

Shortened, transcription-based version of the keynote held at Publishers' Forum 2015 in Berlin. Brought to you by Unica Peters, Narses Beratungsgesellschaft mbH, Germany.

Vision vs. Pragmatism. Strategies across Markets and Media of a Leading European Publishing Group

Abstract

Digitalization has led to an increase in media products that compete for customers' attention. In order to stay profitable, book publishers need to become better and more cost-effective. Instead of focusing only on product development, they need to improve their organizational structures. Specialists for pricing, logistics and other areas that are crucial to making books available to readers when and where they want them should be hired. In order to create a strong employer brand, publishers can use storytelling about the industry and its specific challenges.

Digital developments in the information society have made possible a multitude of media products. The availability of all types of media has increased greatly for the customer. This has led not only to competition for people's time but also to competition among different types of media, thus creating downward price pressure on our entire range.

We must become better and more cost-effective, otherwise customers will choose other products. In light of this, it is striking that for our industry, organizational structures especially but business models as well have changed so little. We have been more interested in our products and focused on the development of products, for example, enhanced e-books. This is good, but focusing on product development will not solve problems of availability or cost efficiency.

In order to evolve and survive, we must work to develop our organizational structures, allocation of roles and ways of working. Tear down the silos and create new types of positions. That is what we at Bonnier started to do back in 2008, and we almost immediately started seeing results. But it is a long-term shift.

Key Areas to Think About for the Future

Pricing of books will increase in complexity and will be more flexible than it is today. It will swing away from today's very production-driven pricing model to a more consumer-driven version. Pricing, as such, will become a profession.

As the number of titles becomes limitless, marketing and sales will become ever more important. Books continue to be written, continually adding to the supply. Moreover, the number of very cheap books is infinite thanks to self-publishing.

Digitalization has consequences for how readers find books, which in turn changes the retail environment but also places demands on how we as publishers meet our readers. When today's kids are looking for books, they search on the internet for "books similar to the *Hunger Games*". As publishers, we must have sufficient metadata to ensure that the reader finds a reasonable match.

To rise to these challenges, we must adopt new skills and competence. These skill-sets must be integrated throughout the value chain and not placed in isolated silos or departments.

Fewer Generalists - More Specialists

Authors, publishers and editors will always be essential to our business. We just have to let these people focus on the story, on writing, publishing and editing. We place too much focus and too much of the decision-making on these employees and the various roles that work on "developing" the story. They determine almost all stages in the value chain, which means the industry is full of generalists.

This must change in order for us to be competitive in pricing and availability. This is not a criticism of publishers and editors. It is a management deficiency. We have not recognized how complementary expertise from other industries including competitor industries must be used to achieve optimal results.

The book industry needs different specializations with discrete skills and experiences, and, as a consequence, different roles and assignments and *clear* decision-making areas. For example, inventory should be optimized by the person with the best statistical and similar knowledge: a production analyst.

We must have a much more modern and smarter organization. And we must have a vision for the specialist skills needed in order to be more cost-effective and free up the capital that will be required to invest in future stories, in order to make them available and competitive.

Storytelling as a Recruitment Tool: How to Attract Specialists

Currently, our competitors and the new entrants contending for our potential readers' time are seen as far more attractive employers of talents and specialists in fields outside of the editorial core, such as market communications, logistics and pricing.

At Bonnier, we were able to strengthen our employer brand by allowing many different groups of specialists within our companies talk about their jobs and career stories. If we just talk about what we do and our various activities and challenges, then our industry is extremely attractive to groups outside of our traditional recruitment area. Since the core of our industry is about storytelling, we should be at an advantage here.

In order to keep the book publishing industry alive, we do not only need outstanding editors who can refine and develop our product - the story - we also need to enhance our competence in terms of pricing, market communication, market analysts, digitalization, production and logistics, and this requires the very best talent.

In other words, the future is "Same, Same but Different" with authors, publishers and editors in the creative center, but everything else around really different.

So "reinventing media" means more reinventing and investing in our organization.