

Making the Digital Leap:

Culture Change in the Migration from Print to Electronic

O'Reilly Tools of Change Conference

February 11, 2008



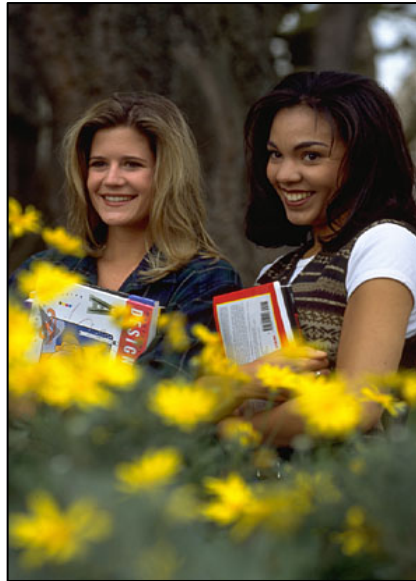
CENGAGE
Learning™

Cengage Learning Overview

Cengage Learning: Total Revenue \$1.8B



Gale



**Academic &
Professional Group**



International

Cengage Learning delivers highly customized learning solutions for colleges, universities, professors, students, libraries, government agencies, corporations and professionals around the world. These solutions are delivered through specialized content, applications and services that foster academic excellence and professional development and provide measurable results to its customers.

Global Production and Manufacturing Services

Production

- Rights & Permissions
- Indexing & Metadata
- Copy Editing
- Art & Design
- Composition & Transformation
- Content Management

Manufacturing

- Inventory Management
- Print Purchasing
- Paper Purchasing

Vendor Management

- Identification
- Selection
- Development

Technology

- Business Analysis
- Production Technology

Initiatives

Production

- Divisional consolidation
- Production automation
- Design standardization
- R&P process integration
- Metadata standards
- Manuscript standards
- Certified PDF workflow
- Soft proofing
- Standard rights basket

Manufacturing

- Divisional consolidation
- Demand planning
- Inventory planning process
- Print on demand
- XBITS

