

Strategic Planning to Enter a New Market with a New Digital Information Business

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Challenges

Understanding the new markets

How many places do I go to get bibliographic/sales/consumer information?

How do I better communicate with customers online?

How well do I know my new customer?

Are the systems I need available and is the information reliable?

Where's my competition outperforming me and where am I outperforming?



How do I provide my organization with actionable business analytics?

Where do I order from to get the best solutions for digital publishing?

Customer and Information has changed

Challenges



Cost and Risk

Cost of experimenting and risk of competition

Rights and Permissions

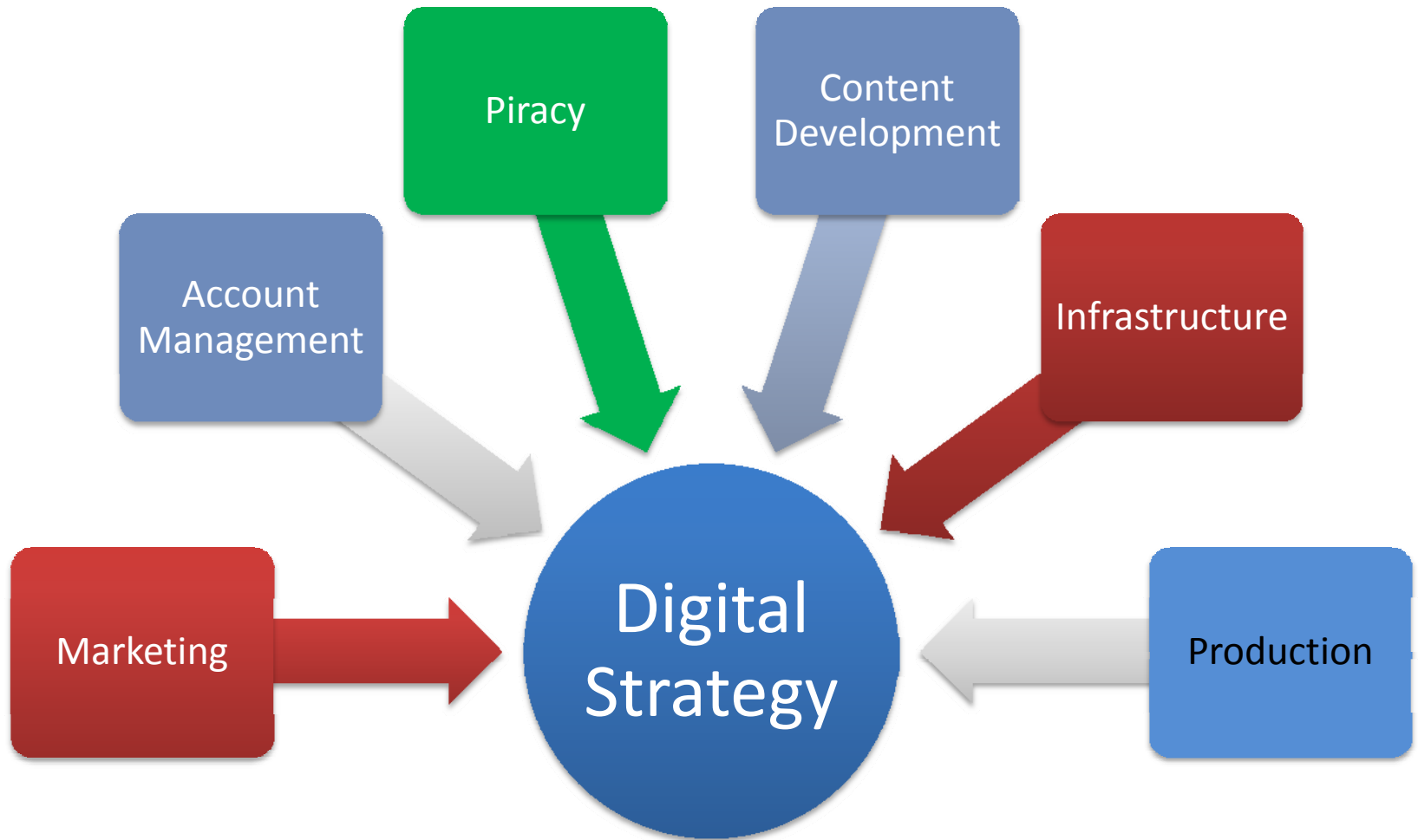


Digital disruption to Traditional Book Publishing

- As publishers seek to maximize sales and reach the widest possible audience, they now have additional formats and new distribution opportunities
- Which leads to experiments such as:
 - eBook, online delivery, mobiles

