



## Stratum: Operational Planning & Business Intelligence For Publishing Businesses



*Trade publishers. Religious publishers. Educational publishers. Academic publishers. Professional publishers. Specialty publishers. Reference publishers.*

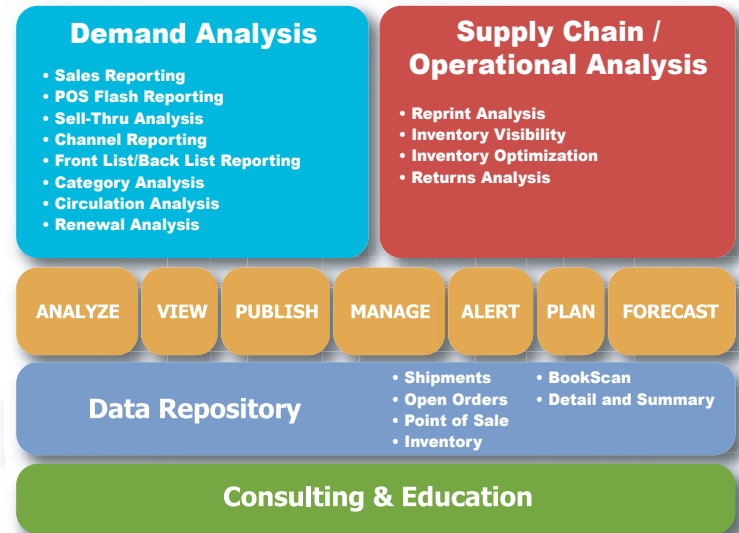
All publishers are uniquely different in the models and processes by which their businesses operate. Yet all share common challenges related to distribution, title performance, inventory investments, author and contributor royalties, title returns and service levels. Having total visibility into what's happening across the publishing supply chain is essential ... and using that information to better plan the business while increasing productivity, reducing inventory / fulfillment costs, enhancing customer service, and promoting increased sales through meaningful data is critical to operational success.

Over the past 13 years, Silvon has worked hand-in-hand with publishing enterprises to give them better visibility into demand and operational performance ... better planning and management of their titles ... and better overall management of their accounts. These organizations rely on Silvon Stratum™ for operational planning, business intelligence and reporting.

### FEATURES

Stratum features hundreds of pre-built performance views, KPI metrics and reports that run on top of the valuable data captured by order entry and other business systems. This data is imported, aligned and stored by Stratum in a central repository that can be easily accessed by users any time, anywhere ... giving our clients significant insight into how well they're performing against their plans while pinpointing variances and other anomalies that may require their review to ensure that everything stays on track.

Stratum also features the most extensive capabilities available to publishers today for title forecasting, sell-thru demand forecasting, and more accurate sales and subscription planning.



### A REPRESENTATIVE SAMPLE OF SILVON'S PUBLISHING CLIENTS ...

Butterworths Ltd.  
Cambridge University Press  
Columbia University Press  
Elsevier

Follett Higher Education  
HarperCollins Publishers  
Harcourt  
Johns Hopkins University

Krause Publications  
McGraw Hill Asia  
Pearson Education  
Scholastic, Inc.

Thomson Learning Australia  
Zondervan

## Ongoing Visibility to Demand & Operational Performance

Many publishers require real-time visibility into product movement in order to provide the right categories and mixes of titles to market. With our solution, point-of-sale, BookScan and other sales- and marketing-related data can be imported into the Stratum data repository and easily viewed together with historical sales. The result? Greater visibility into actual demand, greater visibility into the performance of other publishers, increased new title and close-out performance, and the ability to quickly refine promotional focus and generate a greater return on your marketing investments.

On the operational side, Stratum provides to publishers in-depth visibility into inventory, returns, reprints, and more, to help them make better reprint decisions, maintain a more efficient supply, reduce out-of-stocks, improve fill rates and reduce costs related to inventory excess and shipment expediting.

## Sales Analysis

Measure sales performance from many perspectives, such as sales and profitability by title and customer based on various time periods, geographies, and other dimensions, from the highest or lowest level of detail.

## POS Flash Reporting

Get a clear picture of what happened last week from a retail perspective by market, bestseller list, top new titles, and more.

## Channel Analysis

Conduct title analysis by channel with search capabilities by ISBN, title or author; analyze imprints, look at weekly gainers and decliners, and compare titles by channel, too.

## Samples Analysis

Track the performance of samples and their ultimate impact on sales.

