



Digital Platforms and Technologies for Publishers:

Implementations Beyond "eBook"

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Introduction

Much has changed since we decided to write a comprehensive study on the digital book publishing industry. The landscape has changed rapidly during the past months and we have tried to reflect as many of these changes as possible in the final version of our report. For example:

- Sales of eBooks finally reached their inflection point in late 2008.
- Customer acceptance of digital reading platforms such including dedicated reading devices like the Kindle and the Sony Reader and mobile devices like the iPhone and the BlackBerry have helped accelerate the market for digital products.
- The Google settlement, once finally approved by the courts, will substantially increase the supply of titles available in digital formats.
- New publishing technologies and planning processes are enabling publishers and authors to create digital products that have their own set of features that take full advantage of the digital media and platforms. Embedded context-sensitive search and the incorporation of rich media are two important examples.
- Readers are self-organizing into reading communities and sharing their critiques and suggestions about which books their fellow readers should consider. This is creating a major new channel for authors and publishers to exploit.
- Print-on-demand and short-run printing continue to make significant advances in quality and their costs per unit are dropping. These developments are changing the economics of publishing and are enabling publishers to publish books that would have been too risky in the previous economic model.
- Lower publishing and channel costs are making it possible for publishers to offer their digital titles at lower prices. This represents greater value for readers and fair compensation for all stakeholders in the publishing enterprise.

We are privileged to report such a fine collection of best practices. And we are thankful that so many smart people were willing to share their perspectives and vision with us and our readers. We thank our sponsors for their ardent and patient support and hope that the final product will prove worth the many hours that went into its preparation.

We encourage readers of this report to contact us with their feedback and questions. We will be pleased to respond and try to help you find solutions to your own digital publishing challenges!

Steve Paxhia and Bill Trippe

Executive Summary

Digital technology has revolutionized many sectors of the media business. Apple’s iPod has changed the way that people buy and listen to music. Google has drastically changed the way that people find and consume information. YouTube enables both individuals and organizations to bring their messages and products to the masses in a much more vivid fashion. WebMD brings new ways for consumers to access medical information, while PubMed presents a comprehensive index of biomedical articles for practitioners and scientists. My Yahoo is the most popular personal portal to the news media, and Epicurious brings recipes to the next generation of cooks. Wikipedia has reshaped the face of reference publishing. The common element in each of these examples is that the digital product is designed for and fully utilizes the capabilities of digital media.

Book publishers are now at the threshold of a similar revolution as they plan their next generation of products. The building blocks of change are largely in place: XML provides the structure required to develop multiple products from a single content base. Advancements in short-run printing, digital editions, and digital rights management are allowing publishers to explore the “long tail” of short-run publishing opportunities. Platforms for content and digital asset management, together with software for designing and producing publications, streamline the presentation of content in multiple media formats. And there are plenty of competent and sophisticated channel partners to help distribute new and mature products to consumers and institutions worldwide.

Over the past 20 years, many publishers have learned the important lesson that products succeed and thrive when they exceed customers’ expectations and capture their imaginations. Successful digital publishers are often successful print publishers who have learned cross-media strategies to develop products that derive the maximum advantage from their selected media format. However, as the new digital era gains momentum, there remain key strategic questions to be answered.

This study surveyed a wide range of book publishers and related service companies from all market segments including: trade/children, reference, professional, school, and higher education. The final report addresses these five key strategic questions:

1. What features and functionality are required to offer readers digital products that expand their reading and learning experience and offers them better value?
2. What are the technology and workflow implications of doing true cross-media publishing?
3. What editorial and business models are best for digital products?
4. What channel relationships and partners are required to maximize new revenue opportunities?
5. What role should search engines play in a publisher’s product and marketing strategies?

Digital Product Features and Functionalities

Printed books are wonderful! They are readable, portable, colorful, affordable, and lovable. We have enjoyed books since the earliest moments of our childhood. Nonetheless, printed books have certain restrictions. As our collection grows, they are bulky and heavy. Linking to other resources cited in books is a clumsy process requiring a computer. Nonfiction and educational books are often outdated when they are published and they do not support rich media. And printed books are expensive to manufacture, warehouse, and ship.

Enter digital books. Often portrayed as the villains that are out to destroy printed books, digital books offer readers a viable alternative that can be very appealing. Their feature set can be very rich:

- **Rich media**—Videos, analysis tools and algorithms, and simulations all can be incorporated into digital books and course materials. They allow authors illustrate their content more clearly and allow readers to interact with their book. Video enables authors to give readers new perspectives on places, people, and concepts that would have been difficult to describe in print
- **Searchability and likeability**—Books are written to inform, stimulate, and entertain readers. Alas, when a reader’s curiosity is piqued by a printed book, he/she has to go to a library or go online to explore a topic further. When reading a digital book on a connected platform, further exploration is much easier. Either by clicking on links provided by the author or publisher or by launching a context sensitive search, readers can find more information immediately. This is especially important for students who have grown up learning by exploring the Internet. The integration of books and the Internet makes books more relevant to young readers. In the nonfiction world, new information is always becoming available. Many readers buy books because they have an intense interest in a topic. Authors demonstrate their expertise by creating highly informative content. However, their relationship with the reader stops when the book is published and purchased. Think about the possibilities of an author serving as the reader’s personal guide to content that is available on the Internet. Helping readers find Websites that are credible or directing them to breaking news would forge a much tighter bond between authors and their readers and keep books alive after their publication date.
- **Portability**—In the next few years, we will be seeing an impressive collection of impressive reading devices ranging from dedicated readers to hybrid computer/readers to smartphones. Each of these platforms is a viable platform for digital books and derivative content. Reading devices with larger screens such as the Kindle or the forthcoming Plastic Logic Reader are excellent for long-form reading such as novels. Mobile devices are more appropriate for

reading short selections of longer books or reading short-form content derived from books or created especially for mobile devices. Presently, computers are the best device for educational content. Many students find it appealing to be able to carry all of their textbooks on their laptops. This benefit will be even greater as presentation technologies improve and as publishers create content that is “digitally native.”

- **Breadth of selection**—Economics previously limited the number of books that could be produced, because publishers needed to recoup upfront costs. This phenomenon left many niche and segment books on the sidelines. Creativity often occurs at the margins of markets so that some innovative ideas could be rejected as not commercially viable. The digital publishing model is much more forgiving: Fewer upfront costs, enable publishers and/or individual authors to publish their books in digital formats and to produce printed books via print-on-demand. This is very good news for creative authors and their readers.
- **Affordability**—There are already several digital publishing platforms that can take manuscripts written in Microsoft Word and create an attractive digital book with minimal cost, time and effort. Digital books cost very little to manufacture and distribute. Once the publishing industry revises its distribution and royalty models to reflect the characteristics of digital books, it will be possible for publishers, authors, and their channel partners to make appropriate profits while offering their titles to readers at prices that are more affordable than those currently charged for books. And with the development of licensing and subscription models, there is excellent potential for further cost savings.

VISIONARY

Barry Libert: *Are We Really Smarter Than Me?*



As the Chairman of Mzinga, Barry Libert uses his more than 26 years of executive and company leadership experience and his status as an acclaimed industry speaker and visionary to further awareness of the importance of social media in helping enterprises to solve business needs and remain competitive in a rapidly changing world. The founder and CEO of one of Mzinga's predecessor companies, Shared Insights, Mr. Libert was one of the first in the industry to recognize and promote the value of communities and Web 2.0 technologies in enabling enterprises to communicate and collaborate to make better decisions based on the experience of peers, experts, and leading industry vendors. As the co-author of the critically acclaimed book "We Are Smarter Than Me," Mr. Libert and his co-authors used the power of Web 2.0 technologies and the Wiki-based contributions of more than 4,000 people to illustrate how businesses could profit from the wisdom of crowds. Mr. Libert has also co-authored two additional business books on the value of information and relationships; he has been published in Newsweek, Smart Money, Barron's, The Wall Street Journal, and The New York Times; he has appeared on CNN, CNBC, FNN, and NPR. Prior to founding Shared Insights, Mr. Libert was a senior partner at Arthur Andersen and John Hancock. He began his career with McKinsey & Company. He has also co-founded and sold two successful businesses.

Barry Libert and Jon Spector, the CEO of the Conference Board (at Wharton Business School at the time of the project) decided to write a book about how businesses can benefit from the wisdom of crowds in all types of business operations. They chose to use an online community to collaborate with others on the content creation. In keeping with the project's theme, Barry and Jon named the community, "We Are Smarter Than Me."

The Process

The project Website explains, "Thomas W. Malone, Founder and Director of the MIT Center for Collective Intelligence, chaired an editorial board whose members included faculty from The Wharton School and the Massachusetts Institute of Technology's Sloan School of Management. Via a series of email blasts, more than a million students, faculty, and alumni of the Wharton School and the Sloan School of Management, as well as leaders, authors, and experts from the fields of management and technology, were invited to contribute to the book."

The Book

Initially, contributors were provided with an outline of the proposed table of contents and were invited to write or comment upon and edit one or more sections. (I wrote a section in the marketing chapter about the importance of brand in service offerings.) It was expected “that the book would be compiled mostly on the community wiki, with contributors editing its content as it grew. Instead, members’ contributions came in the form of discussion forums, podcasts, related blog posts, and even in-person comments—and all of them became substantial sources of content for the book.”

- 4,375 registered members
- 737 forum posts
- 250 wiki contributors
- 1,600 wiki posts

During their initial presentation about the project at the Community 2.0 conference held in Las Vegas in spring 2007, Malone and his colleagues’ report of community activity was good. However, they revealed that while the community contributed excellent raw material, the prose style and level of detail was too inconsistent to be published with just edits. A professional author was recruited to weave the information together into a cohesive book. During the process, they realized that the key contributions most often took the form of cases including Eli Lilly, Amazon.com, Dell Computers, Cambrian House, Angie’s List, Procter & Gamble and more. The practical lessons on how those top companies used communities in all aspects of their business turned out to be quite valuable. Eventually, Pearson Education published “*We Are Smarter Than Me: How to Unleash the Power of Crowds in Your Business*,” releasing it in October of 2007.

When asked what publishers should learn from the “We” project, Libert volunteered:

- The evolution of the media is clearly moving from purely print to print and digital. The growth will come from digital, with mobile devices becoming more important.
- The cultures of major publishers need to change. It is difficult for publishers to cede their power to the masses, but involving communities in selecting new titles, reviewing and developing those titles, and recommending and promoting are all key aspects of how “we thinking” can make publishers more successful.
- Authority will always be part of a publisher’s value proposition because people need guidance in selecting the best books from the huge number of books available. Publishers should use the wisdom of the crowd to enhance their authority.
- Broadcasting is out—communication is no longer mono-directional. Readers expect that their voice will be heard by authors and publishers. The book product is enhanced by forums with other readers and dialogues with the author.

Beyond eBooks

- Publishers need to redefine their competition. Libert feels that even blogging platforms like WordPress are competition because the works produced on WordPress compete with traditional books for the time that people spend reading. And as Lulu.com has shown, authors are willing to use new platforms to publish their books and let the market decide which books are best.

Gilbane Conclusions

The “We Are Smarter than Me” project was very interesting. It demonstrates that there is an enormous appetite for people to get involved in creating a work that captures their imagination. In the end, the book wound up being a contributed volume of interesting cases that help the reader to understand how communities can make businesses more successful. However, the project also demonstrated that at least for now, communities cannot replace the role of an author in providing a coherent thesis for a book and in providing a consistent voice and logic scheme for the work. Perhaps this is the difference between community authoring and the collaboration between an author and a community. It will be interesting to see how this dynamic evolves over time.

Technical and Organizational Requirements for Digital Publishing

While the publishing companies profiled in this report represent different sizes, markets, and product development approaches, they all share certain characteristics that have contributed to their success in developing digital products. These are:

- *An alignment of their technical efforts with business goals.* None of them invested in technology for technology's sake; instead, they had the development of certain products in mind, or they were making strategic technology investments for key cost savings.
- *A commitment to growth in digital products.* Regardless of their product mix at the beginning of their efforts, the companies all see digital products as a growing portion of their business.
- *Realistic expectations and an eye on metrics.* The companies measure progress closely. They invest more when they see positive results, and they cut back or eliminate new efforts when they don't pan out.
- *Leadership that embodies and follows through on these strategic goals.* As reflected in both the case studies and the interviews, each company has key leaders who have a vision for digital product development and a commitment to seeing the vision through.

In addition to these organizational requirements, the successful companies also share a number of technical characteristics:

- All have adopted content management technology as a key technological infrastructure, though the approaches have varied.
 - Web Content Management (WCM) technologies have been an important investment for many companies, especially those that have established their own e-commerce presence.
 - Investments in digital asset management (DAM) technologies seem to cut across all kinds of publishing companies, from small to large, and in many segments of publishing.
 - DAM implementations have grown beyond the DAM as digital archive to using the technology as a hub for digital distribution—both to internal systems and to partner sites.
- Most or all have undertaken systematic and large-scale digitization of content. For many, this has meant encoding their content in XML, though this not exclusively.

Beyond eBooks

- As important as XML is becoming for publishers, PDF is still critically important—for print workflow, of course, but also for print on demand and digital distribution, including eBooks.

As the case studies show, publishing companies have taken many paths to success with digital product development, marketing, sales, and distribution. But the organizational underpinnings of the most successful efforts have the common characteristics discussed here—most notably, technology spend consistent with business needs and opportunities.

VISIONARY

Scott Bowen: *The Future Is Here*

OPENTEXT

The Content Experts

D. Scott Bowen is President of the Open Text Digital Media Group (DMG). In this capacity, Scott is responsible for the overall operations of the business, as well as strategy formulation and execution. Previously, he was a co-founder and president of Artesia Technologies, an enterprise digital asset management software company acquired by Open Text Corporation in 2004. Earlier, Scott founded and served as general manager of the TEAMS software division of The Thomson Corporation, a division purchased from Thomson in a venture-backed management buyout to create Artesia Technologies in the spring of 1999. He spent his early career working as a business and technology consultant, primarily with financial services and content companies. Scott holds a Bachelor of Science degree in Economics and Electrical Engineering from Yale University and has completed senior executive coursework at Stanford Business School.

Gilbane: Where is Open Text at now in terms of technology and the marketplace? What are the large trends you hear about and are responding to from customers and partners?

Bowen: Well clearly first and foremost what we hear and see in the context of today's challenging macro economy is that organizations are seeking clear, positive, and rapid ROI. It's not just about an archive to store finished work, it's about optimizing workflows, reuse, and timeliness of the creative, production, and distribution processes. For all those functions enterprise media management systems such as those from Open Text's Digital Media Group are often the linchpin to unlocking the ROI digital workflows represents.

In addition to the economic climate and the need for demonstrative ROI, there are of course, the technical trends driving the creation of more and more digital content for more and more channels—so where once it was sufficient for a book publisher to have an archival digital copy of their works, today customers want to extend those “archives” to feed the emerging new channels for online book retailing, audio books, and importantly, the new generation of eBook readers from Amazon, Sony, and others.

We see, by the way, the same story among traditional TV broadcasters whose content now needs to be packaged and formatted for not just a few but potentially hundreds of new distribution channels—most on demand.

More generally, these trends in our opinion represent a shift in basic DAM requirements—it's no longer about making a DAM work, but how well the DAM works with other systems, how fast can integrations be accomplished, how flexible these integrations can be in the face of ongoing market and technology changes. The answer, which I'm proud to say DMG is able to provide, is about modularity and open standards-based APIs.

Finally, I would be remiss if I didn't mention an accelerating trend we see in the marketing arena for hosted or SaaS-based solutions—here it's a combination of increasing market comfort with hosted solution owing to the maturity of the technology platforms involved as well as the attractiveness of outsourcing the IT expense, not to mention the short time to deployment; all of which goes back to my first point: ROI.

Gilbane: What are some recent projects that you think are emblematic of these larger trends?

Sure let me point to two—one, Random House, [whom] I believe you interviewed at length for this report so I'll leave the details out. They are a long time customer of ours but of late have seen their internal use case morph and evolve in response to the growing opportunities and efficiencies of digital distribution for their IP, which in years past were physical books but today encompasses audio files, book excerpts for “look-inside” retailing, as well as various eBook formats.

For the other, let me point to a non-traditional publisher, Advanced Micro Devices (AMD); although content is not their main product they do nevertheless have—just like many traditional publishers—a large centralized collection of media in various stages of completeness that need to be gathered, packaged, and distributed to thousands of channel partners outside of their corporate data center. Now what AMD has done which I find especially interesting is to explode the notion that all users of the DAM need to interact directly with it. Instead they have created a stable of intelligent Flash widgets that are distributed far and wide to the channel partners. Each of these widgets contains a collection of published assets (e.g., product data sheets, promotional videos, product images and layouts) that are automatically updated (or if need be, deprecated) in real time. So the channel partners just interact with this compelling little Flash object, never having to bother to directly interact with the mother DAM.

Gilbane: What do these projects suggest to you about future trends?

As they say the future is already here, it's just unevenly distributed. I think these projects represent that saying in their focus on new media formats, new distribution channels, and their overall emphasis on DAM as part of a larger workflow. And when one steps back a bit further I think it's fair to say these projects are emblematic of the overall maturity digital media technology has reached. Where a decade ago, a digital archive containing a few hundred thousand titles and associated graphics was impressive, today's and tomorrow's imperatives are about how systems fit together, how fast they can be deployed, their flexibility, and how economically. In doing so the questions being asked are not just how best to automate existing process but how to achieve an organization's goals most effectively and creatively. In this regard, modularity, ease of integration, and standards are crucial pivot points for solutions.

Another trend these examples illustrate is the desire to achieve far more compelling user experiences than traditional IT systems have provided. Broader acceptance and use of centralized media software (especially among the creative communities) are keys to high ROI and the key to use is modern UI. Luckily for us, and another good example of the maturation of the supporting technologies, we here at Open Text do not have to

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create from scratch the ability to drag and drop elements across the screen, all this underlying complexity is handled from front-end players from the likes of Adobe and Microsoft. So we focus on what we do best, sophisticated media management, but leverage third party technologies like Flash for completing the solution in a way that resonates with our communities.

One last trend you might glean from these comments and essential to the ROI imperative we see in the marketplace, is the ability to automate process and workflows. This is among the most important areas of requirements with which our IT-savvy customers approach us. And in fact Open Text will soon deliver as part of our next software version, a complete Enterprise Process Server (aka BPM) natively integrated with our DMG's media management software.

All in all, publishing is experiencing as much change as I've ever seen—much of it is driven by maturing digital media platforms in creation, distribution, and consumption that stress modularity and broader system integration. It's only natural that innovation in the management of digital media would be part of these larger trends and something I'm pleased to say Open Text is well positioned to provide.

Gilbane Conclusions

Bowen's vision for the Open Text DAM platform is impressively at the leading edge of where DAM technology needs to head in order to meet the most pressing needs. As shown in the Random House study of its use of the Artesia technology, forward-thinking publishers now see DAM not as a static archive of fixed assets but as a critical technology in a growing distribution and supply chain. Especially as publishers take control over their own digital strategies and assets, DAM technology will grow in strategic importance.

VISIONARY

Ken Brooks: Changing Behavior is as Important as Changing Technology



Ken Brooks is senior vice president, global production and manufacturing services at Cengage Learning (formerly Thomson Learning) where his responsibilities include the development, production, and manufacturing of textbooks and reference content in print and digital formats across the Academic and Professional Group, Gale, and International divisions of Cengage Learning. Prior to his position at Cengage Learning, Ken was president and founder of publishing Dimensions, a digital content services company focused in the eBook and digital strategy space. Over the course of his career, Ken founded a Philippines-based text conversion company; a public domain publishing imprint; and a distribution-center based print-on-demand operation and has worked in trade, professional, higher education and K-12 publishing sectors. He has held several senior management positions in publishing, including vice president of digital content at Barnes & Noble, vice president of operations, production, and strategic planning at Bantam Doubleday Dell, and vice president of customer operations at Simon & Schuster. Prior to his entry into publishing, Ken was a senior manager in Andersen Consulting's logistics strategy practice.

Ken Brooks has spent most of his career implementing new technology solutions designed to improve the quality, efficiency, and cost effectiveness of book publishing and printing processes. However, when asked what the greatest challenge has been, he is quick to reply that changing human behaviors is especially difficult.

At Cengage, he currently leads a number of initiatives designed to develop new workflows, processes and tools; redefine job accountabilities; and increase the effectiveness and efficiency of the organization. Like many organizational changes, these were greeted with a certain degree of skepticism, by the Cengage team. At the beginning, it felt that more processes and work were expected of a smaller team.

While new technologies were available, many of the same processes and accountabilities lingered from earlier eras. For example, production teams still focused their efforts on technology changes for individual titles rather than developing automated processes to speed the production of all titles. Rather than owning specific outcomes, vendors were task oriented and required considerable oversight. Metrics were inadequate and too much time was spent on data entry. The lack of clear accountabilities and metrics often caused strained relationships between Cengage and its vendors.

Training and education were the keys to creating a culture that was committed to improved quality and efficiency. The production organization needed to understand the

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company's overall business objectives, as well as the needs of customers and business partners. They needed to understand how metrics could help everyone do a better job. And they needed to become more "techno savvy" by understanding how popular applications such as wikis and blogs work and through exploring popular Websites such as Flickr, Facebook, or Technorati.

Next came the development of best practices that included:

- "True" partnering with customers and vendors via better understanding of their needs and business goals.
- Empowering all team members to be responsible for specific business outcomes.
- Continuing to implement new technology to improve efficiency and communications.

Improving communications was particularly important. They conducted "town hall meetings," provided news flashes on important corporate developments, used wikis for group problem-solving initiatives, and published internal blogs to share ideas.

The outcomes are still a work in progress. However, without these initiatives, it would have been nearly impossible to support existing businesses while integrating the large Houghton Mifflin acquisition.

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Brooks also plays an important role in helping to inform the publishing strategy for all of the company's imprints. iChapters is one of its most visible digital publishing initiatives. Today's students are extremely value conscious and seek to purchase only the learning materials that will help them meet their goals as students. iChapters allows them to buy only the parts of eBooks that their instructors require and to delay their

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purchase decision until they are certain that they will really need the content to pass exams or complete homework assignments.

When asked where higher education publishing is headed in the future, Brooks suggests that the next generation of products will be more digital than today's products. Combining technology with content will help students explore important topics, improve their writing skills, and solve homework problems more easily, while learning more. He believes that products will be modular in their design and will be tied to ontology of learning outcomes. It is uncertain whether it is more efficient to develop the next generation of learning products from today's textbooks than to create new architectures for digital content. Current textbooks may be too linear in their orientation to become easily modularized. It is very possible that for new learning products to take full advantage of digital platforms that, may need to be developed from scratch by a new generation of Web-centric authors.

Brooks believes that product planning processes need to be revised to plan for the full range of products that will be offered on all types of media. While some students may still prefer print products, these are likely to be customized by their instructors. They may wish to use a combination of media ranging from powerful personal computers to dedicated readers to mobile devices such as iPhones. Audio and video content are certain to be part of the product mix. It is important to develop a product roadmap before specifying individual product offerings.

Gilbane Conclusions

Ken Brooks is among the most forward thinking production and technology executives in the publishing industry today. His grasp of technology is very strong and his grasp of human behaviors and how they can be modified is outstanding. We agree with his emphasis on best practices, evolving processes, and innovative technology. We share his vision of the future for higher education learning materials and will watch with interest as they come to market.

VISIONARY

Richard Ferrie: *Taming the Content Beast*

 PEARSON

Rick Ferrie is a core member of Pearson Education North America's Content Management and Production operations, which covers content management, production, manufacturing, and supporting systems. He is also the chairman of Pearson's Global Content Management Council, charged with establishing and governing content management strategy through the application of industry standards, has authority over repository strategy, oversees workflow system improvements, and supports technologies and workflow processes for Pearson businesses by assessing their overall effectiveness. Rick has spearheaded a broad range of content management initiatives including core content management systems, improved platforms for metadata and taxonomy management, print publishing and workflow tools, and new systems, tools and processes for digital product development. Prior to joining Pearson, Rick was COO and vice president of creative services of the Mazer Corporation and responsible for all aspects of full-service content development for K–20 educational products, including managing sales staff. He has also worked for a large software company and consulted in the advertising business.

Pearson Education has embarked on a number of related content management initiatives the last several years with the broad goal of providing greater and more flexible multichannel publishing without adding significant additional cost for these new channels.

According to Ferrie, the motivation behind these initiatives has been to deal with the growing reality of “the content being disaggregated from the book.” Planners within Pearson foresaw a rapid rise of digital learning platforms of various kinds, and saw the challenge being one of brand promotion and defense as much as anything else. How to continue to publish and promote clearly identified and branded Pearson content when the traditional boundaries of the bound book no longer apply?

For Ferrie, the one of the biggest challenges has been for the organization to think through and plan a new product for multichannel development, while keeping the traditional book people in the lead. To that extent, the issue has been one of cultural change and managing that cultural change as much as it has been of adopting new technology. Ferrie echoed a point we heard from other executives that new technology can't be merely put in place over an editorial and product development process that hasn't fundamentally changed.

This issue of change management is especially true in K-12 publishing, where the application of metadata and taxonomy data is of vital importance in product development. K-12 publishers must deal with increasing market pressures to customize content on a state-by-state basis to deal with the specific curriculum standards in each. To do this customization effectively—and to demonstrate to school districts that they have done the customization correctly—publishers typically show school districts how

their textbooks, teachers' editions, and supplemental materials "align" with the state's curriculum standards. At minimum, the publishers will prepare information showing how this alignment, but, increasingly, the alignment is shown right in the instructional materials themselves—the teachers' editions, for example, might be ornamented with icons and tabular summaries of the alignment. What's pushing the issue even further is the need to have those same alignments attached to digital assets, and having those alignments available to a myriad of systems.

Such curriculum alignment is painstaking and thoughtful work, done by the publisher's editorial and marketing personnel who have detailed knowledge of both the instructional materials themselves and the state standards. When you are a major publisher like Pearson, with multiple product lines in each subject matter area being sold into each of the 50 states, you are talking about highly detailed custom publishing done on a mass scale.

Ferrie points that added to this mix is the fact the state-by-state standards themselves are subject to change. "The technology initiatives have always been about being more efficient, but now the cost savings have become even more important as the economy has made the business climate that much more difficult." More burden has been put on the new content technologies to address all of these issues—multichannel publishing, greater customization, and the need to squeeze even more efficiencies out of the processes—and to do all this without increasing headcount despite the growing demand for product development.

Applying the metadata and taxonomy information to the content, he says, is a new area of knowledge and skills for publishers. The complexity is at least twofold: Subject matter and other metadata need to be applied to individual content objects (sections of manuscripts, images, multimedia objects). Then the objects themselves need to be related to each other and to the larger product elements. Consideration needs to be given to how the content object will be used in the current context (e.g., a photo that is part of a social studies text), to how it could be used in other contexts in other products, and also how users might search for and consume the content.

Ferrie readily offers that while these taxonomy and metadata skills were not widely resident in the company even very recently, this is something the company is getting better at and is committed to improving on and leveraging to its competitive advantage. To that end, Pearson has brought on board a global standards director whose organization is charged with sharing and maintaining taxonomies across the company. The growing understanding is that what may have once been conceived for the print product will not necessarily work for the online products, and vice versa. It is increasingly apparent that it is not necessarily the right organization approach to have the print people conceiving of products for all media.

When asked his perspective on what digital delivery will look like in five years in the K-12 market, Ferrie noted that school systems on the whole will still have fundamental challenges with bandwidth and processing power ("still minimal penetration") when compared with what you see in the average home. As a result, it is hard to predict what the overall educational publishing landscape will look like, especially with regard to

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changing what are the revenue bearing elements to the publishers' offerings. For Ferrie, the technical capabilities and connectivity of the school buildings will still continue to determine the overall business model.

One change Ferrie can foresee ("what is more likely to happen") is that there will be product development, marketing, and sales push by publishers to parents in anticipation of them picking up more of the cost of the technology components. For instance, you might see e-commerce from the publishers pushed through school district and school Websites.

Ferrie also foresees that lower-cost, higher-function handheld devices could become a game changer. Such a device could over time replace the bag of books. Assignments could be collected through classroom devices such as smart boards and through Internet portal access at home. Ferrie cautions this will only happen though in an environment where all students, even the neediest, could be provided with such devices, perhaps through state or federal funding, otherwise such a change could never be equitably mandated.

Ferrie notes that a handheld device for K-12 would not necessarily be a single device for all grades. For example, what works for earlier grades would not necessarily work for later grades. What's interesting to Ferrie are some of the potential implications for interactivity and applications like assessment. A more functional device than a Kindle, for example, might be used to give teachers instantaneous or near-instantaneous feedback on cognition. One potential scenario would be for devices to proliferate first in the upper grades and work their way down.

In closing, Ferrie notes the bottom line is that publishers need to change their mindset from that of a book publisher to that of an educational materials provider—and one that markets to both the traditional school system customer base and a growing customer base of parents.

Gilbane Conclusions

Pearson Education has taken a very aggressive and ambitious approach to overhauling development across a wide and varied product development mix. The company's successes and challenges have been consistent with what we have seen in other publishing markets. Notably, technological change is easier to effect than organizational change, but when the two are brought into line, companies have the best overall results in creating efficient and large-scale multichannel publishing operations.