. . . all of which complement the physical formats

Digital Strategy Mix



Non Marketing Digital Strategic Objectives

Production

- XML first
- .EPUB
- FLAC (Audio)

Infrastructure

- Digital Asset Management (DAM)
- Digital Warehouse

Account & Title Management

- Emerging Opportunities
- Manage the supply chain (as needed)
- Sales & Marketing calls
- Coordinate title conversion
- Develop Promotions
- Sales Validation

Content Development

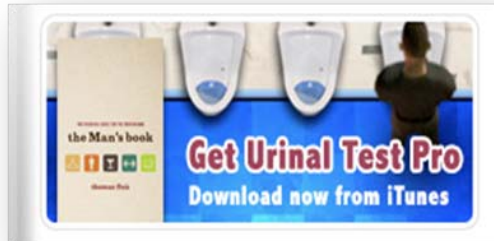
- Develop enriched content ideas
- Manage production schedule and developer relationship

Piracy

- 3rd Party Monitoring
- Industry Lobbying
- Consumer education

Content Development

Mobile



- Game App based on the book
 - HBG marketing created a free game app based on THE MAN'S BOOK, which had 1,000,000 + downloads. In conjunction with the author created a paid app of the trade book

Bonus Material



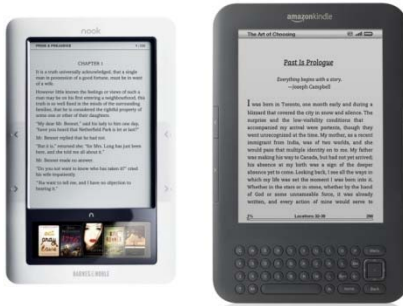
- Used a public domain story as an extra for the eBook
 - Added THE SINGLE MAN, by Charles Dickens to DROOD eBook as bonus material

Web Linked



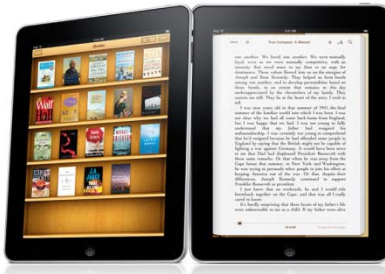
- Links to “fictional” websites mentioned in novel
 - Linked all websites mentioned in THE SCARECROW and added author research photos to eBook as bonus material

eReading Devices



DEDICATED eREADERS

- Sony Reader • Amazon Kindle • Barnes & Noble Nook • Kobo – Wink/India
- Many more coming



MULTIPURPOSE eREADER DEVICES

- Apple iPad
- Dell Android Streak

More soon: HP Zeel Tablet



eREADER APPS FOR DEVICES

- Kindle for iPhone, iPad, Blackberry, Android • Nook for iPhone, Blackberry • Kobo for iPhone, Android, Palm - More soon



Distribution, Channel Opportunities



Account Management Due Diligence



Security and DRM Assessment

- Must fill out a file and server survey
- Independent testing of DRM schemas
- Must verify territorial limitations



Business Plan Review

- Review long-term viability and scalability of model
- Are terms advantageous to authors and publisher?