## Open Orders Analysis

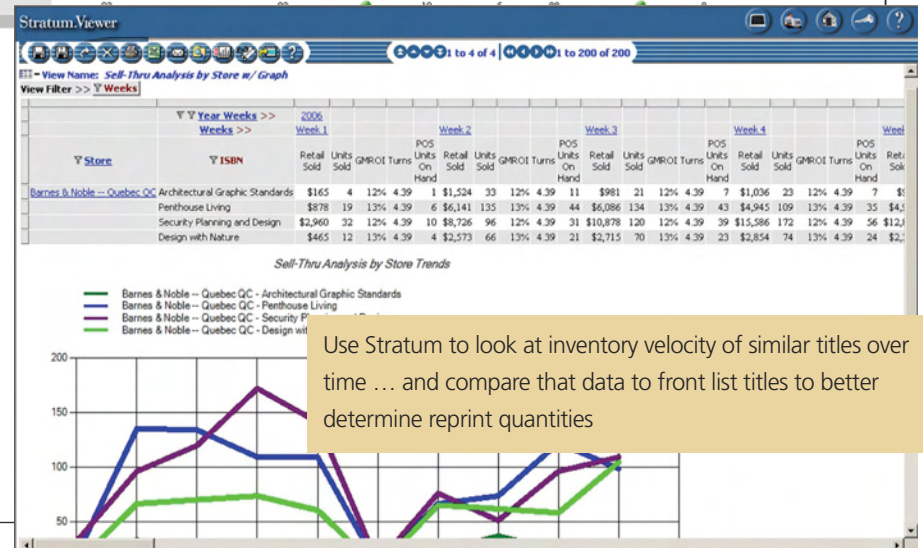
Monitor open orders so you can balance them with available inventory to meet account demand.

ISBN	Title	Release Date	Author	Sales Cur/Wk	Sales Last Wk	Percent Increase	Sales 2 Weeks Ago	Units On Hand	Estimated Weeks of Supply	Units On Order	8 Week Sales Avg	POS Sales LYTD	POS Sales Total	POS Sale Last Week Total
924003	Emotions at Work	6-10-2004	BWO	1,328	2,621	-42%	2,318	6,667	4	3,057	2,222	60,330	47,828	60,330
924401	The Authentic Heart	5-30-2004	ATQ	1,389	1,557	-11%	1,493	4,439	3	2,778	1,480	47,398	37,245	55,252
914302	Designer Desserts	9-15-2004	BWO	932	1,226	-24%	993	3,150	3	1,863	1,050	35,351	26,198	39,424
914304	Baking by Flavor	9-15-2004	BWO	887	2,414	-63%	1,564	4,865	5	1,775	1,022	46,653	36,949	46,653

Generate flash reports showing title sell-thru performance by retailer and current supply status

ISBN	Facility	Facility Short Description	Y On Hand Current Week	Open Orders Current Week	Open Reprint Orders Current Week	ATP Current Week	Current Week Negative Inventory Indicator	Open Orders Current Week +1	Open Reprint Orders Current Week +1	ATP Current Week +1	Current Week +1 Negative Inventory Indicator	Open Orders Current Week +2	Ret. On Hand
924622	18	Chicago	12,681			12,681	●			12,681	●		
	19	Omaha, NE	4,126	66	83	4,143	●	154	77	4,066	●	118	
	21	Charlotte	4,493	24	30	4,499	●	222	111	4,388	●	171	
		<b>924622 Total</b>	<b>21,300</b>	<b>90</b>	<b>113</b>	<b>21,323</b>		<b>376</b>	<b>188</b>	<b>21,135</b>		<b>289</b>	
924602	18	Chicago	4,450			4,450	●			4,450	●		
	19	Omaha, NE	4			4							
	21	Charlotte	5			5							
		<b>924602 Total</b>	<b>5,5</b>			<b>5,5</b>							
924415	18	Chicago	1			1				1			
	19	Omaha, NE	1			1				1			
	21	Charlotte	1			1				1			
		<b>924415 Total</b>	<b>2</b>			<b>2</b>				<b>2</b>			
924404	18	Chicago	18,5			18,5				18,5			
	19	Omaha, NE	1,7			1,7				1,7			
	21	Charlotte	100	238	300	162	●	534	267	-105	●	411	
		<b>924404 Total</b>	<b>20,449</b>	<b>546</b>	<b>688</b>	<b>20,591</b>		<b>592</b>	<b>296</b>	<b>20,295</b>		<b>455</b>	
924403	18	Chicago	604			604	●			604	●		
	19	Omaha, NE	91	54	68	105	●			105	●		
	21	Charlotte	88			88	●			88	●		
		<b>924403 Total</b>	<b>783</b>	<b>54</b>	<b>68</b>	<b>757</b>				<b>798</b>			

Gain title visibility over multiple weeks with Stratum ... balancing your inventory on-hand, open orders, reprint orders and available to promise



Use Stratum to look at inventory velocity of similar titles over time ... and compare that data to front list titles to better determine reprint quantities

## Inventory Analysis

Evaluate inventory levels in order to better understand product movement, inventory investments and product availability.