VISIONARY

David Taylor: *Building a Worldwide Print on Demand Network*



David Taylor joined Lightning Source in June 2003 as business development director and was named managing director of Lightning Source UK in December 2003. He was named senior vice president of global sales in June 2006, and president in June 2008. He has over 22 years of experience in the UK and international book trades in a wide variety of roles, covering retail bookselling, international library book and journal supply, Internet bookselling, eBook supply and print on demand.

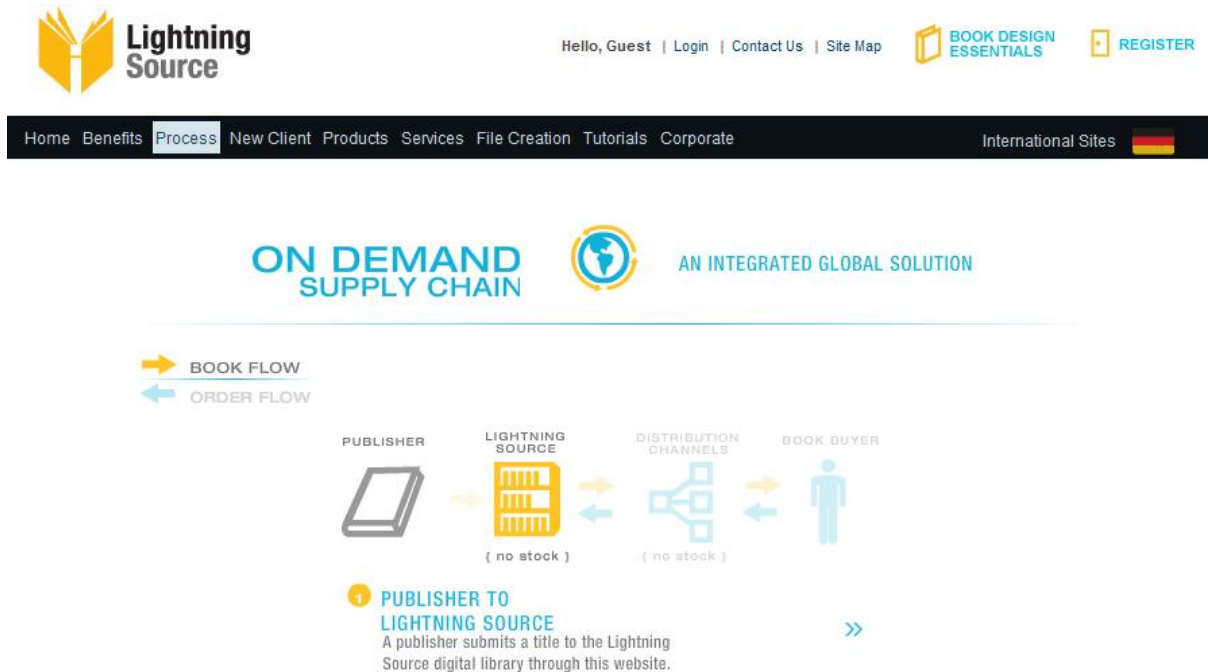
Before joining Lightning Source, David cofounded Swotbooks.com Ltd, a niche online company selling paper books and eBooks to the academic community. Swotbooks was shortlisted for a British Book Trade award for innovation in 2002 and was also the subject of a number of best practice case studies. David is also a previous director of Blackwell's Book Services, the international library supply company based in Oxford. He has been actively involved in the UK bookselling trade association and is both a previous Chairman of the College and University Booksellers group and the Internet Booksellers group, the latter of which he helped to found; he also served on the UK and Irish Booksellers' Association Council for nine years. He is a regular speaker at industry conferences and has also published a number of articles on the impact that new technologies are having on the book trade supply chain.

David Taylor has bookselling in his blood and brings this perspective to his current role as President of Ingram Subsidiary, Lightning Source. He remembers the frustrations of trying to help customers find and purchase less popular books that could not be found on the shelves of a local bookstore. In the '80's and early '90's, publisher information concerning inventory and title status were largely not available online and could only be obtained by calling the publisher's customer service department. And even as publisher information improved, many excellent titles were declared out of stock or out of print. From the publishers' perspective, less popular titles take up warehouse space, use capital and have uneven sales demand. Using traditional offset printing technologies, it was often difficult to justify reprinting a critically acclaimed but slow-selling niche title.

Taylor is quick to point out the differences between true Print on Demand (POD) and digital short-run printing. POD means that a book is sold before it is manufactured and that each copy is manufactured especially for a specific customer. Short-run printing involves using new, more efficient processes and printing technology to economically produce a smaller number of copies than would have been possible with traditional long-run printing processes.

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He goes on to say that print on demand represents a fundamental shift in how publishing will work in the future. Rather than having to estimate the demand for each title before it is published or reprinted, POD enables publishers to develop lesser selling niche titles or to keep slower selling titles “in print” once their current inventory is exhausted.



The Lightning Source print on demand service can also help publishers serve remote markets for all of their books. For many years, it has been difficult for publishers to ship a sufficient inventory of their titles to places like Australia or Singapore. Using POD they could ship copies of only their most popular titles to those markets and fulfill all other orders via POD. And even for popular titles, if they need more inventory in a hurry, they can be manufactured in the market within minutes.

When publishers begin to consider using a POD approach, the relative unit cost is usually a key calculation. While the printing cost per unit for POD copies is generally higher than traditional offset printing, when freight and distribution savings are combined with savings in the cost of capital and reduced inventory obsolescence, the complete costs of POD units are generally less than offset units up to about 1,000 copies. Clearly many niche titles, reprints, and international units fall beneath that threshold. And Taylor notes that future economies from the next generation of POD equipment will push the threshold even higher. He believes that several print equipment companies will be releasing innovative inkjet printers that will offer better quality at lower costs.

Lightning Source plans to deploy the Espresso Book Machine in its International Network. The current model can produce books at the rate of 100 pages per minute at the cost of a penny per page. While the quality is still somewhat less than books

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produced by other processes, it is very good and offers readers immediate access to a wide array of titles. Taylor sees the Espresso machine serving bookstores and libraries worldwide, and distribution centers in remote countries.

When asked about future trends in the POD market, Taylor made these observations:

- Many publishers currently use POD for the end of a book's lifecycle. As printing and binding costs come down and quality improves, he feels that many new titles will be printed and distributed using POD from the outset of the edition.
- He believes that progressive publishers are seeking to concentrate on their core competencies by getting out of the warehousing and physical distribution businesses. POD combined with other service offerings (from Ingram or other distribution companies) could enable Publishers to eliminate those aspects of their operations, freeing up considerable capital to be invested in the core businesses.
- POD is clearly synergistic with eBooks. Over time, Lightning Source will enable customers to select and print key selections from their eBooks. This reflects Ingram's overall either/and strategy where readers choose their media preferences from a range of print and digital offerings.
- The company's digital asset management capability makes all books digital. It can be used to render printed books, eBooks or excerpts—as well as widgets to be rendered on a mobile phone.
- He expects to see more programs like Springer's Direct MyCopy Program that allows libraries to offer inexpensive black and white "my copies" of library eBooks for sale via POD. Lightning Source prints and ships these copies for less than \$20.00.

Gilbane Conclusions

Many people feel that digital technologies are a threat to printed books. Lightning Source uses POD technology to enable a broader range of titles to be published and to allow established books to remain on the market longer than was possible with traditional printing methods. We believe that Ingram has been wise to invest in this emerging area of printing technology. The company is well equipped to develop a truly international network of POD locations serving rural areas and remote markets. Its services will allow publishers to serve a greater number of readers. These changes bode well for the future of niche publishing.

The Role of DAM Systems in Digital Publishing

Digital asset management (DAM) systems are no longer a specialized tool used only by early adopters. Publishers have been devoting considerable time and effort to ensuring that content is under management, and this includes the wide array of digital assets that publishers accumulate—photos, illustrations, video and audio files, animation, and more.

As content management has emerged as a key application for publishers, it follows that digital media assets be managed as carefully as other content types. To begin with, the definition of digital media has changed and expanded for many publishers today. In addition to video and audio, digital media includes compound documents such as desktop publishing files and Microsoft Office files such as Word, PowerPoint, and Excel. Digital media represents a significant—and quickly growing—percentage of content, so it's critical that DAM technology provides the greatest flexibility in managing these assets. Like much of an enterprise's content, digital media often resides on individual Macs and PCs and departmental servers. Unlike other content types, however, digital media has special attributes such as file size and layered complexity that require specialized functions (e.g., transformation). DAM systems address these specialized demands while also providing centralized, flexible storage and access to the assets.

In a number of ways, an effective DAM system differs from a general-purpose content management system. Advanced functionality becomes important because digital media can be costly to produce. Digital media assets such as audio and video are obvious examples of high cost production, but even books, journals, and other print products represent significant investment, not only as a whole, but also in their component parts such as illustrations or photography. Too often, these individual assets are not closely managed after creation, so enterprises can lose them—literally—and lose control over tracking the right versions, approvals, and rights of such expensively created and important assets.

The keys to a successful DAM system include a content repository that exposes both the content and its metadata, and security that protect the assets while allowing user-friendly and productive workflows. A successful DAM system must also provide useful, intuitive interfaces for a variety of users. After all, providing access to digital media has little value if those who create edit, approve, and use the content are shackled with limitations.

Book publishers are increasingly turning to DAM systems to help them with product development. Our discussions with leading book publishers point to a number of business and technological drivers for the increased adoption.

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- More creative material is “born digital” and in a form ready for migration to a DAM.
- More digital assets are often created for a single product than are actually needed, thus increasing the ability to use the assets for a different product.
- The high cost of creating the initial assets.
- The desire to create derivative and custom products, and being able to source the same or related digital assets in the derivative products.
- The need to support distributed workgroups, including telecommuting workers, freelancers, packagers, and production and manufacturing partners.
- The growth in direct digital sales channels.
- The growth in digital partners.

In addition to these specific requirements, book publishers in all market segments report the need to improve efficiencies and to develop more products quickly. Taken together, these all point to the need for greater automation and better control over valuable digital assets.

CASE STUDY

Extensis: *Assets on Demand*

We present two case studies of book publishers who are using the Extensis DAM solution Portfolio to help manage digital assets and support electronic product development. The following are brief synopses of the case studies, which will be published in full along with the complete Gilbane Group study later this year.



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Extensis is a software developer that allows creative teams of all sizes to streamline their workflow and securely manage their digital assets and fonts. Extensis' award-winning client/server and desktop products are used by hundreds of Fortune 1000 companies and include the Portfolio Server Suite for digital asset management (DAM), Universal Type Server for server-based font management, Suitcase Fusion for single-user font management and the Portfolio suite for digital asset management. Extensis was founded in 1993 and is based in Portland, Oregon, and the United Kingdom. Extensis is a division of Celartem Inc., which is wholly owned by Celartem Technology Inc., (Hercules: 4330). For additional information, visit www.extensis.com or call 1-800-796-9798.

Publications International

Publications International's strategy is to "pool combined imaginative resources to create quality information products, both in the written word and other media, and to provide knowledge and enjoyment to the consumer at a reasonable price." The company has grown to become the fifth largest publisher of children's books and continues to grow by publishing more than 500 titles yearly in children's, interactive learning, cooking, sports, automotive, inspirational, and leisure markets as well as offering photo and stationery items.

With such a strategy in place, the role of a digital asset management (DAM) system is mission critical. As director of publishing services, Jeff Krakow is charged with the responsibility of selecting and implementing the DAM solution that best meets the company's needs. When a previous vendor was unable to support Mac OS X, Krakow considered several DAM products and selected Extensis Portfolio Server because of its simple and intuitive user interface, its support of all necessary platforms and operating systems, and the excellent value provided by Portfolio's reasonable price.

Another benefit of the Portfolio solution is the ability to integrate with creative applications such as the Adobe Creative Suite. Designers at Publications International use the Express Palette to find assets in a catalog and drag the art from the search results right into the layout document in Adobe. This feature also allows editors or contributors to select the best illustrations for a specific book or article by considering available rights and permissions and when and how the illustration was used in

previous publications. For example, the editor might be producing a cookbook for Kraft Foods and wishes to determine which illustrations are owned by or licensed for use by Kraft. And because Kraft brand managers like to maintain a fresh look, it is important that a photo is not used too often.

They are also able to streamline their workflow as they use these assets to create the 500-plus publications each year. Recipes are also maintained and are tagged with metadata that tells the author or editor which recipes might be appropriate for a dietetic magazine or a cookbook that stresses fast and easy preparations of fish.

Krakov points out that the Extensis pricing model for Portfolio and the ease of implementation and training made his selection decision very simple. He is very pleased with the products performance and the support provided by Extensis

A Major Financial Organization

A large world banking organization selected Extensis Portfolio about three years ago to help it organize an extensive set of photographs taken at annual corporate meetings. They needed a digital asset management(DAM) system that would allow them to easily describe and catalog thousands of images and export them to a Website where they could be used by the company's external affairs department. With a minimum amount of training, staffers were able to rapidly process the photos and make them available to colleagues and customers who accessed the images using a Web browser and required no training whatsoever. The project team found other DAM products to be too complicated and pricey for their needs. They were pleased at how easily Portfolio scaled to the size of their environment and now exceeds 22 terabytes of illustrations.

The first project was so successful that the organization decided to use Portfolio Server for managing 12,000 thematic maps. These maps include both traditional map art and content describing such phenomena as the evolution of farming communities since 1900. In this application, the metadata is very rich and therefore very important to make the maps available for reuse. The project team reports that Portfolio does an excellent job of exposing the appropriate metadata and making it easy for users to execute a search and find the map(s) that meet their information needs. the organization's previous solution required a reference librarian to assist users in finding the maps that they need. Using Portfolio, all images, maps and other digital assets are centralized in a single database, making it easy to archive, organize, find, access and distribute them. The system also provides the proper level of security to make certain that assets are protected from improper usages.

Next, the company implemented Portfolio Server and NetPublish to allow professionals working in widely dispersed field locations to describe and upload photos taken in the field and dynamically share them with colleagues in other locations. Because they have more than 60 locations, this application has become very important to the organization's workflow.

Plans are now underway to use Portfolio Server to archive book content to be selected and reused in subsequent print and digital books.

Key Take-Aways

In both of these cases, the publishers are extremely pleased with Portfolio Server, consider the implementations a success, and speak well of their adoption of the product. While the requirements of each project were specific to the organizations, both point to the same broad success factors with their projects:

- The system is easy to use, interactive, and intuitive
- The project ROI is excellent because of the reasonable price of the product
- The solution is easy to deploy and, once installed, requires low support overhead
- Extensis' technical support is excellent but rarely needed or used

CASE STUDY

McGraw-Hill Education: *Developing a “Digital First” Approach to Educational Publishing*

Background



McGraw-Hill Education is a leading global provider of educational materials, information and solutions for the pre-kindergarten through 12th grade, assessment and instruction, higher education and professional markets.

McGraw-Hill Education can rightfully claim that it is one of the few leaders of the information age whose origins go back to the industrial revolution. Company founder James H. McGraw entered publishing in 1884 with the purchase of a trade magazine, and the company began publishing books early in the 20th century.

Over the next decades McGraw-Hill steadily increased its textbook offerings for college-level students. By the mid-1930s, the company had developed specialties in business, management and the social sciences, adding to its core strengths in engineering and science. It was the baby boom, however, that prompted an educational publishing explosion at McGraw-Hill. Through expansion and acquisitions, McGraw-Hill established a major presence in the K-12 arena during the 1950s.

The company and its educational publishing unit continued to expand throughout the latter half of the 20th century and into the 21st century, through internal growth and acquisitions. In addition to its focus on primary, secondary and higher education, McGraw-Hill also became a leader in the areas of early childhood development, vocational training, professional development, educational assessment and reporting, lifetime learning and continuing education.



Mark Logic Corporation is the provider of the industry’s leading XML Server. The company’s flagship product, MarkLogic Server, includes a unique set of capabilities to store, search, enrich, and dynamically deliver content. On top of this platform, our customers and our partners build information access and delivery solutions used by publishers, government agencies and other large enterprises to accelerate the creation of content applications.

Mark Logic emphasizes its technology’s ability to “drive content agility.” Publishers rely on Mark Logic to repurpose content, creating new information products faster and

delivering them through multiple channels. Government organizations choose Mark Logic for its flexibility to integrate immense stores of data from distributed sources, and enhance it for maximum value. Many enterprises benefit from the unique capabilities of MarkLogic Server to provide structured search and navigation against varied content, providing users with more than just search results, but exactly the information they need for the task at hand.

The Challenge

McGraw-Hill Education has embarked on an aggressive, years-long effort to fundamentally change and retool its processes for developing educational content. Leveraging technology to improve revenue and profit is a crucial initiative for McGraw-Hill. As part of this strategy, McGraw-Hill has developed a digital asset library providing a suite of content services that help different product groups leverage existing assets to facilitate product development.

- McGraw-Hill Education is “absolutely in the process of digital transformation”
- A clear priority is to get greater reach and distribution with developed content, making it more re-purpose able and easier to distribute to a growing number of channels
- Management has spearheaded an effort to change both the processes and the underlying technologies and tools
- This change has been a paradigm shift for content development. Authors, editors, designers, and production teams need to consider all media—including print, Web, and eBooks—from the earliest stage in the content development.
- Goal is to have all content be transformable to all distribution mediums, so the processes and technologies must be as agile as possible, and the content teams need to rethink their approach and be as flexible as possible.

Meeting the Challenge

McGraw-Hill Education has purchased, developed, and implemented a number of new systems to advance this initiative:

- MarkLogic Server as the XML repository
- Both digital asset management and Content Management solutions
- New digital publishing toolsets based on Adobe Creative Suite 4
- Workflow platforms to facilitate collaboration with the Adobe tools

In addition, the company has a number of projects under way to integrate back office systems with the new digital asset infrastructure, especially where those back office systems have “interesting and relevant information” about the content assets and publishing products.

At the core of the new system is the XML repository, with the goal of allowing the publishing professionals to build a nucleus of content that will lend itself to multiple uses and multiple channels. Projects now start with XML much earlier in the process, as compared with the past when XML output was created as a post print production

process. This approach helps the teams “think digital first,” as opposed to “print first,” and enable the transformation of content into print, eBooks, and Web-friendly formats.

The group has the key systems in place and has developed a number of higher education titles for multi-channel distribution. They led the effort with higher ed as the group has traditionally been more proactive with these kinds of initiatives, and the higher ed content lends itself more directly to the XML-first approach. K-12 content, in contrast, tends to be more design heavy, with more visual elements, embedded images, and the like. However, since higher ed has proven the approach works and is viable, the new processes and technologies are being introduced to the K-12 teams.

Carl Hixson, McGraw-Hill’s vice president for new media and digital asset management, reports that the company’s adoption of the MarkLogic Server is helping to put it in an excellent position to meet its strategic goals for digital product development. “McGraw-Hill realizes this is revolutionary and essential. This will make us a lot more responsive to how we can serve our current audiences and reach new ones. Going forward, it’s digital first.”

Results

McGraw-Hill Education is successfully undertaking an ambitious and sweeping new initiative to fundamentally change its approach to content development. While Hixson readily offers that “this is still an ongoing process,” a number of significant milestones have been reached.

- The major new systems are in place and operational.
- A number of titles have been completed and many more are in production.
- They are producing print, Web content, and eBooks from a common repository.
- They have seen process improvements already, and have oriented publishing teams to new “digital first” processes.
- Hixson reports that users are enthusiastic, and the design and production teams especially took to the new technology, noting, “When you can demonstrate the efficiencies, it really facilitates the adoption process. The collaborative workflow, the ability to work with distributed users and to have simultaneous editorial, design, and production—design and production users really get this.”
- Hixson reports these changes have produced both time savings and cost savings in product development.

Lessons Learned

The lessons learned from the initiative have had much more to do with process changes than technology elements. Hixson emphasized that the organization has paid close attention and invested considerable time and focus in the process changes that he feels necessarily preceded the new technology adoptions. In his words:

- Don’t just implement a digital toolkit and overlay it over a traditional process.

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- Look at the overall content development process, and have a refined process that compliments the adoption of new digital publishing systems and toolsets.
- Work with the community of editorial users as early as possible, educating them about the magnitude of change. It's a very different content development process; it requires editorial, design, and production teams to work a lot differently from their traditional methods, so it's beneficial to enter into a collaborative dialog as early as possible.
- Think out the core issues of an XML based content development process before implementing them. This includes questions of the XML tagging approach, the specific design of schemas, the level of granularity in which content will be modularized (i.e. the chunking), and what processes will be used for transforming the XML into different delivery formats. Moreover, plan how to effectively monetize these newly developed digital products.

Gilbane Conclusions

- Educational publishers are challenged to develop new product development processes and to put in place the right mix of technologies to support these new processes. These challenges are especially acute in large, well established publishers with legacy systems and highly formalized product development processes and organizations. McGraw-Hill Education has taken this challenge head-on with an ambitious, multi-faceted effort that is beginning to show tangible results.
- A sophisticated and standards based repository is essential to developing a cross-media publishing strategy. McGraw-Hill Education has created a new platform for content development, with an XML repository at its core that puts them in an excellent position to execute a successful cross-media publishing strategy for a wide array of educational publishing products.

CASE STUDY

Nature Publishing Group: *Meeting the Agile Product Development Imperative for Science Publishing*

Background



Nature Publishing Group is a division of Macmillan Publishers Ltd, dedicated to serving the academic, professional scientific and medical communities. NPG's flagship title, *Nature*, was first published in 1869. Other publications include *Nature* research journals, *Nature Reviews*, *Nature Clinical Practice* and a range of prestigious academic journals including society-owned publications. NPG also provides news content through *Nature News*. Scientific career information and free job postings are offered on Naturejobs.com.

NPG is a global company with principal offices in London, New York and Tokyo, and offices in Basingstoke, Boston, Buenos Aires, Delhi, Hong Kong, Madrid, Melbourne, Munich, Paris, San Francisco, Seoul and Washington DC. More information is available at www.nature.com.



Mark Logic Corporation is the provider of the industry's leading XML Server. The company's flagship product, MarkLogic Server, includes a unique set of capabilities to store, search, enrich, analyze, and dynamically deliver content. On top of this platform, customers and partners build information access and delivery solutions used by publishers, government agencies and other large enterprises to accelerate the creation of content applications.

Mark Logic emphasizes its technology's ability to "drive content agility." Publishers rely on Mark Logic to repurpose content, creating new information products faster and delivering them through multiple channels. Government organizations choose Mark Logic for its flexibility to integrate immense stores of data from distributed sources, and enhance it for maximum value. Many enterprises benefit from the unique capabilities of MarkLogic Server to provide structured search and navigation against varied content, providing users with more than just search results, but exactly the information they need for the task at hand.

The Challenge

As stated, Nature Publishing Group publishes *Nature*, a widely read and cited multidisciplinary journal in continuous publication since 1869. In addition, NPG publishes more than 70 other scientific journals, plus numerous online resources for

scientists and those interested in science. These online resources include Nature News, Nature Jobs, Nature Network and a long list of gateways and portals.

As NPG's business and audience grows, so too does the challenge of meeting the growing expectations of its readers. Scientific publishing has represented the leading edge of adoption of new platforms and devices. Readers expect to access NPG content in print and on the Web, of course, via browsers, but also via wireless devices, in portals, in social networks, and through both general and specific search engines. NPG needs to make its content available in as many formats and as many contexts as possible, and the company needs to be able to do this efficiently and economically.

Meeting the Challenge

The NPG team is committed to a product development paradigm based on a deep reservoir of XML content and an agile process that emphasizes rapid product development resulting in usable, intuitive products. Once deployed, these products can then be tested and measured in ways that can lead to ongoing improvement and redeployment.

NPG's ongoing product development efforts have confirmed its approach that flexibility and agility are key in today's marketplace. The company's selection of MarkLogic Server for XML management enables them to sustain this content production model in the face of clear business challenges:

- Delivering content to users when they want it, where they want, and how they want it is much more important than trying to pin down the "killer app," says CTO Howard Ratner.
- Such availability means having content ready for distribution through open models, sponsored models, collections, pay per view, and subscription based.
- Print is still important in many markets, so there is an ongoing need for print on demand and distributed digital printing (worldwide in NPG's case).
- XML is important for structure, but even more important for metadata, including taxonomies (e.g., Medical Subject Headings or MeSH) and bibliographic data (Digital Object Identifiers through CrossRef).
- Communities and social networks are growing in importance, including specialized social networks in science and medicine. Publishers need to ensure their content can be deployed there.
- They can leverage meta-tagging to enable robust searching.

Ratner reports that *Nature* is pleased with its choice of MarkLogic Server. "Our XML repository powered by MarkLogic Server has become the central core of our online publishing program practically overnight. We are now standing on the mere tip of the iceberg regarding our content's potential. Mark Logic makes unlocking the power of our content so much easier. "

Results

Nature Publishing Group continues to innovate and lead in a highly competitive marketplace:

- Nature.com continues to be one of the most widely read scientific Websites in the world and wins regular awards for its leadership.
- The company continues to expand its Nature Network (network.nature.com)—a social network for scientists—focusing on New York, Boston, and London that features blogs, event listings, and job listings for the thriving scientific communities in each city.
- The company recently launched an eBook platform with sister company Palgrave Macmillan that will host book content alongside its existing journal content site.
- It recently launched Scitable (www.nature.com/scitable), a free educational resource for undergraduate biology students and educators. Currently focused on genetics, Scitable combines authoritative scientific information with social media functionality.

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What is Scitable?
A free science library and personal learning tool brought to you by Nature Publishing Group, the world's leading publisher of science.
Scitable currently concentrates on **genetics**, the study of evolution, variation, and the rich complexity of living organisms. As you cultivate your understanding of modern genetics on Scitable, you will explore not only what we know about genetics and the ways it impacts our society, but also the data and evidence that supports our knowledge.

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Cytogenetics is the study of chromosomes and their role in heredity. The articles in this ...

Evolutionary Genetics
Editor: Richard Kilman, Bob Sheehy
Evolutionary genetics examines the genetic relationships among groups of organisms and ...

Gene Expression and Regulation
Editor: Laura Hoopes
Gene expression and regulation describes the process by which information encoded in an ...

Lessons Learned

- NPG continues to thrive because it combines highly authoritative and attractive content with agile, efficient mechanisms to deploy the content in many formats and contexts.
- The hard work of getting the content and metadata into XML realizes its payoff in the flexibility NPG then has with the content and metadata.
 - Given NPG's wide range of products, offerings, and partnerships, such flexibility is critical.

Beyond eBooks

- The organization has ambitious and ongoing product development plans, and regularly announces new products and partnerships.
- With reader expectations already high, and Nature in a strong position of leadership; therefore, they need to continue to innovate.

Gilbane Conclusions

- Over the last five years, we have witnessed many well respected publishing brands be threatened or even decimated by Web-based digital products. Unlike those brands, Nature has taken a leadership role, aggressively developing and deploying new products, new brands, and new partnerships.
- A sophisticated and standards-based repository is essential to developing a cross-media publishing strategy. NPG has mastered the use of XML for both structure and metadata, helping to fuel its growth and extend its leadership position.

CASE STUDY

Random House: *Creating a 21st Century Publishing Framework*

Background



RANDOM HOUSE

BERTELSMANN

Random House, Inc. is the world's largest English-language general trade book publisher. It is a division of Bertelsmann AG, one of the foremost media companies in the world.

Random House, Inc. assumed its current form with its acquisition by Bertelsmann in 1998, which brought together the imprints of the former Random House, Inc. with those of the former Bantam Doubleday Dell. Random House, Inc.'s publishing groups include the Bantam Dell Publishing Group, the Crown Publishing Group, the Doubleday Broadway Publishing Group, the Knopf Publishing Group, the Random House Audio Publishing Group, the Random House Publishing Group, and Random House Ventures.

Together, these groups and their imprints publish fiction and nonfiction, both original and reprints, by some of the foremost and most popular writers of our time. They appear in a full range of formats—including hardcover, trade paperback, mass market paperback, audio, electronic, and digital, for the widest possible readership from adults to young adults and children.

The reach of Random House, Inc. is global, with subsidiaries and affiliated companies in Canada, the United Kingdom, Australia, New Zealand, and South Africa. Through Random House International, the books published by the imprints of Random House, Inc. are sold in virtually every country in the world.

Random House has long been committed to publishing the best literature by writers both in the United States and abroad. In addition to the company's commercial success, books published by Random House, Inc. have won more major awards than those published by any other company—including the Nobel Prize, the Pulitzer Prize, the National Book Award, and the National Book Critics Circle Award.

Bennett Cerf and Donald Klopfer founded the company in 1925, after purchasing The Modern Library—reprints of classic works of literature—from publisher Horace Liveright. Two years later, in 1927, they decided to broaden the company's publishing activities, and the Random House colophon made its debut.

Random House first made international news by successfully defending in court the U.S. publication of James Joyce's masterpiece, *Ulysses*, setting a major legal precedent for freedom of speech. Beginning in the 1930s, the company moved into publishing for

children, and over the years has become a leader in the field. Random House entered reference publishing in 1947 with the highly successful *American College Dictionary*, which was followed in 1966 by the equally successful unabridged *Random House Dictionary of the English Language*. It continues to publish numerous reference works, including the *Random House Webster's College Dictionary*.

In 1960, Random House acquired the distinguished American publishing house of Alfred A. Knopf, Inc., and, a year later, Pantheon Books, which had been established in New York by European editors to publish works from abroad. Both were assured complete editorial independence—a policy which continues in all parts of the company to this day.

