

Digital Asset Distribution:
Is 2007 the year ALL
publishers find DAD?

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What's waking everybody up?

- Amazon's "Search Inside" didn't
- Google's original "Google Print" didn't
- **THREATS** do: Google Library, Amazon's Upgrade and Pages programs
- **LOST OPPORTUNITIES** might: will Apple's phone drive ebooks? Exploiting MySpace and other web marketing? What new revenue might be found?



What should have been sufficient motivation

- **Need to distribute content promotionally throughout the Web**
- **Need to at least explore proliferating revenue opportunities (libraries buying ebooks; rental and page-view models)**
- **Ebooks in multiple formats looming on horizon (e-ink, Apple phone, rumored readers from Google and Amazon)**



Consolidation of digital distribution is logical

- **High capital cost of maintaining a digital infrastructure**
- **Scales more readily than physical**
- **Organizational bandwidth required to explore and exploit emerging opportunities**
- **Tech capabilities will grow with volume**
- **Sales (distribution) capabilities may grow with aggregation**



DADs inventing themselves, visible in mid-2006, so...

- **Klopotek commissioned Rightscom and Idea Logical to look at this**
- **10-12 DADs identified; 8 full participants in this research project: interviews, providing their own summaries, conference appearances**
- **3 DAPs (asset producers) and 4 DARs (asset recipients) also interviewed**



DADs identified

- **Accenture**
- **BiblioVault**
- **codeMantra**
- **CPI**
- **Donnelley**
- **HarperCollins/
LibreDigital**
- **Holtzbrinck/Macmillan
(BookStore)**
- **Ingram Digital Group**
- **Random House**
- **Value Chain
International
(Gardners UK)**
- **Others may lurk...**



DADs may have different initial emphasis: will grow more alike

- **HC, for example, focused on promotion to sell p-books**
- **Ingram more focused on e-revenue opportunities in schools and libraries**
- **In the end, all DADs must provide a full range of services (hard to have more than one DAD)**



A real-world story of how volume drives tech development

- Large retailer has its own POD operation, but lacks “scale”. Is this problem temporary?
- Folds POD into Lightning until scale builds
- Lightning uses scale: adds trim sizes, color, hardcover casing line
- Retailer’s volume grows to meet *former* scale requirements
- Joined? They both win
- Separated? They would both lose



Explaining “parity functions”

- If you do it very well, competitive advantage is minimal
- If you screw it up, you can sink your business
- Printing is a very pure example
- In most cases, the right strategy is to outsource parity functions to specialists



DARS will drive consolidation

- **Holy grail for big publisher DADs: serving all the content needed *themselves***
- **High service standards required for Googles and Amazons of the world**
- **Exploring new opportunities requires IT bandwidth and collaboration**
- **Multiple publishers' content from same server could be future value**



Ancillary impacts of the DADs

- **Content management**
- **Delivery of files to printers**
- **Metadata management and distribution**
- **Do we need MUMs? (Managers of Unlimited Metadata) – a MIP topic for 2008?**
- **Adds up to: process reengineering**



What publishers need **to be doing now**

- **Shifting marketing from large-scale to niche-scale, which means electronic**
- **Shifting marketing from “expenditure” to “investment”, which means electronic**
- **Shifting marketing from “shout” to “interact”, which means electronic**
- **All require flexibility in digital asset distribution**



In 2007: every publisher should start LOOKING for his DAD!

- **Are you sending books to more than one place for scanning?**
- **Are you sure your *current* production processes are identifying all your content and making it “agile”?**
- **Are you nervous about what should excite you: that people will want to use and show your books digitally?**



Just for being here, you get help

- **White Paper (now the Research Paper) available to all MIP attendees by e-mailing Anna Roe at a.roe@klopotek.com.**
- **Conference signups for NY (June 21) or London (July 12) at www.klopotek.com.**

