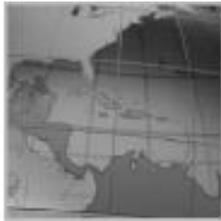


# Case Study



Business Development Services     

April 2012

## The Ever-Changing Book Landscape

*The HF Group Leverages Xerox's Value-Added Services to Start Book Partners Division*

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### Introduction

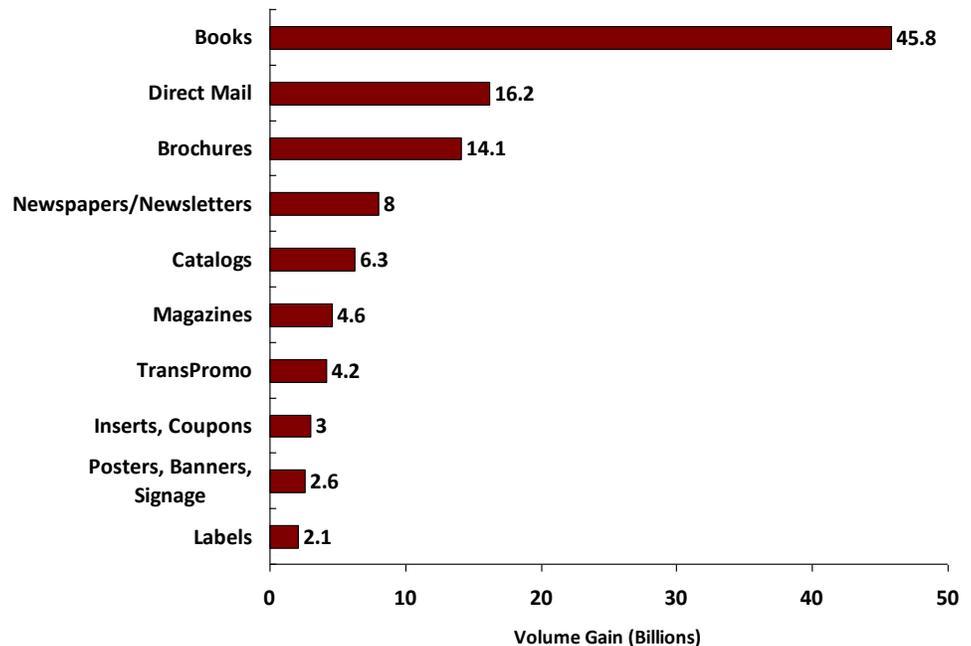
It truly is a whole new world for book publishing. e-Readers of all types (e.g., Apple’s iPad, Amazon’s Kindle) have disrupted the book business in the same way that digital rocked the music industry over a decade ago. Digital print on demand has become the answer for a number of book manufacturers in an industry confronted with turmoil.

**Book printing is expected to account for nearly 17% of the market by the end of the forecast period.**

Demand for specific applications changes over time for a number of reasons, including growth in usage, electronic replacement, and shorter runs. InfoTrends’ [U.S. Digital Production Printing Application Forecast for 2010-2015](#) explored 28 specific application segments and measured digitally printed application volume changes. By 2015, the top three production digital print applications in the U.S. will be direct mail, books, and bills and statements. Book printing is expected to account for nearly 17% of the market by the end of the forecast period.

The Figure below illustrates the volume gain of the fastest-growing applications between 2010 and 2015. In terms of pure pages, the book market is expected to show the highest growth. Its share is expected to increase by 45.8 billion pages between 2010 and 2015, representing a compound annual growth rate of 14.2%.

**Figure 1: Volume Gain among Fastest-Growing U.S. Applications (Billions of Pages; 2010-2015)**



## The HF Group Reacts to the Changing Marketplace

The HF Group (North Manchester, IN) is embracing new technologies and has re-tooled its business to accommodate a world of digital and printed books. Servicing clients such as major universities, national libraries, small publishers, and self-publishers for more than 80 years, The HF Group has roots in traditional book manufacturing services. The company currently has five regional production facilities across the country and offers short run digital and print on demand book manufacturing, fulfillment, digitization, prebinding, edition binding, library binding, textbook rebinding, and conservation services.

**HF Group Vice President Jim Heckman notes, “The world of book publishing is changing, so we have to adapt to those changes.”**

In 2009, The HF Group installed the Xerox iGen3® Digital Production Press with an Automated Color Quality Suite Press Matching System, arming itself with the necessary technology to grow its short run digital and print on demand book production business. According to Jim Heckman, Vice President of The HF Group, “The world of book publishing is changing, so we have to adapt to those changes.”

The HF Group’s first Xerox installation was only a stepping stone into its new chapter of book production. The following year, the company further extended its digital production capabilities with the Xerox Nuvera® 144 EA Digital Production System. This gave The HF Group’s publishing, university, and library customers a powerful new option for high quality, quick-turnaround book production.