OPEN TEXT

The Content Experts™

The Open Text Digital Media Group, formerly Artesia, is a leader in enterprise and hosted digital asset management (DAM) solutions, bringing a depth of experience around rich media workflows and capabilities. Open Text media management is the choice of leading companies such as Time, General Motors, Discovery Communications, Paramount, HBO and many more.

When clients work with the Open Text Digital Media Group, they tap into a wealth of experience and the immeasurable value of:

- A decade of designing, delivering, and implementing award-winning rich media solutions
- A global client base of marquee customer installations
- An experienced professional services staff with hundreds of successful implementations
- A proven DAM implementation methodology
- Endorsements by leading technology and implementation partners
- Domain expertise and knowledge across a variety of industries and sectors
- The global presence and financial strength of Open Text, a leading provider of Enterprise Content Management solutions with a track record of financial growth and stability

The Challenge

Random House is one of the world's largest publishers, and the world's largest English-language general trade book publisher. Its ongoing book production is voluminous, and its needs for digital asset management are both large-scale and complex. In a given year, Random House will typically produce 4,000 new titles. In addition, they manage an active back list of more than 45,000 titles, with a total list of more than 200,000 titles. In recent years, the digital asset management strategy has expanded to include the company's growth into audio books, eBooks, Websites, and other new and emerging media.

Beginning in the 1990s, Random House began efforts to better manage the digital assets associated with these titles. Originally, the DAM efforts were local to groups and

imprints within Random House, and typically included the jacket art and manuscript text. Over time, the managed assets grew to include the page layout files, the manuscript text files, cover and jacket art, and the final PDF files used for printing.

As the assets grew, Random House began to centralize some of the DAM activities and processes, and also worked to create logical directories for the assets based on the page layout files and links (then QuarkXPress). They also started to look at templating some of the book designs and mechanisms to reuse assets and templates based on commonalities among the titles.

Eventually, in 2000, with the DAM activities and system now centralized, the group ran into a limitation with the then-current system because of too many assets and folders, and began looking at enterprise-scale systems to manage its digital assets.

Meeting the Challenge

Random House purchased and implemented the digital asset management system from Open Text Digital Media Group (then Artesia) with the goal of:

- Providing a single DAM system for storage of all digital assets for print products
- Providing a single DAM system for storage of all digital assets for the audio
- Providing a platform for distribution of digital assets to both internal and external systems

The Open Text DAM system in operation at Random House is run by a central organization that supports all of the Random House product lines. The system currently houses all of the digital assets associated with the print products. The system has been through a number of upgrades, and functionality has been added as the group has built up the collection of digital assets to include more asset types such as audio and video. The additional functionality has also been developed to support new use cases such as being able to provide updated titles to Amazon.com for Kindle distribution (the equivalent of a minor reprint) and managing supplemental material for books.

Recently, Random House has aggressively moved its DAM implementation beyond the traditional function of digital archive to one in which the DAM system serves as a hub for distributing content to dozens of content platforms, partners, and syndication partners. Random House is now using the DAM to distribute content in real-time to partners such as iTunes for audio books, and is also now providing real-time updates to key partners such as Amazon.com as new products are completed or updated. Significantly, Random House is able to make use of standard Web-service features such as SOAP, which are increasingly supported by partners such as Amazon, making points of integration much simpler and more straightforward to establish.

Damian Sacoccio, vice president of marketing and product marketing for Open Text Digital Media Group, finds it notable that a longtime customer such as Random House continues to find new innovations for the DAM platform. “Media businesses are evolving, and they need to be responsive to new business models and new customer demands,” Sacoccio notes. “So when they identify a new feature such as search inside the book or free samples, they want to be able to implement it quickly and

inexpensively, and using the open, standards-based connections that their partners support.” This often means providing partners with multiple formats of the content, and supporting metadata, and being ready to deliver this content and metadata on a regular, predictable schedule.

Results

Random House has successfully implemented a system that forms the strategic backbone for its digital asset management processes and strategy. At this point, the system:

- Manages all digital assets for the print products.
- Is being built out to manage all assets for the audio books and products.
- Is used to push multimedia products and content to internal and external Websites.
- Handles a wide variety of supplemental material, including promotional materials, video interviews with authors, and high-resolution photos and graphics that are used for both the books themselves and for promotional materials.

Random House is finding significant value in having its digital assets stored in a central system. Such central management provides faster means of locating and using stored assets, and also helps instill more standardized workflows using digital production tools ranging from those for print (now the Adobe Creative Suite tools) to those tools used for video production, audio production, and eBook production. It also enables them to create more standardized means for distributing content to a variety of internal and external Websites, with the eventual goal to be used as a central platform for all digital media distribution.

Lessons Learned

As with several of our other case studies, the lessons learned from the initiative have had much more to do with the process changes than the technology elements.

- The DAM implementation team pointed to the need to give careful consideration to when and how the DAM system should consume the content. In the case of Random House, the system is used for finished goods, but could also be used for some work in progress.
- An enterprise system of this type enables an organization like Random House to look at changing the editorial model to where editors can plan a new lifecycle for a product. For example, where a cookbook may have only been considered in its print incarnation, now editors can think of models such as developing it as a database and considering alternative business models such as syndication and licensing.
- The robustness and scale of the system has put Random House in a position of controlling its own destiny about asset management in an environment where Google had begun to dictate digital distribution. With this infrastructure in place, Random House can control the quality and the versioning of the content,

and the customer's experience of Random House content would be in line with Random House standards.

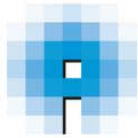
Gilbane Conclusions

- Few trade book publishers have the scale or resources of Random House to undertake this kind of project, but it is to Random House's substantial credit that they identified this need as early as the early 1990s and accelerated its efforts and investment beginning in 2000. The result is truly an enterprise-class digital asset management system that meets core business needs and is expanding to address the business needs of important newer product offerings and business models.
- A sophisticated and standards based digital asset management system is essential to supporting the kind of broad and complex lines of business Random House is engaged in. The Random House team has created a significant platform for digital asset management that successfully supports one of the largest publishing operations in the world.

CASE STUDY

Ingram Digital: *Content Solutions for a Changing Publishing World*

Background



ingram **digital**

Digital content. Delivered.

Ingram Digital is the leading digital content distributor and supplier of content management, distribution and hosting solutions for publishers, retailers, libraries and institutions worldwide.

Ingram Digital's mission is to enable publishers to maximize their market exposure and revenue opportunities, regardless of channel, by providing a comprehensive suite of content management and distribution services.

The company's solutions enable publishers to warehouse, market, sell and deliver their content in a variety of digital formats to expand existing channels and create new revenue opportunities.

Ingram Digital is made up of four business units covering the spectrum of digital content services. These include:

- **Content Solutions:** Digital warehouse, transformation and distribution services
- **Education Solutions:** Portable interactive textbooks for students and educators
- **Retail Solutions:** eBook and digital audio book discovery and fulfillment
- **Institutional Solutions:** eBook and digital audio book services for libraries

Ingram Digital has nearly 150 associates headquartered in La Vergne, TN with offices in Raleigh, NC; Thorold, ON; and Bournemouth, UK. This unique team is dedicated to digital content strategies and solutions.

Ingram Digital is a division of the Ingram Content Companies and a sister company to the Ingram Book Group, the world's largest book wholesaler, and Lightning Source, the world's largest Print On Demand provider. Ingram Digital works with its publisher clients to leverage these relationships to the publisher's fullest advantage.

OPEN TEXT

The Content Experts

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- An experienced professional services staff with hundreds of successful implementations
- A proven DAM implementation methodology
- Endorsements by leading technology and implementation partners
- Domain expertise and knowledge across a variety of industries and sectors
- The global presence and financial strength of Open Text, a leading provider of Enterprise Content Management solutions with a track record of financial growth and stability

The Challenge

Ingram Digital provides a variety of services and platforms for publishers, including the Mylibrary platform for delivering content to libraries and institutions, the VitalSource platform (discussed elsewhere in this report) for content delivery in the educational market, and core services such as digitization, digital asset management, and consulting. Given the breadth and scope of its efforts, Ingram Digital had identified, beginning in 2006, the need for a robust, scaleable system that could support its own needs for managing and distributing digital assets.

Initially, Ingram Digital was looking at such a system as a platform for its own asset management and distribution, and for pushing content to its platforms such as Mylibrary and VitalSource. During this same time period, however, a clear market demand was growing for hosted or installed systems that could help publishers manage and distribute their content. These systems ended up being coined “DADs”—digital asset distribution systems—in a report written for the publishing system vendor Klopotek.¹ With that market landscape as a backdrop, the Ingram Digital team began looking at systems that could support its own needs and provide the underpinnings of a DAD solution:

¹ *Digital Asset Distribution for Publishers: An Emerging Infrastructure*, Mike Shatzkin and Mark Bide, © 2007, Klopotek.

Beyond eBooks

- Workflow for content digitization
- Digital asset management
- Content distribution to partners and channels

In addition, a good DAD system by definition needs to provide dynamic content reformatting and repurposing, taking source files such as desktop publishing and PDF files and making them available in eBook formats, XML, POD, and other formats. Significantly, given Ingram's size and market reach, such a DAD system would need to be highly scaleable, supporting both the company's internal requirements and the requirements of external customers. Even at the start of the project, both the Mylibrary system and a separate eBook platform were each managing more than 100,000 titles. A system that became the hub of these platforms and of a customer offering would need to meet highly demanding performance and scale requirements.

Meeting the Challenge

Ingram Digital began an analysis and selection process in late 2006, and selected the Artesia system both for its capacity to meet Ingram's internal DAM needs and the capability to be built out as a DAD system. Simultaneously, the Ingram Digital team was developing its business plan for the DAD offering. The team went through a selection process, looked at other solutions, considered the option of building it themselves, but kept returning to the core requirement that the system would need to scale to handle very large volumes of content in a multi-tenancy model.

"Once we looked at the Artesia platform and saw its capabilities, we began thinking about doing an offering for the marketplace," says Tyler Ruse, Vice President and General Manager, Content Solutions, Ingram Digital.

As Ruse notes, the Artesia solution:

- Fits the technology profile the team was looking for;
- Has the scalability;
- Could store the wide range of digital assets Ingram Digital's clients would need "right out of the gate."
- Has some impressive format transformation capabilities out of the box, such as high-volume image transformation;
- Has some very useful workflows out of the box, such as the ability to ingest a Quark file and get PDF out the other end.
- Has a workflow engine that would enable other useful workflows to be readily added, such as eBook generation from source files.

"We were interested in that kind of high-volume, high-throughput workflow," Ruse says. "We were thinking about it as a content hub for the kinds of workflow our publishing customers would most often exercise."

By the Spring of 2007, Ingram Digital was actively selling the offering and signed its first customer, a major division of Macmillan Publishing, which began using the DAD system, now named CoreSource, in May.

Results

CoreSource has been actively supporting customers since the middle of 2007, and now hosts 20 publishers. These include major commercial publishers such as Macmillan, Penguin, and Thomas Nelson, and a number of major university presses including Yale University Press, Princeton University Press, and University of California Press.

One intriguing model to come out of Thomas Nelson is something called NelsonFree, where the print book, audio book, and eBook are all sold at a single price point. The distribution of these assets is supported by CoreSource. NelsonFree is similar to a project launched by several university presses in 2007. The Caravan Project, based at the University of North Carolina Press, distributes books in five formats (hardbound, softbound, eBook, audio, and POD large format), and is also supported by Ingram Digital.

Lessons Learned

- Having chosen the right platform, Ingram Digital was able to scale quickly, and have what Ruse describes as a “quick win.” “In six months,” he says, “We could stand up a platform that could support a publisher like Macmillan.”
- The rapid development process gave the team “dozens of options of where we could go with the technology,” so they had to think through the business case about the features and functionality publishers would most likely need and gravitate toward.
- While they anticipated lots of variants in the content, formats, and metadata, there were even more than they expected, but the flexibility of the Artesia platform helped here as well.
- They made a decision early on to implement the platform in a multi-tenant model, so they had to work through issues with Artesia on what the system could do and could not do.

Gilbane Conclusions

- While many of the DAD vendors have taken the approach of building their own systems, Ingram Digital took the approach of building out a highly functional offering based on a core DAM platform. As Ruse noted, this accelerated time to market significantly.
- The Ingram Digital team benefited from a highly experienced team that identified early on what some of the most valuable core requirements of the system were: functional and flexible workflow (with many features available out of the box), scalability, and the capacity to work in a true multi-tenant model.

Beyond eBooks

- Given the broad nature of Ingram's overall offerings, Ingram Digital has come up with a core of digital offerings that both complement the rest of the business and stand as attractive offerings in their own right.

Digital Publishing's Business Models and Business Cases

Copyright law has a major impact on how printed books are sold. While buyers of a book are precluded from copying and distributing information found in the book that they purchased, they do acquire a perpetual assignable license to use the book and then sell it to another reader if they so desire. Although many readers prefer to collect and retain books that they have purchased, other readers lack the space or inclination to keep their books and eventually sell them. The Internet has played a very important role in enhancing the market for used books.

Used books have a minimal impact on the trade, STM, school and children's markets. However, the higher education market has been severely affected by used books. While many people believe that used books save students money, quite the opposite is true. The preponderance of used books significantly reduces the number of new units that are sold by publishers. In that publishers are responsible for providing significant amounts of costly pedagogical support elements for instructors and students, the price of new books must be increased to compensate for the lower number of units that are sold. As the price of textbooks increases, the number of copies diminishes further and the cycle repeats itself.

This above example illustrates the importance of publishers choosing a business model that reflects the behavior of their customers and that offers pricing that is commensurate with the value that customers derive from each content product. Digital publishing affords publishers much more creativity and flexibility in pricing their products. Free from the costs of manufacturing and distributing printed books, publishers have quite a different cost structure to work with. And channel costs and discount structures can be less because retailers do not need to pay to ship the books and to dedicate space in their store to display the books for sale. Other costs such as royalties and permissions need to be rationalized in light of the potential growth of digital content products.

Therefore, there are a range of selling and pricing models that can be applied to digital content products:

- **Outright sale of a digital product**—Similar to a printed book, the publisher sells a perpetual assignable license to a reader to read, use, and resell a digital book subject to copyright laws. In this case, the publishers may sell direct to readers, or through channels like Google, Amazon, and Zinio, Digital readers are starting to expect to pay less for digital content products. This approach is simple and can work well in markets where used books are not an issue.
- **Hybrid print and digital**—Certain e-tailers like Amazon are offering customers the opportunity buy a digital copy along with a printed copy. The price for the digital copy is less than the printed book—often around \$10.00. In the near

future, we predict that some publishers will flip this model and offer the print book to digital buyers for a little more than the cost of manufacturing—between \$5.00 and \$10.00. In many cases the print book could be manufactured locally via print-on-demand.

- **Subscription**—STM publishers offer libraries or universities collections of their eBooks for an annual fee depending the size and type of the reading activity at the institution. For example, eDuke offers its Scholarly Collection to University libraries based upon their Carnegie classification and offer the option for printed books for an additional \$500.00. We predict that some popular nonfiction books will offer enhanced services where readers become subscribers to continual updates, newsletters, author forums, communities, etc.
- **Modules**—Some publishers have broken their content up into smaller modules. For example, Cengage offers some of its textbooks as iChapters. The breakeven point for students election this option is generally about 8-10 iChapters. We expect to see nonfiction publishers making their content available to be mashed up into other books or applications. The pricing for modular content could vary between \$1.00 to an individual user to hundreds of dollars for content licensed by companies or institutions
- **Licenses (institutional)**—Rather than selling digital content outright, publishers could license their digital content to institutions based upon metrics. For example, educational publishers could license their digital courses to school districts or university or university systems for a price per students enrolled in specific courses. Some publishers might offer volume discounts or incentives to commit to a course for an extended period. In this model, it is anticipated, that publishers would offer customization services for subgroups of users per the specifications of teachers or instructors. Licenses would also govern the provision of updates and upgrades. Because publishers are paid for the usage of their content, the licensee would likely receive liberal print rights to the custom versions of its course materials. This model is appealing because it generates recurring revenues and reduces the publishers' need to control their content and therefore offer customers more flexibility and better value.
- **Licenses (individual)**—This model is similar to the above model except that individual readers license the content. Such licenses could be sold directly by the publisher to individuals or through established channels like college bookstores or e-tailers. However, we anticipate that sales via the channel will occur with discounts much lower than those for physical products. Once again the licensing scenario works well for customers because it matches the cost of using content with the value of using the content for the appropriate time period.
- **Sponsored**—While it could be argued that traditional publisher advances provide a special form of sponsorship to authors, sponsored works are usually nonfiction, technical, or industry specific works (such as this report) that have sufficient interest to a certain group of readers to make the work valuable to sponsors as part of their marketing efforts.

- Advertising Supported—Certain nonfiction titles have value as references on topics such as travel, cooking, gardening, etc. There are many advertisers who are eager to promote their products in these markets. In this scenario, advertisers might sponsor certain sections of a book, insert advertising into the book, or sponsor Websites or update services associated with the book. The Google settlement anticipates that Web advertising may become associated with the books found in Google BookSearch and other Web searches. In its model, Google is offering publishers 30% of the Web advertising revenue associated with their content.
- Free—There seem to be two prominent types of free content that is similar to the content typically found in books:
 - Educational—There are foundations and institutions that are gathering and dispersing content for the education and overall betterment of humankind. These institutions include libraries, universities, educators, governments, researchers, and authors. The hope of these entities is that their work can help educate, enlighten, and inform others so that they can in turn make the world a better place for everyone to live. Some examples of such institutions include: The Smithsonian Institute, The Library of Congress, The United States government, Merlot, Wikipedia, etc. A directory of more than 1,600 such institutions can be found at: *free.ed.gov*.
 - Promotional—There are authors who develop books to demonstrate their expertise in hopes of selling other services such as consulting assignments or speaking engagements. The notion of “free” as a significant trend is to be summarized in *Free: The Future of a Radical Price* by Chris Anderson, author of *The Long Tail*. Interestingly, this opus will itself not be free but will be priced at \$26.99.

In conclusion, effective pricing models must accurately reflect the value that customers receive from content while providing sufficient compensation so that authors can support themselves and their families during and after the writing process and so that publishing entities can make their content available to readers around the world. If the value price equation is not well balanced, all parties eventually suffer as good ideas languish while trying to find readers.

VISIONARY

Bob Young: *Lulu—Next Steps*



Bob Young is the founder and CEO of Lulu.com, a premier international marketplace for new digital content on the Internet, with more than 1.1 million recently published titles and more than 15,000 new creators from 80 different countries joining each week. Founded in 2002, Lulu.com is Young's most recent endeavor. The success of this company has earned Young notable recognition; he was named one of the "Top 50 Agenda-Setters in the Technology Industry in 2006" and was ranked as the fourth "Top Entrepreneur for 2006," both by Silicon.com. In 1993, Young co-founded Red Hat, the open source software company that gives hardware and software vendors a standard platform on which to certify their technology. Red Hat has evolved into a Fortune 500 company and chief rival to Microsoft and Sun. His success at Red Hat won him industry accolades, including nomination as one of Business Week's "Top Entrepreneurs" in 1999. Before founding Red Hat, Young spent 20 years at the helm of two computer leasing companies that he founded. His experiences as a high-tech entrepreneur combined with his innate marketing savvy led to Red Hat's success. His book, "Under the Radar," chronicles how Red Hat's open-source strategy successfully won industry wide acceptance in a market previously dominated by proprietary binary-only systems. Young has also imparted the lessons learned from his entrepreneurial experiences through his contributions to the books "You've GOT to Read This Book!" and "Chicken Soup for the Entrepreneur's Soul."

For many years, authors who were unsuccessful in getting their books published by a commercial publishing company could underwrite the costs of publishing their books and sell them through "vanity presses." It was rare that books published in this manner ever recouped the author's investment and earned a profit.

Bob Young admits that when he was in college that he never fully appreciated the writings of philosopher Jean Paul Sartre. However, one of Sartre's teachings—"We see the world the way that we expect to see it"—stuck with him. This passage helps explain how established practices and entities become so entrenched. Yet in 2002, Bob Young had an idea that would attack the established policies and practices of the book publishing industry. The industry had consolidated tremendously in the previous decade, and the distribution and retail networks changed dramatically. These changes have had a profound impact on potential authors. The reduction in the number of publishing entities has resulted in it becoming more difficult for authors to get their works published. The publishing company may already have a similar title or be unwilling to take a chance on an unpublished author. Sometimes, a book is written by a prominent author but the market niche is too small for traditional publishers to serve. These phenomena leave a significant number of high quality books without a publisher.

Beyond eBooks

The publishing industry and its distribution network were becoming more digital. Another of Young's favorite philosophers points out that when new media take prominence leaders in the previous medium often fail to succeed. Digital technologies are now used to create all types of content and the move towards digital distribution networks, as demonstrated by the popularity of Amazon.com and its peers, opening up markets for these books.

With the goal of allowing every author to have access to a professional publishing platform an extensive sales and distribution platform, Young's idea became a company named "Lulu" and has evolved and thrived during the past six years. The company now has three main product lines:

- Print—books, brochures, manuals and materials for business solutions
- Photo Creations—calendars, photo books, art and images
- Social Networking—marketing, commerce and exposure via weRead, the most popular social book discovery application, allowing readers to catalogue, rate and review books.

The screenshot shows the Lulu.com website interface. At the top, there is a search bar with the text "Search: [] in All Products" and a "GO" button. To the right of the search bar are links for "Help" (with subtext "Need help? Visit our support page."), "Log In", "Sign Up", and a shopping cart icon labeled "Cart". Below the search bar is a navigation menu with buttons for "Publish", "Buy", "Services", "Community", "My Lulu", "Help", and "Lulu Demo >".

The main content area is divided into three orange panels:

- Publish:** "Free to Publish; No Setup Fees." Includes an image of a family reading a book. Below the image are links for "Paperbacks", "Hardcovers", "Photo Books", "Calendars", "Cookbooks", and "& More".
- Sell:** "Tools to help you sell worldwide." Features a large white price tag with a blue dollar sign. Below the tag is the text "Turn your ideas into cash".
- Buy:** "Products from a million creators Books, artwork, CDs & more." Displays a grid of various product covers.

Below the orange panels are three promotional banners:

- New and Improved Publishing Packs:** Includes an image of a book and a "Buy one now!" button. Below the banner is the text "Now we also upload, convert,".
- April Author Sales Contest:** Features the text "WIN \$500" and an "Enter to win >" button.
- Featured Products:** Lists two books: "The Conservative Nanny State: How the W..." by Dean Baker (Print: \$7.90) and "Gulf Coast Gardening with..."

The value proposition is very simple and appealing to authors. Lulu.com presents authors with total editorial and copyright control with additional protection provided

from the Lulu.com backend. They make money on their projects with an 80/20 revenue split (80% for the authors) and by Lulu.com providing a unique on-line sales and distribution system, a viable business model for the current economy and beyond.

Powerful search engines and social community applications help match willing readers with niche titles. Content on Lulu.com is easily accessible—perfect for niche communities searching for specific topics. Lulu.com is home to a new economy, a digital marketplace of buyers and sellers, where sellers are selling “intellectual property” and buyers buy the intellectual property in either a physical or digital format. Lulu.com allows for personalization and customization for individual or business needs.

During the 2009 O’Reilly TOC Conference, Jason Fried of 37signals described the book that he and his colleagues had written based on lessons learned from creating and servicing their successful project management and collaboration product named Basecamp. They published their book with Lulu.com and report sales of almost \$500,000 in the last several years. This enabled them to reach number three on the Lulu best seller list at one point. Ideally, this story would have a happy ending and they would publish their next book with Lulu.com. Alas, the success of their previous book motivated a traditional publisher to offer them a significant advance for their second book. The offer was too tempting to refuse. They now have to hope that the traditional economic model with 10-20% royalties will generate more than Lulu.com’s 80-20 split. In essence, they are wagering that the traditional publisher will be able to sell at least four times the number of books that Lulu.com would have sold.

When asked about this, Young was nonplussed. He simply stated that it was his goal to publish their third book and to make them loyal authors in the future. It is his number one goal to help his authors become successful. He believes that discoverability is the key to helping his authors sell more books. Hence, he acquired weRead, the most popular community of readers. This technology helps readers find, read and rate new books on topics of interest to them no matter what the genre or how small the niche. The connection between weRead and e-tailers such as Amazon forms a powerful combination of capabilities that erode the advantages once monopolized by traditional publishers and bookstores. For many books, Lulu.com’s print on demand publishing and distribution model is faster, cheaper, and more efficient than the traditional publishing model, and is much less risky.

Lulu also offers authors publishing templates and a set of tools to create Websites, storefronts, widgets and blogs for their books. While these are self-service offerings, they further erode the service advantages provided by traditional publishers. The service has been so successful that new small publishers are using Lulu.com as a platform for their own publishing companies. Other publishing companies are using Lulu to keep books in print once the current print run has been exhausted.

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Books, Authors and More!

Discover
Get personalized recommendations for new books and authors

Share
Share your ratings and reviews with your close friends.

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Find people with similar interests and add them to your list.

Enjoy
Take quizzes, become part of book clubs and more!

I want to be a Member!
Sign up now!

I am an author/poet
Create my page!

TAKE A TOUR

BROWSE BOOKS

New Releases Popular Books Read Online

QUICK POLL

Do you believe that the Audacity of Hope helped Obama's presidential campaign?

Young believes that there are many books available at Lulu.com that are superior to those published by traditional publishers. The key is to help each book become discovered. He concludes “we’re not in the business of choosing the best books to be published, we give authors the technologies and services to be successful and let the market decide which books are the best.” The type of content that Lulu supports is continuing to expand. Lulu just announced the acquisition of Poetry.com and has rebranded it to Lulu Poetry.

Gilbane Conclusions

This is a very disruptive approach to publishing. The change to digital development and the increasing popularity of eBooks combined with the increasing market share enjoyed by e-tailers makes Lulu.com’s strategy very powerful. We expect to see this model gain greater acceptance as economies offered by print on demand drive up the cost threshold versus long run printing. Lulu is the established leader in this segment which, according to Sartre, bodes well for the company’s future.

VISIONARY

Susan Danziger: *Delivering Books in Installments*



Susan Danziger is cofounder and CEO of DailyLit. Danziger brings over 15 years of publishing and licensing experience to DailyLit. She was the head of business affairs for one of the divisions at Random House and was part of a team to spearhead Random House's corporate electronic book program. She also founded Fox Meadow Media, which represents international authors and publishers in the acquisition and licensing of publishing and media rights.

DailyLit is a leading publisher of serialized books in digital form. Short book installments, designed to be read in less than five minutes, are sent via e-mail or RSS feeds according to the schedule set by each reader (e.g. 7:00am every weekday); additional installments are available on demand. Readers can access their installments wherever e-mail or RSS feeds are received, including on a Blackberry or iPhone. DailyLit features bestselling and award winning titles, from literary fiction and romance to language learning and science fiction.

The screenshot shows the DailyLit website interface. At the top, there is a navigation bar with the DailyLit logo, a search bar, and links for 'Browse Books', 'Forums', and 'Members'. Below the navigation bar, there is a main content area with a banner that reads 'DailyLit: Sparking your mind and imagination with great books and ideas in under 5 minutes a day.' The banner is divided into three columns: 'How' (Receive short book installments by email or RSS feed), 'When' (Choose the days and times you want to read), and 'Where' (Read on any computer or mobile device (iPhone, Blackberry, etc.)). To the left of the banner, there is a sidebar with 'DailyLit Staff Notes' and 'Hot Topics'.

While developing serialized books for digital devices is a new and innovative concept, its origins go back many years. Many classic books such as Dickens' *Great Expectations* were originally published in installments. *Great Expectations* was released in 5,000 word units. In that era, binding was very expensive and would have limited the book's market. Today, time is the most

expensive commodity and the delivery of content to a reader's device of choice at a convenient time is an excellent way of helping busy people to find time to read.

DailyLit has more than 1,000 titles available to readers. Many classic titles are free while newer titles are a bargain costing less than \$10. The service supports most mobile devices as well as desktop and laptop computers. Each title offers free sample installments. To subscribe, one simply enters an email address and selects delivery preferences including preferred length of the daily installment and the daily delivery time. Most installments are designed to be read in less than five minutes. DailyLit features titles from all different genres including nonfiction, foreign language, business, and test preparation and fictions including romance, mysteries, and science fiction.

The DailyLit team has created more than 50 free Wikipedia tours covering a wide range of topics from wine to religion, and from athletes to presidents to Nobel Laureates. These are also delivered in daily installments. They are innovative and highly informative.

In 2008, Danziger introduced a program that allows a non-publishing company to sponsor a title and offer it free to customers with the company logo and a link to its Website appearing on every page. This program allows companies to choose titles that are aligned with the product interests of their customers and to offer them as a daily service. The program is off to a good start.

The next round of innovations will include new types of content including newspapers, magazines, and special topics. This next-generation content will offer richer formatting and more illustration.

Gilbane Conclusions

The overall popularity of RSS feeds and blogs demonstrates that there is a market for "quick-read" content. Much of this content is ideal for mobile devices where reading long selections can be tedious. The DailyLit service is likely to gain popularity as its number and range of titles offered continues to increase.

