PUBLISHERS FORUM 2014
The Role of IT and IT Strategy in the Decentralized Organization of a Publishing House

Harald Greiner | 5. Mai 2014 | Berlin
Table of Contents

1. The Changing IT – Role Model
2. Holtzbrinck Publishing Group
3. Structure and Alignment of IT Service Center Organizations
4. Impact of outsourcing and cloud services to the depth of performance of IT
Digital Transformation and its challenges
Digitization and globalization as an innovation driver in the 21st century
IT role model along the product life cycle

Development of new business segments and safe operations

Area of conflict

- Technological innovation, drive, agility
- Balance and maturity

Intro
- Partner
- Incubator

Growth
- Be Faster
- Efficient Operations

Maturity
- Safe Haven
- Orchestrator

Regression
Table of Contents

1. The Changing IT - Role Model
2. Holtzbrinck Publishing Group
3. Structure and Alignment of IT Service Center Organizations
4. Impact of outsourcing and cloud services to the depth of performance of IT
Die Holtzbrinck Publishing Group is divided into three divisions
Holtzbrinck has locations in more than 50 countries

- Australia
- New Zealand
- Egypt
- India
- Hong Kong
- China
- South Korea
- Japan
- Vietnam
- Taiwan
- Russia
- Kazakhstan
- Germany
- United Kingdom
- Mexico
- Brazil
- Argentina
- Peru
- Colombia
- Botswana
- Namibia
- South Africa
- Lesotho
- Swaziland
- Taiwan
- Russia
- Ukraine
- Turkey
- United Arab Emirates
- South Africa
- Lesotho
- Slovakia
- Hungary
- Czech Republic
- Belgium
- Switzerland
- Denmark
- Norway
- Sweden
- Finland
- France
- Italy
- Turkey
- China
- South Korea
- Japan
- Vietnam
- Taiwan
- Russia
- Kazakhstan
- Germany
- United Kingdom
- Mexico
- Brazil
- Argentina
- Peru
- Colombia
- Botswana
- Namibia
- Spain
- Thailand
- Holtzbrinck has locations in more than 50 countries.
# Table of Contents

1. The Changing IT – Role Model
2. Holtzbrinck Publishing Group
3. Structure and Alignment of IT Service Center Organizations
4. Impact of outsourcing and cloud services to the depth of performance of IT
(De-) centralized IT- and Sourcing Strategy
How important is IT and how do you organize?

Design & Build
Run
Host

Infrastructure
Business Systems
Digital Systems

Scale of the Task
Organizational Dimension
Systems Dimension
IT service organizations as a prerequisite for efficient IT management

### Industrialization
- „Use IT commodities“
- Establish standards for services and technologies
- Identify and exploit synergies

### Professionalization
- Introduce and optimize Service Management (ITIL)
- Manage IT-Customer relationships
- Enforce technology, -process,- and service standards
- Consumption and performance based calculation of IT services.

### Appreciation
- Support strategic projects
- Improve business processes
- Make strategic potential of (new) technologies available
Technology @Holtzbrinck is managed by three divisional Clusters and one cross-divisional Unit.

HOLTZBRINCK PUBLISHING GROUP

Technology Council

DEMAND SIDE

Business

Supply Side

Technology Services Division

Infrastructure & comprehensive Applications

Group Technology Services (GTS)

* belong to MM Publishers
Complexity vs. standardization
Case study 1: From IT to full service provider in the publishing industry

1. Local Centralization
2. Global Centralization
3. Divisional Centralization
No „Big-Bang“ – gradual installation of regional shared service centers

<table>
<thead>
<tr>
<th>Year</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>… - 2000</td>
<td>Pure operative Holding-IT</td>
</tr>
<tr>
<td>2001 - 2005</td>
<td>Establishment of Group-CIO and installation of CIO-Organization at the Holding</td>
</tr>
<tr>
<td>2006 - 2012</td>
<td>Positioning VHB Informatik as service provider for central systems (SAP)</td>
</tr>
<tr>
<td>2013 - 2014</td>
<td>Founding and developing as service provider for media companies</td>
</tr>
</tbody>
</table>