Payment and Credit Review

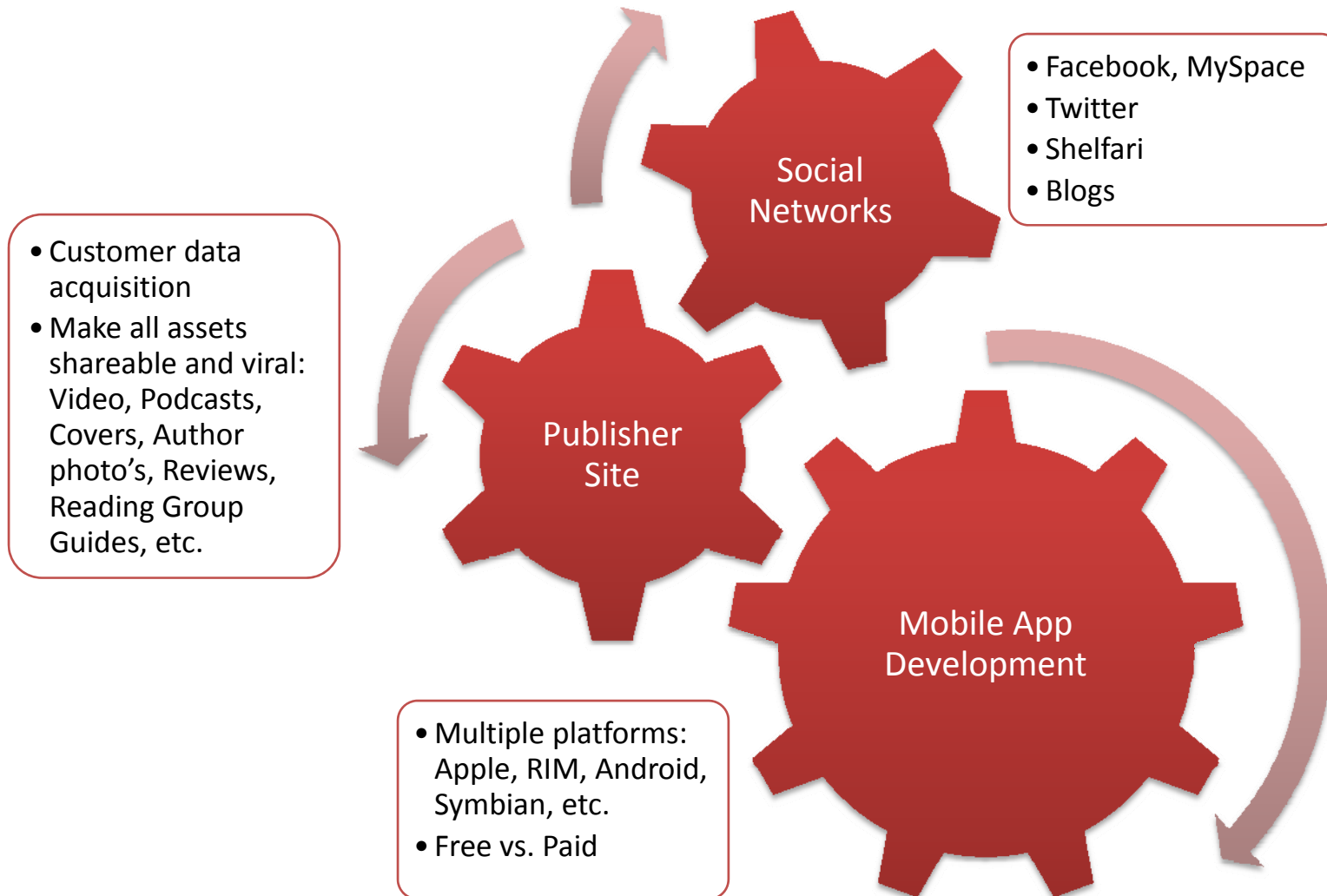
- Must pass payment and credit check

Marketing



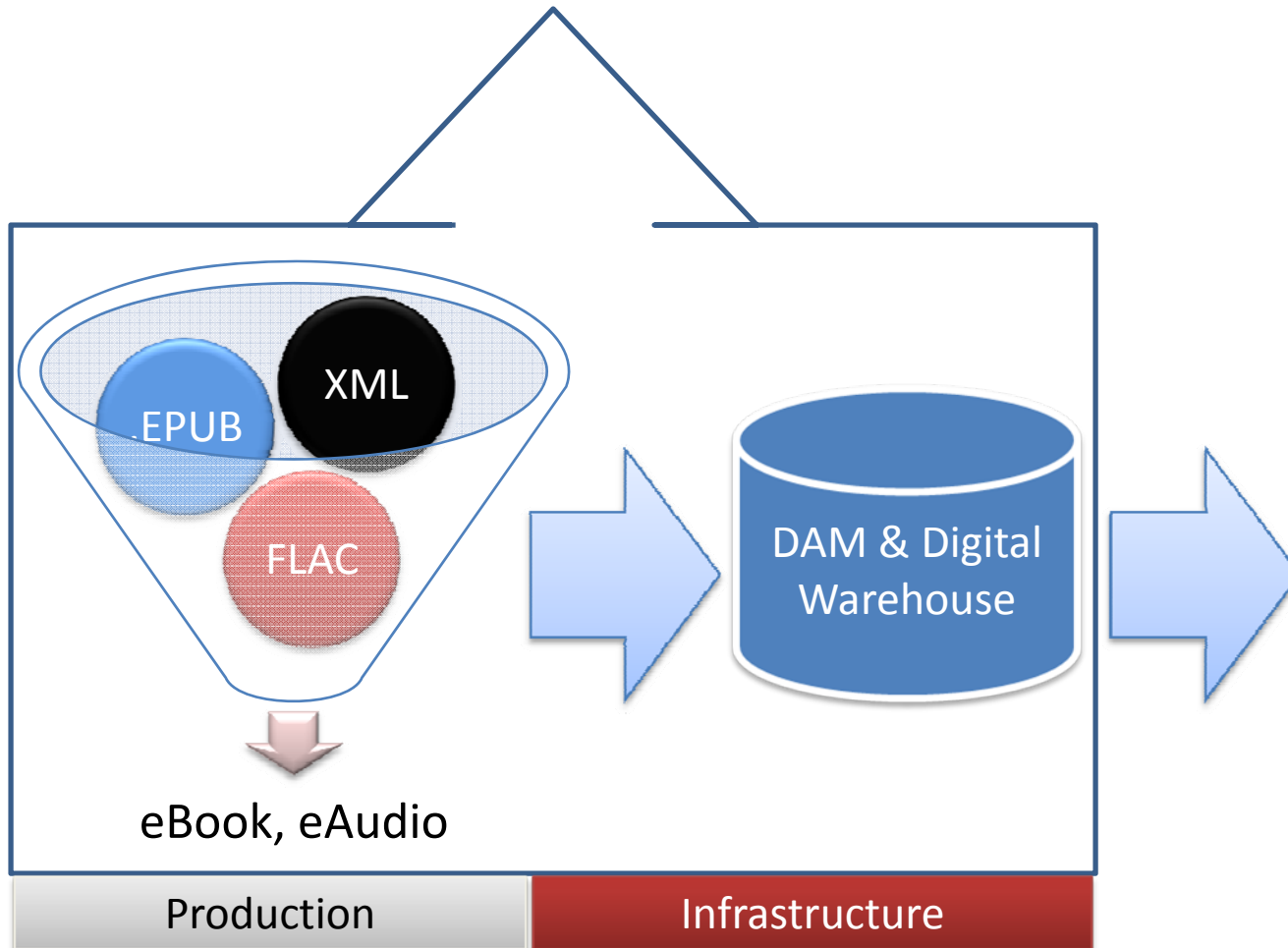
Marketing Digital Strategic Objectives

Create Brand Awareness (Permission Marketing, Ad Buys)



Production & Infrastructure

Publisher Controlled



amazon®

bn.com
BARNES & NOBLE



Summary

Challenges

- Policing file-sharing sites, e.g. Scribd
- XML first work-flow
- Validating and Monitoring sales from a growing list of accounts
- Auditing digital sales statements
- Verifying DRM schemas
- Loss leader price points to consumers (\$9.99)
- Encouraging a more competitive marketplace
- Tracking territorial rights for digital resellers

