Case Study Klopotek Software Implementation – Product Planning and Management (PPM)

In 2008, Eichborn decided to review its internal processes and its software. The result: in a five-month project, the previous royalty statements system was replaced by Klopotek’s CR&R solution (Contracts, Rights & Royalties). After successfully switching to CR&R, the second project phase began in April 2009: there was a complete transfer to Klopotek’s Editorial, Production, Distribution, Marketing, and Publicity solutions in November 2009. Eichborn is a pilot customer for Klopotek SaaS (Software as a Service). In this interview, Stephan Gallenkamp, board member at Eichborn AG, explains why Eichborn had to replace its old systems, what the main requirements of a new software solution were, and why Eichborn chose the Klopotek SaaS model.

“We want to make books and invest in that, not in hardware”: Eichborn chooses Klopotek SaaS

Stephan, as board member of Eichborn AG, you were chiefly responsible for reviewing and replacing the software used by Eichborn before it switched to Klopotek. How did you reach your decision?

We switched our systems to Klopotek twice, in two separate phases. In both cases, we approached you after looking at our own IT situation. The first decision had to do with royalty statements. The old system was inconsistent, and certified accountants had told us that it no longer met the requirements of an Aktiengesellschaft (public company). In 2008, we began phasing out this system, and we went productive at the end of 2008 with Klopotek’s CR&R system. Another reason was harmonization. Obviously, maintaining two different systems at the same time is costlier, as there are two individual databases that need to be maintained. We weren’t always able to keep these in step with each other.

What were your main requirements for the new software solution?

The most important thing for us was stability and reliability. And we wanted an integrated solution – with a data pool from which we could feed requirements into both royalty statements as well as planning and reporting. We needed the software to support all our processes and make the relevant data available to all departments for further processing. Another goal was to save costs. Also, the new system needed to be better and easier to use.

Why did you choose Klopotek?

We were looking for standardized software. Developing an individual solution wasn’t an option. I’ve seen too many companies

Stephan Gallenkamp uses Klopotek SaaS to focus squarely on Eichborn’s core business: investing in outstanding content.
get themselves into deep trouble that way – even despite making substantial investments. Klopotek is the market leader for such systems. That was another point in their favor. From previous roles, I knew several other products that I considered less effective. It was clear to me that choosing a standardized system from the market leader was a safe bet.

Eichborn is Klopotek’s first customer to choose the SaaS (Software as a Service) model. Why did you opt for SaaS?

We are a mid-sized company, so we can’t afford to develop complex IT systems and the required expertise. Maintenance, purchasing replacements – all this would overextend us. Technology like this should be handled by specialists who can also ensure operational security. I think it’s not even our role to get involved with IT. We want to make books and invest in that, not in hardware. Compared to buying a system, then, I am confident that the SaaS model will be cheaper. I taken care of, and second, that I gain from the experience others have had and contributed. Best practice is the way of the future. Individual publishing houses can’t establish best practices all by themselves. They are busy enough dealing with their own business. Whereas you have completed, I don’t know – how many projects?

More than 400 implementation projects. Obviously, you will have amassed a lot of know-how. And you can also show publishers where they can do something differently – and better.

Eichborn now uses the Product Planning and Management system (PPM) for Contracts, Rights and Royalties (CR&R), Editorial, Production, Distribution, Marketing, and Publicity. The solution also contains comprehensive reporting tools and an XML export option. Which aspects of software support are particularly important for you after this project?

We are still in the optimization phase following implementation, so we can’t yet say for sure. Certainly I can point to CR&R, since that’s been running for longer. Here we’ve already been able to see specific, tangible improvements. But no doubt: the most important benefit is that we now have consistent data that doesn’t change whenever we make adjustments in one part of the system, as used to be the case. And Klopotek’s CR&R system has now been checked and approved by our certified accountants. That’s extremely important for me and for the supervisory board. As a public company, we are of course subject to specific auditing requirements.

As to the other areas that are now supported by Klopotek, right now I can only say we expect increased efficiency, especially in the areas of catalog production and in Web integration. For us it’s important to have an integrated system, and integration will bring numerous advantages. But of course it takes some time to get used to a new system. That’s always the way. In the long run we’ll become more efficient, and the system will save costs. I’m convinced of that. Now that we have the right support, we can re-examine our processes and adjust them.