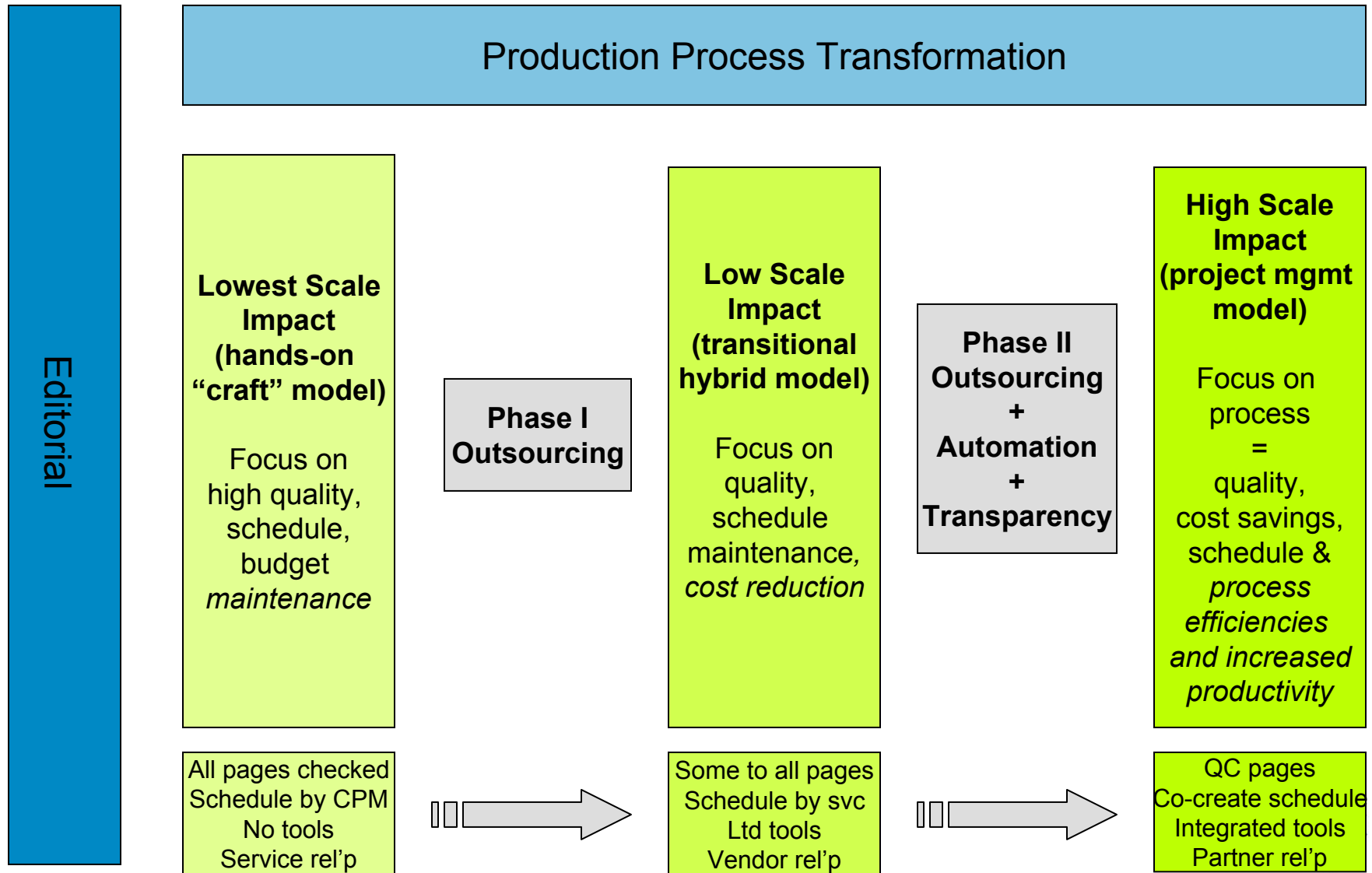
Vendor Management

- Vendor consolidation (print, prepress, image vendors, photo-research)
- Offshoring (India, China)
- Requirements planning (Prepress, Print, Paper)
- Performance standards
- Compliance reporting (LCV, offshore, etc.)

Technology

- Enterprise system usage
- Content management system
- Rights management system
- SGML to XML conversion
- XML standardization

Process transform across the board



...balanced by challenges.

- **Progress is getting harder**
- **Quality issues are surfacing**
- **Many initiatives – hard to finish**
- **People stressing out – losing good people**
- **Pace of change not slowing down**
 - Pressure on economics (remember those private equity guys!)
 - Acquisitions

We needed a new way to continue the improvements – a culture change from craft to process

How did it look to staff?

What we were doing...

- developed new workflows, processes and tools
- redefined job accountabilities
- increasing efficiency and effectiveness of the operation

What the staff saw...

- adding new processes, tasks, and tools
- focusing on metrics to measure their compliance
- asking for more, all while reducing staff

What does this look like?

Current View

Focus on individual titles

“Babysitting vendors”

“Data entry drudgery”

Metrics are a mystery

Blame, finger pointing, and victimization

Every new task or process is “additive”

Desired View

Focus on process

Owning the process with vendor partners

Integrating information and workflow tools to inform processes

Metrics show progress and patterns, and measure performance

Taking responsibility for making processes better

New tasks are integrated into current processes

How do we get there?

