offers professional development for middle managers

Wendy Wilkerson and Jennifer Haise

Program strives to give U.S. industry competitive edge through teaching efficient management methods

"The pulp and paper industry in the United States is in trouble," according to Christopher C. Bean, manager of utilities at Madison Paper Industries in Madison, ME. "Global competition is going to eat our lunch. We need to change, and, if we can't, we need to get out of the business."

"The only way for the U.S. industry to remain globally competitive is to manage more efficiently," said William Gunther, associate dean for research and director of the Center for Business and Economic Research at the University of Alabama. "Continuing education about the latest technology and management methods is essential."

Industry-specific information

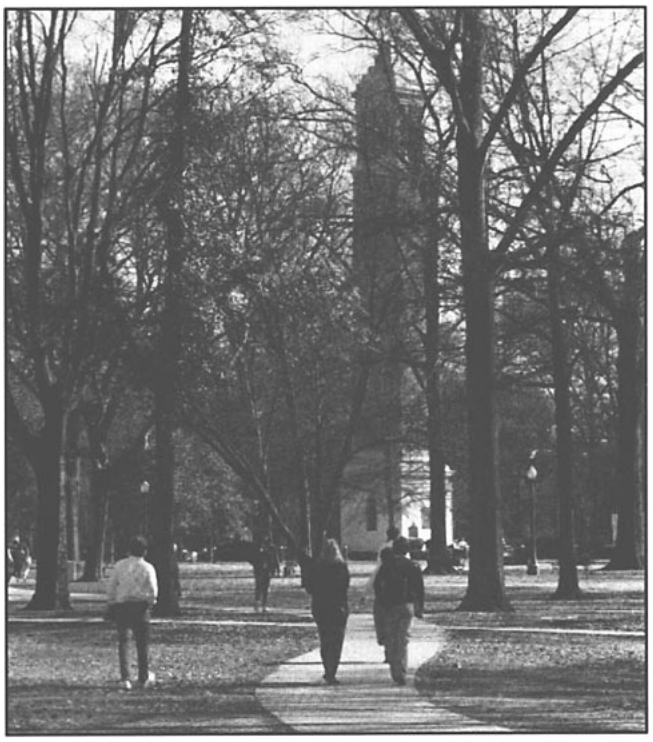
Continuing education is not common among promising executives who want to bring their companies ahead in the industry. As the pulp and paper industry becomes more complex, executives in all areas of the industry must be "fully armed" to face these demands, according to J. Don Flowers, Auburn University's coordinator for the Pulp and Paper Industry Executive Development Institute.

The Institute was founded in 1990 through a joint initiative of Auburn University and The University of Alabama. An advisory committee of vice presidents and general managers from six major pulp and paper companies in the Southeast assisted with the Institute's development. These executives identified specific needs in the industry, and the Institute's format is based on those specifications.

The Institute brings executives up-to-date in areas recognized by experts as critical to success. Now, as important as having the right products will be having low debt, efficient plants, and a strong overseas business.[1]

"Instead of a generic managerial seminar, this is an industry-specific institute that teaches more tightly focused material and is relevant to problems managers have seen in the past and will see in the future," said Flowers.

Advancing executives could call the campuses of The University of Alabama and Auburn University "home" as they spend two weeks being students of the Executive Development Institute.



Bean and several other mid-level managers, department heads, and superintendents from MacMillan-Bloedel, Inc., Georgia Pacific Corp., Boise Cascade Corp., Alabama River Pulp Co., Inc., Longview Fibre Co., and Gulf States Paper Corp. participated in the first Pulp and Paper Industry Executive Development Institute in January 1991.

At the two-week residency program, industry experts and top university professors in management, marketing, economics, finance, ethics, and creative problem-solving use industry-specific case studies researched specifically for the Institute. Business faculty from The University of Alabama and Auburn University instructed these advancing executives about current management techniques in the pulp and paper industry.

Sessions address strategic management, understanding financial information, strategic marketing, logistics, and in-

[1]Dori Jones Yang, Business Week, January 14, 1991, No. 3195, p.112.

