

## from editorial to market

The production forum met for the third time at the Bertelsmann building in Berlin, with guests from the USA and the UK. The two-day conference concluded that a **greater standardization of production processes leaves production managers free to focus more on the product.** Discussions revolved around the fact that standardization cannot purely be considered from a cost saving point of view because it also, perhaps more importantly, secures success in business by opening up more scope for product design. **Production in publishing houses will have to be able to measure up to process standardization in its industrial environment.** As one speaker put it, referring to the example of standardization through data exchange formats: "Doing business without data exchange will soon be like attempting to work without phone, fax or e-mail. Whether it's XML, ONIX, JDF or EDI, we need to focus on industry standards!"

Production Forum

2–3 May 2006 in Berlin

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## Less baggage, more effectiveness and better products through the standardization of production processes

The first day of the conference looked at the business potential in the standardization of production processes. Attention not only focused on reducing costs but also on how competitive advantages and options for influencing the production result could be increased. Standardized description of production processes is the right answer to the current pressure within the publishing industry, losing any connotations of "bureaucratization" or "limitations on design freedom" which it may previously have held. The new Klopotek Production Cockpit publishing software which enables the production manager to view all information relevant to the production process at a click of the mouse, and actively indicates when and where something is not going according to plan, is a clear indication that innovative solutions are being developed in response to this new awareness.

Sheena Basset, representing PIRA International, a leading UK consultancy for the graphics industry, addressed **The future of publishing**. She considers that the publishing industry, similar to other industries, is facing the challenge of global drivers. Whilst book publishers are still struggling with familiar economic problems, such as the return of faulty items or the costs along the supply chain, the possibilities afforded by the digital age (an age which is particularly driven by the inevitable cul-

tural transformation which the next generation will bring about) are increasingly being made use of.

Where JDF, Dublin Core and Open eBook Publication Structure (OEBPS) are being used to enrich content with metadata, it is becoming easier and easier to localize and classify content as well as, finally, to identify and make use of it (for financial gain). All of this presupposes a supply chain free of all unnecessary baggage.



Sheena Bassett, PIRA international, based her reflections on the fact that technology has completely changed the landscape of the publishing world in recent years in her presentation **The Future of Publishing**

**Kenneth Brooks of Thomson Learning, NYC, USA**, primarily focused on the international developments of professional publishing. He analyzed the growing pressure on the industry (changes in content marketing, price dynamics and new teaching methods) due to technological developments on the one hand and the expectations of students and professors on the other. This is further exacerbated by tougher competition between providers and changing legal parameters.



## Standardized production creates the process security which the book publishing industry urgently needs

Matthias Moeller, Managing Director of arvato systems|Technologies GmbH (left), and Ulrich Klopotek, CEO Klopotek AG, welcomed the participants. They emphasized the closer relationship between book market and industry-based publication processes and the positive effects of standardized production, expressed in terms such as "time to market" and "total cost of ownership". The development of the market and technology poses a challenge for both companies – a challenge which they are tackling actively; their strategic partnership allows them to offer

publishers all over the world software products and high-quality services. The new Klopotek Production Cockpit control module takes the demand for workflow support during production seriously. It actively reports process status and takes pressure off producers with its reliable controlling and checking procedures. Matthias Moeller stressed the opportunities which new business models offer, particularly regarding e-business in publishing which was a key issue on both days.





Dr. Ruediger Schmidt, Bosch-Druck GmbH, and Helmut von Berg, Klopotek & Partner GmbH, after the speech on the use of offset and digital printing in the automotive industry

**Bosch-Druck**, a classic sheet offset printing company based in southern Germany with digital color printing as its second business area: Just-in-time logbook literature, produced on demand with offset or digital printing processes.

The requirements of automotive industry customers represent the most demanding standard which production processes have to measure up to. The synchronization of order data, production and logistics ultimately leads to a gain in time which is a competitive advantage for the customer.

**The customer's customer determines the process** – this is the yardstick used by **Robert Hoellein**, spokesman of the executive board at **buch buecher dd ag**, a German B2B service provider for book publishers.