Current View

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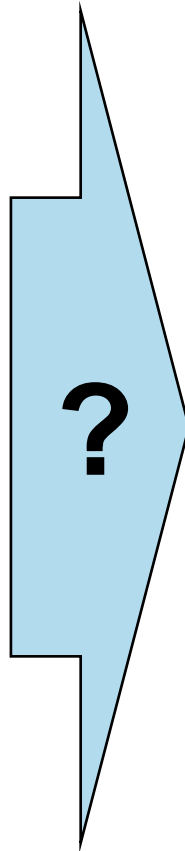
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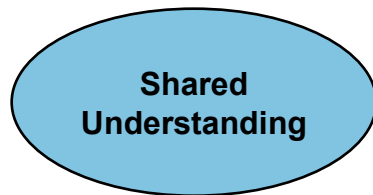
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Culture Change: Shared Understanding



- Components
 - **Business objectives**
 - **Business environment**
 - **Customer needs**

- Actions
 - **Establish business objectives**
 - **Educate staff on technology**
 - Homework assignments
 - Use the tools (IM, wiki, SMS, etc.)
 - **Educate staff on financial metrics**

Technology homework

- www.technorati.com

- use tags to find a blog that matches a personal interest
- Subscribe to the RSS feed with Google Reader
- Follow it for a few days.

- www.mobipocket.com

- Download a Mobipocket book on your Blackberry

- www.iTunes.com

- Find the iTunes Higher Ed site
- Subscribe to and listen to a podcast

- www.wikipedia.com

- Look up something on Wikipedia

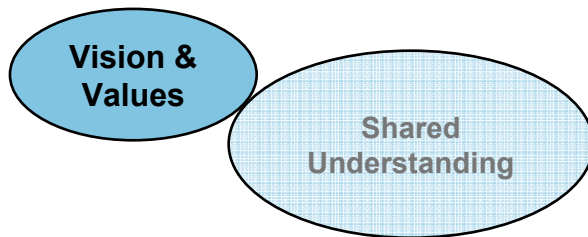
- www.flickr.com

- Get an account
- Surf around on it for awhile
- See how tags work

- **SMS**

- Figure out how to use [Google SMS](#)
- Text a friend using either a cell phone or your Blackberry

Culture Change: Vision & Values



- Components
 - Vision
 - Guiding principles
 - Team ground rules

- Actions
 - Develop vision statement
 - Develop guiding principles on how the department will work
 - Develop rules on how management team will engage with each other

When we started

- To support our Business Unit customers in their goal of supplying education and training solutions to their customers across the globe by providing world class production and manufacturing services
- To provide unparalleled access to shared company assets (rights, content, metadata and inventory) at the time and place of need
- To set up, streamline, and operate an effective learning content supply chain

A year ago

Enabling content to do anything you can imagine...

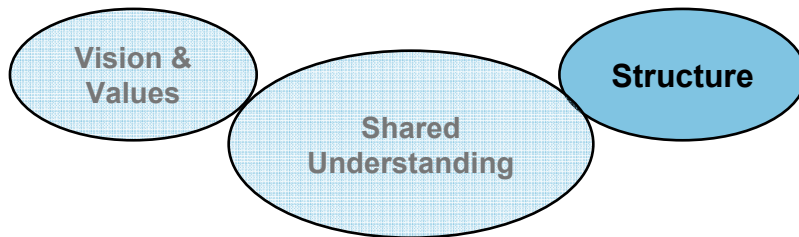
Now

**Enabling content to do anything you can imagine...
...while leading the industry in operational excellence**

The original GPMS guiding principles

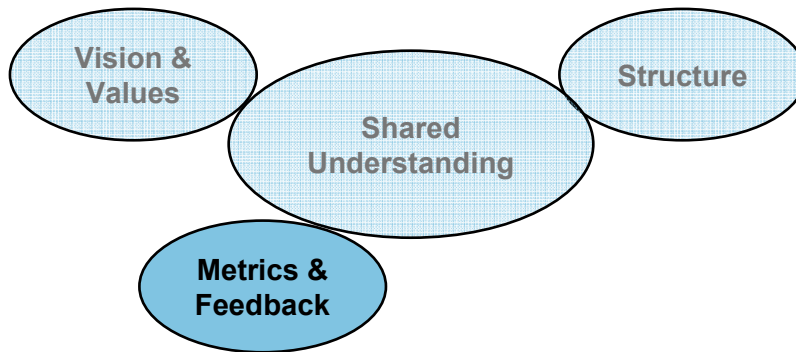
- Sharp focus on **partnering with our customers** to understand their evolving needs to ensure that we are ready to support them as their business grows
- **Development of our people** to take on increasing levels of responsibility and assist in achieving their career aspirations
- **Application of technology** to speed communication and increase efficiency of operations
- Utilization of **standard, best practice approaches** to address common business processes and functions
- **Negotiations with our key external partners** to increase value to Cengage Learning and increase their ability to compete effectively
- **Use of global partners** to take advantage of local strengths and capabilities
- **Financial and operational discipline** including metrics, budgeting and variance reporting for all key expenditures