## Accounts Receivable Analysis

Study payment performance and credit balances in summary or detail. Profile accounts and assess long-term accounts receivable trends.

## Circulation Analysis

Analyze your subscriber base by paid circulation, attrition rate and subscription source.

## Claims Analysis

Investigate claims trends and patterns from a product, customer or geographic perspective.

## Subscription Renewal / Response Analysis

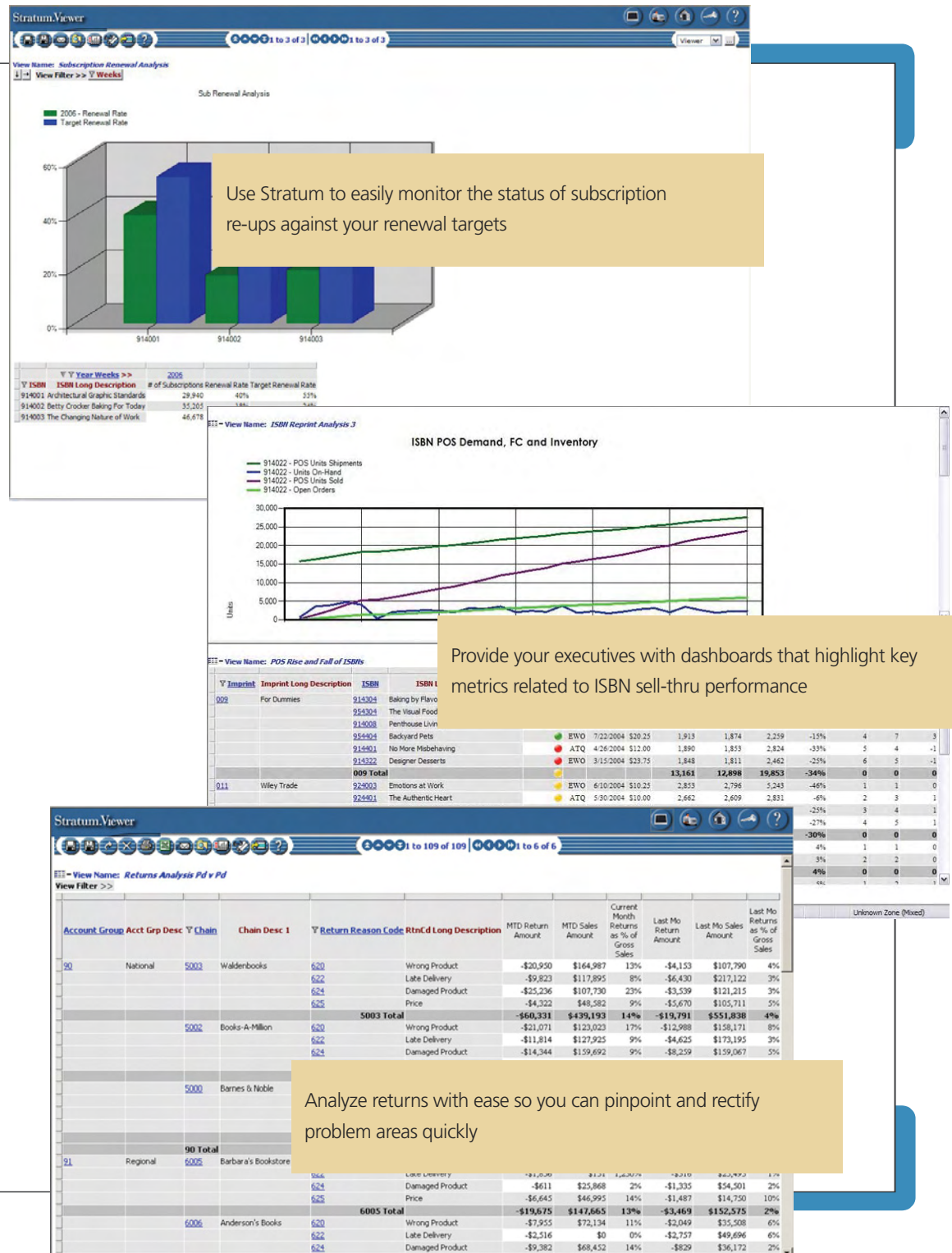
Analyze response rates, retention rates, and payment rates for renewals by product, customer, geography, marketing strategy and more.