So how can such large variability be covered profitably if customers are given free choice? Hoellein's answer: standardization and precise control. buch buecher dd ag opted to use XML in the "war of standardization" and hopes to move in a pragmatic direction with its customers. This means, however, that the first product can only leave the premises once standardization has been laid down. Robert Hoellein's credo is: concentrate internally – differentiate externally!

He provided examples of successful business models, e.g. the production and selling of individualized books. The basis for this is the standardization of all necessary production process, as far as possible, right up to the options available to the end customer to intervene in ongoing production.

Kenneth Brooks pointed out external requirements and their effects on internal publishing processes. He was also able to shed light upon various key issues (such as the integration of innovative technology in the physical supply chain process) which publishing managers will have to tackle.

**Al Ivan** from the **NewPage Corporation** in Dayton/Ohio and **Tom Meniga** from **freecom internet services** in Vienna used numerous recently developed examples to illustrate the subject of process optimization within the supply chain. The XBITS (XML Book Industry Transaction Standards, an IDEAlliance working group) and papiNet organizations are successfully working on making the supply chain for book and magazine production more effective by means of standardization. papiNet aims to develop an e-business standard for the paper and forest supply chain and to align this standard with others.

**Enterprise Publishing – the industrial graphic production process** was the keyword in the following German contributions:

**Rainer Rings**, MD of **Media Print Informationstechnologie**, Germany, represents a firm that has developed from within a publishing environment to become a service provider for industrial enterprise. During his presentation and the workshop

he focused on **Order-induced production**. Rather than simply thinking about transferring production abroad, Rainer Rings used his business model in the area of industrial production to show that intelligent cooperation amongst international participants can lead to successful, internationally competitive production within Germany. Standardization with the data exchange format EDI makes it possible to lower costs, transmit clear information and eliminate the repeated re-entry of data into different systems. "It becomes possible to work in a wholly integrated way whilst using different systems."

**Best practices from the automotive industry** were provided by **Dr. Ruediger Schmidt**, member of the management board at

The international presentations covered a wide range of fascinating topics; Kenneth Brooks from Thomson Learning, NYC, USA (front)



## How did you like the event?



### Helmut von Berg asked Hermann Weixler for his opinion

On the first day I found the workshop especially interesting. The subject of print on demand shows that we can take account of economic aspects with small editions as well. This is a project which will be of particular interest to us next year. The subject of standardization, which we looked at this morning, was also interesting although certain details were already known and publishers are in fact moving in this direction. I found the presentation given by buch buecher dd ag especially interesting – this is a subject I would also like to tackle in the book field. **It's remarkable that the standardization of products and processes – something which has been called for from a technical perspective for years – is again experiencing a renaissance and is being given high priority due to new time to market requirements and intelligent reprint solutions. It will also form one of production's core tasks.**

The discussion and working through of production tasks in the production workshop was also interesting. I thought it was a very good analysis and the subjects and elements making up the work were well presented in a succinct way.

Hermann Weixler,  
verlag moderne industrie

The result is the provision of content which, due to its extensive individualization, allows the implementation of a completely new pricing policy (e.g. Parship).

In the first workshop discussion round, **Rainer Rings** talked about **Order-induced production**: On average, approx. 30% of costs for processing and planning are incurred in the print shop. It therefore stands to reason that any examination of costs should begin here. The example of the customers Hewlett Packard and Grohe clearly shows how several thousand orders can be handled with extremely low overhead costs using EDIFACT, whilst substantially increasing the quality of information transfer. Publishers will have to rethink how they work, processes will be necessary in which print is one possible option and content takes on a range of possibilities. Process standards are the key here. They are distinguished by the fact that they supply information to an interface from which they can be further processed elsewhere. The standard is the process, whilst content is crucial to successful business.

