

Planning: Keeping in Mind
the Total Cost of the
Lifecycle of the Book

Panelists

Brad Sharp, Bookmasters



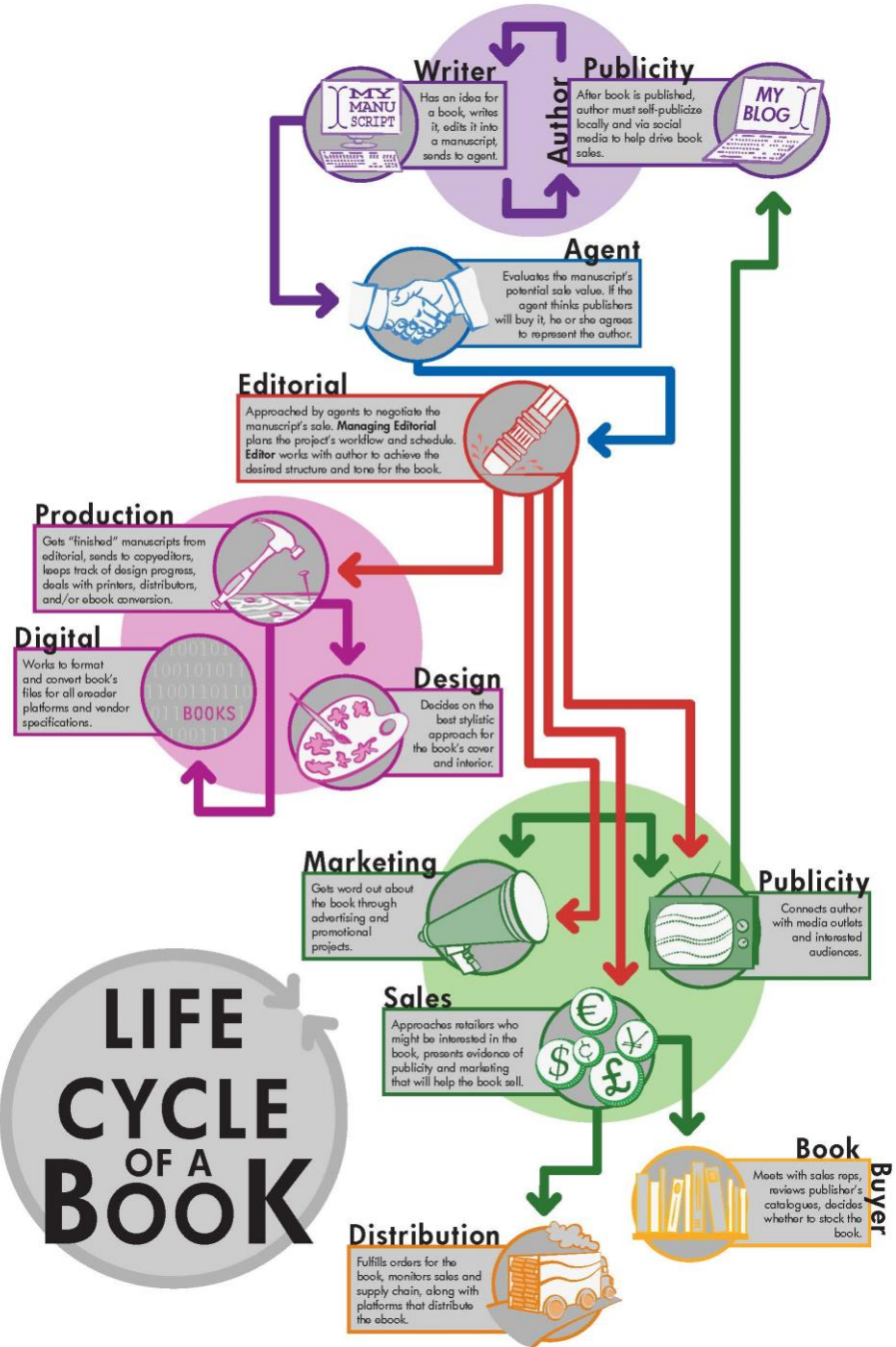
Mike Collinge, Marquis Book Printing

Kathleen Lewis, Publishers' Graphics



Life Cycle of a Book

What are the Key Decisions you make that affect the life of the book?



