

Learned Publishing, 23, 67–68
doi:10.1087/20100112

Over the past two decades, primary and secondary publishers have utilized the services of outsource vendors around the world to typeset their journal and book pages and digitize vast amounts of historical information. The impact has been a revolution in access to information and fundamental improvements in publishers' cost structures. Today, outsourcing has become a widely accepted business strategy to reduce costs, which has led to improved profitability for publishers.

While the outsourcing strategy worked well in the past, outsourcing as it is currently understood and practiced is becoming obsolete as the economic and technical environment around us rapidly evolves. Today, for publishers to thrive in the marketplace, they must adopt a transformative view of their business. Publishers must transition from seeing themselves as print publishers to seeing themselves as rich-media publishers. Instead of looking for outsourcing vendors, publishers must seek true collaborative partners who are capable of understanding the publisher's business goals and who are expert in workflow re-engineering, creative product development, and content transformation to meet those goals.

Reading devices and rich media

There are many dynamics driving the need for transformational change. Two of the most important factors are adoption rates of reading devices and the accelerating move toward rich media. Perhaps the most visible of these factors is the explosion in the variety of reading devices being adopted by scholars and general readers. Until recently, publishers

POINT OF VIEW

Why outsourcing cannot help profitability in today's challenging times

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needed only to produce two or three basic versions of a book or journal issue PDF: one for print, one for the web, and in some cases, a pre-publication web version. Publishers were able to use decades-old editorial workflows to produce the output needed to meet the relatively limited formats expected by their readers. Now iPhones, Kindles, Sony Readers, and other devices are being widely adopted. While it is true that many of the emerging reading devices use a standard ePub format, often the different device makers impose their own flavor of the standard to optimize the reading experience on their hardware. For example, Sony is now embracing the ePub standard, but will have its own best-practice guidelines for how the standard will be implemented, which will differ from how other device makers will implement ePub. If publishers are to maximize readership and the resulting revenue, they will need workflows able to constantly adapt to new formats, and be able to store content that is nimble enough to adapt to new requirements as they emerge at an accelerated pace.

The second key factor is the evolution in the ways authors are communicating their ideas and the ways in which consumers wish to examine those ideas. Traditional print publications and print publications replicated on the Web in the form of static text or PDF will soon be an anachronism of a bygone age. More and more authors and publishers are integrating rich media into their publications. Articles and books published digitally can now include moving images, audio, three-dimensional objects, interactive graphs, and other dynamic components along with traditional still images, tables, graphs. Every object has value as an independent entity and as part of a greater whole. Publishers must develop the capability to intelligently organize and manage rich-media objects and their interrelationships, finding ways to disseminate them in new and creative ways.

Transformation

How does a publisher transform from a print-publishing paradigm to

a rich-media publishing paradigm? True transformation will be difficult to achieve without the help of an outside collaborative partner who is steeped in workflow methodologies and technology. This partner will be needed to conduct a detailed, objective analysis of a publisher's current workflow methodologies and technologies. Everything will be examined, from author style guidelines to manuscript acceptance procedures, copyediting, composition, quality assurance (QA) along with the technology used for repositories and content management systems. Once the current system is understood, a re-engineered system can be developed to incorporate the best of existing practices with new methodologies and tools that will result in a streamlined and flexible workflow.

The key to workflow re-engineering is the transition from a print-based system to an XML-based system as early in the workflow as possible. For example, Apex has developed a unique set of tools, called Word2XML™, that enable us to apply styles to author manuscripts in Word. The Word manuscript is then transformed into well-formed XML prior to copyediting. From there, copyediting, composition, indexing and QA are done in XML with the help of software that makes

working with XML as easy as working with Word. Because it is in XML, once a document is ready for publication, it can be published in print and electronic mediums simultaneously. For electronic publishing, the XML can be easily transformed and delivered to virtually any reading device, whether that device is a computer, phone, dedicated reader, or some new device no one has thought of yet. In addition, once published, the components of the document and the document as a whole may be stored on an XML server augmented with a content management system capable of creating new content from any combination of new or existing objects virtually at the push of a button.

One of Apex's early adopters of this workflow re-engineering process is a widely recognized publisher of a standard business reference publication found in nearly every public library across the United States. When it began pursuing an outsourcing strategy, it was simply looking to provide a digital replication of its print publication. As we talked to this publisher about its business goals, which included cost reduction and retaking leadership from its competition, it quickly became clear to both parties that outsourcing alone would never enable it to make the changes neces-

sary to achieve its goals. It was only through a complete workflow re-engineering that its traditional product was transformed into a new, higher-value experience for the end-user and new revenue streams for the publisher were established.

While publishers may clearly recognize the need to embark on transforming their business, today's volatile economic conditions may cause some to hesitate. Surely, a complete process re-engineering will be expensive, right? Apex's experience with our customers has been just the opposite. Workflow re-engineering will typically yield cost savings up to 30%. Combine that cost savings with the ability to increase revenue through the distribution of content in numerous formats and the acceleration of new product development, and publishers will enjoy immediate and significant improvement of their bottom line. Rather than a deterrent, today's economic conditions should become a catalyst for engaging with a knowledgeable partner to drive lasting transformational change.

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