Taylor & Francis
Taylor & Francis Group

FOR TAYLOR & FRANCIS
BOOKS NEVER GO OUT OF PRINT

ABOUT TAYLOR & FRANCIS

Building on two centuries' experience, Taylor & Francis has grown rapidly over the last two decades to become a leading international academic publisher. With offices in the UK, the US, New Delhi, Beijing, Singapore and Melbourne, the Taylor & Francis Group is now producing 3,000 new books a year, has over 1,400 journals, and manages a backlist exceeding 54,000 ISBNs.

LEVERAGING THE LONG TAIL

"Our Long Tail, or the number of titles that have small annual unit sales volume, constitutes a significant proportion of our business," says Christoph Chesher, Group Sales Director of Taylor & Francis. "Of approximately 54,000 ISBNs, some 80% sell less than 100 copies per year and these titles now contribute around 25% of our turnover. Until recently, whilst we were publishing two to three thousand new titles a year, we were also putting around half that number of much older titles out of print annually. We needed a way to economically keep those titles in print."

Whilst those titles going out of print had cumulatively provided valuable income, Chesher explains that manufacturing the traditional minimum reprint required of 600 to 800 copies necessary to keep one of these books in print did not make a lot of sense. "That was the minimum economic order quantity for conventional printing methods," he remarks. "But at a sales rate of +/- 100 copies a year, it could take us six to eight years or more to sell them, perhaps even a minimum of six years to break even. This was simply not feasible, and reluctantly, the only option was to put these books out of print."

LIGHTNING STRIKES

"We were investigating converting some of our titles to eBooks in 2001," says Chesher. "That was about the time that print on demand was also becoming commercially viable. In speaking with Lightning Source, we were pleased to learn that we easily could accomplish both with the same partner."

Taylor & Francis then began converting titles for both print on demand and eBooks for its UK operation. "At the time," says Chesher, "we were also using a third-party warehousing partner in the UK that was able to work with us on the automated ordering systems and customer service issues associated with this new model." Taylor & Francis was the first publisher in the UK to develop an automated "drop ship" process with Lightning Source, allowing print on demand titles to be shipped directly from the Lightning Source plant together with Taylor & Francis' original invoice (that had been electronically sent to Lightning Source), and once married together, the print on demand book was then drop-shipped direct to the buyer rather than the laborious process of being supplied back into the Publisher's warehouse for restocking and re-picking.

In 2007, according to Chesher, Taylor & Francis added its US operation to the print on demand mix.

RECAPTURING LOST REVENUE

From 2007 to 2008, Taylor & Francis saw a 5% revenue growth in print on demand in its more mature UK operation, and a stunning 282% growth in print on demand in the US Chesher reports that print on demand now represents 25% of Taylor & Francis' overall book revenues. "This is revenue that would have been lost to us without print on demand," he says. "Those books

> *"The true value of print on demand is in risk management. It has allowed us to take a much lower risk, and even if there is a reduced margin on some titles involved in the print on demand process, gone are the days of calculating how long until, or how many copies it is, to the breakeven point. This way, we make a profit on every book we sell!"*
>
> *Christoph Chesher*
> *Group Sales Director*
> *Taylor & Francis*

simply would have gone out of print. These results were a key driver in enabling Taylor & Francis to report its best ever financial results in 2008, with a 17% growth in profit and a confident outlook for 2009.

THE PROCESS

For new titles, Taylor & Francis assesses the quantities of initial stock needed as well as examining whether there are other components included in the product in order to determine whether or not it is suited for the print on demand process. Nigel Eyre, Production Director, explains, "Some of our works are packaged with inserts and CDs, and those are more difficult to incorporate into the print on demand model. Others are expected to sell in large quantities in the early years of their life."

As books reach an annual sales quantity of around 100 or so, they are migrated into the Lightning Source digital database for print on demand. Once a title is allocated to print on demand, it is literally manufactured to order, one copy at a time, in a seamless process that is completely transparent to the buyer. Eyre says, "If Blackwell's, for example, orders different quantities of 100 titles, our system will recognize what is physically

Print lines at the Lightning Source facility. On average, Lightning Source manufactures over 1.2 million books per month.

in stock in our warehouse. That might apply to 80 of those titles, which we pack and dispatch as normal, along with an invoice that reflects that the remaining 20 titles will be shipped from our other warehouse. An invoice for those 20 titles is sent to Lightning Source via EDI. Based on the invoice, Lightning Source produces the requisite number of copies of each title, packs them with our printed invoice, and "white label" ships the books to Blackwell's."

With this process, the Taylor and Francis customer does not experience any delays in order fulfillment, something they would if the print on demand titles were shipped back to the Taylor & Francis warehouse to be combined into a single shipment. It also eliminates the cost of shipping books twice—from the printer to the warehouse, and

then from the warehouse to the buyer. "This is an exceptional process for those lower-quantity titles," says Chesher. "Even if we printed 50 copies of one of these titles for stock, there is no guarantee they will all sell, and we could potentially get stuck with unsold copies. This way, we have no need to manufacture the book until we actually have an order in hand. In addition, this all represents additional income that we would not have received had the books simply been put out-of-print."

"Another benefit Taylor & Francis has seen with this process," adds David Taylor, President of Lightning Source, "is the fact that they have not had to add warehouse space as their number of titles grew. They are servicing 54,000 ISBNs out of the same warehouse space that was required in the past to service

about 30,000 ISBNs. And their authors have the satisfaction of knowing their titles are always available for sale."

FUTURE VISION

"David Taylor and the team at Lightning Source are not complacent," adds Chesher. "They are always looking for technology advances that can improve the process. These include continuing to improve the quality of the books manufactured and the speed with which books are delivered while improving the process for producing hardback books to better align delivery times with the paperback manufacturing process."

Chesher envisions a future, perhaps only a couple of years down the road, when a provider like Lightning Source might act as an IT hub for the book manufacturing process. Lightning Source would provide the digital library and hooks into back-end systems, managing a digital distribution process where POD manufacturing may be available on several different continents, ensuring an even faster route to market with the additional subsequent savings in shipping costs. In that scenario, books may also be printed on demand in a bookstore on an in-store book machine such as the Espresso Book Machine® or other venue on smaller printing and finishing devices.

"The development of the Espresso Book machine is an exciting model that is sure to catch on if Publishers can be assured that the logistics will work smoothly. In this model," he explains, "Lightning Source would [presumably] provide centralized services as a trusted partner. Many Publishers will not be comfortable with their digital files for print on demand being distributed around the world to numerous individual stores to be stored locally with all the associated risk and problems of auditing sales and quality that that may involve; but with a trusted partner like Lightning Source managing the process, holding the one electronic file and allowing printing of a specific title remotely on site through an Espresso Book machine or similar device, whenever a purchase is confirmed and audited from the bookstore online. A distributed printing model could be a huge success, bringing even more efficiencies to the print on demand model."