Scenarios

Thinking about costs, time, inventory, sales, etc...

1. The complete unknown (might sell 1, might sell 1,000)
2. The known commodity
3. The best seller

What are questions you should be asking your print partner?

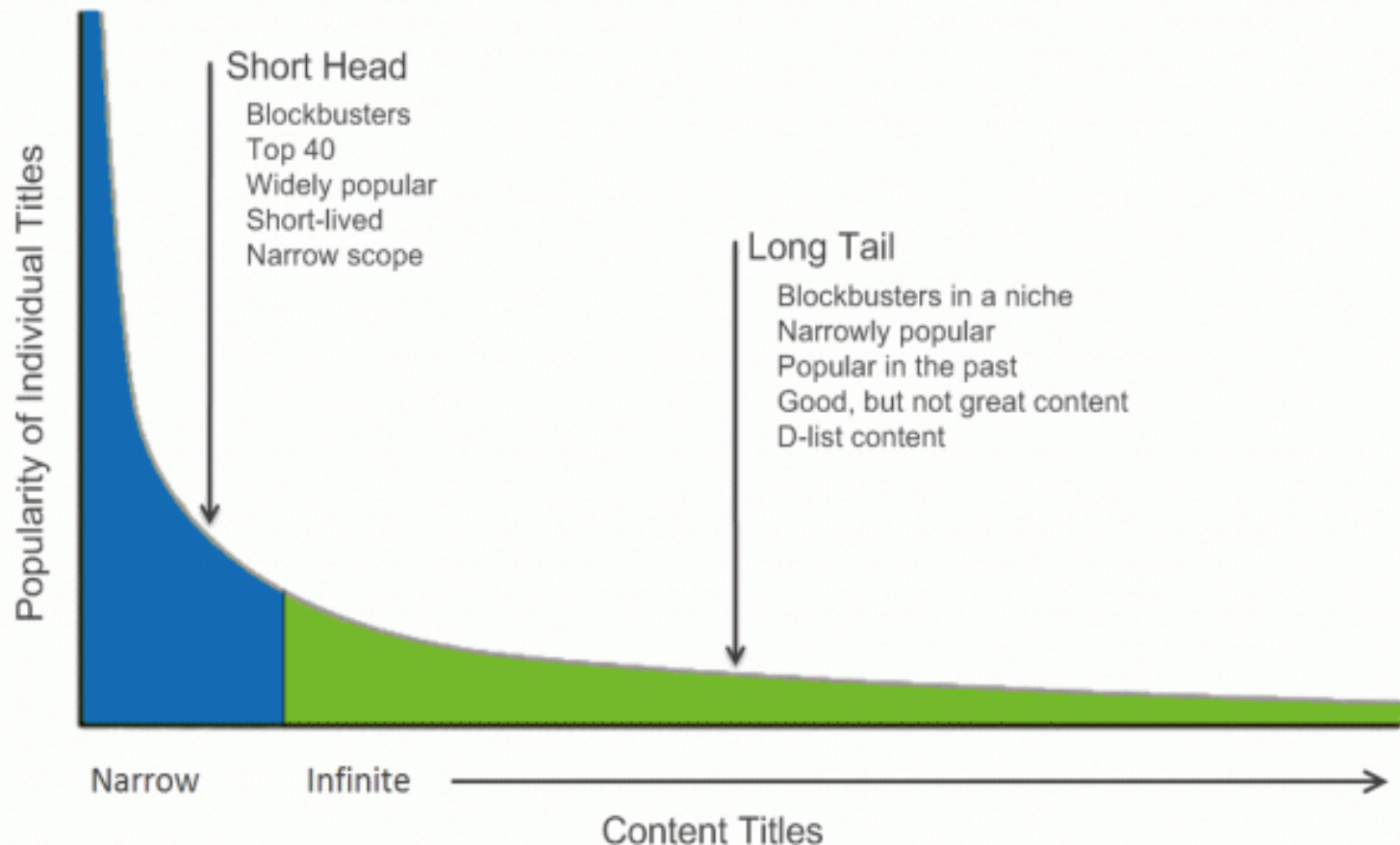
How will your sales channels affect delivery?