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Eighteen faculty members from both universities work with Institute participants in sessions that address strategic management, understanding financial information, strategic marketing, logistics, and inventory control.

ventory control. The focus of strategic management includes significant driving forces, management styles, and management tools.

The profits of a pulp and paper company depend on the management of logistics and inventory, so the Institute offers managers the concepts and tools to assess and refine the effective management of both of these functions. Because many executives have no formal training in finance, the Institute offers a session that shows them the financial principles of cost of capital, time value of money, cash flow, and capital budgeting.

Participants also study ethical decision-making in today's business world and trends in the international paper industry, as well as skills in executive communications, creative thinking, problem-solving, and decision-making. Topics in ethics include law versus ethics, values, duties, moral development, codes of ethics, professionalism, and appropriate use of power.

To improve communication skills, participants learn to develop strategies for both written and oral communication. The creative problem-solving session that Gunther calls "essential" uses industry-specific case studies to help managers gain new insight on how to view and respond to difficult personnel situations.

Labor relations and human resource management are also addressed. Through case studies managers learn how to deal with their own high expectations, provide positive reinforcement, improve negotiating skills, address labor issues, and respond to trends in the industry.

Campus classrooms

During the two-week intensive institute, participants work closely with 13 faculty members from both universities as they spend one week on each campus.

"Having future executives from the pulp and paper industry in residence on our campuses creates stimulating opportunities for participants and faculty," said Danny Bellenger, dean of Auburn University's College of Business.

Dealing with hot topics

Two timely issues addressed at the Institute are recycling and environmental legislation. Environmental improvements exceeded US$ 1.25 billion during the 1989–91 period. Spending included almost US$ 700 million for improving water quality, about US$ 500 million for cleaner air, and about US$ 60 million for handling solid waste.[2]

To help future executives deal with the threat of additional legislation, pressure from environmental groups, and these

[2]U.S. Industrial Outlook 1991. U.S. Government Printing Office, January, 1991, Washington, D.C., p.10-12.

skyrocketing figures, the Institute concentrates on training them to increase profitability through more efficient management. Through the Institute's seminars in the latest industry management techniques, participants not only learn what to do to meet these challenges, but also understand why and how to relate these ideas to other plant processes and operational areas.

"The subject matter of the lectures was vital to progressing as a manager in the pulp and paper industry," said James F. St. John, production manager of MacMillian-Bloedel in Nashville, TN, and a graduate of the first Institute session.

"The Institute exposes the young manager to topics and resources he or she wouldn't get otherwise," said Richard J. Parker, assistant superintendent of pulping at Longview Fibre in Longview, WA. "The sessions on decision-making techniques, procedures, and strategies have taken the mystery out of upper management philosophies for me," he said.

"This was a great opportunity to hear what the cutting edge management researchers in the field have to say," commented William Symon, pulp mill superintendent of Gulf States Paper Corp. in Demopolis, AL. "Accounting has always been a gray area to me and the Institute made me realize the need for accounting skills in my job right now.... I've been out of school for quite a few years, and I haven't been exposed to a lot of information and strategies that were presented at the Institute. The subject matter was very pertinent to the pulp and paper industry and to my job" he said.

"For planning purposes, executives in the pulp and paper industry need to be able to think about the future and plan for it," said Gunther. "They need to bring their companies up-to-speed in the industry as soon as possible. Executives today can't use outdated styles in managing people and processes. That style of management is on its way out, not on its way in," Gunther said.

The Institute's professors and advisory board members have high hopes for the future of the program. Plans are underway for the next session of the Pulp and Paper Industry Executive Development Institute, to be held in August 1992. Tom Wingenter, who coordinates the Institute for The University of Alabama, anticipates the program's enrollment will double as it draws fast-track middle managers from the United States, Canada, and internationally.

"By providing mid-managers with the latest skills in management, especially strategic and financial planning, the Institute will enable middle managers to be promoted faster and bring their companies up-to-date with their competitors in the industry," said Mickey Schrader, general manager of MacMillan-Bloedel.

For further information about the Pulp and Paper Industry Executive Development Institute, contact Tom Wingenter, The University of Alabama, telephone: (205) 348–6224, or Don Flowers, Auburn University, telephone: (205) 844–4012.