

JDF: Does it have a Justifiably Dazzling Future or is it Just Destined to Fail?

One of the biggest problems with data standards that apply throughout the supply chain, is getting everyone in the supply chain to adopt and support them. So it is with JDF and although printers have been quick to recognise its benefits, the response from publishers has been rather more lethargic.

This is not good for JDF, because unless publishers, as well as printers, adopt it, JDF's future will be limited to providing a basis for data sharing within the print environment. Without implementation at all points of the information delivery business JDF will remain confined to production data management processes, without fulfilling its potential for truly integrated content development, production, management and delivery. For this reason we decided to ask one of the world's leading publishers where they are with JDF and what they might gain from it.

The tale of Macmillan publishing is one of quite astonishing success. Founded in 1843 by two brothers, this privately held company has thrived ever since on the basis of their core values: astute business management and a commitment to high standards and values in literature and academic publishing. Over the years, Macmillan has grown to be one of the world's largest and most prestigious publishers. However the company is not a manufacturer, but a traditional publisher focused on commissioning and distributing content.

Macmillan's best known titles, Nature, Groves Dictionary of Music and Palgrave's Dictionary of Political Economy, are well established multi-channel content brands within a broad range of Macmillan publishing interests. Data processing, production and manufacturing are largely subcontracted to outside service providers. This is especially true in the UK where there is no significant in-house typesetting or data processing.

Macmillan's international expansion began in the late 1960s when Harold Macmillan, he of the 'winds of change' fame, became chairman. (In case you are baffled, Macmillan used the phrase in a speech to the South African parliament in 1960: he acknowledged the importance of self-determination and the speech marked the beginning of the end for white dominance in the region.) Anyway, in the late sixties Macmillan's domestic base of academic, literary and educational publishing was well established, with growing reference, textbook and scientific journal activities.

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Operations were set up in Japan, Mexico, Africa and Asia and today these businesses, along with Macmillan's domestic interests, are internationally recognised for high standards, from academic and educational publishing, through to fiction and all points in between. The company now has operations in over 70 countries across the globe and is owned by Verlagsgruppe Georg von Holtzbrinck. This family owned media group shares the same core values as Macmillan and is active in newspapers, books and magazines worldwide.

Macmillan's focus is still on long term planning and investment, and innovation, with two basic areas of business: publishing, with Nature, Palgrave Macmillan, Pan Macmillan and Macmillan Education; and service provision, with typesetting and software in India, print buying in the UK and distribution in Asia.

The services operations provide extensive services to customers and Macmillan's own divisions. For example, the typesetting, data capture and website design operation in India, unique amongst Macmillan operations in its production services focus, serves both clients such as Reed Elsevier and Yellow Pages, and any part of Macmillan requiring its service.



John Peacock, production director at Macmillan

In addition to the business in India there are four more operational units: the Nature Publishing Group, Palgrave Macmillan, Pan Macmillan and Macmillan Education. All of them work closely together, but the relationship between the UK and India is especially close, following one hundred years of Macmillan's presence in India. In April 2005 Macmillan opened an extensive facility in Bangalore, the Book Typesetting Division which has over 500 staff. According to Richard Charkin, Chairman of Macmillan India Ltd, the facility is to "become a global centre of excellence for Macmillan".

With such a complex web of business interests and activities in so many countries, pursuing new business and developing new products is no mean feat. However, Macmillan is set up to function transparently across borders, including management of production operations which are mostly outsourced. According to Production Director John Peacock: "In Nature, in Macmillan Oxford and in Pan Macmillan we do have editors and designers who work on PCs and Macs editing, laying out and designing pages which we send out to suppliers for either page make-up or finalisation to PDF. But the core of our business is commissioning others who provide these services to us."

There is extensive cooperation across systems and divisions as Peacock explains: "We've been buying typesetting and print internationally for

▼ many years from our UK offices and studios, and so we've a long history of cross-border production."

Macmillan's Asian operations in general are key partners for the UK, providing local distribution and fulfillment services, as well as production support operations. Hong Kong is the base for Macmillan Education and acts as the regional liaison office for Macmillan East Asia. Recently Macmillan set up shop in Beijing to serve the needs of the Chinese educational and academic markets.