**Figure 2: Xerox’s Nuvera® 144 EA Digital Production System**



**The Book Partners subsidiary currently represents over 10% of The HF Group’s overall business.**

In early 2011, The HF Group announced that it was restructuring and rebranding its Short Run Digital Book Manufacturing Group. The company launched its Book Partners subsidiary, which helps clients reduce their overhead and production costs through controlled outsourced digital book manufacturing and fulfillment/distribution services. Book Partners is designed to free publishers from time-consuming production processes so they can focus on developing new markets and growing their companies. The subsidiary grew quickly over the course of 2011, and currently accounts for over 10% of The HF Group’s overall business. In fact, Book Partners is currently The HF Group’s fastest-growing segment.

Later in 2011, Book Partners added an iGen4® EXP Press and further integrated Xerox’s FreeFlow Process Manager® to support its expansion and accommodate additional work. “With the iGen4 EXP, we have the ability to produce a wide variety of book sizes in our

Book Partners division,” Heckman noted. “With the press’ 26-inch sheet size, we can maximize the way we print our books. This gives us the ability to increase our productivity and give our customers a competitively-priced product.”

**Figure 3: Xerox’s iGen4**



### **Building the Business Model**

The HF Group began its relationship with Xerox when it acquired its first iGen device in 2009. Heckman elaborates, “When we started getting serious about digital, we did plenty of analysis and compared all the vendors and technologies in the marketplace.”

After the installation of the first iGen3® Press at The HF Group, Xerox Specialist Jeff Williams engaged Systems Consultant Rob Kluger to help create the company’s automated workflow. With Xerox’s FreeFlow® Web Services, book orders are captured from the customer and then directed to the FreeFlow® Print Server for processing. The iGen3 Press meets the standards and specifications required for the printing and binding of customer products.

**Figure 4: Book Partners Facility and Team**



### Marketing Strategy

The company also used Xerox Business Development services to develop a solid sales and marketing plan. Donna Lepine (Xerox's Business Development Consultant) and Joe Rickard (a Business Development Partner from Intellective Solutions) were enlisted to begin the formation of the plan. This outside perspective enabled Book Partners to focus on its strategy and plan for growth. According to Heckman, "This collaboration really helped us further define what we were trying to do."

With the help of Lepine and Rickard, Book Partners built an actionable marketing plan that included strategies for advertising tactics, sales and marketing collaterals, target marketing strategies, trade show exhibitions, and direct sales support plans. In addition to the marketing plan, the business development consultants provided support for recruitment and developing compensation plans for new sales personnel.

Since its inception, Book Partners has experienced a 30% growth rate.

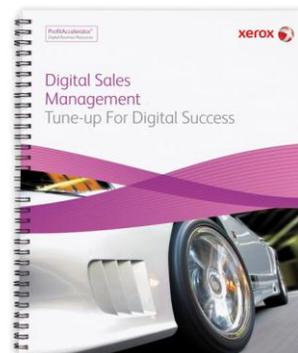
According to Heckman, the original marketing plan is still referenced today. He notes, "This plan is still being used and we'll likely continue using it for the next 3 to 5 years. We continue to reach our goals, so we're setting new financial objectives in the plan." Since its inception, Book Partners has experienced a 30% growth rate.

#### Xerox ProfitAccelerator® Digital Business Resources

Xerox's Business Development Program consists of two options for support:

- Xerox ProfitAccelerator® Digital Business Resources – is a collection of more than 100 "do-it-yourself" tools, kits, programs, and templates and guides to get help you get a quick start in growing your digital business.
- Xerox Business Development Consulting Services - offers a complete portfolio of training and professional services delivered worldwide by Xerox and a network of third-party industry professionals.

Visit [www.xerox.com/driveprofit](http://www.xerox.com/driveprofit) to learn more.



## Exploiting New Segments

The Book Partners subsidiary added two new divisions as a result of its new segmentation.

In addition to identifying financial objectives and providing sales support, Jim Heckman and the Xerox consultants helped Book Partners identify new segments of the industry as well as new target accounts within existing vertical segments. As a result of this segmentation, the company added two new divisions:

- **Thesis on Demand**, an online tool that enables students to self-publish and manufacturer their theses or dissertations.
- **PrintMyGenealogy**, a resource for publishing personalized family history books.

**Figure 5: Sample Book Partners Products**



As The HF Group's core business began to decline, the company realized that researching and diversifying into digital book production was critical to growth opportunities.

Heckman elaborates, "What's compelling about our business is how we can offer non-standard services to all of our clients. We truly are a full-service book manufacturer now."

## Delivering Results

Today, Book Partners specializes in hardcover and softcover book manufacturing for small to mid-sized publishers, self-publishers, and anyone who wants a book printed and bound. It also offers digitization, inventory management, and fulfillment services. The company has reinvented itself to meet the transforming needs of its clients. Jim Heckman concludes, "Our commitment to the publishing community has transformed the way that we work with our publishing customers ... by helping them reduce their costs through controlled outsourced digital book manufacturing, fulfillment, and distribution services."

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## Featured Xerox Business Development Consultants



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