VISIONARY

Jim Lichtenberg: *The Wisdom of a Service Model for the Publishing Industry*

Lightspeed As president of Lightspeed, LLC, a management consulting practice in New York City, Jim Lichtenberg provides strategic counsel to clients in the fields of publishing, and information technology. A primary focus is the transformation of publishing due to the impact of new information technologies. He contributes regularly on these issues to Publishers Weekly, Publishing Research Quarterly, Publishing Trends and other journals, and is a frequent speaker at industry events sponsored by organizations such as The Frankfurt Book Fair, the Book Industry Study Group, and the American Library Association.

Lichtenberg has worked in, and written about, the publishing industry and e-business strategy for almost 15 years. Before founding Lightspeed, from 1993 to 1996, he served as vice president of the Higher Education Division of the Association of American Publishers, from 2003-2006; he was a professor of IT in the Executive Masters of Technology program at Polytechnic University in Manhattan. As part of his activities as a board member of the Book Industry Study Group he serves as chair of the New Technology Interest Group, and is involved with emerging technologies and standards development. He is a regular contributor on technology to Publishers Weekly, PMA Newsletter and other publishing journals, and runs the eBusiness Strategy, and eBusiness Technology, Councils for The Conference Board. He is also a member of the Open eBook Forum, the Small Press Center, and the New York Academy of Sciences.

Jim Lichtenberg has had the privilege of seeing many markets of the publishing industry evolve over several decades. His roles as a manager, industry association executive, industry analyst and consultant lead him to the inexorable conclusion that publishing is heading towards a service model.

Before exploring the potential for a service model, let's take a moment to consider the existing business model. Printed books are relatively finite objects. Except for reference books and collections of readings, books are meant to be consumed by readers starting on the first page and finishing on the last page. Their linearity allows authors and editors to draw upon earlier content to inform later content via plot development or prerequisite learning concepts. Most print books only offer links to other resources and materials based upon footnotes and citations. The author and publisher's rights to the intellectual property are protected by copyright laws. The customer has the right to read and properly quote from content found within a book and may sell the book when he/she has completed reading it. This may be considered a form of a perpetual assignable license to a specific instantiation of the intellectual property that they have purchased.

This model has served all stakeholders of the publishing industry well for many years. So why should a new model necessary? The combination of digital publishing technology with Internet searching and e-commerce produce new use modalities that printed books alone cannot adequately serve. eBooks are gaining popularity in the trade market; online course materials are gaining market share in education markets; digital reference works have now almost completely taken over the reference market; and the scientific, medical and journal marketplace has gone almost entirely digital. The one author/one publisher/individual book buyer model is inadequate for the digital world. Authors now collaborate with their readers during the authoring process and even after publication. Savvy publishers are now developing content based upon the collaborative efforts of many readers and experts. In some cases, the ongoing interaction of the collaboration of a community becomes even more valuable than the product that was originally produced. This phenomenon will increase exponentially with the uptake of social media like Facebook, YouTube, and Twitter. It is difficult for a single product with a specific price to provide fair value to customers and adequate revenues for publishers.

Lichtenberg considers the legacy publishing model to be uni-directional. The author creates the work. The publisher designs it and sends it to the printer for manufacturing. The books are warehoused and distributed to retail channels. The customer can only purchase a specific product at a set price. The digital model is multi-directional. The author and publisher imagine a range of products to be created from the author's work. The author creates the work often with input from readers. The publisher develops a variety of product instantiations and reviews them with the author. Appropriate manufacturing and distribution models are developed for each version of the product family. The publisher develops a comprehensive distribution and channel strategy. Customers purchase or license the version that they prefer and specify format and delivery method. The order is fulfilled by the publisher, distributor, retailer or e-tailers. The line between product and service offerings continues to become less distinct. For example, Jeff Bezos Amazon's CEO considers the Kindle to be a service, not a device. The explosion of iPhone applications, including those for reading, will most likely have even more impact in this regard.

Given the potentially complex set of versions, Lichtenberg feels that a service oriented model is called for. He believes that there are three essential components to the service model—co-creation of value, establishing relationships, and service provisioning. Involving the customer in specifying the deliverable and the media creates value for the publisher and author along with the customer. This involves building direct relationships with customers. This has, generally, not been strength of book publishers. The establishment of service options including the material to be licensed or purchased, and the rights and duration of the relationship are all service variables in the new paradigm. The service offering components might include the author's original manuscript, author's comments, and links to other related works, customer content like contributed illustrations, social media forums, rich media, and even advertising. Digital or Print On Demand delivery make highly customized content relatively easy to create and deliver. Publishers such as HarperCollins are now looking for ways to provide an integrated experience where author's personal voice is added to the book through blogs

Beyond eBooks

and reader communities. Customers will be served by a wider array of channels. Bookstores are losing market share to e-tailers, publisher or author's Websites, special interest sites, widgets, and search (such as Google's Booksearch). And Lichtenberg suggests that listening to readers, not just bookstores, is the first key to transitioning to a service mentality. This allows publishers to concentrate on their core competency of developing outstanding content rather than designing beautiful books. To make a successful transition to the new model, publishers need to be willing to disrupt and attack their established franchises like Hewlett Packard does with its different printer divisions and not stick to an established technology like Kodak did when they originally underestimated the impact of digital photography. (Kodak's subsequent response to the arrival of digital, however, and willingness to reconfigure products, services and marketing, could serve as a good model for publishers.)

Lichtenberg concludes with the thought that today's publishers have unprecedented opportunities for innovation. Successful publishers will agilely cross media boundaries and attract new readers. New best sellers and franchises will emerge and innovators will be rewarded.

Gilbane Conclusions

We completely agree with Lichtenberg's vision for a service-driven business model. Reader's' platform preferences alone make the traditional publishing business models outmoded. We suggest that publishers give serious consideration to his suggestions.

VISIONARY

Caroline Vanderlip: *Developing the Reverse Publishing Paradigm*



SharedBook®

Caroline Vanderlip joined SharedBook Inc. as CEO in March 2004. She is responsible for guiding the strategic and operational direction of the company. Ms. Vanderlip has 30 years of progressive leadership, managerial and entrepreneurial success within the Internet, telecommunications, and cable TV industries.

Prior to SharedBook, Ms. Vanderlip served as executive vice president of ACE INA, an insurance holding company, where she also was president of a subsidiary venture specializing in employee benefits, YouDecide.com. She served as CEO of Softbank Interactive Marketing, a database-driven, interactive solutions firm, in 1997 and was president of AT&T's Personal Online Services group from 1995 to 1997.

From 1988 to 1995 Ms. Vanderlip was employed in various senior executive roles at NBC, the last being senior vice president of NBC Cable & Business Development, where she helped launch NBC SuperChannel throughout Europe. At CNBC, she helped construct the original business plan and became one of its first employees, responsible for all affiliate sales and marketing activity of the now multi-billion-dollar company. Prior to NBC, Ms. Vanderlip held various senior level sales and marketing positions in the print, TV syndication, and cable TV businesses.

SharedBook has created a rich set of tools for creating books on a real-time basis from content libraries. By allowing users to generate their own material and customize the content they select, SharedBook delivers specially tailored information products on demand. SharedBook's custom publishing platform allows customized and personalized books to be created dynamically and then displayed as flipbooks on the Web, downloaded as PDFs, or professionally printed. SharedBook specializes in integrating and publishing data from various sources through its own proprietary creation tools, which dramatically change the economics of book publishing.

For many years, it has been common to develop a Web version of a printed book after the printed book had been released. Often these eBooks were merely digital replicas of the original printed book without much additional functionality to distinguish the digital version. Vanderlip has turned this paradigm upside down. SharedBook allows Web users to develop a high quality printed product from content available on the Internet. The potential products range from simple to sophisticated.



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Home > Consumer Products

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"The book has been a huge hit, and I have loved flipping through it remembering the last year. There are tons of pictures, which I like, because I take lots of pictures, but I'm not very good at getting them printed, and the blog book kind of takes care of that for me, and has them all together and dated. I really love it and wish I could go back and get the first 15 years of my marriage all printed and together like this..."

- Alexa Finlayson, on Blog2Print

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Use Cases:

Suppose that your five year old child loves animals. Using the shared book platform, it is easy to personalize a copy of Random House's classic children's book—*The Poky Little Puppy*. A digital flyleaf with the child's picture or a picture of his family or dog is easily created and the child is delighted to see that the book is his/her very own.

Good cooks are frequently asked for their favorite recipes or to make a collection of family recipes. By uploading recipes to Allrecipes.com and then selecting from its collection of more than 160,000 recipes, it is easy to make personalized cookbooks complete with photos and illustrations. (www.allrecipes.com)

Platform Features:

Smart Button: Content owners such as Encyclopedia Britannica are placing SharedBook's Smart Button on all of the content elements residing in a content repository. The encyclopedia's editors are then using Smart Button to assemble content as new titles, creating a virtual book to be sold through Britannica's store, the SharedBook store and third-party marketplaces, printed on demand, and thereby eliminating all the startup, printing and inventory costs of book publishing. Britannica management currently estimates that its editors will be able to create new titles ranging in length from 40 to 400 pages in a few hours.

Annotation: SharedBook allows users to contextually add comments to any component of a document: a date, a word, a phrase, a sentence or a paragraph. In allowing users to

air their thoughts in context through online footnoting, but not allowing the original content to be changed or edited, SharedBook creates a digital platform for discussion of policies, legislation, literature or any written work with participants from anywhere in the world. The annotation capabilities operate in real time and engage multiple users interactively and allow discussion to occur within context. It can be applied to any document of any length and will break the document into its natural chapters or sections to allow users to most easily find their areas of interest.

Control of the discussion remains with the content owner, and it can be opened for the widest reaching discourse or limited to a select group of individuals. The owner of the content can specify user groups, as well as delineations within user groups. There are separate designations for experts, moderators and regular users, all of which can be adapted through icons and verbiage according to the needs of the client.

SharedBook's platform also has a compilation and print capability, which allows books to be created from the original content with all or some combination of the annotations, which appear in the book as footnotes. The book, which can be a PDF download or a manufactured soft or hard cover product, is formatted dynamically, with the correct pagination and table of contents. Holding the discussion on the SharedBook annotation platform enables the site owner to preserve a record of the comments, and through the book creation tool, the owner can make available a printed copy of the original text and any subset of comments for further distribution. For example, Our Energy Policy Foundation, a current user of the annotation platform, plans to aggregate its original straw man policy with all of the expert commentary being posted into book form to share with the nation's policy makers, thereby combining dialog on all sides of the energy issue to create a more comprehensive document and recommendation.

All of SharedBook's applications are offered on a Software as a Service (SaaS) basis, behind the look and feel determined by the Brand Partner. A sampling of current SharedBook partners includes Legacy.com, allrecipes.com, CaringBridge.com, Random House, HarperCollins, Penguin USA, DK Publishing, SOHO Publishing, F&W Media, Hachette Filipacci, CBS College Sports, and Blog2Print.com.

Gilbane Conclusions

Vanderlip and her team have made a shrewd observation: While readers are now reading important new forms of content like blogs and are crowd-sourcing many other forms of content, they often want to add their own content, thoughts, and annotations. They are often interested in assembling a published document to present and save their ideas. SharedBook is media-agnostic. The company offers the platform to assemble both eBooks and traditional printed books. The choice is up to the customer. Most of these titles will have a relatively small audience. It would not have been possible to produce these printed versions without software like SharedBook's, combined with print on demand technology. As individuals and corporations become acquainted with this new publishing model, there are an almost unlimited number of applications.

VISIONARY

Sean Devine: *Use Modalities Are the Key*



Sean Devine has more than 25 years experience in the development, sales and marketing of online information services. Sean joined CourseSmart in May 2006 and has been responsible for the company formation and the development of CourseSmart's product and marketing strategy. Prior to joining CourseSmart, he spent six years as the CEO of Safari Books Online, a leading provider of electronic access to computer and business books. He was responsible for the company launch in 2001 and led the company to being a leading provider of electronic book access for individuals, libraries and corporations. Prior to Safari Books Online, Devine was at *ibooks.com*, where he was responsible for the marketing launch of the company and for developing strategic distribution relationships. He was senior vice president for business development at *Books24x7.com*, responsible for strategy, sales and partnerships, negotiating strategic relationships with several leading eLearning companies to distribute the company's offerings worldwide. Devine has also held senior positions with information providers and publishers such as Dun & Bradstreet, UMI/Bell & Howell, Ziff-Davis and The Thomson Corporation.

Sean Devine has extraordinary experience in online information and content. He has been part of some very successful new ventures. When asked about the common key ingredient, he responds "Finding a use modality that really adds value to the online reader/customer." *Safari Books Online* offers an excellent example.

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In July 2001, O'Reilly Media, Inc. and The Pearson Technology Group launched Safari Books Online. Their goal was to gather high quality technology into an online database

servicing IT, programming, and design professionals by enabling them to search for reliable and definitive answers to important technical questions.

Safari's customers are eager for immediate access to the latest information concerning information to its subscribers. With the Rough Cuts service, authors publish their working manuscripts on Safari, giving customers early access to pre-published information. Readers post comments on the manuscripts thereby providing editors and authors with feedback. This enables editors and authors to utilize this feedback as the book develops. Another service, Short Cuts, offers concise, digital-only works typically fewer than one hundred pages. If a Short Cuts title becomes popular enough, O'Reilly considers expanding it into a full-length work.

Safari Books Online offers outstanding depth and breadth of technical content and therefore has become a very popular resource for technical professionals. Devine points out that this use modality works because the content is often referential thereby lending itself well to a search oriented interface. Customers are attracted to the large volume of information available on a common platform using a simple user interface. The same approach applied to trade books would not work as well because search doesn't add much value. He believes that the trade market will only flourish when a reading device is created that will surpass the benefits of the printed book.

Currently Devine is leading the development of CourseSmart. Once again, the key is to find the use modality that brings value to customers. Currently, the benefits to students are cost savings compared to the purchase of new books, and ease and immediacy of purchase and delivery. While these features are attracting a significant number of customers, Devine believes that digital learning materials must make better use of the digital publishing platform to rapidly gain market share. Such features as rich media illustrations and simulations, intelligent problem solving assistance, federated search and communities to support peer-to-peer learning are necessary to give students an advantage when studying online. He believes that the ideal student learning device still has not been developed and that a digital backpack will emerge in the next few years.

Gilbane Conclusions

Digital readers expect more functionality from digital versions of books and learning materials. While devices will continue to evolve and improve, it is finding the right functionality to change the value proposition for customers that is most important. We believe that educational publishing from K-20 is the book market with the greatest potential and expect to see considerable progress within two to three years.

VISIONARY

Bill Rosenblatt: *Cross Media Publishing Strategies*



Bill Rosenblatt is a recognized authority on digital media technologies, including digital rights management, content management, cross-media strategy, and content production systems, as well as on issues related to intellectual property in the online world. He is the author of Digital Rights Management: Business and Technology (John Wiley & Sons) and managing editor of the Jupitermedia newsletter DRM Watch. He founded GiantSteps Media Technology Strategies in June 2000. Prior to that, he was CTO of Fathom, a knowledge destination Web site for lifelong learners backed by Columbia University, the London School of Economics, Cambridge University Press, the New York Public Library, and other scholarly institutions. Bill defined Fathom's content and e-commerce technology architecture, and built its technology infrastructure. Bill's publishing industry experience includes stints at McGraw-Hill and Times Mirror Co. At Sun Microsystems, Bill served as a technology strategy consultant to Sun's major media and publishing customers. His career in digital media began at Moody's Investors Service, the bond rating agency, where he developed a pre-Web-era architecture for electronic publishing of Moody's credit reports. In addition to Digital Rights Management: Business and Technology, Bill is an author of three technical books for the publisher O'Reilly & Associates, which have been translated into French and Japanese; he was a contributor to the book Electronic Publishing Strategies, published by Pira International Ltd. in the UK. He holds a B.S.E. in Electrical Engineering and Computer Science from Princeton University and an M.S. in Computer Science from the University of Massachusetts, and he has had executive education at Harvard and University of Southern California business schools.

Bill Rosenblatt has helped develop digital books, magazines, and other rich media products for many years. As he reflects upon his experience, he says that "building high value digital products is difficult for publishers whose established products and brands were born before the digital era began." He is quick to point out that modern publishing programs should not be exclusively digital either. "Publishers are challenged to create content products that readers can consume on their own schedule and in the media or device(s) that they prefer. Paper will continue to be an important media, just not the exclusive media choice of readers."

The transition in thinking is fundamental and pervasive. Most traditional publishing strategies are built upon the “one product-one brand-one media” approach. When the “one media” is print, it is very difficult to develop the full range of products that today’s readers are seeking. Printed products benefit from being designed for a single form factor. However, printed formats are highly constrained and do not lend themselves to easy re-expression in digital media. On the other hand, structuring and formatting designed for digital media has to serve many devices ranging from desk top computers, to laptops, to mobile devices such as iPhones while offering completely formatted printing capabilities. In theory and in practice, it simply makes more sense to develop content products using XML structured authoring or conversion capabilities and modern content repositories. This allows the content development process to be separated from the product production process.

Publishers also need to be mindful for the changes wrought by Web 2.0. Web 1.0 emphasized professionally authored content that was broadcast to readers. The Web 2.0 world uses communities to develop, edit, validate, and share content. Information flows in many directions among multiple participants in the content development and consumption process. Print delivery might take place via traditional means, print-on-demand, or self-printing. Digital delivery can occur via email, RSS feeds, podcasts, etc.

Properly implemented, structured content development and cross-media product planning enable publishers to rapidly and cost-effectively create multiple products from the same set of content. For example, in the higher education market, customized narrative content might be delivered either as a printed book via print on demand or an eBook. Problem-solving help and sophisticated simulations might be delivered to a desktop or laptop computer. Students might use their iPhones to ask for the help of their instructors or peers, as well as to take sample tests.

Rosenblatt believes that the Amanda Project being developed by Fourth Story Media, to be published by HarperCollins, is a great example of cross-media publishing in action. According to Fourth Story Media, “The Amanda Project is an interactive, collaborative fictional mystery for girls ages 13 and up, told across a variety of different media including an 8-book series, a Website that features games, writing, art and social networking, and a related series of blogs, satellite sites, music, and merchandise.” Before the first word was written the entire panoply of products was designed in a way that all elements would complement the others with the goal of creating an active community of readers in a targeted demographic.

Rosenblatt also encourages book publishers to learn from the journal publishing efforts of the scholarly publishing community. He cites Atypon.com that provides “a fully hosted e-publishing solution for clients that wish to manage the entire process of delivering and managing their content online. Information providers have direct control over all stages of content production, linking and depositing, as well as access rights and multi-level business model provision. They can devise and construct innovative strategies for marketing and delivering information to all their prospective and existing end-users. This is all made possible via their own distinctly branded, customized, and feature-rich Website developed in conjunction with Atypon.” These services enable journals to reach their subscribers, as well as new readers that may be

Beyond eBooks

interested in only a few specific topics or articles. They offer rich cross-referencing that improves discoverability. Atypon.com's approach is apropos to all nonfiction and academic publishers.

Gilbane Conclusions

Adopting a cross-media strategy is extremely important for all book publishers that are seeking to attract the widest possible audience of readers. Publishers must remember that their mission is not to create books, per se, but instead to develop content products that satisfy the needs of their customers. Print publishing will continue to be a vital business. When print and digital publishing programs are designed and executed in advance, however, the results are more compelling!

VISIONARY

Dr. Barbara “Bobbi” Kurshan: *Open Content for Better Learning*



Bobbi Kurshan, Ed. D. has spent her career committed to using technology to improve children’s learning. She has founded several successful companies focused on technology and education. In her new position as the executive director of Curriki, she plans to build a global community that will provide the best open source curricula just a click away.

Earlier in her career, Dr. Kurshan developed the first children’s software products for Microsoft—Creative Writer and Fine Artist—and created award-winning products for McGraw-Hill, Apple, CCC (Pearson) and others. As a professor, she helped students research the impact of technology on learning. Dr. Kurshan also publishes articles based on personal research exploring women’s attitudes toward technology, how kids use computers, and new ways of learning through understanding. She has been quoted in many influential journals and serves as a reviewer and advisor to research projects for the National Science Foundation and other government and business groups.

Currently, Dr. Kurshan serves on the boards of WorldSage, a for-profit higher education system to address education for the 21st century and Interschola, a company that helps education clients turn idle assets into cash by selling the goods via online auctions, as well as several education technology companies, including Fablevision. Among numerous honors, Dr. Kurshan received the Education Academic Society’s Making It Happen award and the Highest Leaf award from the Women’s Venture Fund. She is listed in Who’s Who in Technology Today.

According to its Website, “Curriki is where all of us—our community of educators, parents and students—can work together to develop interesting, creative and effective educational materials that the global educational community can use for free.”

The company’s goal is to:

- Develop curriculum through community contributors
- Deliver the curriculum globally
- Determine the impact by project and by individual

Curriki’s initial focus is on K-12 curricula in the areas of mathematics, science, technology, reading and language arts, and languages.”

Bobbi Kurshan has an impressive track record as an innovator in bringing the best technology to the field of education. She is charged with leading Curriki toward some very lofty goals. For example, the United Nations’ Millennium Development Goals for

2015 establishes a target for every child throughout the world to be able to complete a full course of primary schooling. One of the key barriers to achieving this goal is the high cost of learning materials, often beyond the means of poorer nations.

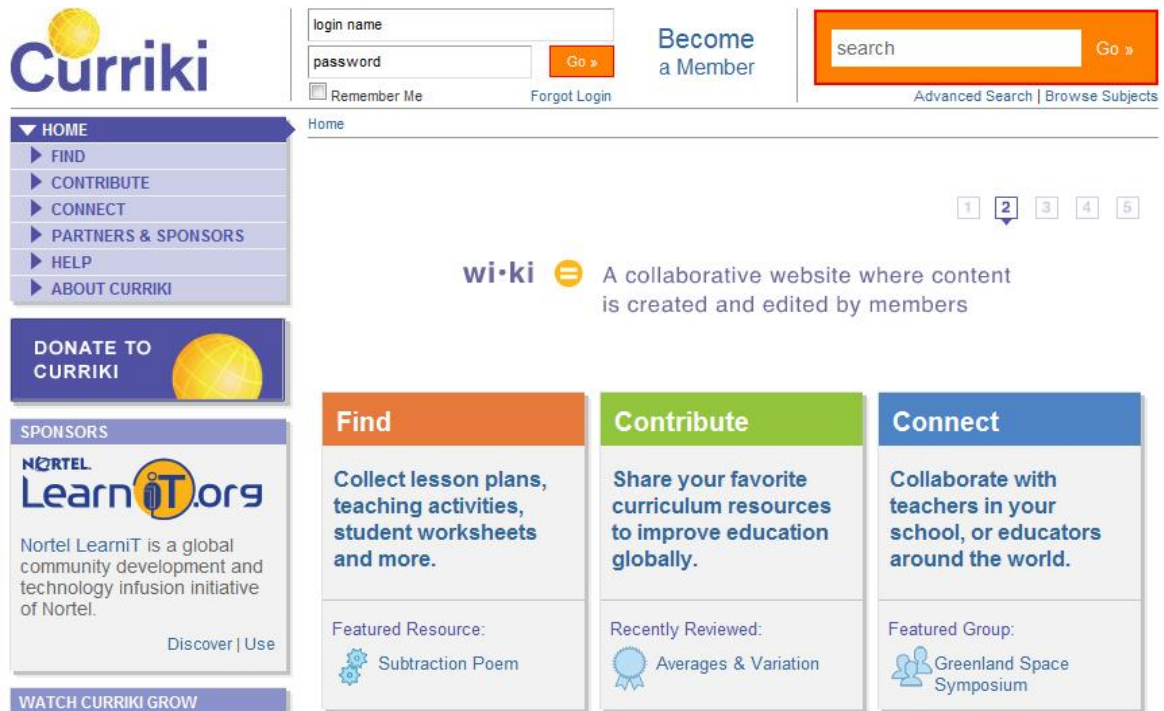
In her paper “OER Models that Build a Culture of Collaboration: A Case Exemplified by Curriki,” Kurshan cites Casserly and Smith (2006): “At the heart of the Open Educational Resources (OER) movement is the simple and powerful idea that new technologies provide an extraordinary opportunity to change the curricula paradigm, and thereby to dramatically expand access to quality learning and the free exchange of knowledge.” She adds:

“Virtually every successful open-source project has several common elements (OECD, 2007):

- An infrastructure and process that supports collaboration between disparate individuals.
- A community that is energized and motivated to complete, publish, and support their work.
- A critical mass of content that can be used as a base from which a specific community of practice can create an enhanced or customized version exactly suited to their specific needs.”

Clearly this is a very different model for creating course materials and pedagogy. It has the support of no large publishing company commissioning expert author teams and then developing fancy packages of textbooks and teacher support materials. The author’s and editor’s roles are shared by many people in the OER model. Developing a technology platform to coordinate and organize the work of many disparate participants is very important to making this model work.

Curriki has developed a repository of more than 17,000 learning materials covering most primary subject areas. Kurshan reports that “Each asset is contributed under a Creative Commons open content license so the content can be “mixed and remixed.”



How do educators like Curriki? Kurshan cites the following data:

A case study conducted by the Institute for the Study of Knowledge Management in Education (ISKME, 2008) on how Curriki is engaging the online community found that more than 70% of users surveyed plan to return to Curriki in the future. They reported that finding materials that help to inform their own lessons was the most cited reason for visiting the site. In addition, users indicated that they are taking advantage of what Curriki and OER offer by:

- Sharing Curriki resources with others (38%)
- Contributing resources to Curriki (33%)
- Remixing resources (27%)
- Editing resources (27%)
- Supplementing their own content with Curriki resources (20%)
- Connecting to other teachers and learners (25%)

In another research study, conducted by West Chester University in Pennsylvania, (August 2008), pre-service teachers used Curriki to create online curriculum. The research project included an assessment of the usability of the Curriki.org site and quality of the training materials. The qualitative data analysis revealed that Curriki is an excellent resource for teachers, students and parents to access open and free educational materials as well as for posting and sharing curriculum ideas. Of the pre-service teachers that used Curriki, the following statements represent their responses to the assessment survey questionnaire:

- 40% agreed that they would use Curriki frequently as a teacher.
- 73% agreed that the Curriki site was easy to use.

Beyond eBooks

- 72% agreed that it was easy to create a new resource on Curriki.
- 57% agreed that they felt very confident with using the Curriki site.
- 41% agreed that as a teacher they would recommend the Curriki site to other teachers.

While Curriki is off to an impressive start, Kurshan's article suggests that there are several important questions that remain to be answered.

- How open is open for education? Standards and governance drive education policies. These policies inherently impose limitations on openness, by discouraging innovation and change. Finding a balance between the need to align to standards and a desire to customize content will be a fundamental challenge to the OER movement.
- Can you build high-quality curriculum collaboratively? New models of instructional design are now defined by collaboration and participation, whereas institutional governance led older models. Given the fundamental shift this change represents, will educators and teachers participate in this "new process"?
- Can you trust the community? Experts in the form of publishers and administrators have historically been the source of curricular material. If the community is now the expert, a whole new definition of validation and review is required.

Gilbane Conclusions

The democratization of the creation of learning materials is a very worthy endeavor. Current textbook programs are too bulky and too expensive to be used in third world nations or in economically challenged communities. But the potential for this project is even greater. Text book programs are developed for an aging media format and are becoming less relevant to the learning styles of today's students. The current Indiana social studies adoption demonstrates this point. After all publishers had submitted their programs, certain state officials deemed the programs adequate but uninspiring. As the evaluation process has evolved, school districts now have permission to use "computers and other data devices, instructional software, Internet resources, interactive, magnetic and other media, and other 'systematically organized material.'" The Curriki model supports the creation of many of these next-generation materials and provides excellent support for innovation.

CASE STUDY

Bringing Value to College Students through Digital Textbooks

Background



CourseSmart is a venture founded in 2006 and supported by the five largest higher education textbook publishers—Pearson, Cengage, McGraw Hill, John Wiley and Sons, and Bedford Freeman Worth. Its mission is to improve teaching and learning by providing instructors and students better exposure and access to digital course materials. CourseSmart brings together thousands of textbooks across hundreds of courses in one eBook format on a common platform.

CourseSmart enables instructors to review and compare textbooks and course materials in their discipline areas without the time, cost, and environmental impact receiving print exam copies. CourseSmart allows students to find an assigned textbook as an *eTextbook* at savings per title that average 51% versus the print version; the bonus is additional value through Web functionality such as search, instant access, and note taking.



vitalsource VitalSource Technologies, Inc., was founded in 1994 with a vision for moving content resource access into the digital age. The company became part of Ingram Digital in 2006. VitalSource concentrates on ways the computer can enhance learning, and particularly on how computers can aid in the delivery and use of trusted, respected resources in the classroom. Its VitalBook has become a highly successful downloadable digital book format.

Today, VitalSource works with many of the largest and best known publishers to establish successful digital curriculum implementations. These implementations can be found in K-12, Higher Ed, and Professional Education markets in countries around the globe.

Working closely with academic institutions, they create tools that 1) help learners be more successful, 2) save educators time and money, and 3) help publishers secure new business in worldwide education's emerging digital market.

The Challenge

CourseSmart has the strong mandate from its member publishers to make well-formatted digital editions of their textbooks available at a single source. More and more students and instructors are selecting digital textbooks for a variety of reasons. At the

outset of its service offering, CourseSmart offered its digital textbooks only via an online service. However, many customers preferred to download the digital textbook so that they could use it when they did not have Internet access. CourseSmart thus needed to select a vendor for downloadable versions that could work with previously established digital conversion processes and formats.