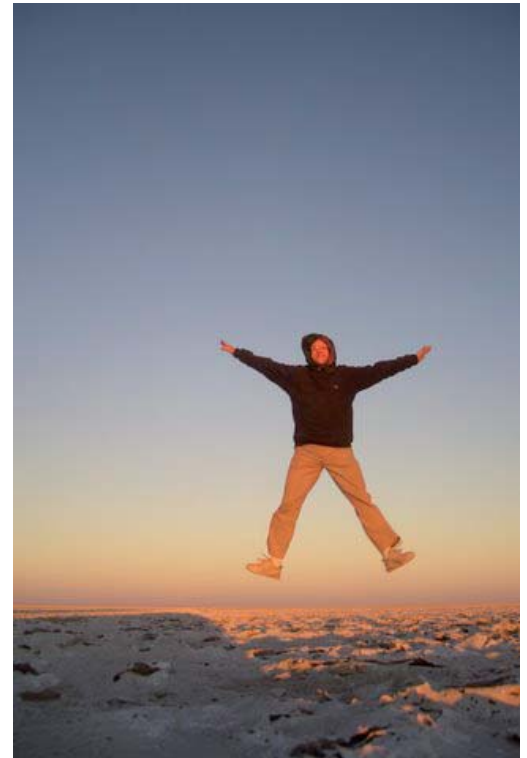
Although most of Macmillan's activities in Asia support its education and textbook business, the network of businesses also provides support for outsourced production elsewhere in the world. As Peacock explains: "The main areas [of cooperation] are UK to India and vice versa, copy editing, repro and typesetting, starting from author manuscripts and roughs we supply in Word or Tec; UK to Asia, mainly print-ready PDFs, which we send to Hong Kong, Thailand, Malaysia and Singapore."

There is also a healthy shared production traffic elsewhere, once again mostly for educational products with files going from the UK to South America and vice versa (mainly Mexico, mainly Indesign and PDF files used in collaboration); and UK to US (mainly print PDF files for magazine and journal printing). Peacock adds: "There's also an increasing cross-border traffic in digital proofs, either sent as PDFs for electronic markup or as scans of hardcopy."

Macmillan allows its numerous international divisions to function with considerable autonomy and with levels of management complexity suited to the local market. Production decisions are also made at local level as they can substantially influence time to market for different products including books, magazines and educational material.

Macmillan recognises that JDF can make a substantial difference to time to market as it facilitates data sharing and helps reduce redundant data processing. Peacock explains: "Most of our book schedules are not time-critical to the hour or even day. On the other hand, most of our magazine publications, of which Nature is the best example, most certainly are. All our main magazines have specific printing slots which we just have to meet. I would see JDF being useful mainly in the magazines area." But when it comes to proactively implementing JDF Peacock says: "Nature have looked at JDF with one of their suppliers but the conclusion was that there were no gains over current practice."

JDF is also relevant for managing costs as well as speed to market, and for Macmillan Peacock feels that: "On the books side, I would look to JDF less for speed than for possible reductions in processing and transaction costs." As it is a private company Macmillan does not publish financial data however estimated annual net income (as opposed to revenues) is ▶



John Peacock in action.

around E350,000 so even if JDF only yields a very small improvement in local budgets, the effect on profitability could be very substantial.

But does this really matter? Macmillan is the sort of company that puts its customers and employees first. If JDF can improve cost control it is more likely to have an economic benefit for the company's content consumers, possibly in the context of digital printing and sales.

The problem is that trying to implement JDF throughout Macmillan's 50 divisions worldwide requires either immense resources or immense patience to encourage it to happen organically over time. However once awareness of JDF grows alongside awareness of how it can help the business, there could be some momentum for it. JDF could, for example, be used to feed production statistics and local MIS back into the business. It could provide data for managing business intelligence, to provide a support to how local companies manage their operations.

One of the key business areas Macmillan is exploring is digital printing. Peacock describes this as highly relevant. "We have around 4000 titles held in POD form, and over £1million of sales coming from them. We also use digital printing extensively for short-run reprinting - most of our printings under 350 are produced digitally." JDF has a part to play in this but Peacocks says: "So far JDF as a metadata solution has not been pushed in our direction by our suppliers, and until that happens we would have no reason to apply JDF data since there would be no purpose in doing so. The general concepts are clear and accepted, however, and we already send metadata in prescribed formats to most of our printers."

If JDF is to be implemented throughout content supply chains it seems that printers need to be working much more energetically with their clients to encourage the use of JDF. Macmillan is a very large company however it is made up of a great many small organisations working with a mass of different suppliers and service providers, all of which need to be talking the talk and walking the walk. At the moment there is no plan to implement JDF throughout these divisions worldwide. Unfortunately for JDF that seems to be true for many publishing houses, large or small.

– Laurel Brunner

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