



THOMAS NELSON
Since 1798

THOMAS NELSON: TWO CENTURIES AND STILL GROWING

ABOUT THOMAS NELSON

The original Thomas Nelson got his start as a publishing apprentice in London. At 18 years of age, he had saved enough to return to his home in Scotland where, in 1798, he founded the publishing firm that still carries his name today. His dream was to provide affordable Christian works and classic literature for the “common folk,” a mission to which the firm is still dedicated today.

Through its forward-thinking strategies, Thomas Nelson has an incredible history, continues to have great success in spreading the message and is poised for the future. Thomas Nelson employs 450 people in four locations: Nashville, Tennessee; Dallas, Texas; Mexico City and Rio de Janeiro.

NEW MANAGEMENT, NEW DIRECTION

Although Thomas Nelson had been making limited use of Lightning Source's print-on-demand capabilities since 1999, the arrival of a new Chief Financial Officer in 2007 spurred the company to investigate a deeper relationship.

When we first started working with Lightning Source, our original strategy," said George Gower, VP of Inventory Management, "was to set up older titles that had very little movement as a means of keeping them in print. This applied to less than 300 titles, which were distributed through Lightning's parent company, Ingram, rather than being shipped to our warehouse.

It was a good way to keep books active that did not have the sales to justify offset printing."

In 2007, a new Chief Financial Officer joined the company from outside the industry and was anxious to reduce the inventory in the Thomas Nelson warehouses. His direction: Recreate the way we operate! Gower reports that the fastest and easiest way to transition titles out of the warehouse was to expand the relationship with Lightning Source. "As a result," he reports, "we now have about 1,800 titles with Lightning Source, which represents about a third of our titles. And we are adding new titles every week."

"I have been extremely

pleased with the Lightning Source relationship," said Michael Hyatt, CEO of Thomas Nelson. "I am committed to improving productivity and removing waste from our operation, and this relationship has certainly had that impact on our business. In addition, by offering print-on-demand services, we also help our customers with smarter, more cost-efficient business solutions."

A NEIGHBORLY RELATIONSHIP

With Thomas Nelson's primary warehouse located within 30 miles of the Lightning Source Tennessee plant, the company was able to take advantage of a unique opportunity. Twice daily, Thomas Nelson updates order information through EDI with Lightning Source, and a Thomas Nelson truck arrives daily to pick up books manufactured that day. "This allows us to ship all orders from our warehouse in a timely manner, including the ability to marry titles within a single order that are pulled



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

from our warehouse with those produced on demand by Lightning Source. This is the serendipity of being so close, that we can make that happen and offer our customers a seamless ordering process regardless of how the book is produced.”

In addition, Lightning Source meets quarterly with Thomas Nelson staff to identify titles that should be resurrected, either for print on demand or for placement in the Lightning Source wholesale distribution channel. This process, which Lightning Source participates in with many of its publishers, ensures that Thomas Nelson is mining its backlist to its fullest potential.

“Working with Ingram and Lightning Source has truly revolutionized our business. The dream of eliminating both remainders and back orders is now within reach.”

*George Gower
VP, Inventory Management
Thomas Nelson*

REDUCING RISK

“The highest risk time in a book’s life is when it first comes out,” says Gower. “So in addition to mining our backlist, we are placing all new and front list titles with Lightning Source to mitigate risk. Keeping books in stock regardless

of where a book is in its lifecycle is our priority.”

In addition to reducing risk for new products, Gower reports that the company’s inventory levels have been significantly

reduced. “With our blend of offset production, print on demand and distribution through Ingram,” he says, “we are able to print and inventory only what we know will go out the door within the first three weeks. This is huge—previously we were printing three

months of inventory to ensure that we could fulfill orders, but anyone in publishing knows that it is extremely difficult to project sales that far out and an over-enthusiastic forecast can be very costly in terms of excess inventory.”

Gower also points out that printing too few books under the old system could result in missed sales. “That doesn’t happen now,” he adds. “If orders for new books exceed our forecasts, we always have Lightning Source to fall back on since we are now placing all new titles with them as they come out. If we are working this right, our remainders on trade paperbacks should go to nearly zero.”

LEVERAGING DISTRIBUTION

Thomas Nelson continues to place titles with slow sales into the Lightning Source distribution channel. With this channel, Ingram establishes 100 units of virtual inventory against which orders can be fulfilled. In addition to Ingram, Thomas Nelson titles are also made

available to other leading wholesalers and retailers in the book industry that make Lightning Source books available for sale.

“This has been a terrific partnership,” concludes Gower. “We look forward to the continued integration of offerings that the Ingram Group of companies will provide to publishers. The growing combination of services from Ingram will have huge benefits for us and for the industry in general.”

“We’re delighted to be working with a partner of the stature of Thomas Nelson,” said David Taylor, President of Lightning Source. “It is good news for the entire book trade that one of the industry’s leading publishers is so engaged with print on demand – not just in terms of reducing its inventory and streamlining its business model, but using it to the advantage of their customers.”