Meeting the Challenge

The CourseSmart team conducted a rigorous RFP process and interviewed all leading industry vendors. After evaluating all vendors via using a thorough cost-benefit matrix and comprehensive site visits, the team selected VitalSource based upon:

- Its outstanding knowledge of the challenges of the higher education market
- Well reasoned workflow including ease of content ingestion
- Accurate and cost effective conversion from PDF to XML
- Thorough meta-tagging to enable robust searching
- Attractive pricing and services that supported both sales and sampling
- Note sharing capabilities to enable peer-to-peer learning

Tom Hadfield, CourseSmart's CTO, reports that they are very happy with VitalSource. "Their team has been outstanding to work with. They have delivered on every promise. Their conversion process and content ingestion are completely transparent and effortless for publishers. When our needs have changed, they have responded rapidly. They have responded to the feedback of our customers and made improvements to their products especially in making the download process easier."

CourseSmart
Learn Smart. Choose Smart.

Create Account

Search
thousands of titles, including best-sellers in the courses you teach.

all | course name, author, keyword, title, ISBN

SEARCH Advanced Search»

Instructors
Access your textbooks now!
SIGN IN

Not sure if you have an account?
Try signing in. A publisher may have already given you access to textbooks they publish.
Help»

“With CourseSmart, I don't have to wait weeks to receive a review copy... The **convenience** has been most appealing.**”**

Thomas D. Klein
University of Arizona
Business and Economics

eTextbooks save trees
233,677
trees saved by CourseSmart Users
* Conservatree

Largest selection of eTextbooks
6,150
titles available on CourseSmart
in 867 course areas,
across 109 disciplines

Tell Your Students
CourseSmart eTextbooks are available to students!
Save your students up to 50%

Our partners
CourseSmart distributes content from these publishers of higher education materials.

Results

CourseSmart is making excellent progress:

- Sales of digital textbooks are ahead of the plan.
 - The online/download ratio is about 60/40.
 - There are two rush periods—at the beginning of the semester and right before the first test.
- Digital sampling is being well accepted. Most digital samples are “pushed” from publishers to faculty rather than being requested from instructors via catalog searches.
- There are more than 5,000 titles currently available through CourseSmart.
- The conversion process proceeded on schedule, on budget, and exceeded expectations.

Lessons Learned

- CourseSmart’s student customers like eBooks because:
 - They are less expensive than printed texts
 - The delivery of the text is instantaneous, enabling them to wait until they are certain that the textbook will be a necessary part of preparation for tests and homework assignments
 - They are very light and portable
- Instructors like the ease of receiving digital sample copies
- CourseSmart’s readers are very loyal. The brand building aspects of its digital publishing programs are very important to maintaining its current readers and

Beyond eBooks

to reaching out to new types of readers who may be younger or prefer digital versions.

- CourseSmart members are quite willing to be on the leading edge of developing technology products and use the approach of a perpetual beta to test and refine their product offerings and channel strategies.

Gilbane Conclusions

- CourseSmart is demonstrating that there is a solid market for one-stop shopping for digital course materials. Its execution of the concept has been excellent and has been well received by students.
- Even in relatively simple implementations, digital sampling makes sense for faculty and for publishers. We expect to see better linking from the text to ancillary components and Websites. Eventually, we expect a comparison feature be added to make the adoption process easier. And community functionality will eventually allow faculty to work more efficiently on committee adoptions.

CASE STUDY

Mills and Boon: *Bringing Romance Online*

Background



Now a subsidiary of Harlequin Enterprises Ltd.,

Mills & Boon has grown to become the UK's undisputed market leader in romance fiction publishing, entrenched in the hearts and minds of its avid readership. Since two dashing young entrepreneurs—Gerald Mills and Charles Boon—launched the company in 1908 with a modest £1,000, millions of women across the globe have been entranced by their books, reaching into their handbags or to their bookshelves to spend a few hours transported into a fantasy world of intrigue, danger, passion and romance. Such is the strength of the brand that in 1982, a Mills & Boon book was added to a time capsule in the grounds of Castle Howard, Yorkshire, marking the 60th anniversary of the BBC. The capsule contained “vital clues of life in 1982 of generations to come.” Also, in 1997 the Oxford English Dictionary added “Mills & Boon” to its esteemed canon—meaning, “romantic story book.”

In the 2000s, the company remains the world's leading publisher of romance fiction. Each month, Mills & Boon publishes 50 new titles, with manuscripts from 200 authors living in the UK and a further 1,300 worldwide. Every five seconds there is a new Mills & Boon book sold within the UK.



LibreDigital provides publishers with the tools they need to manage and market their digital content worldwide. The LibreDigital platform is a secure, on-demand Web service that empowers publishers to monetize and protect all of their copyrighted content through a comprehensive fulfillment and delivery model (including print titles, digital versions, syndication, and new media), assuring the true vision of publishing now and in the future.

The LibreDigital platform enables publishers to add digital book browsing to any Website anywhere in the world, to automatically reflow titles into oversized print, to re-monetize their backlists without carrying inventory by using print-on-demand, to convert titles into a variety of digital formats using only one vendor, and to sell custom titles pulling content from several different books, leveraging the “long tail” potential of their content libraries.

The Challenge

Mills & Boon romance novels hold a special place in the hearts of their readers. Because the books offer compelling fast moving plots, they are ideal candidates to be read in a variety of digital formats. Mills & Boon sought a partner that could provide the technologies and services required to bring its books to all sorts of digital devices including the Sony eBook Reader, the Amazon Kindle, and the iPhone. The company also wanted to improve the discoverability of its titles via search engine readers, Websites, and readers' forums.

Meeting the Challenge

The Mills & Boon team interviewed several key industry vendors. They were attracted to certain key elements of LibreDigital's value proposition:

- LibreDigital's platform integrated easily with the company's e-commerce platform.
- The browsing feature allows potential customers to read the first chapter.
- LibreDigital's pricing model is very attractive
- The technology supports outstanding ease of implementation.
- Accurate and cost effective conversion from PDF to XML
- thorough meta-tagging to enable robust searching
- LibreDigital's technology allows them to offer widgets for the sampling and promotion of titles.
- A browser based display engine that faithfully portrays content on a broad range of digital display devices from cell phones to ultra-wide displays.
- While the operating units are autonomous and the decisions were made independently, it was an advantage to be using the same systems as Harlequin.



Tim Cooper, director of marketing and digital for Mills & Boon, led the implementation process. While there have been minor glitches, he has been pleased with LibreDigital's performance overall. The ingestion process required a few modifications, but the LibreDigital team made the appropriate changes promptly and the project has proceeded on schedule.

They have been happy with the Browse Inside feature and the easy to use Widgets that can be integrated into readers' Websites.

Results

Cooper reports that, since the launch in 2007, sales of eBooks have exceeded expectations. The company is now publishing all of its titles in digital formats and Mills & Boon is pleased with the number of people now reading on mobile devices. On the

Mills & Boon Website, the company can offer collections of digital books in the same digital format. LibreDigital's comprehensive platform has delivered in terms of helping Mills & Boon enter the "digital era."

Lessons Learned

- As the market leader, it is important for Mills & Boon to attract new readers of all ages and to deliver titles to the readers' favorite digital devices.
- Discoverability is very important to attracting new readers and increasing sales. They are working towards full participation in Google Book Search and are confident that LibreDigital can make that relationship easy to manage.
- Mills & Boon is developing a digital catalog that will help expose readers to its extensive backlist while highlighting new titles and series.
- The company will soon begin to experiment with enhanced eBooks that will provide links to other content and background information much like director's cuts on movie DVDs.

Gilbane Conclusions

- We expect that Mills & Boon will benefit from the recent surge in eBooks that can be read on digital devices. The compelling plots and ease of reading makes its titles ideal for reading on the subway or an airplane or during a lunch break.
- Romance novel readers tend to read lots of books. We believe that immediate access to new titles, ease of purchase, and portability are important in this genre.
- It is important for leading brands to beat their competition to new reading platforms and formats. They need to find ways to make digital editions richer than printed books. Perhaps audio with authors reading selected passages or video clips could be added.
- We like LibreDigital's SaaS business model. We think that this model encourages all parties to continue to partner towards innovative new offerings.

CASE STUDY

Harlequin: *Engaging Readers with Cross Media Strategies*

Background



Harlequin Enterprises Limited is the global leader in series romance and one of the world's leading publishers of women's fiction. The Toronto-based company publishes over 115 titles a month in 25 languages in 94 international markets on six continents. These books are written by over 1,300 talented authors worldwide, offering women a broad range of reading from romance to psychological thrillers to relationship novels. With 131 million books sold in 2005, Harlequin is a very powerful brand for female readers. Vice-president of digital and Internet Brent Lewis has earned the reputation of being one of the publishing industry's leading innovators and is responsible for the LibreDigital relationship.



LibreDigital provides publishers with the tools they need to manage and market their digital content worldwide. The LibreDigital platform is a secure, on-demand Web service that empowers publishers to monetize and protect all of their copyrighted content through a comprehensive fulfillment and delivery model (including print titles, digital versions, syndication, and new media), assuring the true vision of publishing now and in the future.

The LibreDigital platform enables publishers to add digital book browsing to any Website anywhere in the world, to automatically reflow titles into oversized print, to re-monetize their backlists without carrying inventory by using print-on-demand, to convert titles into a variety of digital formats using only one vendor, and to sell custom titles pulling content from several different books, leveraging the "long tail" potential of their content libraries.

The Challenge

Harlequin has a very aggressive and successful digital publishing program. To take its program to the next level and support a broader range of digital products, Lewis sought digital publishing technology that would integrate seamlessly with its existing publishing platform. Specifically, the company was seeking a combination of XML conversion services, eBook and widget production, and robust browsing and search features.

Meeting the Challenge

The Harlequin team conducted a rigorous RFP process and interviewed all leading industry vendors. The team selected LibreDigital because of its broad range of high quality services and the following advantages:

- Outstanding ease of implementation
 - Accurate and cost effective conversion from PDF to XML
 - Thorough meta-tagging to enable robust searching
- Sophisticated digital rights management technology that allows the company to sell secure digital editions and to offer widgets for the sampling and promotion of its titles while rights and permissions functionality secures and controls access to Harlequin content on a customized, partner-by-partner basis.
- A browser based display engine that faithfully portrays its content on a broad range of digital display devices from cell phones to ultra-wide displays.
- A flexible business model that allows Harlequin to market its content with numerous marketing partners across all channels.

Beyond eBooks

Although they have only been working with LibreDigital since January, they are very happy with the results to date. They appreciate the system availability, performance, and security that results from the turnkey software-as-a service model.

Lewis and the Harlequin team are true cross-media publishers. It is their goal to provide the company's content to its loyal customers on their media platforms of choice with outstanding ease of purchase and delivery. Harlequin designs its product and marketing mixes before the first word of a book is written and develops the content using technologies that make it relatively easy to release multiple versions of book content on platforms and devices that include: iPod, XM radio, cell phones, and dedicated book readers. The company also builds relationships with its customers via blogs, forums, and the Harlequin Community and by partnering with MySpace, Second Life, and other social community sites. Because of its entrepreneurial approach to digital publishing, Harlequin was attracted to LibreDigital's forward looking development efforts and willingness to share risk on unproven new ventures.

Results

Lewis states that "Harlequin uses digital to develop and sell entertaining content in a variety of formats, to nurture reader relationships, and to build our brands." They published 100% of their 2007 frontlist titles in both print and digital formats. eBooks are priced lower than printed books. They work very closely with digital channel partners to build demand."

- Harlequin has an enthusiastic response to its community features. There are plenty of opportunities to recommend books to other readers with similar tastes. The blogs encourage interaction with Harlequin's editors and authors. They even have a section devoted to encouraging new authors.
- Harlequin has just begun the transition to LibreDigital's Warehouse but report:
 - The uploading process has proceeded on schedule and on budget.
 - Harlequin is finding that the DRM configuration and widget manager are easy to learn and use.
 - Harlequin is now planning collections of titles that can easily be created using LibreDigital's "mash-up" feature

Lessons Learned

- Harlequin's readers like eBooks because they:
 - Provide immediate access to new titles and fast free delivery
 - Allow favorite books to be saved in digital form
 - Are very light and portable
- The readers are very loyal. The brand building aspects of Harlequin's digital publishing programs are very important to maintaining its current readers and to reaching out to new types of readers who may be younger or prefer digital versions.

Beyond eBooks

- The company is quite willing to be on the leading edge of developing technology products and use the approach of a perpetual beta to test and refine its product offerings and channel strategies.

Gilbane Conclusions

- Over the last five years, we have witnessed many well-respected publishing brands be threatened or even decimated by Web-based digital products. Unlike those brands, Harlequin has treated the digital revolution as an opportunity to expand the appeal of its already formidable brand. Its experimental new products should help keep its readership younger.
- A sophisticated and standards based repository is essential to developing a cross-media publishing strategy. Hopefully, XML structuring will continue to move earlier in the publishing process.

CASE STUDY

HarperCollins: *Digital Preparedness*



HarperCollins is one of the world's leading English-language publishers. Headquartered in New York, the company is a subsidiary of News Corporation. The house of Mark Twain, the Brontë sisters, Thackeray, Dickens, John F. Kennedy, Martin Luther King Jr., Maurice Sendak, Shel Silverstein, and Margaret Wise Brown, HarperCollins was founded in New York City in 1817 as J. and J. Harper, later Harper & Brothers, by James and John Harper. In 1987, as Harper & Row, it was acquired by News Corporation. The worldwide book group was formed following News Corporation's 1990 acquisition of the British publisher William Collins & Sons. Founded in 1819, William Collins & Sons published a range of bibles, atlases, dictionaries, and reissued classics, expanding over the years to include legendary authors, such as H. G. Wells, Agatha Christie, J. R. R. Tolkien, and C. S. Lewis. Today, HarperCollins is a broad-based publisher with strengths in literary and commercial fiction, business books, children's books, cookbooks, and mystery, romance, reference, religious, and spiritual books. Consistently at the forefront of innovation and technological advancement, HarperCollins is the first publisher to digitize its content and create a global digital warehouse to protect the rights of its authors, meet consumer demand, and generate additional business opportunities. The company's revenues top \$1 billion annually.



LibreDigital provides publishers with the tools they need to manage and market their digital content worldwide. The LibreDigital platform is a secure, on-demand Web service that empowers publishers to monetize and protect all of their copyrighted content through a comprehensive fulfillment and delivery model (including print titles, digital versions, syndication, and new media), assuring the true vision of publishing now and in the future.

The LibreDigital platform enables publishers to add digital book browsing to any Website anywhere in the world, to automatically reflow titles into oversized print, to re-monetize their backlists without carrying inventory by using print-on-demand, to convert titles into a variety of digital formats using only one vendor, and to sell custom titles pulling content from several different books, leveraging the "long tail" potential of their content libraries.

The Challenge

In 2005, Robert Zaferris, senior vice president, finance and strategic business development at HarperCollins, noticed developments that led him and his colleagues to believe that the digital era was soon to arrive in trade publishing. Google was scanning thousands of books; Microsoft and Yahoo were eager to digitize books, and Amazon was

offering a variety of new programs that could either benefit forward-thinking publishers or disintermediate digital laggards. Rather than rely on others to provide digital warehousing services with potentially unfavorable business models, HarperCollins made the decision to develop its own digital warehouse and sought a partner to help the company develop the appropriate technology, workflows, and services.

Meeting the Challenge

To attract the broadest spectrum of bidders on the digital warehouse project, HarperCollins took the unusual step of announcing its project in the *Wall Street Journal*, encouraging all potential vendors to participate in the RFP process. As might be expected, the responses were plentiful but surprising. Very few of the vendors, including some very large firms and consulting organizations, could provide the full range of technology and services that were required. Only one stood out.

- LibreDigital's digital warehouse has excellent security features and its technology offers excellent digital rights management (DRM) capabilities.
- HarperCollins cares deeply about the quality of the digital page view and was very impressed with the fidelity of LibreDigital's browser-based viewer.
- HarperCollins knew that many of its titles had no digital file available and those that had digital files were highly variable in formats and quality. They were impressed with LibreDigital's experience with ingesting the content of newspapers from all over the world.
- Because HarperCollins did not have to build new technology or create new workflows from scratch, LibreDigital's pricing was very attractive. The software as a service (SaaS) model is also affordable as sales volumes grow.
- The company sought not just a vendor, but a potential partner and LibreDigital's entrepreneurial spirit was appealing.

During the first half of 2006, the project kicked off with the goal of 5,000 titles to be brought online by the end of June. While, overall, the ingestion process went quite well, Zaferris describes it as a collaborative effort. The two parties worked well together to iron out any glitches. They cooperated with quality control and quickly identified recurring issues. HarperCollins was pleased to participate in the learning process and even made an investment in LibreDigital. The company considers its board seat at LibreDigital to be an excellent way to follow digital trends in publishing.

Recently, they have worked with LibreDigital to develop a more powerful *Browse Inside* feature that is currently in beta with easy-to-use widgets that can be integrated into readers' Websites.

The screenshot shows the HarperCollins e-books & e-audio website. At the top is the logo and navigation menu with options like 'HarperCollins e-books US', 'Browse', 'New', 'Links', 'Help', 'About', 'My Account', and a shopping cart icon. A search bar is present with the text 'Search e-books & e-audio' and a dropdown for 'All formats'. Below the search bar are three promotional boxes: one for J.R.R. Tolkien's works, one for help with purchases/downloads, and one for a 20% discount on digital titles. To the right is a 'Featured e-books' section with three entries: 'The Dakota Cipher' by William Dietrich, 'The Mirror Effect' by Drew Pinsky, and 'Fatally Flaky' by Diane Mott Davidson. Each entry includes a small book cover image and a brief description.

Results

- According to Zaferris, HarperCollins now has more than 20,000 titles in the digital warehouse. All frontlist titles are now routinely converted.
- This project has allowed HarperCollins to put a “stake in the ground” in protecting its intellectual property.
- The company’s authors have been very pleased with the program because it protects their work while opening up new market segments.
- The Book Discover and Browse Inside features have proven very valuable. Time spent browsing has increased by a factor of four since the Browse Inside feature has been added. Many readers browse as many as 30-40 pages.
- The click-throughs to Amazon have been very impressive and purchase rates have exceeded expectations.

Lessons Learned

- HarperCollins engaged in this process with the expressed goal of improving its preparedness for the digital era and believes that the results to date justify its investment.
- The new relationships with current and potential customers developed through the publisher's Website have provided HarperCollins with considerable amounts of information concerning its customers' interests and buying behaviors. This information helps inform all aspects of its publishing processes and decisions.
- HarperCollins now understands the importance of producing well structured digital versions of all of its titles and has put the appropriate processes and technologies in place.
- This project generated enormous good will with HarperCollins authors. Zaferris believes that this factor alone would have justified the investment in the digital warehouse project.
- The next strategic agenda will include:
 - Bringing XML further upstream in the authoring and production processes
 - Expanding e-commerce efforts
 - Adding print on demand as a delivery option throughout the world
 - Enhancing eBooks with audio and video features
 - Improving the widget by offering highlighting, annotation, and better linking
- While happy with its relationship with LibreDigital, HarperCollins hopes to continue to improve workflow tools, use more industry standards as they emerge, and receive better reporting as to how the company's titles are flowing through LibreDigital's systems.

Gilbane Conclusions

- Many publishers describe themselves as "close followers" in technology innovation. Therefore, it is refreshing to see a very large company like HarperCollins set an agenda to get it out ahead of a paradigm shift. This has already paid dividends in improved author relationships.
- The concept of having the company's own digital warehouse as opposed to relying on external efforts like Google's digitization program makes good sense. The digital warehouse program that HarperCollins have created with LibreDigital allows it to add enhanced features to its titles and widgets faster than could be accomplished though Google's pan-industry efforts.
- With eBook sales now increasing rapidly and print-on-demand programs supporting longtail sales of less popular titles, HarperCollins will rapidly reap the rewards of its "digital preparedness project".

CASE STUDY

NYU College of Dentistry: *Building a Rich Content Resource for Dental Students*

Background

New York University College of Dentistry

Founded in 1865 as the New York College of Dentistry and boasting 31 students and 10 faculty members, the College was originally located in rented quarters at the corner of 22nd Street and Fifth Avenue in Manhattan. The College officially merged with New York University in 1925—rechristened the New York University College of Dentistry (NYUCD)—leading to the promotion of research and postdoctoral education. Today NYUCD is recognized as a leading source for dental care in New York City and a leader in research and national policy issues in dentistry and is the world’s largest college of dentistry.

NYUCD offers training annually to more than 1,600 students from all over the United States and nearly 50 countries. Approximately 50% of NYUCD students are women and minorities. They include predoctoral and postdoctoral students of dentistry, as well as students in dental hygiene and nursing. The College also offers M.S. programs in biology/oral biology, clinical research and biomaterials, and a Ph.D. program in epidemiology in collaboration with Columbia, Johns Hopkins, and Yale Universities. An extensive program of continuing education courses is available for graduate dentists. As a result of these programs, NYUCD is well on its way to becoming the dental institution in the world with the greatest impact on the health of society.



vitalsource VitalSource Technologies, Inc., was founded in 1994 with a vision for moving content resource access into the digital age. They became part of Ingram Digital in 2006. VitalSource concentrates on ways the computer can enhance learning, and particularly on how computers can aid in the delivery and use of trusted, respected resources in the classroom. They developed the VitalBook format, a highly successful downloadable digital book format.

Today, VitalSource works with many of the largest and best known publishers to establish successful digital curriculum implementations. These implementations can be found in K-12, Higher Ed, and Professional Education in countries around the globe.

Working closely with academic institutions, they create tools that 1) help learners be more successful, 2) save educators time and money, and 3) help publishers secure new business in worldwide education’s emerging digital market.

The Challenge

NYUCD wanted to provide students with leading textbook and research information in ways that would enhance their learning and inform their professional practice of dentistry. Printed textbooks were too large for students to find pertinent information rapidly and too bulky to be carried to classes and labs. Because research in dentistry changes rapidly, it is essential that new information could be added as soon as it is published.

Meeting the Challenge

Michael Alfano, DMD Ph.D., NYUCD dean, had a vision for changing the delivery of course materials and research reports to students. His concept was that students and dentists need access to a massive amount of information to do their jobs accurately and effectively. He envisioned the creation of a digital bookshelf that would hold all of the student's textbooks and research reports in one place and would be available to them while in dental school and after they graduate. In 2003, his team conducted a rigorous RFP process and interviewed many leading consulting organizations and electronic publishing industry vendors. Although many other vendors were larger and had greater resources, the team selected VitalSource because of:

- Its experience in creating digital learning materials and the organizational features of the Bookshelf application
- Expertise in presenting scientific content
- Well-reasoned workflow including ease of content ingestion
- Thorough meta-tagging to support robust searching
- Attractive pricing that provides students with a greater range of materials at a significant discount
- VitalSource's XML-based structuring that would eventually display content on a broad range of digital display devices from cell phones to ultra-wide monitors.

Professor and associate dean Andrew Spielman, DMD Ph.D. led the implementation efforts. He was concerned about the viability of dental publishing. Printed books are expensive to produce, and they get outdated quickly as research is advancing the science of dentistry faster and faster. Dental textbooks need to be revised more rapidly than was economically feasible for either publishers or students. He also wanted to give students access to the best materials at a more reasonable price. As with any paradigm shift, it took faculty and students a while to get comfortable with a fully digital text/reference library.

The dental school has been happy with its partnership with VitalSource. There have been learning experiences along the way and VitalSource has been responsive to the school's ideas and suggestions. VitalSource is eager to continue supporting a broad range of digital devices that a dentist could use while in the office with patients.

Results

NYUCD has seen improved acceptance of the digital reference approach by both students and faculty. While not every student or faculty member is yet a strong advocate, well more than half of faculty and students find excellent value in this approach and would recommend it to others.

Spielman is delighted with the speed that students can now get answers to technical or professional questions. He is also pleased that more current information can be added as it is released. While not entirely attributable to the availability of the references on the Bookshelf application, NYUCD's students continue to do even better on their board exams.

Lessons Learned

- It is not enough to merely provide a digital reference resource. The key challenge is to change the behaviors of the people using the digital resources. The transition was difficult.
 - The College developed new types of exercises that required students to rapidly find answers to complex questions using the VitalSource Bookshelf. These exercises are done in class or remotely via timed email responses. Developing the ability to find answers quickly is important for dentists who need to make rapid diagnoses of patient conditions and to prescribe proper treatments while the patient is still in the chair.
 - The College developed a set of closed-book exams to test a student's immediate comprehension and then allowed the students to earn extra credit by using the resources in the Bookshelf application to help correct wrong answers. This has led to much improved comprehension.
 - Incoming students use the Bookshelf application to compose in-depth essays on assigned topics.
- NYUCD would like to push the digital envelope even further by offering voice-activated search and retrieval directly using a cellular phone and headset.
- NYUCD hopes to blend digital readings with lecture notes and monitor study behavior to be sure that students are reading in advance. That way, classes can be used for active learning activities.
- Spielman believes that traditional methods emphasize teaching over learning, they are trying to enhance learning.

Gilbane Conclusions

This is an intriguing approach to providing course materials and pedagogy for students. This model is certainly applicable to other reference heavy professions such as medicine, law, engineering, and accounting. NYUCD has been wise to concentrate on ways to change the behaviors of its students and faculty. In a "Google world," the ability to search and find critical information is essential for most professionals. We expect to see this learning approach grow in popularity.

CASE STUDY

Scholastic Education: *Using Technology to Help Students Learn Better*

Background



Scholastic is a trusted name in learning. Scholastic's Education division provides research-based technology programs, supplemental instructional materials and high-quality literature that support student achievement in grades pre-K through high school. Grounded in the most current scientific research, Scholastic Education develops technology products and services that include intervention, instruction, assessment and data management, and professional development. The division also includes Classroom Magazines, Classroom Books, Teaching Resources, Library Publishing and Tom Snyder Productions.



As part of Follett Corporation and benefiting from more than 135 years of industry innovations and leadership, Follett Digital Resources helps publishers to efficiently and cost-effectively create, manage and deploy relevant instructional technology products. The company's flagship product, Lycea Digital Platform, provides publishers with a powerful, flexible solution for creating, managing and delivering enhanced digital content. The eBooks distribution system allows publishers to reach more than 60,000 school and public library customers and FDR's professional service solutions help publishing customers successfully navigate the transition from print to digital.

The Challenge

In 2001, Scholastic was striving to create interactive technology to enable students to learn to read. The company had been developing its products using internal resources and were struggling with development practices and code structures. Scholastic needed help getting innovative and reliable products to market in a timely fashion.

Meeting the Challenge

The Scholastic team entertained proposals from a wide range of firms. It selected Interactive Constructs (soon to be acquired by Follett) because of its broad range of high quality services and the following advantages:

- The Lycea Digital Platform was robust, innovative, and scalable.

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- The Follett Digital Resources team had extensive experience in the education vertical market with a deep understanding of the needs of large school systems and valuable domain knowledge in reading.
- Follett Digital Resources demonstrated a willingness to create a dedicated team that would provide support continuity.
- Follett Digital Resources had a track record of delivering products on time and within the budget allocated.

D. Midian Kurland, Ph.D., vice-president of technology and development for Scholastic Education, is very happy with the decision that his team made when selecting Follett Digital Resources and with Follett's performance during the course of completing more than 80 projects. The Follett acquisition of Interactive Constructs went very well and all parties have benefited from Follett's ability to provide increased financial and human resources. Follett Digital Resources has proven to be an excellent partner. The company maintained a dedicated team since the beginning of the contract, and the timeliness of its deliveries has been outstanding.

All products are built upon the Lycea Digital Platform, which has continued to improve and evolve. The current release, version 4.0 includes an improved user interface, making it easier for publishers to maximize their content and time by creating multiple products from one content source. Products built on the Lycea Digital Platform are optimized for educational environments and consistently perform in Windows, Macintosh, and Linux environments. The professional services team brings a deep understanding of the education market along with extensive experience in working with school systems. This is important because many school systems want a publisher's learning products to exchange data with the school's overall information systems.

Results

Kurland reports that the Lycea platform has played a major role in Scholastic's ability to develop, maintain, and support a broad range of digital interactive learning products.

- Together, Scholastic and Follett have completed more than 80 projects yielding many award-winning educational products.
- The Read 180 product is widely adopted with revenues in excess of \$130 million. This product has been especially successful in large urban schools where students often need additional reading support.
- Scholastic's technology products have helped the company capture large statewide adoptions for its textbook programs.

Lessons Learned

- Scholastic decided to focus on its core competency of developing innovative content and pedagogy that helps students learn and meet important learning outcomes by outsourcing technology development activities.

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- The strong partnership with Follett Digital Resources allows Scholastic to decrease time to market while increasing product functionality and feature sets.
- Forming strong, cross-functional teams with continuity has been essential to Scholastic's ability to innovate and develop differentiated products.

Gilbane Conclusions

- Interactive learning programs are increasingly dependent on rapidly-evolving technology. By working with a vendor whose platform supports multiple publishers and education entities, a publisher can take advantage of a functionally richer environment, with less investment.
- Vendors such as Follett Digital Resources continually adapt platforms to keep pace with evolving industry standards such as SIF, QTI, SCORM, Common Cartridge, Section 508, NIMAS, and others, as well as new computing platforms and operating systems. These tasks would be costly for individual publishers to conduct on their own.
- Keeping technology products aligned with constantly evolving school information systems is a complex task as schools continue to upgrade their technology. It is more efficient for publishers to outsource this function.

