New trends in the supply chain

The impact of digital on traditional transaction workflows

Andrew May Miller
Macmillan

7 June 2010
The Impact of Digital

Alternative Channels
On-line
VLEs

eBooks
Subscriptions

Hybrid products
Micro transaction

Distributed printing
New trends in the supply chain

BIC Seminar ?
Ian Jacobs:

“There are no books or journals… in the digital world there is just STUFF”

Ian Jacobs, late last century.
New trends in the supply chain

Stuff industry communications?
New trends in the supply chain

SIC Seminar?

Probably not
Impact one:

We all need to cope with all sorts of business models (and thus all sorts of transactions)
Subscriptions

• Do we have the tools for simple subscription models? Renewal, deferred revenue etc.

• What about carnets or pick’n’mix

• What about hybrid products, can you link the supply of a print book to a subscription?
Local printing

• No problem
• Cut freight costs
• Minimise stock holding
• Maximise availability
• Exploit global POD

• But…
Global access

• Wider markets
• Wider management issues
  – Market restrictions
  – Taxation
  – Triangulation
New channels

- Apple is topical
- Don’t play by our cosy rules
- Need clear information
- On their own terms
Auditing

• Ebook platforms

• POD printing

• Who does the accounting?

• Routine or spot checks?
Impact two:

We need to deal with everyone everywhere
US customer

UK customer

Eclipse
Processes collections with US and UK titles

Full value US sales from US Vista into US GL
Transfer price for UK Sales of US product

US regional sales extracted and processed as an order
All products

Sales report for US sales of UK product

Inter-company invoices raised in UK

US Vista

UK Vista

Sales report for UK sales of US product

Inter-company invoice raised in US

UK & US regional Sales for US Products processed by US royalties

UK inter co invoice Feeds US costs Via POD style PO

US inter co invoice Feeds UK costs Via POD style PO

Full value UK sales Vista into Oracle GL
Transfer price for US Sales of UK product

UK & US regional Sales for UK Products processed by UK royalties

All Connect sales fed to UK Oracle GL

Mechanism required to remove duplication of sales in GL

US UK GL
Interfaces process Need to be Worked out

US GL.
Keep track of your customers

• On-line opportunities to communicate directly

• Hybrid products might mean transaction through different commercial systems.

• Print and on-line might be competing, can you see who has moved media rather than just stopped buying?
Impact three:

More complex customer relationships
Summary

- We all have to deal with all sort of business models
- We have to deal with everyone, everywhere
- In the midst of all this we need to keep track of our customers
Helpful thought

Go back to basics, identify what your business is trying to achieve, work out who your customer is and get the whole business to think about how it addresses these problems.

Think about what you can do.
Helpful thoughts

While there are some new things most business model are already normal in other parts of publishing.

Talk to the funny people at the other end of the corridor!
The end…

Except…

Do we have time for a funny story Mr Chairman?
The end