Opportunities

- Contributor, Publisher vigilance, Security due-diligence
- Re-educate staff: editors, production, operations
- Exploring relationship with independent sales verification vendors, encouraging an industry solution
- Independent testing by security experts
- Enriched content, create a diverse distribution portfolio, take tough action, be willing to window titles on a case by case basis or be off-sale
- Building a diverse and secure distribution portfolio
- Exploring relationship with independent sales verification vendors, encouraging an industry solution



Managing change

- The basics of change management:
 - Originates at the top of the organization
 - Consistent message about what and why
 - Deliver education about the importance of digital publishing as the present and future
 - Ongoing effort with the people who need to make change happen



We have choices

- Business as usual
- Respond to changes
- Make the “necessary” changes
- Downsize to save costs

Or

- Plan to Grow




New Important Factors in our Business Environment

- Dramatic and rapid changes
- Consolidation in the market place
- Complex Variables in different markets
- Technology in all parts of the information industry
- Technology rapidly changing and evolving



The fine art of being prepared

- You cannot reduce publishing strategies to a formula
- You cannot reduce publishing to a process
- The greater the range of futures the more important to develop alternative plans
- Focus on strategies as a central concept with continually **changing** circumstances and events in the different language speaking/reading markets unique for India

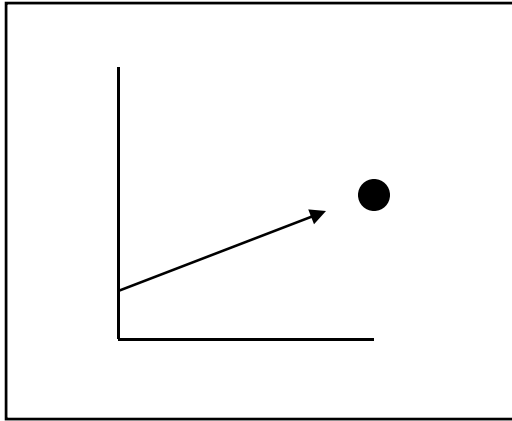


Strategy vs. Strategies

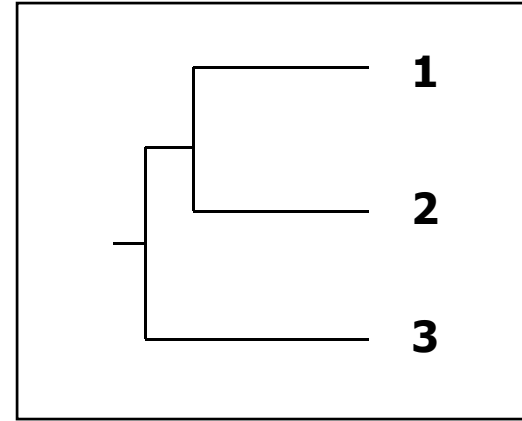
One Plan vs. Several Plans

(A, B, C and D)

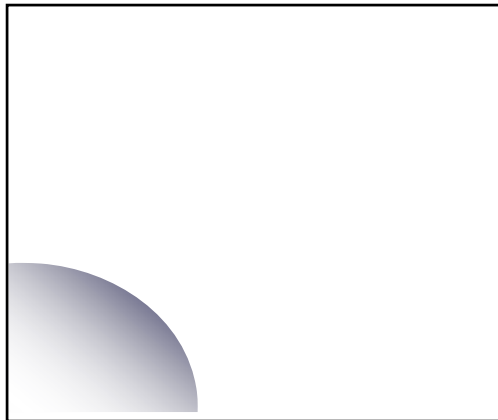
- Importance of flexibility, change management, speed
- Be prepared to put several alternate plans into action
- Seize the obvious but also the unforeseeable opportunities
- Good strategies prepare proactive actions not crisis management