CASE STUDY

Charles County Public Schools: *Unlocking the Value of Course Materials for Teachers and Students*

Background



Located south of Washington, D.C., Charles County is considered part of the Washington, D.C. metropolitan area. Charles County has a population of 133,049 and is located in Southern Maryland. Elementary schools are composed of students from prekindergarten to grade five; middle schools have students from sixth to eighth grade; and high schools serve students in grades nine through twelve. The mission of Charles County Public Schools is to provide an opportunity for all school-aged children to receive an academically challenging, quality education that builds character, equips for leadership and prepares for life, in an environment that is safe and conducive to learning. Current enrollment is 26,727 students from pre k to Grade 12. 61% of the student population is made up of minorities.



vitalsource VitalSource Technologies, Inc., was founded in 1994 with a vision for moving content resource access into the digital age. They became part of Ingram Digital in 2006. VitalSource concentrates on ways the computer can enhance learning, and particularly on how computers can aid in the delivery and use of trusted, respected resources in the classroom. They developed the VitalBook format, a highly successful downloadable digital book format.

Today, VitalSource works with many of the largest and best known publishers to establish successful digital curriculum implementations. These implementations can be found in K-12, Higher Ed, and Professional Education in countries around the globe.

Working closely with academic institutions, they create tools that 1) help learners be more successful, 2) save educators time and money, and 3) help publishers secure new business in worldwide education's emerging digital market.

The Challenge

The federal “No Child Left Behind Act of 2001” raised the standards for teachers and school districts to educate all of their students using all possible resources. School publishers responded to this legislation by developing extremely large and comprehensive textbook programs for all of the required courses at all grade levels. While the intensive ancillary materials are designed to support teachers as they work with students of all skill levels and aptitudes, the sheer mass of the programs makes it difficult for teachers to discover the materials that would help their students. Similarly, the resulting books are often so heavy that it is difficult for students to carry them back and forth from school. The Charles County Public School district wanted to find a way to help teachers develop lesson plans more efficiently and to find materials to help every student in their classes.

Meeting the Challenge

Bijaya Devkota Charles County Public Schools chief information officer, led the project to use technology to improve the teaching and learning processes. Under his guidance, the district aligned all of the content and pedagogy with the county and state curriculum. Laptops were provided for each classroom and the district needed to find a digital book platform that would help teachers discover and use learning materials more efficiently. Ingram Digital’s VitalSource platform emerged as the best choice because of:

- Its experience in creating searchable digital learning materials
- The straightforward user interface
- Efficient content ingestion process
- Thorough meta-tagging to enable robust searching
- Capability to support a wide range of content formats
- Annotation, highlighting, and customization features
- It was important that teachers be involved in the design of the system. VitalSource proved to be an excellent partner in building this system.
- One key goal was to make it easier for teachers to develop lesson plans for their classes. By having the district’s curriculum online with links to course materials and Web-based resources, teachers needed to be able to find the materials that would serve an entire class as well as materials to help students with their special learning challenges.
- Each classroom had a computer cart with a laptop and LCD projector. This enabled teachers to use a wide variety of materials in their daily teaching by projecting interesting learning exercises and quizzes on a screen in the front of the classroom. Because each group of students is different, teachers wanted the capability to modify lesson plans quickly and efficiently.

Results

Charles County Public Schools has been extremely pleased with this program. Teachers were surveyed as to their satisfaction with the program and their feedback was very

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positive. Teachers found it easier to develop and revise lesson plans. They also reported that they are now using a greater variety of learning materials than ever before and changing the materials to suit the needs of specific classes or students. Classroom presentations also benefited from the broader array of materials that help to keep students engaged.

Test scores for the pilot program's students improved by more than 15% on average. This improvement is attributed to teachers' being more efficient in their preparation, leaving them more time to spend with students.

The screenshot displays a digital library interface titled "Bookshelf". The search bar at the top right contains the text "Search 'LSN Government'". The main area shows a list of titles and authors, with "United States Government: Democracy in Action,..." by Richard C. Remy highlighted. The left sidebar lists various collections and references, including "LSN Government" and "Charles County Algebra I Part I". The right sidebar shows the "Inside Book" content, including a note about a teacher's edition and a definition of a nation as a "people".

Lessons Learned

- Providing searchable digital resources changed the behaviors of teachers for the better. Their morale improved because of the new tools at their disposal. They invested the time that they saved on class preparation in working more closely with their students.
- It was important to have teachers involved in the design and implementation of this application. Their ownership helped garner support for the pilot projects.
- In any school setting, training on technology is very important. Once teachers become comfortable with the application, the results are impressive.
- The system integrated well with original documents and Web based resources. This helped make courses more relevant to students.

Gilbane Conclusions

Publishers do their best to produce learning materials and pedagogy that will help every child to learn to his or her ability. By relying only on traditional media formats such as books and CDs, packages provided for teachers to examine and consider for adoption decisions may have more than 50 separate elements and could weigh more than 50 lbs. It is surprising that publishers, until now, have not developed better systems for linking the elements of their programs together to make it easier for teachers to easily find the most appropriate materials. We expect this to become an important frontier for improvement over the next few years.

Channel Relationships for Digital Products

In the old days of books publishing, there was an adage along the lines of, “nobody ever bought a book that wasn’t on the shelves of a bookstore.” How things have changed in the past 15 years. The popularity of the Internet and e-tailing operations such as Amazon.com—combined with the gradual increase in the popularity of digital products—has had a dramatic impact on publishers’ current and future channel strategies.

In the totally print era, most publishers preferred not to sell single copies of their books because their fulfillment operations were not optimized for small sales and therefore it was more profitable to work through distributors and retailers. If online retailers are included, this still holds true for the sales of printed books.

However, Amazon and its competitors have changed consumer behavior in some profound ways. Rather than going to a section of a bookstore and browsing the shelves for interesting books to buy (often at full price), readers go to Amazon and select books based upon sophisticated search capabilities and recommendations from their fellow readers. Books are delivered promptly and are often sold at a significant discount from list price. More recently, Amazon began offering readers the opportunity to purchase books from other e-tailers of new and used books. This new metaphor is very attractive to readers and takes advantage of Amazon’s ability to leverage its economies of scale.

When we consider digital books, the scenarios become more complex. For example, how will channel relationships vary between the printed and digital versions of the same book? What discount structures should apply to digital books? What value can retailers and e-tailers bring to publishers in helping them sell their digital products?

Unlike printed books, it is very easy for publishers to process orders for digital products and fulfill them electronically. Their warehouses and shipping departments are not required. Therefore, many publishers prefer to sell their digital products directly to readers. As in the past, they are willing to work with channel partners based upon the partners’ ability to generate sales of their products. The keys to channel partners generating sales is to make books more discoverable and to promote books to aggregated set of readers with similar tastes and interests. So when Barnes & Noble displays the availability of a digital book in the retail display of the printed book and takes an order, publishers are pleased to offer them a commission on that sale. Similarly, when Amazon’s search capability leads a reader to one of a publisher’s titles and a purchase results, Amazon has provided value for the publisher and deserves to be compensated. Google BookSearch is a very powerful tool for readers to find, preview, and order titles that interest readers. Amazon is proposing that they receive a commission of 30% for making such a sale. And communities of readers such as weRead help potential customers discover preview and purchase books that have been

recommended by their fellow readers. In the long run, trade channels are likely to be compensated by commissions on sales and via co-promotion relationships that encourage their channel partners to drive customers to a publisher's titles.

The debate over fair compensation for discounts is likely to rage in the higher-education market for several more years. Publishers believe that the discounts that they currently offer on print books are designed to compensate retailers for the costs of shipping, stocking, and selling their books. In that all books are returnable, bookstores bear only the risks of shipping and handling costs. The costs associated with the distribution of printed textbooks do not apply to digital products. The product is adopted by the instructor and must be purchased by students. Students prefer to buy from the lowest priced provider, and the publisher certainly can elect to sell its products at the lowest prices. Therefore, college bookstores are likely to be compensated for their role in aggregating adoption information and transmitting to publishers. In some cases, publishers will be willing to allow college stores to sell licenses directly to students. But there is no rational scenario that provides college stores with discounts that are comparable to those associated with printed textbooks. However, there is an opportunity for college store to merchandize optional study materials and a role in producing customized printed materials via print-on-demand.

The channels for printed products are very inefficient and result in higher prices for readers. Digital products can be distributed much more efficiently resulting in better value for readers and fair compensation for channel partners.

VISIONARY

Frank Daniels III: “All Content Is Digital”



ingram **digital**

Digital content. Delivered.

Frank Daniels joined VitalSource Technologies, Inc., a software and services company providing solutions into the education market, as president and CEO, in January of 2001. Frank came to VitalSource after the sale of Total Sports, Inc., an Internet sports services company with clients like the NCAA, Major League Baseball and 100 colleges and universities. In July of 2007 he expanded his role to become chief operating officer of Ingram Digital. In February 2009, Frank was appointed chief commercial officer, giving him responsibility for guiding all commercial activities of Ingram Digital. Frank began his career in newspapers working as a reporter and editor at The St. Joseph (Missouri.) News-Press and The Ledger-Star in Norfolk, Virginia. He then joined The News and Observer Publishing Company, Raleigh, NC, and worked in a number of jobs on both the business and news sides of the company eventually becoming executive editor in 1990. He left the News and Observer after its sale to McClatchy Newspapers to run the Nando.net new media division. He is a graduate of Duke University.

At the 2009 O'Reilly TOC Conference, many publishers were reporting significant growth in eBook sales and labeling 2008 as the year that eBooks hit their inflection point. Frank Daniels is not surprised. He has been a believer in eBooks since joining VitalSource in 2001. “It was just a matter of time until the display technologies and economics made it possible for readers to discover the significant advantages of eBooks.”



Leading the way in the Digital Market

40 Years as a Partner to Publishers

With Ingram Digital there is no fear of being left behind by new technology. Publishers can be confident knowing our solutions provide secure, cutting-edge, and profitable answers to the questions they have about the changing opportunities in the market. Maximizing publishers' profit is our primary goal.

Ingram Digital has solutions for every publisher's needs

- Secure digital warehousing
- Distribution to all channels
- Content repurposed for multiple devices
- Tools for marketing & promoting content

And through our sister content companies...

- Print-on-demand
- Print distribution

For Publishers:

- [Content Solutions](#)
- [Library Solutions](#)
- [Education Solutions](#)
- [Retail Solutions](#)

Partnering with Ingram Digital means:

Safe and secure solutions to enable your digital strategy

Availability in every digital format to every digital sales channel

Since Ingram Digital acquired VitalSource, Frank has played a pivotal role in helping Ingram become a leading vendor of digital publishing services. He points out that “the workflow is the key to success.” Many of the company’s customers struggle with the transition from printed books to the production of eBooks. Some backlist titles have no digital files at all and publishers’ PDF files vary widely. It is Ingram’s job to ingest titles into a digital format while adding structure to make the content easy to display on all sorts of digital devices. He adds “members of our team have enormous experience and expertise with the publishing processes of all types of book publishers. Therefore, we are able to quickly understand the challenges of any individual publisher and help them make a smooth transition into the digital world.”

Daniels has special expertise in the higher education market where he guided VitalSource to a leading market share. He is pleased with the recent increase in eBook sales “Our relationships with CourseSmart and individual publishers have really flourished in the past year. The growth of eBook sales and sampling to instructors has been outstanding.” He believes that sales of digital learning products will continue to increase as publishers provide better links between content and assessment, and offer better support for helping students solve homework problems. He predicts that new types of business models will come into prominence. Alternative licensing models to institutions and individual students are also starting to take off.

He believes that major publishers are poised to drive growth in the sale of digital learning products. Customization is important to many faculty members and digital technology makes it possible to create everything from “digital coursepaks” to

Beyond eBooks

sophisticated online courses. He believes that digital sales will reach 10% of the market in two years and 20% in five years.

In the overall eBook market, Daniels sees growth coming from improved use modalities leveraging the power of rapid updates to scientific and medical content. He also believes that digital devices will continue to improve. “The iPhone is already a popular reading platform and he expects new technologies from companies such as Plastic Logic to accelerate the adoption of digital reading devices.

He believes that all content is now digital. The reader has a powerful set of media options including print and multiple digital devices. When print is the reader’s preference, Ingram’s Lightning Source offers a powerful print-on-demand service.

Gilbane Conclusions

Ingram Digital has done an excellent job of building a complete suite of technology and services to help publishers make an easy transition to the digital world. Over the next few years, most of the market’s growth will be in digital segments. We agree that all content is digital and media choices are a matter of personal taste.

VISIONARY

Gary Shapiro: *Changes Wrought by Digital Publishing and eCommerce*



*Gary Shapiro is senior vice president of intellectual properties for Follett Higher Education Group (FHEG) of Oak Brook, IL, a division of Follett Corporation. FHEG is the leading provider of bookstore services in higher education in North America, serving four million students and over 375,000 faculty through more than 830 retail bookstores. Follett also works with more than 1,600 independent campus stores with its wholesale used book and other services, and has the most visited e-commerce collegiate Web site, efollett.com, that provides services and products through a network of both Follett managed and independently managed campus stores. (For additional information about Follett, please visit www.fheg.follett.com.) Gary joined Follett in 1999 and his primary responsibility is for FHEG's course material sales in Follett managed stores, a business that exceeds \$1 billion in sales. He is also responsible for FHEG's digital content initiatives. His experience includes management positions in five college stores, serving as the first deputy executive director of the National Association of College Stores (NACS) and as executive vice president and general manager of NACSCORP, NACS' book and software distributor. Gary has made numerous presentations on the future of the course material business, and in 1992 authored *Turning Points: Six Critical Challenges for College Stores*, which addressed some of the issues that are still in the headlines today.*

In his 40 years in the college store business, Gary Shapiro has witnessed first-hand the ongoing evolution in course materials, especially the current morphing of traditional printed textbooks into digital learning products. Recently, he was on the team that made a strategic acquisition to position Follett as a leader in the digital learning market as it emerges.

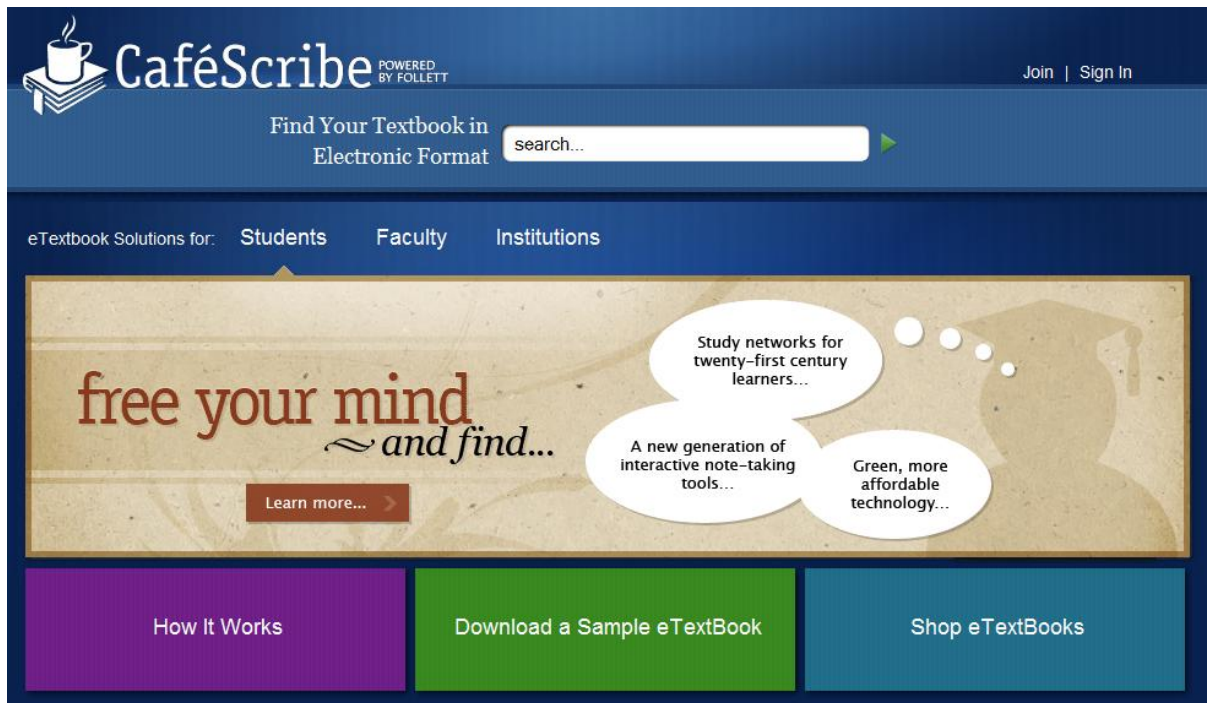
While price driven Web-based competition for student purchases of traditional texts began to erode the college store industry's market position more than five years ago, the current economic crisis has accelerated that trend. Most students still shop in campus stores, and most of those buy some percentage of their course materials while there, but in-store text sales to students is off significantly. Part of the sales deficit has been made up by growth in e-commerce sales.

In Follett's case, efollett.com (www.efollett.com) has become one of the 70 largest e-commerce sites in the United States. Students who order online get priority in purchasing used books and can have the books shipped to them in advance or save the postage by picking them up at an express line in their college stores. There is also the advantage of being able to purchase all of their books at a single Website, and being able to use multiple forms of tender to pay for them, including financial aid and cash.

Still, competition from e-tailers such as those in the Amazon Marketplace is formidable because students are very price conscious. These marketplace sites have not had to

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invest in marketing and branding, living off the Amazon or eBay (Half.com) brands. In addition they often have lower acquisition and overhead costs; and the Internet has enabled them to sell direct to students instead of working through the retail channel as they did in the past. These factors have contributed to increased price competition and reduced the number of used books that are available to college stores.



Follett is also seeing competition from other market players, such as open source textbook initiatives and online rental companies. Shapiro indicates that Follett pioneered the “Rent-a-Text” concept over four years ago and points out that there is strong similarity between a textbook rental and a textbook purchase with a guaranteed buyback at 50% of the purchase price, another concept Follett pioneered year ago.

It has been said that difficult times can create uncommon alliances. Shapiro reports that Follett is actively working with publishers to market a new generation of digital learning products that have consumable or licensed elements that cannot be sold on the used book market. Additionally, Follett’s acquisition of the state-of-the-art eBook platform CaféScribe (www.cafescribe.com) signals a real commitment to digital products. CaféScribe already has titles available from more than thirty publishers, including most of the top textbook publishers, to offer digital content in CaféScribe’s innovative text engine that incorporates many social media features.

Shapiro also says that the rise of multiple, digital offerings from major publishers also potentially creates new roles and new value for Follett: as faculty are faced with more options, they will need supplier-neutral sources of information and resources to help them navigate the complex set of offers successfully. The local store, supported by resources Follett has at a national level, could become a vital source of credible information and data, accountable to the institution, and saving faculty time.”

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When asked about the impact of e-tailing on trade book sections, he pointed out the difficulties of competing with Amazon. The Web giant's attractive pricing and rapid delivery options are difficult for college stores to overcome. The problem of maintaining a good trade section has been exacerbated by the decline of the top-selling core reference and computer book sections. These categories have been decimated by online publishing solutions and information Websites. In addition, specialty categories such as medicine and allied health are being replaced by innovative digital products that are easier to keep current and that make use of rich media.

Follett's fastest growing product line has been computer hardware sales. Companies continue to offer educational discounts to students through campus bookstores, and their on-campus locations with user support capabilities, along with very competitive pricing is attractive to students who must have computers to complete classroom assignments and access learning materials.

All-in-all, Shapiro is still very optimistic about the future of the college store channel. He says that if you believe that faculty will still require students to acquire course materials, unless you are willing to assume that colleges will absorb the costs of course materials into tuition or add course materials fee on top of tuition, the "core competencies" of college stores will be of value in a digital world. Those critical competencies include aggregating and distributing content from many sources at the request of faculty; handling transactions involving multiple tender types; and distributing revenues to the various stakeholders.

Gilbane Conclusions

College stores are in significant transition. They are moving away from traditional printed books and offering more complete technology solutions. They have the potential to be strong allies for content developers as long as they can adapt to new business models in order to stay competitive with other retailers and e-tailers.

Search Engines and Digital Publishing

In his respected work on media 2.0, Umair Haque suggests that revelation, aggregation, and plasticity are replacing publishers' current core competitive competencies—manufacturing, marketing, and sales—as the skill sets required to thrive in a digital world. Of these, revelation or discovery is certainly the most controversial. While authors and publishers are eager for potential readers to learn about their books, they are often concerned about what options that readers will have once their books are discovered. Hence the furor surrounding Google Book Search and the recently settled lawsuit that promises to change the world of discoverability forever. According to Google's Website, "Google Book Search was launched in 2004 to make the world's books easier to find. By visiting books.google.com, readers can search across millions of books that have been digitized through Google's Partner Program and Library Project." When searching, readers receive lists of potentially "relevant books that might match their search." Depending upon their copyright status, portions of the books are available to be displayed for the reader's perusal. Should the book prove interesting, it may either be purchased or downloaded for free when permissible. Thousands of publishers already participate in the program and it is expected that the numbers will increase once the law suit is finally settled.

When the tentative settlement was reached in October 2008, the parties to the lawsuit offered a joint press release describing the benefits to all parties (list taken verbatim from the settlement):

- "More Access to Out-of-Print Books—Generating greater exposure for millions of in-copyright works, including hard-to-find out-of-print books, by enabling readers in the U.S. to search these works and preview them online;
- Additional Ways to Purchase Copyrighted Books—Building off publishers' and authors' current efforts and further expanding the electronic market for copyrighted books in the U.S., by offering users the ability to purchase online access to many in-copyright books;
- Institutional Subscriptions to Millions of Books Online—Offering a means for U.S. colleges, universities and other organizations to obtain subscriptions for online access to collections from some of the world's most renowned libraries;
- Free Access From U.S. Libraries—Providing free, full-text, online viewing of millions of out-of-print books at designated computers in U.S. public and university libraries; and
- Compensation to Authors and Publishers and Control Over Access to Their Works—Distributing payments earned from online access provided by Google and, prospectively, from similar programs that may be established by other providers, through a newly created independent, not-for-profit Book Rights Registry that will also locate rightsholders, collect and maintain accurate

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rightsholder information, and provide a way for rightsholders to request inclusion in or exclusion from the project.”

The screenshot displays the Google Book Search interface. At the top, the Google logo is followed by a search bar and buttons for "Search Books", "Advanced Book Search", and "Google Book Search Help". Below the search bar, a message states: "New! Google Book Search for mobile is now available for Android and iPhone users." and "Google has reached a groundbreaking agreement with authors and publishers." The main content area is divided into two sections: "Interesting" and "Highly cited".

Interesting

- [Literature](#)
- [Science fiction](#)
- [Fantasy](#)
- [Romance](#)
- [Mystery](#)
- [Fairy tales](#)
- [Short stories](#)
- [Poetry](#)

Non-fiction

- [Philosophy](#)
- [Economics](#)
- [Political science](#)
- [Linguistics](#)
- [Mathematics](#)
- [Physics](#)
- [Chemistry](#)
- [Biology](#)

Random subjects

- [Natural History](#)
- [Coffee industry](#)

The "Interesting" section features four book covers: *Germinal* by Emile Zola, *The Caretaker*, *Physical Change & Aging: A Guide for the Helping Professions* (Fourth Edition) by Sue V. Saxon and Mary Jean Dixon, and *Quantitative Risk Assessment for Environmental and Occupational Health* by William H. Hollenbeck.

The "Highly cited" section features four book covers: *Rethinking context*, *Dictionary of National Biography, Volume XV, Diamond - Drake*, *Data Mining: Concepts and Techniques*, and *Alton Locke: Novels, Poems and Letters of Charles Kingsley Part One*.

The terms of the initial settlement create a simple and generalized solution to the most common scenarios of reading and often purchasing intellectual property. For the Book Rights Registry to be successful, publishers will have to provide considerable amounts of rights and marketing data to govern the downloading and sales activity for their titles. There will certainly be issues of incomplete digital rights for certain elements of printed books such as charts, illustrations, and contributed prose. Building a highly automated registry will likely require the creation of industry standards for transmitting and updating rights information.

An electronic data interchange system will need to be developed to record all royalty payments and transmit them to the appropriate parties. This task will become more complex as books are atomized into increasingly smaller elements that could require micropayments when used to answer questions or when mashed up with content from other sources. As new business models or use cases emerge, the registry will need to evolve and many policies will likely be negotiated among the parties.

We believe that books or sections of books will be helpful for informing a variety of context sensitive searches. By using the xml structure of the book and by looking for content that is similar to sections of a book, it is possible to do some very powerful searches of unstructured data residing on the Web.

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Search has many important strategic ramifications for publishers. To help publishers further develop their search related strategies, we interviewed two respected industry experts—Hadley Reynolds and Theresa Horner. Here are their thoughts:

Hadley Reynolds creates research and thought leadership perspectives and content for IDC, leading market research firm in the information technology industries. His work focuses on understanding business transformation opportunities through the application of search technologies to traditional business models and the role search innovation is playing in creating new business opportunities.

In his 30-year career in the software industry, he most recently headed the Centre for Search Innovation at FAST/Microsoft. Prior to creating the Centre, he headed the research practice at Delphi Group for over a decade, with a focus on knowledge management, search, content and collaboration management, and business process automation. Prior to his work at Delphi, he held product management, marketing, and strategy executive roles at Project Software & Development, Inc., a leader in enterprise application software for project management.

Based upon his experience with FAST/Microsoft, Hadley observed the trend towards integrating more functionality into the search metaphor. Rather than simply finding content that is relevant to a searcher's question, he believes that Microsoft and other search technology companies will enable searchers to do more within the search window. For example, rather than having to search for individual pieces of content and then having to read them individually for comparison, it makes more sense to be able to array similar information in a table so that the comparison process occurs in one step. So, if a searcher was looking for a reasonably priced hotel room near a specific location, it would be helpful to have the price and the distance from the location presented together so that the searcher could evaluate the tradeoff between price and proximity. Publishers can expect Microsoft to begin to deploy the functionality of their Office applications within LiveSearch and SharePoint.

He feels that publishers should build a content refinery to add metadata to their intellectual property enabling people to make better connections with other relevant content. This capability will facilitate both discovery and reuse via mash-ups and answers to specific questions. He believes that the effectiveness of mark up is a significant competitive advantage and cites Factiva, Thomson, and Elsevier as companies that have embraced this strategy.

How can eBooks be enhanced by search? Publishers need to try to think like readers? What topics might they be interested in exploring further? What rich media illustrations could make a topic come alive? What other resources would be interesting? This is especially true in the nonfiction world where readers have specific interests and goals that they are pursuing. Like newspapers, book publishers have become comfortable in the role of final authority for their readers. In the digital world, enabling the reader to find and explore credible resources is very valuable to readers and helps differentiate digital versions from their printed antecedents.

Beyond eBooks

Reynolds also encourages publishers to think about chunking up their content to be used in other applications or to be aggregated by readers into personal resources. He finds the concept of visual mapping especially intriguing and it helps readers understand the topography of the book and helps them to find related topics that they might not have considered interesting or important.

Theresa Horner is an accomplished publishing executive who has extensive expertise in digital publishing. Her seven years at HarperCollins culminated with the role of senior director of operations and business development. In that role she was an important member of the team that forged HarperCollins' entrance into the world of eBooks. Intrigued by the world of technology, she spent a year at Microsoft helping to define their book-related search products. Recently she moved to Barnes & Noble where she is director, digital content. Thus she has worked with search from the perspective of a publisher, technology company, and e-tailer. Here are her observations on search for publishers:

At Microsoft, she was working to get book content into LiveSearch so that searchers could find instant accurate answers to their unambiguous questions. Based upon the book's structure and metadata, proprietary algorithms will provide semantic tagging that will make content more accessible to all forms of queries. This methodology helps derive the meanings of key topics found in a book and then to develop an information ecosystem around a specific topic or interest. The ultimate goals for readers is to help them find, explore, assess, and ultimately buy content that helps them solve their problems or complete a task.

She advises publishers to be prepared to work with a recommendation engine and be able to help reader's access disparate forms of content including other books, periodicals, blogs, and Websites that contain information that readers will find valuable. As the range of platforms grows, publishers should be using standards and processes that enable them to publish to all platforms with the push of a button. Because publishers have limited research and development budgets, they need to be prepared to work closely with technology companies. They should consider supporting interesting entrepreneurial companies and perhaps even forming their own autonomous skunkworks for developing innovative products.

While there are risks that once content is discovered, it will be misused or that publishers and authors will not be fairly compensated for their work, we believe that the opportunities provided by developing an aggressive strategy for working with Google Booksearch and other search platforms far outweigh the risks. Here are some benefits:

- Being discovered is almost always more lucrative than remaining unknown. As many bloggers can testify, when good content is discovered and used by large numbers of people, good things almost always happen. Therefore, it is not necessarily important for the publisher and author to get paid every time someone uses some small element of a book to answer a question. If many people find a book useful, they will recommend it to their friends and colleagues and sales will almost certainly increase over time.

