

Case Study – Implementation of Klopotek’s Product Planning and Management System (PPM)



BIBLIOGRAPHISCHES INSTITUT &
F.A. BROCKHAUS AG

Almost two years ago, BIFAB introduced Klopotek’s Product Planning and Management (PPM) system to support its planning and production processes. The new software simplified coordination by allowing departments to work with centralized data. The production software provides convenient tools tailored to meet specific departmental requirements that support BIFAB’s own workflow. Currently, the use of Klopotek’s PPM software is being expanded to include direct marketing and rights and licenses alongside planning and production.

We talked to Ulrich Granseyer, BIFAB’s management board member, about the project implementation.



Ulrich Granseyer, management board member of the Bibliographisches Institut & F.A. Brockhaus AG, summed up the project, saying, “Good teamwork ensured a successful implementation of PPM.”

Your company has been working with Klopotek software for two years now allowing you to further develop your business processes. What is your opinion about the change in the IT landscape at Brockhaus in comparison to what tended to be small-scale, individual solutions for different processes?

To make a proper assessment, it should be said that we have quite consistently made PPM our only system for title-related information across the board. That doesn’t just include title information or specific production data, we are using PPM to create an even more detailed map of the entire process chain for the title – from the idea

through to production. It begins with the concept, i.e. our 3 x 3 papers including estimates regarding target groups, content, unique selling points and possible channels of distribution, followed by costing, time scheduling and title-related workflow management through to allocations and purchasing. Last but not least, advertising copy, U4 data and catalog data are also included in this process.

Before the introduction of PPM, we had to compile, align and exchange this data from the editorial, production, sales and advertising departments for almost every process. To create lists of titles for capacity planning as well as for purchasing and production planning is just one example. What used to be a multi-stage, time-consuming process is now provided to us in the form of a report available from PPM at the push of a button.

When we create our main indexes, we also need title data, cover illustrations, advertising copy and editorial information, all of which can now be directly accessed and processed without the coordination of the advertising department, which is the department responsible for this area. We only need to carry out a simple check. The same applies to the continuous maintenance of our web shop or to VLB (German Books in Print) notifications, for instance.

ABOUT BIFAB

In 1984, Germany’s two most successful and longest-established publishers of encyclopedias, F.A. Brockhaus and Bibliographisches Institut AG, merged. In particular, it was the publication of conversational encyclopedias of differing comprehensiveness that led to the two publishers’ popularity. Since 1988, Langenscheidt KG has been the majority shareholder in the publishing house, which is headed by three management boards.

Products published by today’s holding company Bibliographisches Institut & F.A. Brockhaus AG are marketed under five publishing brands: F.A. Brockhaus, Dudenverlag, Meyers, Harenberg Kalender and Weingarten.

The publisher’s motto, ‘Brockhaus is the truth’ reflects the esteem in which the encyclopedia is held. The Brockhaus has been consulted by eminent personalities such as Goethe, Beethoven, Konrad Adenauer and Willy Brandt. It lived through and survived the stormiest periods of German history, and it will continue to do so. Last year saw the release of the 21st edition of the Brockhaus Encyclopedia.

PROJECT IMPLEMENTATION

Live: PPM planning and production, direct marketing
Planned: rights and licenses

GO-LIVE

June 2004

PROJECT LOCATION

Mannheim

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However, we haven't yet finished bundling title-related information – we repeatedly come across issues where we believe PPM can play a pivotal role, such as royalties, licenses or the linking of title information with cover illustrations and sample pages. We are very much on the right track here.

The time and effort required to compile catalogs has been significantly reduced and the consistency of data quality has been improved. What is your assessment of the progress made so far?

We are very pleased with the results so far, and I'm not just referring to catalog compilation. When it comes to working with title-related information, the advantages of a centralized system are more far-reaching than that.

Allow me to illustrate what I mean in more detail using the example of catalogs and main indexes. Before the implementation of PPM, drafts for the main index circulated through the company several times, through all publishing divisions and marketing departments, until we could be sure that the index contained all the titles and that all the data was correct and consistent. The same applied to brochures, previews and the web shop.