Books

- Founding of Rowohlt-EDV as hgv with focus on IT/ RZ
- Develop hgv as full service provider for publishers within logistics, processes and IT

Newspapers

- Installation ProServ/ from 2007 Holtzbrinck Online Services as Online service provider for newspapers

Digital

- Incubation / Knowledge exchange
- CTO-Organization
hgv: RZ-provider to a full service provider

Content
- Rights Acquisition
- Programm Planning
- Editorial Office
- Author Management
- Press
- Rights Sales

Production
- Pre-Press
- Production
- Procurement
- Data-Conversion

Sales & Marketing
- Advertising
- Sales
- Customer Care
- Customer Service

Distribution
- Goods receipt
- Storage
- Pick & Pack
- Shipping

Accounting

IT

Consulting

IT-Outsourcing

Business Process Outsourcing

Consulting

IT-Outsourcing

Business Process Outsourcing
Strong expression of the value chain and synergies within hgv

**Industrialization**
- „Use IT commodities“
- Establish standards for services and technologies
- Identify and exploit synergies

**Professionalization**
- Introduce and optimize Service Management (ITIL)
- Manage IT-Customer relationships
- Enforce technology, process, and service standards
- Consumption and performance based calculation of IT services

**Appreciation**
- Support strategic projects
- Improve business processes
- Make strategic potential of (new) technologies available

✔ ✔
Complexity as opposed to standardization

Case Study 2: Cross Group standardization and harmonization

1. Local Centralization
2. Global Centralization
3. Divisional Centralization
Group Technology Services
Motivation for a global IT Commodity Shared Service Provider

**Synergies**
Exploit synergies throughout HPG

**Cost Efficiency**
Reduction of costs and usage based allocation

**Operational Excellence**
We are a service and customer oriented organization

**Improved Quality**
Use of best practices (ITIL)

**Centralized Procurement**
Global contracts with major vendors

**Defined Services**
Description of all services in a service catalogue
### Service-Catalog of GTS

<table>
<thead>
<tr>
<th>IT Management</th>
<th>Program Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Governance &amp; Compliance, Process Mgmt., IT-Controlling, Purchasing, Supplier Mgmt., Service Strategy Risk Mgmt.</td>
<td>Project Guidance and Steering</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Application Management</th>
<th>Professional Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>For cross divisional applications</td>
<td>Key Account Mgmt., Project Mgmt., Consulting...</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Collaboration Services</th>
<th>Security Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Business Collaboration, collaborative Webservices</td>
<td>Confidentiality, integrity, availability</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Desk</th>
<th>Desktop Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross division</td>
<td>Desktop, Notebooks, MACs, smart phones, tablets, MFD</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Communication Services</th>
<th>Service Management</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Data Center Services</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Managed Server, Managed Storage, Managed Database, File Transfer Services, Managed Web Service</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Network Services</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LAN, WAN, Proxy, VPN-Gateway, DMZ, Webfiltering</td>
<td></td>
</tr>
</tbody>
</table>

*Customer Facing Services with SLA* | *GTS Internal Services*
Identification und Classifikation of IT Commodity
As starting point of Group Technology Services

Design & Build
Run
Host

Infrastructure | Business Systems | Digital Systems

Flexibility and Agility
Standardization, Harmonization
Standardization vs. degrees of freedom
How to draw the lines?