Are you satisfied with the way the project ran and with your work together with the Klopotek team? The support from Klopotek was outstanding. What I really liked is that we finished slightly within the one-year time frame we had set ourselves. That’s quite unusual. The working relationship was right: it was trusting and open, as we tried to make it from the outset. That continues until today. Whenever problems came up, we solved them together. That sort of mutual understanding is not so common – you don’t get that so often.

What advice would you give other publishers planning to outsource technical infrastructure and support, and who are interested in Klopotek’s pre-configured SaaS solution, which is based on best practices?

I would say companies need to be clear about one thing from the outset: they need to be prepared not only to introduce new software, but also to question all the processes that the software is based on. It’s not enough just for management to think that way – the project team needs to ensure this readiness is shared by everyone in the company. And – this of course applies not only to SaaS – you need to be aware that introducing new software means a commitment for the next ten or fifteen years. So, you need to be careful with your planning and preparation.

Eichborn, the “Verlag mit der Fliege” (“Publisher with the Fly”), has been around since 1980 and is, in many respects, a unique publisher. Eichborn AG, as you noted, is the only German publisher to be publicly traded (on the M-DAX), 2008 and 2009 were years of change: with a new corporate design, a new website, and a new company logo. You have been a board member at Eichborn since late November 2007. What are your long-term goals for the company (for example, regarding new digital markets), and how relevant do you see software support as being for achieving these goals? What long-term tasks

“Best practice is the way of the future. ... Obviously, you will have amassed a lot of know-how. And you can also show publishers where they can do something differently – and better.”

Stephan Gallenkamp

want to use these savings for the things that really matter to us. Then there’s the issue of security and reliability. I know Klopotek uses a data center hosted by ITENOS, a subsidiary of Deutsche Telekom. I think that’s a very good thing. Many of my colleagues have had nothing but good experiences with them as far as security and stability is concerned.

Klopotek’s SaaS solution is pre-configured based on best-practice business processes in publishing companies. Klopotek has assembled these best-practice models in conjunction with many customers over many years. They are continually checked, updated, and expanded. What do you think of this approach?

I think it’s important and makes sense. And you really are looking for two things when you opt for this SaaS model: first, that my technology and software upgrades are
are you entrusting Klopotek for reaching your company’s long-term goals?
The shift from analog to digital is a huge challenge for publishers. The digital world consists of a huge number of elements – it’s not only about the Internet. Rather, we’re dealing with completely new reading habits, with new media for receiving content. Take content on career planning, for example. Certain elements of this program, for example the test programs, are no longer in the books themselves. Rather, people want to do these tests online or on some sort of device and get the results back right away. So, the purely book-based business model will be complemented and in some cases replaced with interactive activities. In the past, we publishers have been able to approach this change quite slowly: we all did a few things online or put out a digital version of one or two books. But things are speeding up. Books, images, audio – the boundaries are getting more fluid. Now we have to change much quicker – and our business models, too. Ultimately, publishers are heading towards being content providers for a range of different platforms. To do that, of course I need software that will help me access these markets in addition to the existing ones, with reporting models, with accounting models, with powerful and flexible Web shops – if possible, all from one company. I’m convinced Klopotek can help Eichborn along this path and make the right tools available.

We look forward to taking this path with you and finding solutions for these challenges.

“The most important benefit is that we now have consistent data that doesn’t change whenever we make adjustments in one part of the system, as used to be the case.”

Stephan Gallenkamp

What are the specific advantages of the central data storage that Klopotek makes possible? And how well did Klopotek support data migration? Julia Klingsporn, Eichborn’s project leader, and Dieter Muscholl, assistant head for press relations and events, talk about the various roles that a single address can have, the problems Eichborn used to have when authors moved house, the twist with the plus in “Gruner + Jahr”, and the advantages of a test migration.

“If I didn’t know that we were accessing a server far away in Berlin, I wouldn’t notice it.” (Dieter Muscholl)

Now just one instead of two: Julia Klingsporn, responsible at Eichborn for implementing Klopotek, points out the many advantages of having a centralised database.