This coordination process can now be largely dispensed with because our staff know that they can find all the necessary information in PPM. The final check, performed by the publishing divisions and departments involved, is the only remaining task. But there is one precondition: that the company does not maintain title data elsewhere, outside of PPM. It is a process of change which needs to be accompanied, monitored and managed. The implementation of PPM required a lot of extra work – new titles had to be created and old titles had to be updated because we could not migrate all the data. In addition, it took a certain amount of time for all those involved to abandon the information systems they had developed themselves and to adapt to PPM. It was at precisely that point that the slimming down of work processes and the reduction in costs began. And this positive effect was clearly noticeable – but not until after the introductory phase.

ONIX export has given you the opportunity to provide standard information to VLB (German Books in Print) and Amazon, plus, as requested, to automatically update data in your web shop. What kind of feedback are you getting from your staff?

I am getting very positive feedback from those staff members with direct responsibility in this area. The standard supply of information to VLB and Amazon and the continuous updating of the web shop is now fully automatic and actually goes completely unnoticed. We have to point out to staff that these processes have now been automated and do not require any more investment of time and effort on their part. It's not until that point that they realize the difference it has made and that the extra work required during the implementation phase was worth it.

Klopotek software was initially introduced for planning and production. Currently, your specialist department is consolidating your direct marketing activities with the aid of Customer Care Management (CCM) and Workflow (WFL) components in close cooperation with Klopotek consultants. The introduction of contracts, rights and licenses has begun. What are your expectations?

The introduction of contracts, rights and licenses is easy to explain – these are generally contracts which concern individual titles. Therefore, this is information and data which has to be available in PPM as well – we expect the result to be a streamlining of processes, comparable to

Transparent and consistent data improves product quality

The introduction of PPM for the monograph area of the production department, headed by Ellen Böckmann, has brought significant changes.

The goal was to cut down on unnecessary work processes and manual data collection.

The introduction of Klopotek software means that existing processes can now be mapped in a way which is more easily controllable – the advantage being that BIFAB's order processes follow exactly the same procedure as before but are more efficient. Ms Böckmann, looking back, what are the most significant changes resulting from the introduction of Klopotek software?

The analysis and optimization of processes as well as process reliability within the company, particularly regarding the interfaces to the editorial and sales departments, have been considerably improved. And, of course, there has also been a

marked improvement in the reliability and transparency of information. Previously we had a whole host of controlling tools and aids, in the form of Excel files that were often our staff's personal aids. We have now been able to get rid of most of these. But that doesn't just apply to the production areas. The overall process has become more transparent and data can be viewed by all staff from the different departments. Prior to this, queries frequently used to crop up – queries which have now been eliminated due to the constantly updated information in PPM.

The quality of production control has improved greatly because we are now able to prepare secondary information on our titles a lot more quickly. Consequently, we are able to react in a quick and targeted manner and to provide the required information – be it for external service providers or internal planning. This new data preparation tool also provides me with a very focused overview, allowing me to improve certain purchasing projects, forecasts etc.

those already described for advertising. In regards to the introduction of CCM, we didn't start with a modern system for providing customer service. Instead, we used small tools which had been pieced together on an as-needed basis. Consequently, it wasn't possible to sort through, analyze or select from a 'consumer' pool of data; what's more, consumer data was scattered throughout the company.

Now CCM gives us an integrated system for providing customer service. As a result, we have been able to simplify and standardize processing procedures, to create an overall picture of our customers and, of course, we now also have comprehensive statistics functionality.

Moreover, we are now able to manage campaigns effectively and to select

information for marketing purposes, e.g. by selecting addresses on the basis of certain criteria.

Finally, we expect to use CCM to develop a standardized address database and to thin out and systematize the muddle of information we previously had. This is also an area in which we have high expectations, precisely with regard to

increasing efficiency and simplifying our processes.

Thank you for this interview, Mr Granseyer.

Successful implementation of PPM at BIFAB (from left to right): Tanja Sebastian, PPM Project Manager; Dieter Schlosser, Head of IT for Sales and Financial Systems; Niels Vinnay, responsible for costing for the production department; Ellen Böckmann, Head of Production



Parallel production saves time and cuts costs

The parallel planning and production of different versions of a title represent an important aspect of an encyclopedia publisher's work. Using the Excel calculation developed by BIFAB, the data provided by PPM can be utilized to perform a break-even analysis. We talked to Niels Vinnay, who is in charge of costing, about the possibilities afforded by the parallel calculation of costs.

Mr Vinnay, you are now able to calculate production costs, plan sales figures for a period of several years and therefore develop proposals as to the optimum solution for print runs and reprints as well as for several versions of a title. As a result, how has your daily work process changed? What additional options do you have now?