In the workshop on **Stock-controlled production**, **Robert Hoellein** asked "Are stocks still affordable – is it possible to (further) reduce the range?" and presented the stock-controlled production model which has been successfully introduced at paperback publishers dtv. The discussion dealt with concrete issues: What kind of equipment is suitable? Up to what size of print run is it cost-effective? What is the importance of business drivers such as Basel II, the inventory, stock valuation etc. for process design? Scenarios have also been played through in which the decision is made to commission an external publishing service provider with offset / digital printing due to universal criteria and clearly defined quality features.

**Olaf Reiswig**, Production Manager at **MAIRDUMONT**, publisher of tourist information, spoke about **Reach-oriented production and batch planning** and diverged from the main topic to focus on the time aspect of reach-controlled production. He

described the unusual concept **MAIRDUMONT** is successfully using for stock control. The focus is not just on production processes, but also on the great potential for internal optimization. This is, ultimately, the way to successfully control product variety, a large number of distribution channels and the peculiarities of the production process for the multiple use of content in different brand products.

**Ulrike Stoerrle** is Deputy Production Manager and responsible for the production control of travel guides at **MAIRDUMONT**. Since January 2005, she has been working at the Berlin production workshop, compiling and comparing business process know-how. She described the workshop as a network and platform for industry discussion and particularly values the workshop's lively sharing of experience with regard to specific issues – participants can contribute their own experiences or ideas and can make suggestions or clarify questions which they cannot find an answer to by themselves.

Her very personal presentation of the **Results obtained at the Berlin production workshop** with regard to the standardized description of production processes represented a strong contribution to further industry discussion.

**Diana Timm** and **Wolf-Michael Mehl** presented Klopotek's new product, the **Klopotek Production Cockpit**. This control station for production controls and displays up-to-date information on deadlines, costs and resources reliably, effectively and flexibly.

The Klopotek Production Cockpit will be launched onto the market in the summer and will provide a completely new perspective on business processes for production in PPM. The Production Cockpit makes it possible to access all important issues regarding planning and production processes at a click, and also shows when and where the producer has to intervene in an interactive, individually configurable way.

## Standardizing production processes – to leave more scope for the results

Planning, controlling and ensuring success in business was the theme for the second day of the conference, with a special focus on online publishing. The fact that process standardization increases the creative scope for the results of the process is not only demonstrated by the stunning example of the 3D printer. What makes up the added value of a product if the customer isn't buying anything more than a product file? This is a question the industry needs to find an answer to quickly.

Technology-driven developments such as self publishing, open access and the integration of information networks in work processes and the substitution of sequential with parallel processing steps illustrate the current challenges faced by the publishing industry.

Those companies that are able to stand up to this pressure and come up with new ideas are realising that they are remarkably free to tap into new markets for their content. The idea of customers wanting to choose their own layout or of a content provider being reinvented as an information provider is no longer something to be afraid of. Publishing software, designed to consolidate a customer's success, must take requirements into account that necessitate a consistent standardization of core processes and new concepts for individual product design.

In **Publishing in the web**, David Worlock, Chairman of **Electronic Publishing Services**, London, UK, described 20 key elements that should be taken into consideration when planning the next three to five years. The boundaries between commercial publishing and pure industrial production are no longer clearly defined. After all, today each individual in the “networked”

society is a publisher by definition. David Worlock's presentation identified the pivotal changes which look set to take place in the e-market, as well as the overall objective pursued by publishers to optimize virtual communication possibilities in the real world.

**Anna Drage**, representing the CMS provid-



Participants were all ears, when David Worlock, Electronic Publishing Services, London, talked on the subject of Publishing in the web

er **Atypon**, UK, used her presentation to explore **Future trends in content management, technology and services** as well as the growth of university information networks and their increasing integration in users' work processes during the last three years. She defined future trends in content management, technological development and the kinds of services which will see

Diana Timm and Wolf-Michael Mehl presented the new Klopotek Production Cockpit at the Production Forum





Some of the speakers and presenters at the Production Forum, Astrid Funck, Urike Stoerrle, Erhard F. Heinold (left, top down); Robert Hoellein, Arnoud de Kemp, Anna Drage (right, top down)

The two-day forum's workshops, focussing on e-business in publishing, offered participants an excellent opportunity to meet and exchange views

strategic growth in the near future. She also compared research results with currently recognizable trends from an international point of view.