What if you look at it in terms of back list, mid-list and front list?



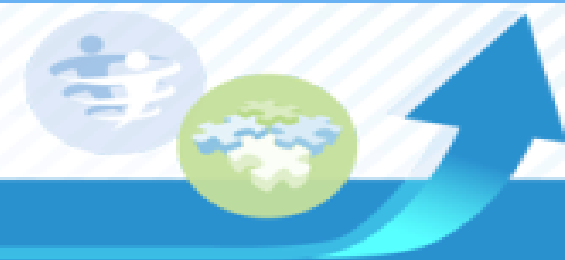
Life Cycle of a Book

The Long Tail

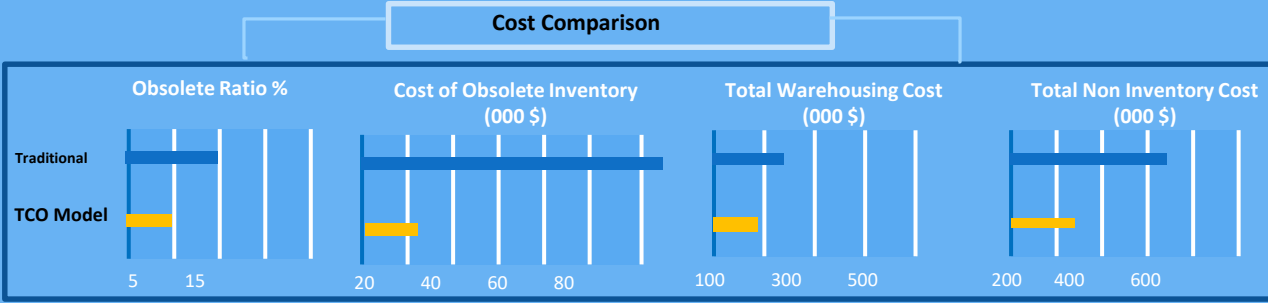


Efficient book production technologies will change through the life cycle of the book & its target audience

TCO Model Summary

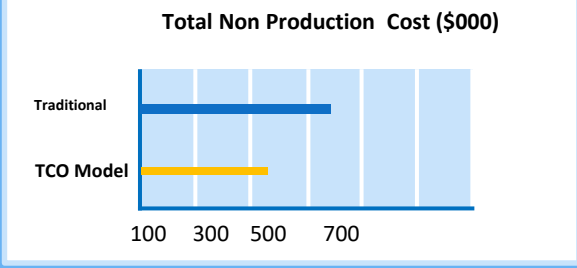
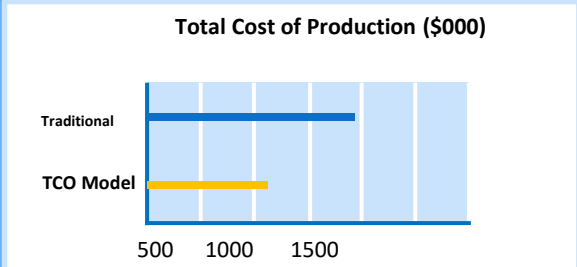


Assumptions					
Traditional			TCO model		
Cost per book	Avg. Quantity Per Job	Avg. Inventory Per Job	Cost per book	Avg. Quantity Per Job	Avg. Inventory Per Job
\$1.88	6,700	3,000	\$1.98	4,700	2,100
Cost of Capital – 12%					



Total Cost per Book Ordered (Production + Non Production costs)	
Traditional	TCO model
\$2.69	\$2.72

Total Cost per Book Sold (Production + Non Production costs)	
Traditional	TCO model
\$3.02	\$2.82



- Savings from TCO Model**
- 30% reduction in inventory balance
 - 7% reduction on the TCO unit cost per book sold

Other Questions

- What happens when you do different print models?
- Are there inconsistencies when you go from offset to POD?
- Do things like embellishments, trim, etc all the sudden become an issue?
- As we get settled in to hear about pre-press, paper, finishing, fulfillment, are there any things that people should be thinking about that will help make their manufacturing relationships more successful?



Thank you!

**look
manufacturing
mastered**