Up to now, every single print run was calculated individually, partially by hand and partially with the support of Excel calculations which we pieced together ourselves. The integration of these calculations in PPM has provided a larger group of people with the opportunity to determine

production costs using a reliable pool of data. Another advantage of automated production cost calculations is that they allow various print run options to be easily tested. This gives us more time to think about how production or the product can be optimized.

The parallel calculation of costs using PPM has opened up a new dimension. An entire product family, developed using the same material, can be evaluated with a single calculation. An example here would be an edition of a book with the accompanying offline new media version and its online publication or creating another

product containing only parts of the content. We have, up to now, practiced this in part. However, the data had to be painstakingly collected and often re-entered or completed by copying it from place to place. In PPM, every product can be costed individually and then simply provided with a 'bracket'. A couple of clicks and you have a complete overview. This has the bonus of allowing individual profit centers to make an overall evaluation of a project, to see whether the entire project will pay off even if parts of it do not. The fact that the technical data for costing no longer needs to be collected separately in additional Excel files, but can be supplied directly from PPM, has significantly improved my everyday work.

Broad networking using PPM

Klopotek's PPM software is implemented with the objective of linking up work processes across the entire company, making them more transparent. This always requires the corresponding organizational back-up, both during project implementation and once the system is in operation. Tanja Sebastian, who is responsible for PPM project management in BIFAB's IT department, provided us with some insights into the process.

Are you satisfied with implementing PPM and could you tell us about your experiences after 24 months of using the system?

BIFAB has successfully completed the implementation and all those involved in the project have rated it very positively. The project was organized on an inter-departmental basis and executed under the auspices of the company's management board – a clear sign that the introduction of the system wasn't just an initiative of one department but a project backed by our top management. One clear success factor was the excellent cooperation among the core team for the project, which still acts as a kind of expert team today. It is currently working on the further development of PPM and on adapting our internal workflows. Another factor that led to our success was that I was able to work on this project full-time, giving it the time and attention it required, as PPM was not a matter which could simply be introduced on the side within the space of a year.

Many parts of the company now work with PPM on a daily basis. However, we in the core team have decided to step up our 'internal marketing efforts', particularly this year, because not all our colleagues at BIFAB can see the additional benefits of the PPM system. This marketing

will include, for example, a monthly newsletter on a particular PPM theme, monthly core team meetings, feedback to the management board in the project steering committee and information provided at employee meetings.

The switch to ISBN 13 is imminent; you plan to go live in September. We have created all of the prerequisites in our software to allow you to make a smooth changeover within your company. What are your expectations? I would just like to briefly explain our internal process for the switch to ISBN 13. At the beginning of this year, BIFAB launched its own 'ISBN 13' project with the goal of including all company areas, both internal and external, in the process and of implementing the set milestones in line with our schedule. The project went according to plan, which I attribute to two factors: first, to the project management, namely to Ms Ely, who has a very good overall understanding of PPM as well as of existing company processes; and second to the fact that the project was defined as a priority project, which means that reports had to be made directly to the management board. As a result, my expectations in regards to ISBN 13 have already been met. The only thing that remains is to go live with version 8.3.

At home in Dudenstrasse: the Bibliographisches Institut & F.A. Brockhaus AG in Mannheim

Why Klopotek?

We spoke to the Head of Commercial IT, Dieter Schlosser

Mr Schlosser, one of the main reasons for the decision to get a new software was to gain more independence and a better perspective through modern standardized software. Have your expectations been met? With Klopotek's industry solution, BIFAB has opted for a standardized software which maps all publishing processes from product planning and production through to billing and delivery. All IT solutions of this scope which we used up to now were developed in-house and were specially created for the needs and special characteristics of our company. The resulting dependency on certain people and their know-how is a well-known fact. The solution provided by Klopotek gives us the opportunity to replace all these in-house solutions with the corresponding standardized software modules. When we introduced the PPM module, we were able to successfully migrate substantial amounts of legacy data. Besides product data, it was also possible to migrate sales and revenue figures from previous years. Daily sales and revenue figures, as well as stock information from the BIFAB operating system, can be transferred to the PPM system via permanent interfaces. Because of the positive experience with the new software, we will replace some of the individual software in the near future. In particular, we will apply it to the modules for contract and licence management, material management and our 'bookbinder file'.



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