

SUCCESS STORY

University Co-operative Bookshop Limited
Pearson Education Australia Pty Limited
University of Sydney, Faculty of Economics and Business



Sharing knowledge at the seats of learning!



Student satisfaction is driving universities to take a greater role in the supply of academic textbooks.

Di Robinson
Chief Executive Officer
University Co-operative Bookshop

The Organisations

The University Co-operative Bookshop Ltd is the largest academic book retailer in Australia, with more than forty-five branches and an annual turnover in excess of \$80million. Pearson Education Australia is Australia's leading educational publishing company and is part of Pearson plc, the international media company that includes the Financial Times Group and Penguin Books. The Faculty of Economics and Business, University of Sydney is one of the largest faculties within social science and business education in the Asia Pacific region.

The Project

The academic text market in Australia is worth an estimated \$200m retail pa. Wastage and obsolescence in this market can be as high as \$3m net. This is typically manifest as higher prices to consumers. As well, there is a growing trend by

educational institutions to delay decisions on lecturers and to select overseas texts. Bookshops and publishers face a challenge to deliver on time, without forcing the students to bear airfreight costs or commence lectures without their texts. Finally, the devaluation of the Australian dollar over the past few years has eroded publishers' profit margins on imported textbooks. There is an urgent need to improve the performance of this sector of the industry.

Project Methodology

The scoping study defined the following key activities:

- Data review from industry reports and national statistics, internal reports, interviews with key customer personnel and interactive focus groups
- Mapping the performance of the total chain for the product group represented by Pearson texts selected by academics in the Faculty of Economics & Business

VALUE CHAIN
MANAGEMENT
PROGRAM



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- Establishing improved relationships and processes along the chain to access and share information to improve sales forecasting.

Benefits and Outcomes

This project had to address two major customer groups, each with very different value criteria. Academics, for whom the selection of textbooks is often a low priority, and students, who require relevant texts on time. This is a problem for all campus bookshops, but a review of good management practice indicated that access to university data to help forecast numbers substantially improved performance.

The value chain focused on collaboration during the textbook “Rush” period from November 2001 to March 2002. This provided the results in the table:

Performance Indicator	Rush 2002	Rush 2001
Total books received for sale on time	100 %	60 %
Actual / Forecast sales	85 %	92 %
Total transfers of books during Rush	3% in, 1% out	2% in, 1% out

The figures show that the collaboration between the chain partners for Rush 2002 substantially improved the Co-Op Bookshop’s services to students compared to 2001. However, the problems of forecasting student numbers in courses, and hence book sales, were still evident by the actual/forecast and transfer figures.

The project’s most significant outcome was to enhance the relationship between the Co-Op Bookshop and Pearson Education with the University of Sydney. This relationship has developed far beyond the norm to include interaction at the highest levels of academic and administrative management in the university. It has also provided access to the University’s timetabling data and expertise to improve the ability to forecast textbook sales-this will mean that bookshop and publisher representatives can make faster decisions about inventory levels.



Sydney University, particularly the Faculty of Economics & Business, is now more aware of the influence of textbook performance on student satisfaction. It is planning to take advantage of some on-demand printing capability and improved information on new and alternative texts via the publishers, and will be the first to consider new incentives to academics to take a greater role in the textbook supply process.

Key recommendations arising from this project include:

- For the universities, to share statistics on enrolments to improve forecasting, and to promote more timely textbook decisions among their academic staff
- For the bookshops and publishers, to jointly develop better forecasts via resources dedicated to this task, and to gain the support of the deans and heads of schools to develop greater academic staff discipline in the timely selection of textbooks.

This project was facilitated by Dr Ian Dover of Alitek Pty Ltd, a project manager accredited with the Value Chain Management Program. The Program is an initiative of the Commonwealth Government.

www.valuechains.industry.gov.au