In **Headlights instead of headlines**, **Roswitha Nottebaum**, the German representative of the **ARIES Corporation** based in North Andover/Massachusetts, USA, illustrated the subject of end-to-end solutions in the production process. The challenges here lie not so much in the so-called "crisis in scholarly publication", but rather in self-publishing activities on the internet and the open access movement which expressly demands new business models and strategies. Whilst the role of the main players in

the publication process is constantly being redefined, publishers themselves are faced with the challenge of developing innovative add-ons for their products, which up their value and reduce time and costs. At present, the trend is moving towards substituting sequential processes with parallel work methods, thus enhancing the profile of academic publications. Automation of technical processes and the associated setting of standards are important steps towards the establishment of a seamless work process from the creation of content through to its distribution.

In the second workshop discussion round, **Arnoud de Kemp**, spokesman for the

**electronic publishing working group AKEP** and **Ingrid Maria Spakler**, **digilibri**, Heidelberg, looked at what is on the horizon for **Electronic publishing in 2006**. The keywords here were full text projects and digital libraries, content management and asset management as well as the role of the DOI (digital object identifier).

In his workshop entitled **Products for many channels**, **Benno Wloch** from the consumer protection organization **STIFTUNG WARENTEST**, Berlin, discussed cross-media utilization and the media-neutral creation of independent consumer information provided by STIFTUNG WARENTEST for the various print and online media.

**Helmut von Berg, Klopotek & Partner GmbH**, explained: "We want to help consolidate our customers' success." and described the **Klopotek Production Check-up** methods and objectives in his workshop. Klopotek offers check-ups to publishers, analyzing their weak points as well as the potential for optimization and success in their current production processes. Using the customer's business model and business objectives as a basis, an analysis is undertaken as to the extent to which the business objectives defined are being reached according to the data analyzed. The success of the method was illustrated using the Prestel publishing house as a case study, support being provided by Stefan Gallenkamp, the Managing Director of Prestel.

In her presentation on **3D printers**, **Astrid Funck** from **Bremer Medienbuero**, who also works as a freelance journalist for the business magazine **brand eins**, considered the question **Are we heading towards the "home factory"?** and looked at how highly individualized products are generated from highly standardized processes. As shopping on the internet has become an everyday shopping experience for many people, she goes on to ask the question, "What if customers no longer wanted a finished product, but rather just a product file?" The result would be the decentralization of production - with economic and social consequences that are hard to foresee at present.

In the day's third round of workshops, **Juergen Lewek**, **arvato systems**, Guetersloh, introduced **GNAB**. The concept combines the controlled security of a central service with the convenience, efficiency and speed of a decentralized network. The centralized component of GNAB ensures the protection of all copyrights and support for all of the regulations laid down by the individual licensors. The decentralized component of GNAB will make it possible, for the first time, to distribute large files, such as films or games, efficiently and therefore cost-effectively. And because GNAB is a so-called white label platform, customers will be able to operate it with their own individual layout.

**Andreas Herberger** of **Makrolog Content Management**, Wiesbaden, gave his workshop the simple title **How to earn (more) money online** providing in-depth information on the basics of **Paid content**, as well as experiences made and practical tips. Paid content has been a hot topic for years with regard to internet use - particularly for publishing houses and publishers. Apart from the debate on principles as to whether the free culture available on the internet has a future, opting to swim against the tide and charge money for content immediately throws up the problem of how to get that money from the purchaser or customer in the anonymous world of the internet.

**Michael Castner's** workshop provided the opportunity to get to know the new **Klopotek Production Cockpit** control tool. The tool eliminates the need for time-consuming searches, with all the important information in individualized views just a click away. Rough calculations were used to show the potential for cutting costs, resulting from time saved and the reduced potential for error. All of the functionalities and possibilities afforded by the system were presented in detail. The presentation did not, however, focus only on functionality, but also on the structural setup of the system and various possible applications. Questions regarding administration and configuration of the system were dealt with as was the effective use of the system in the publishing company.