Julia, Dieter, what are the most important improvements you have seen having introduced Klopotek software, as far as cross-company co-operation is concerned?

Dieter: A simple example is that promotional texts are now stored under the title. This means that, from a very early stage, when no press releases have been written yet, we can at least refer back to preview texts whenever we need to give information to journalists. We no longer need to ring up the marketing department and ask for the latest version of the text. One important point concerns connecting to an external service provider, our distribution company LKG (Leipziger Kommissions- und Großbuchhandelsgesellschaft). The data is now exported via an interface and flows directly into their system. It no longer needs to be typed in manually.

Julia: That makes work easier for LKG – and some of our other departments also gain from our new centralized data storage: we now no longer send just review copies but also author’s copies, and in the near future licensed copies, from one system – from PPM. Previously we had two different programs...
in operation, and it was always difficult to keep them synchronized – when an author moved house, for example – since we had two different databases where the addresses needed to be updated.

Dieter: It’s helpful that all data is now in one system and that you can always find it – especially for address management. Previously, people from different departments entered the addresses in different ways. As a result, many of the addresses were stored several times. Now things are clearer: an address exists only once, but often has different roles.

Shifting to Klopotek has brought a range of additional benefits and functionality. What has been your experience with these in your departments?

Dieter: I personally think the search function is important, since it is no longer necessary to know exactly how the concepts are stored. Previously, you simply had to know how a company name was written, or use the % character to find it. For example, the publisher “Gruner und Jahr” might also be stored, correctly, as “Gruner + Jahr”, or even “Gruner & Jahr”. Now, if I enter “Jahr”, I get a list of all the matching results. It may also be that the magazine “Brigitte” is stored under its publisher, “Gruner + Jahr”, and not under “Brigitte”. In the old system, I wouldn’t have found it – whereas now I would. And now, if I enter the name of the weekly newspaper “Zeit” and “Arts and Reviews Section”, I automatically get the right department and don’t need to hunt through the numerous entries for “Zeit”. We didn’t use to have such a search function with multiple terms. I also find it helpful that you can generate additional search words – that applies for pseudonyms and perhaps even more so for freelance authors. For freelance reviewers, I can define which newspapers they write for. So now, if I enter the name of a newspaper, I instantly get a list of reviewers who write for that paper. Of course, setting up such relationships on the new system requires more effort to begin with, since you need to be careful when entering the data and have to fill in a range of fields.

Another function that makes our job easier is pre-ordering individual titles. Since I can now choose between entering the title number or part of a title, it’s often much quicker.

Julia: For me, the most important benefit is simply that we now have one database. A lot of good comes of that.

Julia Klingsporn

Which functions or benefits do you think will save you the most time?

Dieter: In press relations, I think the most important advantages of the system are in the improved search function. Time is also saved when entering review copies, which every employee needs to do ten or twenty times per day – we get that quite a bit.

All departments at Eichborn use Klopotek’s Software as a Service (SaaS) solution. What is your actual experience using software in this way? Are you satisfied with the performance of the system, which runs via Internet?

Dieter: If I didn’t know that we were accessing a server far away in Berlin, I wouldn’t notice it. There is no difficulty with the response time of queries and reports.

What do you think the most important points are about your co-operation with Klopotek?

Dieter: As far as co-operation and service with Klopotek is concerned, I thought the database migration was very good – for example, the way database comparisons are done and fields are added. That made switching systems easier.

Julia: Yes, we also did a test migration, which allowed us to make adjustments. And, as project leader, I would like to add that I always felt comfortable in meetings with Klopotek. It was a pleasant atmosphere for doing business.

The advantages of working with Klopotek CR&R (Contracts, Rights & Royalties)

Sonja Kara, Rights and Licenses Department

Sonja, Klopotek CR&R (Contracts, Rights & Royalties) enabled you to settle and audit your royalty statements at the end of 2008 in record time. What are the biggest benefits of using CR&R in your work?

Sonja: The advantages of using Klopotek CR&R begin with the checklists that support our work processes and go right through to printing, which is now much easier than before. What really helps is that we now have a better overview of the contracts.

Reliable data: Sonja Kara, Rights and Licenses (r.), speaks with Petra Steinfeld, Director Klopotek, about the benefits of working with Klopotek CR&R.