Beyond eBooks

- The Google settlement calls for publishers to receive 30% of advertising revenues that are associated with searches involving their titles. While publishers should not plan on receiving massive advertising revenues at first, Internet advertising remains the fastest growing and most tractable media option available to advertisers. Publishers who work with Google and other search platforms to generate search traffic will benefit from both advertising revenues and increased book sales.
- Many books have specific sections that are valuable by themselves. To capture this value, publishers need to chunk, categorize, and assign pricing metrics to sub elements of their books. There are currently no established industry wide business models but companies like Taylor and Francis and O'Reilly Media are developing practices that can leverage traffic generated by search engines.

We recommend that publishers look creatively at how search can help enhance the reputations and revenues for their existing titles and then consider how they can develop and monetize new products where serving the information needs of readers is prominent in the mission of the intellectual property.

The Digital Publishing Industry Forecast

Until recently, the sales of eBooks have been extremely disappointing. The lack of a suitable platform, weak publisher commitment, minimal consumer demand, and affection for books are among the most popular reasons cited for the slow development of the eBook market. However, during 2008, the sales of eBooks began to accelerate. The Association of American Publishers reported that eBook sales in North America reached \$113 million. That represents growth of 68% over 2007. The respected analyst firm, Outsell, estimates worldwide eBook sales to be \$150 million for the same time period. Taylor and Francis is reporting that its eBook sales now represent more than 10% of its overall sales. Outsell forecasts that eBooks will reach an overall market share of 10% by 2011. While at his annual Tools of Change Conference, Tim O'Reilly disclosed that eBooks already represent more than 30% of his direct sales and that he expects that number to reach 50% by 2011. These sales numbers and forecasts represent activity mostly in the trade book market. Clearly, eBooks are beginning to gain traction in the market.

AAP data and episodic reports from publishers indicate that sales of digital content in the higher education market have surpassed \$300 million and are growing rapidly. From eBooks sold directly and via industry consortium—CourseSmart, to digital content packaged with traditional textbook content in such products as MyLabs and Wiley Plus, students and faculty are starting to see the benefits of digital course materials.

What are the factors contributing to this growth? In trade, the key factor seems to be the introduction of eBook platforms that are resonating with readers. The Kindle and the Sony Reader have both sold more than 250,000 units. Apple's iPhone and iPods are emerging as a very popular eBook platform. Lexcycle's Stanza reader for the iPhone has recently passed the milestone of 1.5 million downloads. Devices will continue to improve. Plastic Logic is aggressively promoting its forthcoming flexible digital reader. Amazon, Sony, and Apple are all hinting at larger and more vivid displays for their next-generation products. Certainly, these technological advances will help expand the eBook market.

The second major factor is increased availability of titles for each of these platforms. Each week, these companies are announcing new alliances that will make thousands and soon millions of titles available in digital formats. And the recent Google settlement will enable the range of digital titles to expand exponentially.

For the market to grow faster still, publishers will need to develop new products especially for the digital market. There is a significant difference between the planning and production processes required to develop a set of products designed to be published on multiple media platforms to repurposing content that was first published

Beyond eBooks

in print formats. This transition in thinking is underway but based upon conversations and panels at recent publishing conferences, many publishing managers are still looking at their markets through the primary lens of a book.

There are opportunities for most book publishing markets to benefit from the use of a digital first publishing strategy. The reduced production and manufacturing costs for digital content products enables authors to create new works with the confidence that they will be published. Similarly, lower costs enable publishers to publish for niches and market segments that would not have been feasible before the availability of digital publishing platforms.

With the likely explosion of titles, discoverability and aggregation will become increasingly important. Readers will place value on services that help them find content that is keenly interesting to them. Websites that gather content on a specific set of topics and create communities of readers with similar interests are also likely to be necessary for eBooks and other forms of digital content to increase their market share.

On the platform front, we believe that innovative devices will continue to be necessary to drive the growth of eBooks for the next few years. However, it is likely that the functionality of these readers will be integrated into multipurpose mobile devices such as the iPhone and notebook computers in clever new versions.

In summary, it is encouraging that eBook sales are finally starting to grow. However, for this trend to become strategically significant, the focus must shift from looking at digital products as derivative products delivered on gadgets to next generation franchise delivered on the reader's favorite media platforms including traditional book formats.

Conclusions

For at least the last 50 years, book publishing evolved as printing technologies developed. Printing presses have gained efficiency and color printing and short-run printing have become more cost effective. Publishers have often designed their next generation of books based upon the capabilities of their printing partners. About 15 years ago, new forms of software emerged that made it more efficient for publishers to produce their products. Content management systems help publishers store, organize and revise their content products. Digital asset management systems enable publishers to store and reuse illustrations while keeping track of rights. Page Layout systems reduced the amount of tedious hand labor required to lay out the pages of books. And perhaps the most profound change was to the use of standards such as SGML, XML, HTML, and PDF to give a consistent structure to their content. Until recently most of these technological advances were deployed to the task of making more attractive books with lower production and manufacturing costs.

Therefore, it is not surprising that many publishers look at their business through the lens of books. However, the increased popularity of networked computers and mobile devices combined with the speed and efficiency of the Internet have changed the reading habits of the world forever. While people are reading less content in traditional media such as books, newspapers, and magazines, there is growing evidence that they are actually reading more in total when digital platforms are considered. Reading activities seem to be gravitating to topics that are more personal than general, and the length of time being spent reading individual pieces of content seems to be diminishing.

Given these trends, how should publishers respond? First, here are some general suggestions that apply to most of the publishing industry:

- Publishers should remember that they are in the business of serving readers by providing them with compelling content that is entertaining and/or informative. They specifically are not responsible for preserving printed books as the dominant media format for readers. Customers are reading in numerous locations on multiple devices. Publishers should offer their content on as many popular platforms as are practical and profitable. This is especially important to woo younger readers who are Internet natives and expect to consume content in digital formats
- Every platform has unique characteristics that should be considered during the product planning process. For example, devices with smaller screens tend to be used for consuming shorter pieces of content and digital devices have many searching and linking capabilities that are not available in printed books. The best content products are those that are optimized for each media platform. As Bill Rosenblatt says in his interview, it is much more efficient to plan the full suite of intended products at the beginning of the authoring and publishing process instead of retrofitting them after a book is published.

- As demonstrated by several of the best-practice cases, structuring content in XML is a very good idea for all nonfiction content. This type of content is likely to be used in many ways and the structuring provided by XML make it easier to design new product implementations as well as to “atomize” the content into smaller modules.
- The technologies that support the production and manufacturing processes continue to improve and migrate to less expensive platforms. Web 2.0 content management and collaboration technologies are often as powerful as legacy applications and may provide better access to people working in remote locations. The potential cost savings are significant and should be explored by publishers as they develop their next budgets.
- The trend to encouraging customers to collaborate with authors during the authoring process is gaining some momentum. O’Reilly Media uses this technique particularly effectively with their Safari Online and Rough Cuts programs. They are finding that involving readers improves quality, reduces the time to market, and creates a buzz that helps increase sales when the books are eventually published.
- Social networks or communities are proving to be important to building brands for publishers and specific authors. Dialogues between authors, editors, and readers tend to help build reader loyalty that extends to other books by that author and publisher. Communities are also playing a prominent role in helping readers rate and recommend books that they have read. These rankings are valuable in helping books be discovered by readers.

Taking a longer range strategic view, publishers should consider the work of Umair Haque in defining Media 2.0 and its strategic ramifications (www.bubblegeneration.com/resources/mediaeconomics.ppt). While his analysis applies to all forms of media, it has intriguing pertinence to publishing. His general premise is that new technologies are making it easier and less expensive to produce content. This enables content creators to develop content for niches that would not have been “publishable” under the legacy economic model. These niche or segment products will capture an increasing share of the market because they appeal more closely to the reader’s specific tastes and interests. While this will result in an overall expansion of the content marketplace, the gravitation towards more specific preferences will likely reduce the market for mainstream “blockbuster” type content. This phenomenon is likely to diminish the importance of publisher’s traditional core competencies—production, manufacturing and marketing and place greater emphasis on building customer value through revelation, aggregation, and plasticity.

Haque defines revelation as “discovering which content is valuable” and considers revelation as the basis for Publishing 2.0. As the amount of new niche content and content modules increases, there will be an important role for experts to help discover what content is most accurate and authoritative and places value on developing domain expertise. Aggregation involves “centralizing and storing the huge amounts of microcontent and is the foundation skill set for Distribution 2.0”. In a world where delivery is primarily digital and many books are manufactured via print-on-demand, it is easy to imagine publishers’ outsourcing their book distribution functions to third

parties while concentrating on building content warehouses to deliver the specific digital product to readers on their choice of reading platform. Plasticity is the “creation of value by modularizing, standardizing, or extending content so prosumers can remix, tweak, cut, merge, split it or cheaply produce complementary works” This becomes the basis for Infrastructure 2.0. In many nonfiction markets, many books are created based upon publishing economics rather than customer’s needs. Often, publishers are trying to develop a book with a sufficient range of information to attract a large group of purchasers few of whom are likely to read or use all of the information contained within the book. This is a common practice in the education and reference markets. The Media 2.0 approach would allow customers to customize and acquire just the information that they want. The range of resulting products and services extends from providing a single answer to a question to enabling a customer to compile a comprehensive book or resource from a widely disparate set of content providers.

These concepts are particularly interesting when considering publishing opportunities within the world of open content. Open content is already having a major impact on Reference publishing where readers are contributing encyclopaedia and dictionary entries, recipes, travel information, programming tips, etc. There is a burgeoning amount of open content in education markets. And with open content the line between journal and magazine articles (and blog entries) and content modules derived from books will become increasingly fuzzy.

Haque advises media executives to: “Scale up new business models focused on investing in (not economizing on) production including Peer production models, Open access models, and Sharing models while scaling down on investment in attracting attention to books including blockbusters.”

He feels that a new set of core competencies will emerge as follows:

- Economies of speed—developing the fastest and nimblest content creation platforms and the tools required to store and deploy content in multiple applications.
- Production economies of scale and scope by “leveraging technology to open up access to the means of production.”
- Relationships with prosumers to encourage them to develop new products and services using the firm’s intellectual property.
- Personal media—Because the content is so specific to the reader’s interests, maximum value is created and, once domain expertise is established, switching costs increase.
- Microquality—Quality in specific niches becomes significantly more valuable than quality in the mass market.

The principles of Media 2.0 represent quite a radical departure from today’s publishing practices. However, there are currently instances where smaller entrepreneurial publishing entities are embracing these principles and developing successful new products and services. Lulu.com and Safari Online have built authoring and publishing platforms that incorporate many of these characteristics. We predict that Media 2.0

principles will become increasingly important to the strategies of all publishers during the next few years.

Each publishing market has its own set of digital opportunities. We now make our observations and forecasts for each market segment:

Trade Publishing: As reported in the sales data section, most current eBook activity is currently centered in trade publishing. Fiction titles are selling to owners of digital readers and multipurpose smart cell phones. We believe that:

- Digital sales for these titles will continue to increase as the installed base of reading devices continues to improve and expand.
- There are opportunities to create products especially for digital devices. For example, Harlequin found that many of its customers like to read during their lunch breaks. The company have recently released a set of shorter titles that are ideally suited to being read in one or two sittings. These have already become very popular with its readers. Harlequin is also commissioning certain titles that are being digitally enhanced from the start of the writing process. They are tapping the imaginations of their authors to come up with features and enhancements that make the digital version richer than a printed book. And Daily Lit has shown that traditional works of fiction can be serialized and delivered to readers in smaller installments that are suitable to be read in mobile devices.
- Services like Lulu.com coupled with print-on-demand technology will open the market to a wide range of “alternative fiction” titles that may previously have been judged not commercial enough to justify publication.
- Larger bookstores are likely to consider the acquisition of onsite print on demand equipment so that they can offer their customers immediate access to the millions of titles that cannot be regularly stocked on their shelves

Nonfiction titles (including professional) offer an even broader range of possibilities:

- Information found in travel guides, cookbooks, programming guides, language phrase books, etc. are being chunked for “micropublishing” applications. This approach opens the content up to consumers who are seeking simple answers to questions or who wish to compile their own cookbook or trip planner. Advertising-supported Websites are being developed around this content as publishers are serving readers via helping them discover, aggregate, and assemble the content that meets their needs. We believe that the business models for these activities are in their beginning stages and will continue to evolve over the next ten years.
- We believe that lines will blur between different forms of nonfiction content. Information found in newspapers, magazines and blogs often cover the same topics as nonfiction books and are often more up to date. Currently, this information is not as well organized as nonfiction books but it is easy to imagine next generation editors and authors developing “Living books” that provide the basic concepts and then discover and aggregate the best content available without regard for the original media type. The domain expertise

required to achieve smart discovery and aggregation will become an important competitive advantage for next generation publishers.

- Some would argue that the key difference between journal articles and professional monographs is the length of the work. And, of course, many professional books are collections of sophisticated articles in a certain topic area. Most professional journals are now sold primarily in digital formats, and recently The University of Michigan Press announced that its academic and scholarly books would be published in a digital format and be available in printed form only via print on demand. Freed from the risks of upfront costs and expensive print runs, publishers like the University of Michigan Press can bet on good ideas in niche markets or on books that will appeal only to a small segment of established markets. We believe that the trend towards licensing and subscription business models will continue to expand.
- Sophisticated commercial content is already being developed and structured to be seamlessly integrated with business applications. There is great value to placing the appropriate content directly into a workflow rather than having individuals find the information and entering it by hand. There are significant savings in speed and efficiency as well as improved accuracy. This approach is central to Thomson's professional publishing businesses.

The higher education market has significant challenges with its current publishing model. The focus on the sale of a textbook as the centerpiece of the publisher's course materials is an example of a media bound publishing strategy. While faculty members act as the adoptors/recommenders, students are the ultimate customers. When they purchase a textbook, students are in fact obtaining a perpetual assignable license to use that book. They read textbooks solely for the purpose of mastering course concepts and obtaining a good grade. Therefore, students prefer to buy the lowest priced copy available and to resell that copy as soon as the course is over. In doing so, they are assigning their license to another student and are justified to be paid for their book/license. The high price of textbooks are forcing many budget minded students to look for alternate ways of acquiring their content and each year a lower percentage of students actually purchase their textbooks. Their message seems clear. At these high prices, the value provided by the textbook often does not justify the purchase price. As the used book market becomes more efficient and the number of units purchased continues to decline, publishers increase their prices to generate the revenues required to cover their expenses.

We believe that digital publishing models have the potential to reform the model to the benefit of students, instructors, authors and publishers:

- Modern technology enables publishers to customize books and learning materials to each customer's specifications.
 - Instructors can select the content elements and pedagogical support that they need from publishers and augment that content with some of their own materials or with content, exercises, and simulations found on the Internet. They can also add instruction designed to support online remote learning and rich media such as video lectures to add interest to the course.

- Students can receive their books and learning materials in the media(s) that they prefer. For example, they could receive the narrative sections in print, exercises and questions in digital formats for their computers, and lectures formatted for their iPods.
- Publishers will continue in their efforts to license customized digital versions of their course materials to all students in the class at a charge per student that is much lower than the net total cost of ownership of a textbook. Because the materials are customized for each course and will often be modified each semester, publishers can allow students to print the sections that they wish as part of the licensing agreement and even provide customized books as an upgrade at a modest surcharge. In this case book formats are being provided as a low cost service making used books less appealing to students and less of a threat for publishers who are receiving their course licensing fee regardless of the purchase of a printed version.
- Web-savvy instructors will design new types of course materials that are more interactive and use the Internet to enable students to explore research on topics that they are studying in their classes. These new courses are likely to use a broader range of content from many sources and may draw upon open content. There is likely to be a strong community component of these courses with a particular emphasis on continually improving the quality of instruction.
- Content and technology will continue to combine to offer students a more effective and valuable set of content and tools to help master the course material. Products such as MyLabs, Wiley Plus, and Aplia are popular with students. We predict that there will be a trend to move the pricing metaphor away from the book portion of these solutions towards the technology components because students are deriving greater benefits from the technology. This fits with the trend away from book sales to course licenses.
- Online collaboration technologies will likely augment and perhaps replace the traditional reviewing process. Active involvement of colleagues during the authoring process is more valuable than comments once the author feels that the manuscript is complete.
- Providing sample copies to instructors is an important part of the sales and marketing process. Currently the majority of samples are provided in print formats. This practice is expensive simply in terms of manufacturing and shipping costs. However, the cost becomes higher still when instructors sell their sample copies and thereby reduce the number of new copies that are sold. Digital samples are less expensive to produce and ship and have the potential to enrich the faculties reviewing processes by linking ancillary items closely with the body of the course content. There is also the potential for an organization such as CourseSmart to provide comparison methodologies that will make it more efficient for faculty to evaluate the merits of competitive titles.
- Distribution channels will continue to evolve with existing channel partners playing different roles than they have in the past.

Beyond eBooks

- Bookstores will be more important in aggregation of faculty adoptions and provision of the course materials in the media formats that students select. They will likely be a link to print-on-demand vendors or may have that equipment in their own stores.
- Publishers will continue to work with organizations such as CourseSmart and the California State Digital Marketplace to provide students with the convenience of one-stop shopping.
- Publishers may choose to outsource their distribution operations to firms like Ingram and to offer customized versions by services such as Lightning Source.
- The role of e-tailers, used book wholesalers, and online aggregators is less clear, especially if the licensing model becomes the norm.
- Colleges and universities may elect to negotiate institutional licenses for certain course materials and bundle the cost into tuition or materials fees. Or they can authorize bookstores or publishers to sell individual licenses to students.

School publishing is fraught with many platform and policy issues that slow the overall adoption of digital learning materials. There remains a wide variance in the availability of computers among states, school districts, schools, classrooms, and individual students. This makes it difficult for publishers to produce digital learning materials that can serve large numbers of students. And differing state and school district curricula can specify a certain types of learning materials that must be offered for publishers to secure adoptions. Digital materials have yet to broadly penetrate those curricula or state adoption specifications.

There are some signs that states are willing to consider digital products. For example, in October 2008, the Indiana State Board of Education issued its *Statement and Action Regarding Social Studies Textbooks*. In short, the board found that while the submitted textbooks met minimum criteria, they "... do not provide content that is interesting, engaging and supportive of effective student learning..." and that "the board was going to conduct a deeper review to find content that was more interesting and engaging. And the board formally expressed its concerns to publishers and asked "for their input and assistance in improving the quality of educational materials they provide."

Following that review, on February 6, 2009 it advised educators that "You should feel no obligation to utilize the standard form of social studies textbooks" and then officially revamped the state's definition of a textbook to mean "a systematically organized material designed to provide a specific level of instruction in a subject matter category." The board indicated that this new definition was meant to "... to allow school corporations to use computers and other data devices, instructional software, Internet resources, interactive, magnetic and other media, and other 'systematically organized material.' As technology continues to evolve, Indiana's broad and inclusive definition of a textbook will enable districts to evolve in their use of such materials, whether packaged for them or packaged by them."

We believe that there are a number of opportunities for digital learning materials to have an impact on school publishing:

Beyond eBooks

- As reported in the Charles County case study, the comprehensiveness of textbook packages with all of their ancillary components is overwhelming for the majority of teachers. By delivering the materials in digital formats, ancillary items could be linked to the main digital textbook and significantly simplify the educator's task of evaluating and then implementing new textbook programs. There are benefits in helping teachers develop their lesson plans and locating materials that can help meet the individual learning needs of their students.
- As mentioned in the higher-education section, publishers could save significant sums of money by replacing printed sample copies with digital samples. Because of the enormous size and expense of sample packages, they need to be shared among large numbers of educators. Digital sampling would allow more educators to have their own copies to evaluate and make it easier for teachers to take the materials home with them.
- Because textbooks can be so heavy, parents are interested in having digital versions of textbooks at home to help students complete their homework without having to carry several heavy books in their student's backpack.
- School systems and parents are eager for students to score well on mandated tests. There is a growing market for products that assess student progress and provide extra help in areas where the student is struggling. By chunking up content to align with the assessments, school publishers have the opportunity to generate more revenues from their programs.
- Unfortunately, some students fail to leave high school fully prepared for their subsequent college or vocational training. As college budgets are tightening and tuitions are increasing, it may be more cost effective for students to improve their college preparedness via online training. School publishers should play a role in developing these programs and could market them to students based upon their results on school achievement tests.
- All students in today's schools are Web natives. There is an opportunity for educators to create next generation learning programs that will take full advantage of the Internet and the numerous learning resources that are available on the Web. Parents are eager for their children to learn by exploration but are concerned that some explorations lead students to dangerous Web locales. Therefore helping students discover educationally sound resources is a good opportunity and we expect to see more aggregation sites emerge within specific subject areas.

The obstacles of books transitioning from defining their markets to being a media option in all markets are significant. The biggest challenge is to change the planning processes from being book focused to being customer focused. By thinking about how customers can benefit from content delivered in various media formats, publishers will be well positioned to benefit from changing customer preferences and reading behaviors to garner a greater share of an expanding reading marketplace.

Digital Publishing Industry Directory

Adobe

Address: 345 Park Avenue San Jose, CA 95110-2704

URL: www.adobe.com



Sales contact name: Bill McCoy (General Manager, ePublishing Business), Nick Bogaty (Marketing Manager)

Sales email: NBogaty@adobe.com

Sales phone number: 212-924-9081

Product offerings: Adobe Digital Editions software offers an engaging way to view and manage eBooks and other digital publications. It can be used to download and purchase digital content that can be read both online and offline; transfer copy-protected eBooks from your personal computer to other computers or devices; organize eBooks into a custom library with an iTunes-like interface and annotate pages. Digital Editions supports industry-standard eBook formats, including PDF/A and EPUB.

Target markets: Publishers who wish to publish their books in digital formats

Aptara

Address: 3110 Fairview Park Drive, Suite 900, Falls Church, VA 22042

URL: www.aptaracorp.com



Sales contact name: John Egan (Vice President, Marketing and Sales Operations)

Sales email: john.egan@aptaracorp.com

Sales phone number: 703-352-0001

Product offerings: Aptara's expertise spans digital publishing, editorial and composition services, eLearning development, media graphics, content technologies and a host of related areas. Our industry knowledge, breadth of subject matter resources and deep understanding of the full content lifecycle are coupled with KPO best practices to give customers improved operational efficiency, time-to-market and lower costs. Customers engage Aptara to help them innovate, excel and profit through knowledge process outsourcing.

Target markets: Trade and Consumer, Professional and Educational Publishing, Professional Services, Financial Services, Manufacturing, Pharmaceuticals and Retail

Representative Customers:

www.aptaracorp.com/index.php?option=com_content&view=article&id=206&Itemid=888

Autonomy Interwoven

Address: 160 East Tasman Drive, San Jose, CA 95134

URL: www.interwoven.com



Sales email: sales@interwoven.com

Sales phone number: 866-341-3786

Product offerings: Digital asset management (DAM) solutions aid in the creation, management, usage and distribution of media content for small workgroups to global enterprises. Organizations can automate the processing and categorizing of original footage, providing instant, self-service access to current, approved marketing content—including photographs, logos, CAD drawings, marketing collateral, presentations, audio, and video.

Target markets: Enterprise

History and Background: Autonomy Virage's powerful video and speech analytics technology enables the automated encoding, indexing and retrieval of audio and video files managed within Virage MediaBin, the industry's leading DAM solution. Users of Virage MediaBin are now able to take advantage of Autonomy's IDOL Meaning Based Computing technology to quickly and easily search the full transcript of any audio or video via an intuitive Web interface. Additionally, the combined solution can dynamically build relationships between the content and context of rich media assets managed within MediaBin. This enables Virage MediaBin customers to rapidly find the most relevant video or audio clip based on the meaning of its content, rather than being forced to rely on pre-defined arbitrary manually generated metadata. For example, a

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marketer can immediately identify the specific locations for a particular product promotion within a video or audio clip, eliminating the need for manual transcription and tagging.

Representative Customers:

www.interwoven.com/components/pagenext.jsp?topic=MAIN::customerstories

Azurn

Address: 6/1632 High Street, Glen Iris, Victoria 3146, Australia

URL: www.value-chain.biz



Sales contact name: Sol Rosenberg (Vice President, Publishing Solutions)

Sales email: sol.rosenberg@value-chain.biz

Sales phone number: 646-205-8200

Target markets: Publishing

History and Background: Value Chain International is a digital content management specialist company. It helps the publishing industry navigate changes in strategy, processes, systems, and capabilities and in a digital world.

Representative Customers: www.value-chain.biz/Publishing%20clients.htm

Blurb

Address: 580 California, Suite 300, San Francisco, CA 94104

URL: www.blurb.com



Sales contact name: Robin Goldberg (Senior Vice President, Marketing and Business Development)

Sales email: www.blurb.com

Sales phone number: 415-362-2067

Product offerings: The Blurb BookSmart software is free, runs on a Macintosh or PC, and offers a wide variety of book layouts created by professional book designers. Blurb

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delivers the permanence and impact of commercial-quality books, with the speed and flexibility of the Internet. Using Blurb, customers enjoy complete creative control, no minimum orders, edit on-the-fly capabilities, mass customization, and global distribution.

History and Background: Blurb is a company and a community that believes passionately in the power of books: making, reading, sharing, and selling them. Blurb's creative publishing service is simple and smart enough to make anyone an author—every blogger, artist, marketer, photographer, traveler, entrepreneur, poet, everyone. Additionally, Blurb's bookstore and online marketing tools let Blurb authors sell and promote their books, and keep 100% of the author's markup. Blurb's community features—designed to encourage collaboration and communication—are defining social print media.

codeMantra

Address: 600 W Germantown Pike, Plymouth Meeting, PA 19462

URL: www.codemantra.com



Sales contact name: Robert Grande (Senior Business Development Manager)

Sales email: sales@codemantra.com

Sales phone number: 610-940-1700

Product offerings: Digital Publishing Toolkit, enables publishers to fully manage their content from its initial creation to final distribution. codeMantra's Universal PDF and Collection Point offerings make it simple to cost-effectively transmit your content as eBooks to every major distribution channel and data aggregator

Target markets: trade or academic publishing print, electronic publishing, and content management solutions.

History and Background: Established in the United States in 2002 by professionals with extensive experience in content management and information technology, codeMantra is an American company with an offshore advantage. Drawing upon their years of experience to establish codeMantra, our founders are industry leaders and innovators who first successfully pioneered the international outsourcing of content management solutions.

Representative Customers: Pearson Education., Penguin U.K., McGraw-Hill, Oxford University Press, Macmillan Publishers, John Wiley & Sons, Cengage Learning, Continuum Book, New York University Press, University of North Carolina, University of Minnesota, Springer Publishing Company and Gibson Publishing.

Content Data Solutions

Address: One Progress Drive, Horsham, PA 19044-8014

URL: www.contentdsi.com



Sales contact name: Steve Quirke (Chief Operating Officer)

Sales email: marketing@contentdsi.com

Sales phone number: 800-872-2828

Product offerings: Content DSI's current focus is on the development of electronic publishing systems for commercial publishers and manufacturers. This includes content management systems, Web publishing systems, Web portal systems, production/sales support systems and CD-ROM systems. We provide complete publishing and content management services which help publishers acquire, create, edit and process information as well as release it to their audiences via Websites, hardcopy publications, eBooks or CD-ROM products. These services include database design and implementation, editorial/production system development, user interface design, data conversion and database-driven delivery to multiple publishing channels, including Web, print, syndication partners, etc.

Target markets: Publishing Manufacturing Pharmaceuticals Legal

Representative Customers: www.contentdsi.com/clientlist.htm

eBook Technologies

Address: 7745 Herschel Avenue, La Jolla, CA 92037

URL: www.ebooktechnologies.com



Sales contact name: Garth Conboy (President)

Sales email: info@ebooktechnologies.com

Sales phone number: 858-454-0565

Beyond eBooks

Product offerings: The eBook Technologies, Inc. (“ETI”) platform consists of four parts: electronic reading devices (eBook devices) plus their associated UI firmware technology, the “Online Bookshelf,” an Internet-based content sales and delivery system (the eBookstore), and eBook content conversion/publication tools.

Target markets: eBook Technologies is a complete technology source for eBook devices, content conversion, content publishing and secure distribution. Our technology effectively provides the means for creating, distributing and controlling content for use on portable reading devices whose functionality enhances the reading experience. Our customers and partners are some of the world’s largest organizations who experience faster publication and distribution and eliminate associated printing costs.

History and Background: The eBook Technologies team pioneered the eBook market, releasing the first commercial eBooks in 1998 and they continue to drive innovation in electronic book systems. eBook Technologies, Inc. (ETI) was founded by former business and technology managers from the Gemstar eBook Group. The ETI team joined Gemstar-TV Guide via its acquisition of early electronic book innovators SoftBook Press and NuvoMedia.

ebrary

Address: 318 Cambridge Ave., Palo Alto, CA 94306

URL: www.ebrary.com



Sales contact name: Leslie Lees (Vice President, Strategic Market Development)

Sales email: www.ebrary.com/corp/contactStaff.jsp

Sales phone number: 866-4-EBRARY

Product offerings: ebrary has developed a flexible e-content platform, which customers may use in a number of capacities: Subscribe to pre-selected or custom databases with simultaneous, multi-user access. Purchase individual eBooks choosing single or multi-user access for most titles, and create a custom collection, mixing and matching models to meet their needs and budget requirements. Use the ebrary platform to distribute their own PDF content online under a variety of business models

Target markets: ebrary’s primary market is academic libraries. The company also serves public and government libraries, corporations, and publishers.

Representative Customers: www.ebrary.com/corp/contactConsNet.jsp McGraw-Hill, Springer, Elsevier, Taylor & Francis, John Wiley & Sons, and many university presses.