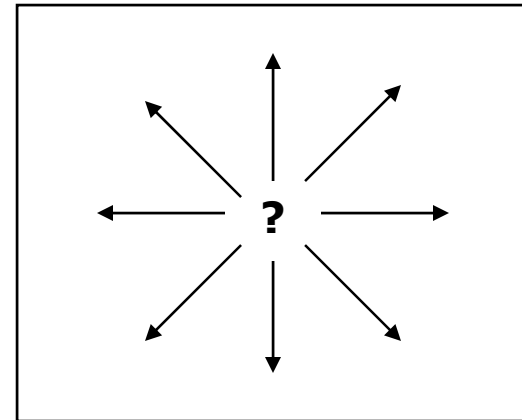
- **A Clear-Enough Future**
 - A single forecast precise enough for determining strategy



- **Alternate Futures**
 - A few discrete outcomes that define the future



- **A Range of Futures**
 - A range of possible outcomes, but no natural scenarios



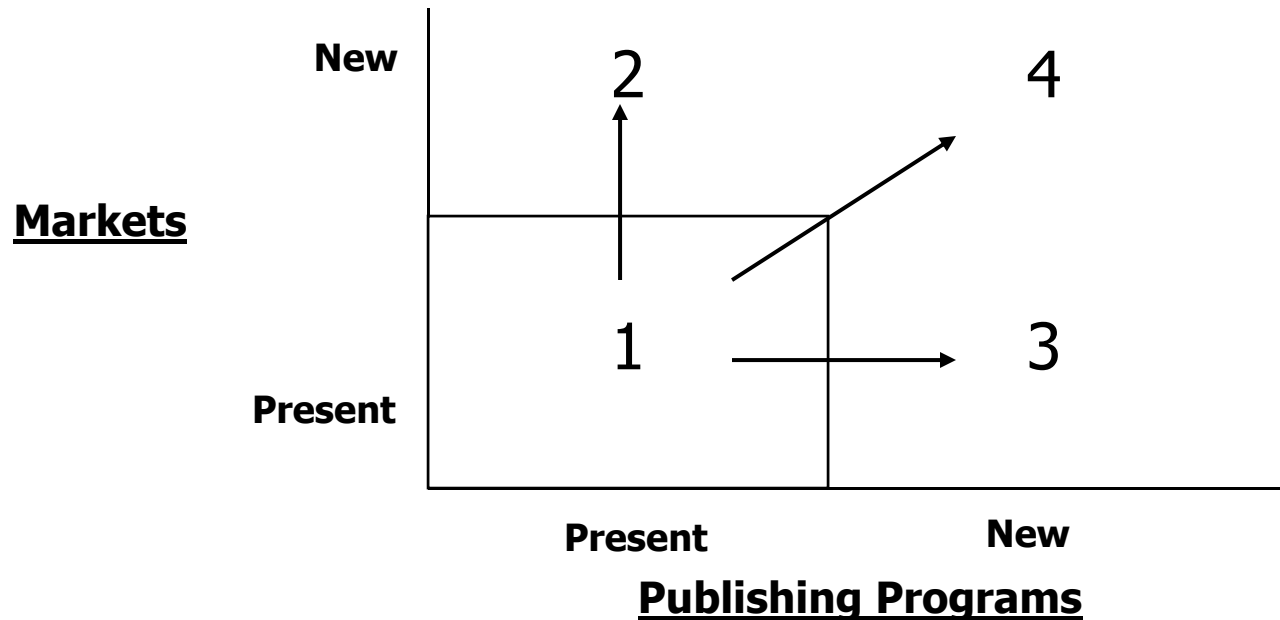
- **True Ambiguity**
 - No Basis to forecast the future



Four main strategies for growth

1. Present publishing programs for present markets
2. Present publishing programs for new markets
3. New publishing programs for present markets
4. New publishing programs for new markets

Growth Strategies for Publishing Programs



1. Present Publishing programs in present markets
2. Present Publishing programs in new markets
3. New Publishing programs in present markets
4. New Publishing programs in new markets



Summary

- Defining your customer of today and **tomorrow**
- Defining the technologies that are relevant to your business
- Defining distribution and retail channels including the new digital distribution platforms/channels
- Developing new goals which will demand new strategies
- Focus on good management, good people and good publishing programs
- **Quality Content** is the real value for long term success



Thank you

Questions & Answers
Discussion