**Gabor Kugelmann** from **juris**, German market leader for online legal information, explained online business objectives. For content providers, online business opens up a much greater range of design options with regard to product mix and pricing policy than the sale of the same content via print media. With over 20 years of experience in the market for information services, **juris GmbH** is well on the way to becoming one of Germany's leading electronic legal and tax publishers. This has only been possible through the expansion of previous business activities and the move from being a content provider to major customers to becoming an information provider to a wider market.

## How did you like the event?



### Helmut von Berg asked Barbara Scheuer-Arlt for her opinion

I found the event very positive. I think it's really good that we talked about subjects which, although they are partially dealt with in print shops and publishers, are not taken seriously enough. That is to say, standards, communication regarding technology, i.e. how do I talk to others about technology, how do I create standards, how can I optimize, when time and cost is, ultimately, of the essence and when we can't get around the fact that we need to develop technical standards. **I also liked the international perspective; I think it was very good that a lot of international aspects were included. We German publishers have always been quite happy to "stay in our own backyard" and not look over the fence.** I think it's great. I also liked the fact that so many different aspects were included. I took part in the workshop by MAIRDUMONT, which was more on the traditional side, and we still ended up hearing from someone who produces individualized "partner books" which can sell for a lot of money. I think it's a good thing that all of these aspects are finally on the agenda and that they are being discussed openly.

Barbara Scheuer-Arlt,  
Pearson Education Deutschland



Representatives from publishers, printing houses and IT service providers turned the two-day conference into a major industry event

This kind of fundamental transformation in product and pricing policy, as well as in the customer structure, requires the adaptation of all processes and systems. The successful introduction of a sufficiently flexible ERP system as a lynchpin for the mapping of processes plays a pivotal role here.

In **The next IT explosion – online business** Gregor Wolf, CTO of Klopotek AG, undertook a detailed examination of how to prevent the necessary expansion of publishers' business models from causing further information technology fragmentation in non-integrated systems. In doing so, he looked into a row of incorrect assumptions currently prevalent amongst software producers. Faced with publishers' willingness to invest in online business, technology providers all too often promise benefits from basic products such as enterprise integration servers or content accounting systems which turn out not to be sustainable or even counterproductive whilst being disguised as "integration". He cited Shai Agassi of SAP's executive board, saying that "integration technology is not much use without application". Given the criticism, expressed by many publishers, of the lack of functionality in

the SAP publishing application, we must ask the question whether SAP itself is not simply offering an integration technology with few practical benefits. Gregor Wolf supports the use of specialized website development and content management software. While it cannot be the domain of an ERP system to present this web content, he effectively put forward the case for integrating website and ERP software, leaving the ERP software to handle all business transactions. Companies using isolated online accounting systems will be heading for failure, at the very latest when cost systems have been amalgamated for online products, services and physical products. At first glance it can seem appealing to have the web content management system take care of web content accounting, but this kind of architecture has no future for the publishing company. Projects with Klopotek customers that have already been brought to a successful close were used to show that the integration of the web and ERP functions well technically and also makes sound economic sense. Gregor Wolf concluded with a look ahead at new online business features that will be provided by the Klopotek ERP software.

### More information:

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[www.juris.de](http://www.juris.de)

This is only an outline of the subjects discussed at the conference, more information is available at: <http://www.klopotek.com>  
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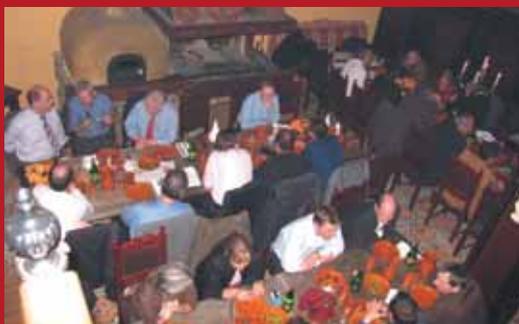
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And in between the conference days – delicious grapes at the restaurant Osteria Maria ...