Endeca

Address: 101 Main Street, Cambridge, MA 02142

URL: www.endeca.com



Sales contact name: Jeff Murphy (Senior Vice President, Global Sales)

Sales email: sales@endeca.com

Sales phone number: 617-674-6000

Product offerings: Built on the Endeca IAP, Endeca's solutions for media and publishing solve today's most challenging search and information access challenges. Ranging from the innovative [Endeca for Online Media](#) solution to groundbreaking solutions like [Digital Asset Navigator](#) and [Sales & Customer Analysis](#), Endeca provides a full suite of solutions for content providers. Functionality spans basic search to helping provision fully dynamic sites that wrap users in a tailored experience, exposing them to just the right content at the right time and building your business.

Target markets: Enterprise

History and Background: As media and publishing companies continue to face competition from commodity search engines and free information aggregators, it is increasingly important to deliver premium content. But what's the point of investing in content if users can't find it? And, how can you beat the free search engines if your own site search ignores all the value you create in editorial placement, content organization and brand-building? To attract and retain loyal customers, it is critical to provide an intuitive experience so users can find and see the value in your information. The key metrics you manage like advertising revenue, visitor loyalty, and content consumption all improve when you have superior search and information access. Endeca's solutions for media and publishing are built on the unique Endeca Information Access Platform, giving users the ability to find, analyze, and understand information, delivered in solutions designed to meet our clients' media and publishing business goals.

Representative Customers: www.endeca.com/customers/index.html

Extensis



Address: 1800 SW First Avenue, Suite 500, Portland, OR 97201

URL: www.extensis.com

Public/private: Public

Sales contact name: Regional sales contact names at www.extensis.com/sales

Sales email: info@extensis.com

Sales phone number: 503-274-2020

Product offerings: Extensis is a software developer that allows creative teams of all sizes to streamline their workflow and securely manage their digital assets. Extensis offers digital asset management solutions to manage, distribute and archive rich media files. Extensis Portfolio is a corporate-level DAM solution that is easy to set-up, deploy and use, so organizations can be up-and-running in no time.

Target Markets: Extensis digital asset management solutions are used by customers in marketing/advertising, print/publishing, broadcast/media, government, education, museum, non-profit organizations and in corporate photography departments across many different industries.

Announced customers: Extensis Portfolio solutions are used by hundreds of Fortune 1000 companies. For a complete list of Extensis customers, visit www.extensis.com/customers. A partial list includes the World Bank, Publications International, Publicis Group International, Bloomberg L.P., Boeing Corporation, Lockheed Martin, LL Bean, J. C. Penney, The Gap, Massachusetts Institute of Technology (MIT), Harvard University, Yale University, US Navy, US Marines, White House Administrative Offices, Kennedy Space Center, National Football League (NFL), Major League Baseball, and the PGA Tour.

FAST

Address: 117 Kendrick Street, Needham, MA 02494

URL: www.fastsearch.com



Sales contact name: Michael Tujanjanin (EVP Operations and Sales)

Sales email: sales@fastsearch.com

Sales phone number: 781-304-2400

Product offerings: *FAST Information Discovery Solutions*—FAST Information Discovery solutions effectively connects knowledge workers to the right information at the right time, helping them make better-informed, faster decisions. With FAST Information Discovery, you can go beyond the traditional “search box” so that users no longer have to “ask,” but can get the information they need right when they need it.

FAST Structured Data Search Solutions—FAST structured data search solutions provide a new way to solve some of the problems traditionally handled with databases, datamarts, and EAI products. By providing intuitive, ad-hoc access to structured operational data, users can quickly find and analyze data from multiple structured and unstructured sources to make smarter, faster, and more effective decisions.

Target markets: Media, financial services, retail, government

History and Background: Acquired by Microsoft in April 2008

Representative Customers: www.fastsearch.com/success.aspx?m=36

The FeedRoom

Address: 205 Hudson Street, 8th Floor, New York, NY 10013

URL: www.feedroom.com



Sales contact name: Matt DeLoca SVP Sales

Sales email: mdeloca@feedroom.com

Sales phone number: 917-319-4243

Product offerings: ActiveMedia’s Web-based environment gives digital media users, inside and outside the enterprise, an anywhere anytime shared workspace to organize, share, find, collaborate, distribute and manage digital assets and media across departments, or around the globe.

Target markets: advertising, publishing, government compliance

Leadership and Background: CEO Mark Portu announced the acquisition of ClearStory last December.

“ClearStory and The FeedRoom share a common vision that customers can dramatically improve the performance and sophistication of their online marketing campaigns, retail marketing portals, brand programs, and related initiatives,” says Michael Lam, ClearStory president. “Video has become a top priority for our customers and the addition of FeedRoom’s proven capabilities will immediately address their demand.” Lam will continue to manage the ClearStory business for The FeedRoom.

Representative Customers: www.feedroom.com/page/by_product

Follett Digital Resources



Address: 1340 Ridgeview Dr., McHenry, IL 60050

URL: www.follettdigital.com

Public/private: Private

Sales contact name: Randy Merriman (Director, Business Development)

Sales email: rmerriman@fdr.follett.com

Sales phone number: 512-296-5691

Product offerings: Follett Digital Resources, a Follett Corporation Company, is dedicated to serving teachers and students by providing technology solutions and services to educational publishers. FDR offers cost-effective solutions for creating, managing, and deploying digital content and products, improving efficiency in the publishing process, and broadening a publisher’s distribution of digital products to the education market. FDR’s technology solutions for publishers include custom development, eBooks, learning management technologies, and the most powerful eLearning platform in the industry, Lycea Digital Platform. Lycea Digital Platform 4.0 provides publishers with a comprehensive set of reusable software modules, applications, and tools that promote efficiency in the development of digital products, cost savings, the reuse of content, product customization, and personalized learning. Additionally, Follett offers publishers extensive distribution and revenue opportunities

for its hard-copy and digital products in the higher education, K-12 instructional materials, and K-12 and public library markets.

Target markets: Follett Digital Resources and our Professional Services Organization, a team of dedicated highly-experienced software and education professionals, provide technology solutions and services to educational publishers to help them compete in their core market and address business needs and emerging market opportunities in the digital age.

Google Book Search

URL: books.google.com



Sales contact name: Roland Lange (Strategic Partner Development Manager)

Sales email: books.google.com/partner/contact

Product offerings: Google Book Search allows publishers and authors to submit their books for inclusion in Google's search results. Whether you're a large publisher with a thousand-title backlist or a small press that puts out a few titles a year, participating in Google Book Search can: increase your books' visibility at no cost, drive sales by reaching Google's worldwide user base, refer qualified traffic to your Website, deliver a new revenue stream via contextual ads placed next to pages from your book.

Target markets: All book publishers

History and Background: Three years ago, the Authors Guild, the Association of American Publishers and a handful of authors and publishers filed a class action lawsuit against Google Book Search. Today we're delighted to announce that we've settled that lawsuit and will be working closely with these industry partners to bring even more of the world's books online. Together we'll accomplish far more than any of us could have individually, to the enduring benefit of authors, publishers, researchers and readers alike.

Representative Customers: Many publishers and libraries

Impelsys

Address: 55 Broad Street, 16th Floor, New York, NY 10004

URL: www.impelsys.com

Beyond eBooks



Sales contact name: David Saracco (Vice President of Business Development)

Sales email: sales@impelsys.com

Sales phone number: 212-239-4138

Product offerings: iPublishCentral is a self-service e-content delivery platform, based on Impelsys experience in creating best of breed portals for the global publishing industry, empowering publishers to market, distribute and deliver their content online in a simple and cost effective manner. Custom Content Portal solutions are offered by leveraging Impelsys iPlatform™ technology to build customized end user portals around a title, series of books or specific published content. Talking eBooks is powered by Impelsys VirtualPages™ technology that transforms standard printed books into virtual electronic books. Talking eBooks offer a variety of illustrative and audio features such as narration, individually clickable words, and read-along color-coding of words. Online Catalog leverages Impelsys VirtualPages™ technology to create online catalogs with a look of actual pages of the catalog along with numerous online features.

Target markets: Publishing companies seeking to develop digital products

Leadership and Background: Sameer Shariff drives Impelsys' business vision, strategy, value and growth. Impelsys is his second start up and he has grown the company into a leader in online content delivery for the STM, Children's and educational publishing markets. Impelsys products and services help more than 50 publishers with their online content delivery strategy.

Representative Customers: McGraw-Hill, Elsevier, Benchmark Education, and Prufrock Press, For others see: www.impelsys.com/aboutus/clients.

Ingram Digital



ingram digital

Digital content. Delivered.

Address: 14 Ingram Blvd. PO Box 3006, La Vergne, TN 37086-1986

URL: www.ingramdigital.com

Beyond eBooks

Public/private: Private

Sales contact name: Matt Harris (Vice President, Publisher Business Development)

Sales email: matt.harris@ingramdigital.com

Sales phone number: 610-942-4467

Product offerings: Ingram Digital's Solutions enable publishers to warehouse, market, sell and deliver content in a variety of digital formats to create new revenue opportunities and expand existing channels. We also offer tailored solutions to Libraries, Retailers and Educational Institutions for distributing content to their customers and end users.

- *Publisher Solutions*—Store, repurpose and distribute content to all channels in any digital format
- *Library Solutions*—The fastest-growing, most comprehensive online eBook collection for public, academic and professional libraries
- *Education Solutions*—The market leader in digital textbook technology—providing solutions for institutions and their students around the world
- *Retail Solutions*—The largest content catalog and the tools to successfully sell and promote eBooks and audiobooks

Target Markets: Ingram Digital is the leading digital content distributor and supplier of content management, distribution and hosting solutions for publishers, retailers, libraries and institutions worldwide. Our mission is to help publishers maximize market exposure and revenue opportunities, regardless of channel. An Ingram Content company, Ingram Digital was established as a natural extension of the services that Ingram has been providing to the publishing industry for more than 40 years.

Announced customers: Ingram Digital works with many of the world's largest and most respected publishers, libraries, retailers and institutions.

iProduction

Address: 1080 West County Road E, St. Paul, MN 55126

URL: www.iproduction.com



Beyond eBooks

Sales contact name: Jim Meinen (Chief Operating Officer)

Sales email: sales@iProduction.com

Sales phone number: 651-717-4300

Product offerings: iProduction's editorial management empowers publishers to execute content strategy with features that deliver and manage content with ease and flexibility. The publisher controls the content, the media, and the format in which it will be presented, as well as how it will reach the readers.

Target markets: Book and magazine publishers

History and Background: iProduction has over 14 years of Internet publishing experience. This experience translates to a proven Internet publishing platform that is specifically designed to take full advantage of the Internet's flexibility while centralizing all aspects of the operation. The iProduction philosophy is to embrace the proven business models from traditional print publishing—editorial management, audience development, and monetization of assets—and to support them with an effective Internet publishing platform.

Representative Customers: Over 40 publishers currently rely on iProduction which hosts 122 sites with over 200 publications and 87 million issues annually (including print).

Irex

Address: High Tech Campus 9, NL-5656 AE Eindhoven, P.O. Box 775, NL-5600 AT Eindhoven, The Netherlands

URL: www.irextechnologies.com



Sales contact name: Hans Brons (CEO of iRex Technologies)

Sales email: loeki.van.der.lee@irextechnologies.com

Product offerings: Irex Suite of Book Readers

Target markets: Publishers who wish to sell eBooks on dedicated readers and consumers who want to read digital books

Representative Customers: Individuals and corporations

Jouve

Address: 11, boulevard Sébastopol, CS 70004, 75036 Paris Cedex 01, France

U.S. Address: Publishing Dimensions, 45 Main Street, Suite 404, Brooklyn, NY 11201

URL: www.jouve.com



Sales contact name: Emmanuel Benoit (Director of Marketing), Jonathan Hevenstone (Managing Director, Publishing Dimensions—USA)

Sales email: sales@Jouve.com

Sales phone number: USA: 212-319-0722 France: +33 (0) 1.44.76.54.40

Product offerings: Digitisation—Jouve provides specialized industrial platforms and high added-value services to manage and enhance information. With more than 100 million pages and 14 billion characters handled each year, today Jouve is a leading service-provider for industrial digitization of documents and data. **Composition:** Jouve offers shared processes, services and workflows on a global level. Driven by new technology, these solutions combine innovation and automation and provide shared, collaborative platforms that integrate the role of authors, editors with interactive solutions (editorial aids, synoptic page layout, translation) and high value-added services. **Semantic Analysis**—Based on syntactic, semantic and linguistic analysis technologies, these solutions allow extraction and indexing within the text of: entity names, descriptive key words from content, specific semantic relations, categorization or filing of articles or documents, and the extraction of key terms. **IT Systems**—services that cover the life cycle of content, from consulting services to installation assistance, analysis, software and IT service development, maintenance and the outsourcing of expert applications. **Websites**—Information portals, eCommerce, institutional communication, intranet, extranet. **Jouve Print Services**—an ePrint offering that allows you to manage printing needs, from simple product sheets, to highly complex projects.

Target markets: Publishing—Legal, Scientific, Technical and Medical, Literature, Reference books, Directories and Catalogues, Education; Institutions and organizations, Industry, Patents, Services.

Representative Customers: Cengage, Hachette, European Patent Office, Wolters Kluwer, Guide Michelin, OPOCE, Sage, Renault, Barnes & Noble

Lexcycle

URL: www.lexcycle.com



Beyond eBooks

Sales contact name: Neelan Choksi (Chief Operating Officer)

Sales email: sales@lexcycle.com

Sales phone number: 503-396-4209

Product offerings: Stanza Reader for the iPhone and the iPod Touch

Target markets: Publishers who are seeking to sell eBooks on iPhones, and iPods

History and Background: Lexcycle is a private company that strives to bring the digital reading revolution to readers around the world. With over 1.5 million users in 60 countries, Lexcycle Stanza is a popular electronic book reader for the Apple iPhone and iPod Touch.

Representative Customers: Harlequin, Smashwords, Random House, Fictionwise, Pan Macmillan

LibreDigital



Address: 1835-B Kramer Lane, Suite 150, Austin, TX 78758

URL: www.libredigital.com/

Public/private: Private

Sales contact name: Steve Schatz (Vice President, Global Sales)

Sales email: sschatz@LibreDigital.com

Sales phone number: 512-334-5102

Product offerings: LibreDigital helps publishers of books and newspapers and magazines maximize the value of their content, securely and affordably. We give you the power to digitize all your content, in whatever format, then distribute it to any marketplace or device on the fly—all while maximizing quality, revenue, and control.

- Digital Warehouse lets you “future proof” your content, storing it in a format readable by any platform or device, now or in the future.
- Digital Distributor lets you manage sales channels and content partnerships while ensuring the secure distribution of your content.

With our software-as-a-service (SaaS) model, you pay only for time spent actually using our products—giving you a robust, proven digital publishing platform at a fraction of

the cost of competing solutions. And because we handle all the IT heavy lifting, you can concentrate on your core business.

Target Markets: LibreDigital helps publishers take advantage of the tremendous digital content opportunity while meeting associated challenges head-on. Our software-as-a-service (SaaS) solutions make it easy to transition from a traditional physical distribution model to a more centralized digital distribution platform—one that provides more control over content, more insight into customer behavior, and more distribution outlets. For book publishers: Broaden distribution and market your digital content. For newspapers and magazines: Increase circulation while reducing costs.

Announced customers: LibreDigital is the leading provider of conversion, storage and secure distribution for digital content through digital stores and eBook devices. We are honored to work with 7 of top 10 book publishers and more than 170 periodicals. Baker & Taylor recently announced a long-term agreement with LibreDigital to empower publishers to manage content distribution in multiple formats, to digital devices and merchandising channels worldwide.

Lulu

Address: 3101 Hillsborough St., Raleigh, NC 27607

URL: www.lulu.com



Sales email: sales@lulu.com

Sales phone number: 919-836-1950

Product offerings: Lulu eliminates traditional barriers to publishing and enables authors to sell their work directly to their particular audience. Using Lulu's simple publishing tools, they format and upload their digital content. Then they can take advantage of Lulu's global marketplace, social networking and author services, free customized storefronts and retail listings on Amazon, Barnes & Noble and much more. weRead enables authors to expand their audience, encouraging true social discovery of books and bringing together traditional and independently published books in one marketplace. weRead is the largest, most popular social book discovery application on key social networks including Facebook, MySpace, Bebo, Orkut and Hi5.

Target markets: authors who wish to self publish, small publishers, reading communities

History and Background: Lulu is changing the world of publishing by empowering authors to publish their work themselves for free with complete editorial and copyright control. Lulu.com has truly become home to a new economy. Millions of registered

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users and two million site visitors each month as well as offices in Raleigh, London, Toronto and Bangalore, enable Lulu customers to reach the globe.

MEI

Address: 610 Old York Road, Suite 250, Jenkintown, PA 19046

URL: www.maned.com



Sales contact name: Steven Haught

Sales email: shaught@maned.com

Sales phone number: 800-638-1214

Product offerings: The K4 Publishing System, the premier editorial system integrating Adobe InDesign and InCopy, is the powerful, flexible, scalable database solution book publishers are looking for. Add-ons to K4, including Web Editor for offsite editing over a secure Internet connection, and InWord, which allows editors and writers to work in Microsoft Word, contribute to a complete package that maintains quality while controlling costs.

Target markets: Book and Magazine Publishers

History and Background: Managing Editor Inc. is an industry leader in the development of quality, proven software solutions for the evolving publishing industry. The Page Director Series of Advertising and Classified Layout Systems, K4™ Publishing System, Integrated Production Suite (IPS) and IPS AdTrac deliver automated pagination, workflow and digital asset management solutions to newspaper and magazine publishers, as well as to other print and electronic publishing markets. MEI is an Adobe premier development partner and has twice been named a laureate of the Computerworld Smithsonian Collections.

Representative Customers: www.maned.com/news/customers

Mark Logic



Address: 999 Skyway Road, Suite 200, San Carlos, CA 94070

URL: www.marklogic.com

Public/private: Private

Sales contact name: Bill Mazur

Sales email: bill.mazur@marklogic.com

Sales phone number: 559-638-9795

Product offerings: Mark Logic Corporation is the provider of the industry's leading XML Server. The company's flagship product, MarkLogic Server, includes a unique set of capabilities to store, manage, enrich, search, and dynamically deliver content. On top of this platform, our customers and our partners build information access and delivery solutions to accelerate the creation of content applications.

Target markets: MarkLogic Server was designed specifically as a platform for building agile content applications that unlock the full value of your information. Leaders in information and media, government and other industries have all used MarkLogic Server as the platform for their mission critical, role- and task-aware content applications. Unlike relational database and search hybrid solutions, MarkLogic Server is uniquely able to deliver content applications, which meet a broader range of user requirements by fully leveraging contents' XML structure. That's why leading businesses and government organizations rely on Mark Logic to give them the agility to quickly adapt to changing market conditions and new product requirements.

Announced customers: Please follow this link to a comprehensive list of Mark Logic customers: www.marklogic.com/customers.html.

NorthPlains

Address: 510 Front Street West, 4th Floor, Toronto, ON M5V 3H3, Canada

URL: www.northplains.com



Sales contact name: Hassan Kotob (CEO)

Sales email: contact@northplains.com

Sales phone number: 416-345-1900

Product offerings: TeleScope is an award-winning digital asset management platform that enables the secure access, management and distribution of all digital and rich media content across an entire organization. With its distributed and modular architecture, TeleScope meets the diverse range of rich media needs from small and mid-size businesses and design studios, to the complex business challenges of global enterprises.

Target markets: Publishing, Advertising

History and Background: Since its inception in 1994, North Plains has been introducing digital asset management solutions that give organizations a simplified and centralized way to manage all their digital media, content and metadata. North Plains has experience with complex workflows associated with traditional print and publishing, marketing and advertising agencies as well as broadcast and media operations.

Representative Customers: www.northplains.com/en/company/testimonials.cfm

Open Text Digital Media Group



Address: 700 King Farm Boulevard, Suite 600, Rockville, MD 20850

URL: digitalmedia.opentext.com

Public/private: Public

Sales contact name: Jon Schupp (NA) or Mark Finch (EMEA)

Sales email: digitalmedia@opentext.com

Sales phone number: 301-548-4000

Product Offerings: The Open Text Digital Media Group is a global provider of enterprise and hosted media management solutions as part of its industry leading Open Text ECM Suite. With depth and experience around media work flows and capabilities, Open Text is a trusted partner for leading publishing firms such as McGraw Hill, Ingram Digital, Random House, Time, Pearson and many more. For more information about Open Text and its Digital Media Group, visit digitalmedia.opentext.com.

Target Markets: The Open Text Digital Media Group serves the needs of book and magazine publishers, marketing departments, broadcasters and video distributors, as well as museums and government agencies.

Announced customers: McGraw-Hill, Ingram Digital, Random House, Time, Pearson and many more. For more information about Open Text and its Digital Media Group, visit digitalmedia.opentext.com.

OverDrive

Address: Valley Tech Center—Suite N, 8555 Sweet Valley Drive, Cleveland, OH 44125

Beyond eBooks

URL: www.overdrive.com



Sales contact name: Claudia Weissman (Director of Sales and Director of International Business)

Sales email: sales@overdrive.com

Sales phone number: 216-573-6886

Product offerings: *For Libraries:* Digital Library Reserve, School Download Library, *For Schools:* School Download Library (K-12), Digital Library Reserve (College and University Libraries), *For Publishers:* Content Reserve, Private Reserve, *For Retailers:* Content Reserve, MIDAS, *For Enterprises:* Private Reserve

Target markets: Libraries, schools, universities, publishers, retailers, and enterprises seeking to store and download digital content

History and Background: Founded by Steve Potash in 1986, Overdrive has built an impressive portfolio of Digital Content that is stored in its content reserves. They are a develop partner of Adobe's Digital Editions

Representative Customers: Microsoft, HarperCollins, Random House, and McGraw-Hill, large metropolitan libraries including New York, Los Angeles, and Chicago.

Quark

Address: 1800 Grant St., Denver CO 80203

URL: www.quark.com



Sales contact name: Mark Benfer (Senior Vice President of Sales, North America)

Sales phone number: 1-800-676-4575

Product offerings: QuarkXPress 8, launched in May 2008, delivers superior design power through a new, intuitive interface developed purposefully for the creation of high-end page layout; print, Web, and designer-friendly Flash authoring tools; design-driven typography; and global publishing capabilities. Quark Dynamic Publishing

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Solution, helps customers cost-effectively meet enterprise-scale publishing challenges by extending the benefits of advanced technologies across the publishing process.

Target markets: Publishing professionals who are doing

History and Background: Quark Inc. led the first revolution in publishing with QuarkXPress, desktop publishing software that rapidly became the industry standard. Today with Quark Dynamic Publishing Solution customers can meet changing requirements and develop new revenue streams by extending the benefits of advanced technologies across the publishing process. The Quark dynamic publishing solution automates multi-channel publishing by combining the power of flexible layout and design with easy XML authoring and automated workflows for customized communications across print, the Web, and electronic media.

Representative Customers: www.quark.com/about/customers/

Safari Books Online

Address: 1003 Gravenstein Highway North, Sebastopol, CA 95472

URL: www.safaribooksonline.com



Sales email: pqsales@il.proquest.com

Sales phone number: 800-521-0600, Option 2

Product offerings: Safari Books Online provides an on-demand digital library that delivers vetted, expert content for technology, creative and business professionals. Our library offers over 7,500 books and videos from leading publishers such as O'Reilly Media, Addison-Wesley, Peachpit Press, Manning, John Wiley & Sons, Apress, Adobe Press, lynda.com and Splash Media. Subscribers can use our robust database and sophisticated search to quickly pinpoint the information they need—whether it be Java development, project management, Web development or digital photography.

Target markets: Technology Books and Course Materials

History and Background: In July 2001 technology publishers, O'Reilly Media, Inc. and Pearson Education, joined forces to create Safari Books Online. The premise was simple: compile the best technology books from the leading authors and publishers into an online database that technology, IT, creative, business and management professionals could quickly and easily search for reliable, definitive answers to mission-critical questions.

Representative Customers: Individual and enterprise subscribers to technology Books and information

VitalSource



vitalsource

Address: 234 Fayetteville Street, Suite 300, Raleigh, NC 27601

URL: www.vitalsource.com

Public/private: Private

Sales email: sales@VitalSource.com

Sales phone number: 800-610-5382

Product offerings: eBook Technology, Platforms, and Services

WAVE Corporation

Address: 1250 Douglas Ave., Suite 100, Longwood, FL 32779

URL: www.wavecorp.com

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Sales contact name: Charlie Ward Wright IV

Sales email: sales@wavecorp.com

Sales phone number: 407-585-0250

Product offerings: MediaBank is a digital asset management (DAM) application designed to efficiently manage and distribute your file assets. MediaBank is one of the most tenured products in the industry and over the years has become the standard by which DAM solutions are judged. It can help a business increase profit margins by reducing production efforts and data administration costs. MediaBank can also generate new revenue by capitalizing on Web opportunities, expanding market reach,

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and improving product quality. As the central information hub for the complex publishing workflows of our broad range of customers,

Target markets: Enterprise, publishing, printing

History and Background: Operating in Central Florida since 1987, WAVE Corporation is an engineering services company that specializes in system design, information management and operation support.

Representative Customers: 3M, Readers Digest, Raymond Geddes, USGA, and RR Donnelley

Woodwing

Address: Ronde Tocht 1d, 1507 CC Zaandam, The Netherlands

URL: www.woodwing.com



Sales contact name: Shawn Duffy (Managing Director, WoodWing USA), Hans Janssen (CEO, WoodWing Software)

Sales email: sales@woodwing.com

Sales phone number: Netherlands 31 75 61 43 400 USA 313 962 0542

Product offerings: Enterprise 6 is a three-tier content management system that connects to Adobe InDesign, InCopy, Web content management systems, and a variety of third party applications to help businesses publish their content.

Target markets: Book Publishers who are seeking to use cross-media publishing strategies

History and Background: During the last few years, WoodWing has become a popular editorial system among top textbook publishers. Teams of writers and editors, in-house or external, can work on pages in parallel. Slash the cost per page with outsourced workflows and reduced review cycles.

Representative Customers: Aptara (USA), Art Servizi Editoriali Spa (Italy), Editorial Bruño (Peru), GGS Book Services (USA), Great Source Education Group (USA), Harcourt (USA), Holt McDougal (USA), Houghton Mifflin Harcourt School (USA), Riverside Publishing (USA), SanomaWSOY Education (Finland), Santillana (Peru), Shakespeare Squared (USA), SM Ediciones (Mexico), Thomson Digital (India)

Xinet

Address: 2560 Ninth St., Suite 312, Berkeley, CA 94710

URL: www.xinet.com



Sales contact name: Carole Witter (Sales Director)

Sales email: sales@xinet.com

Sales phone number: 510-845-0555

Product offerings: Xinet WebNative Suite is the dynamic digital asset management environment that dramatically streamlines the collection, access, production, distribution and archiving of graphic media for advertising, publishing and corporate communications. This cross-platform system accelerates the creative and production workflow by breaking down barriers between staff, vendors and clients—providing powerful tools that can be used to automate notification, distribution and production.

Target markets: advertising, enterprise, marcom, publishing, prepress ,retail

Representative Customers: www.xinet.com/solutions/index.html

Xyθος

Address: 655 Montgomery Street, 16th Floor, San Francisco, CA 94111

URL: www.xythos.com



Sales contact name: Gary Zuckerman (Vice President, Worldwide Sales)

Sales email: gzuckerman@xythos.com

Sales phone number: 888-4XYTHOS

Product offerings: Faculty and students across campuses today are creating digital content that can be shared and repurposed in various ways, feeding the demand for secure file management and collaborative solutions. Distance learning, remote collaboration and increased requirements to automate administrative processes have also fueled this need. Designed for the education market, the Xyθος Digital Locker Suite 5.0 has become the first choice among K–12 schools, colleges and universities which need to safely store and publish their content, collaborate on research projects

Beyond eBooks

Target markets: Academic publishing markets

Representative Customers: Baylor University, Boston College, Johns Hopkins University, Georgetown University, Harvard Business School, Harvard Law School, New York University, Northeastern University, Northwestern University, Pepperdine University, Queens College, Tulane University, UC Berkeley, UC Irvine, UCLA, University of Calgary, University of Colorado, University of Hawaii, University of Illinois, University of Iowa, University of Michigan, University of Pennsylvania, University of Texas, University of Wisconsin, Yale University

Zinio

Address: 114 Sansome Street, 10th Floor, San Francisco, CA 94104

URL: www.zinio.com



Sales contact name: Jeanniey Mullen (Director of Marketing)

Sales email: sales@zinio.com

Sales phone number: 415-494-2700

Product offerings: Zinio's robust technical platform—featuring a highly desirable online retail store, fulfillment capabilities, secure online and offline reading products, production services and marketing services—enables consumers, regardless of geographic location, to search, purchase and immediately access digital publications, rather than waiting weeks or months for fulfillment and delivery

Target markets: Book and magazine publishing

History and Background: Zinio is a leading global online publishing, distribution services company, with divisions focusing on digital magazine and book publishing, publisher growth services, retail services, cutting edge research and development and interactive media. Led by CEO Rich Maggiotto, Zinio is an innovator in providing technology platforms and marketing services to publishers around the world.

Representative Customers: Hachette, McGraw-Hill, Bonnier, VivMagazine, Playboy, Barnes & Noble.