Culture Change: Structure



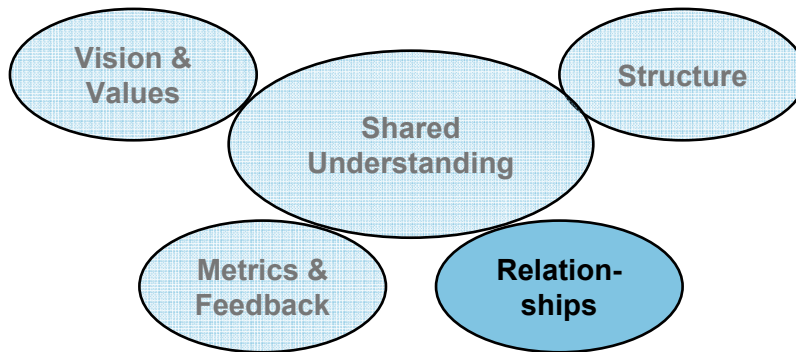
- Components
 - **Structure**
 - **Roles & responsibilities**
- Actions
 - **Centralize production functions**
 - **Consolidate divisions**
 - **Define accountabilities**

Culture Change: Metrics & Feedback



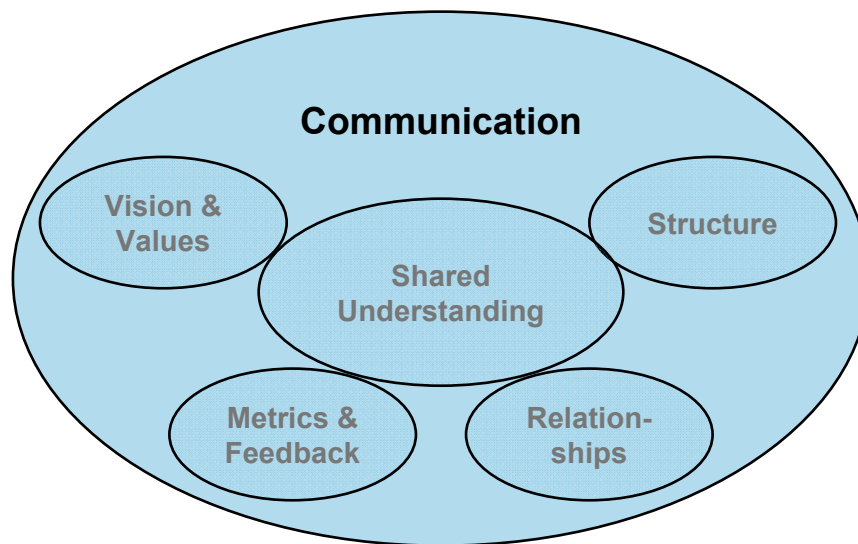
- Components
 - Metrics
 - Reporting
 - Incentive structures
- Actions
 - Define performance metrics
 - Change incentive structure

Culture Change: Relationships



- Components
 - Customer relationships
 - Internal relationships
- Actions
 - Participate in divisional executive committee meetings
 - Conduct regular check-in phone calls

Culture Change: Communication



- **Components**
 - **Communicate to successive levels**
 - **Horizontal and vertical consistency**
 - **Repetitive and iterative**
- **Actions**
 - **Model desired behavior**
 - **Conduct town halls & round tables**
 - **Distribute news flashes**
 - **Use wikis for problem solving**
 - **Publish internal blogs.**

The culture change framework