**Infrastructure**
- Design & Build
- Run
- Host

**Business Systems**
- GTS
- Eclipse
- Delphi
- Klopotek

**Digital Systems**
- Nature
- Lovelybooks
- Angel
- Skoobe
- Tor
- US Trade
- Angel, PX, etc.

**GTS**
- HR (iManage)
- Legal
- Finance (Solomon)
- Business Support (Sharepoint)

**Notes**
- = regional coverage
- NYC, Boston, Asia & London
- missing: GER & RoW
- = separate team
- = outsourced separate team
We have achieved a lot – but there is more to do

GTS 1.0

Transition NYC & UK complete
d
Cost saving initiatives identified

Single service desk tool in US & UK

Introduction of service based pricing

SLAs & Service Catalog

On-boarding Asia & Boston

New roles implemented:
• PMO
• Procurement
• Service Mgmt.

Holtzbrinck Publishing Group

SCB & MCB Established

Software
Infrastructure
Professional Services
GTS 1.0
Clear Objectives will give us guidance within GTS

- Customer Service Improvement
- Flexible Fabric (Standardized, Scalable, Secure Services)
- Extend Scope (Regional & by Services)
- Operational Excellence (Set the foundation)
We need a transformation of GTS to get to GTS 2.0

- GTS 1.0
  - Align Objectives
  - Update Service Catalogue
  - Benchmark Prices
  - Benchmark Processes, Organization
  - Asset Management
  - ITSM
  - Start Sourcing Processes
  - Execute defined Projects
  - Change Management

- CMO

- GTS 2.0

- FMO
IT as enabler
Case Study 3: Divisional Centralization

1. Local Centralization
2. Global Centralization
3. Divisional Centralization
The Challenge within Science & Education

We need to be here!

Decreasing

Commodity
“Helping curious minds to achieve great things”
... for scientists, teacher and students

Build a career
- Find a job
- Gain Reputation
- Find Collaborators
- Obtain funds

Make discoveries
- Plan experiments
- Conduct experiments
- Evaluate results
- Share results
- Publish discoveries

Teacher
- Prepare course
- Prepare lesson
- Teach class
- Report to faculty
- Assign homework

Student
- Do homework
- Practice
- Share work
- Get help

- For scientists, teacher and students
- Obtain funds
- Find a job
- Gain Reputation
- Find Collaborators
- Build a career
- Publish discoveries
- Conduct experiments
- Plan experiments
- Make discoveries
- Evaluate results
- Share results
- Gain Reputation
- Teacher
- Student
- "Helping curious minds to achieve great things"
Consolidation of IT within S&E
From local optimization to centrally controlled focus

Science and scholarly
Nature Publishing Group
Palgrave Macmillan
Breakthrough innovation

Education
Higher Education
Language Learning
School
Breakthrough innovation

Digital businesses
Digital Education
Digital Science
New Ventures

CTO Macmillan S&E

Technology Management
Science & Scholarly
Education
Business Systems
Digital Systems

OPERATIONS
Technology is a key factor for new services within Science & Education

Data and Analytics

Built global Services

Use of Standards

Solve critical day to day problems our customers

Reliable, robust solutions

Personalized and mobile solutions

„Joy of use“
# Table of Contents

1. The Changing IT – Role Model
2. Holtzbrinck Publishing Group
3. Structure and Alignment of IT Service Center Organizations
4. Impact of outsourcing and cloud services to the depth of performance of IT
The combination of various sourcing capabilities in response to different objectives and market conditions

Value Chain

- Business Process Outsourcing (BPO)
  - Business Processes
- Business Application Outsourcing (BAO)
  - Application Management
  - Application Service Providing
- Information Technology Outsourcing (ITO)
  - IT Infrastruktur

Geographical Dimension
- Offshore
- Nearshore
- Onsite

Organizational Dimension
- Profit Center
- Shared Service Center
- Joint Venture
- Outsourcing Partner
Service depth and form of organization varies from company to company

Value chain

Organizational Dimension

Geographical Dimension

- ITO/Cloud
- BAO
- BPO

- Profit Center
- Shared Service Center
- Joint Venture
- Outsourcing Partner
You need to choose the appropriate governance model

... And carefully define the length of the line
QUESTIONS?