## Promotions Analysis

Measure the effectiveness of sales and marketing campaigns and compare incentives, lists, price, and performance in terms of event lift analysis.

## Returns Analysis

Dig into title returns to uncover trends and relationships from a product, customer or geographic perspective and pinpoint the reasons behind them.



## Demand Forecasting

While subscription-based publishers generally have a good grasp on title demand, others require the ability to generate forecasts for Not Yet Published, Front List and Back List titles.

With Stratum, our publishing clients can establish demand curves for new titles systematically based on sales history related to an author, a similar title category, even the history of another book ... and to monitor and adjust these curves to accurately reflect current demand patterns. Once the title has at least one period of history, Stratum's statistical power can then be leveraged to generate forecasts based on that history (including expected sales lift resulting from co-op promotions) to accurately and statistically predict ongoing demand.

## Sales Planning

Stratum also provides the detailed analytics you need to support sales planning for your titles across numerous accounts (not just your top X titles at top X accounts). Use Stratum to collaboratively manage your plans and budgets and to leverage any historical data that you may have to make adjustments when needed. Ultimately, you can compare your plans to actual sales and analyze overall performance for each of your titles and accounts.

## Sales & Operations Planning

Our publishing clients have also found Stratum's Sales & Operations Planning framework a perfect foundation for setting targets and measuring progress toward improved performance, increasing teamwork and collaborative skills using a single operating plan, and dynamically managing the business on a regular basis so you can respond quickly to demand or supply changes.

Y ISBN >> 915001														
A Y	Rolling Year Based Months	Absolute Year	Months Based	Absolute Months	Event Calendar	Initial Order Quantity	Editorial Input	Sales Input	Average Adjustment	Baseline + Average	Revised Order Quantity	Shipments	POS Quantity	Forecast Error %
Current Year		2006	6 Months Ago	2006/March	1	2,011	300	2,300	1,300	3,311	2,200	2,171	2,679	-1%
			5 Months Ago	2006/April		2,432	-200	2,025	913	3,345	2,500	2,904	3,583	16%
			4 Months Ago	2006/May		1,487	1,250	3,278	2,264	3,751	1,500	1,770	2,184	18%
			3 Months Ago	2006/June		2,370	-355	3,250	1,448	3,818	2,370	2,802	3,457	18%
			2 Months Ago	2006/July		2,874	1,550	6,950	4,250	7,124	2,874	4,291	5,295	49%
			Previous Month	2006/August		2,965	2,450	5,190	3,820	6,785	2,965	2,542	3,136	-14%
			Current Month	2006/September		3,741	1,200		600	4,341	3,741	3,526	4,351	-6%
			Next Month	2006/October		2,143	1,325		663	2,805	2,143			-100%
			2 Months Out											
			3 Months Out											
			4 Months Out											
			5 Months Out											
Last Year		2005	Current Year To											
			6 Months Ago											
			5 Months Ago											
			4 Months Ago											
			3 Months Ago											
			2 Months Ago											
			Previous Month	2005/August		2,162				2,162		3,163	3,903	0%
			Current Month	2005/September		2,393				2,393		2,885	3,560	0%

Stratum supports a collaborative sales & operations planning process for any type of publishing business

Y	Rep/Booker	Repts	Short Description	Year	Based Months	Absolute Year	Months Based	Absolute Months	Funds Available	Commitments	Funds Remaining
202	Mark Fielder			Current Year	2006		8 Months Ago	January	\$112,561	\$7,753	\$104,808
							7 Months Ago	February	\$114,130	\$7,753	\$106,377
							6 Months Ago	March	\$127,633	\$7,753	\$119,900
							5 Months Ago	April	\$113,730	\$53,331	\$60,399
							4 Months Ago	May	\$114,993	\$63,997	\$50,997
							3 Months Ago	June	\$138,975	\$53,331	\$85,644
							2 Months Ago	July	\$156,383	\$75,313	\$80,870
							Previous Month	August	\$183,697	\$75,313	\$108,183
							Current Month	September	\$160,946	\$75,313	\$83,433
							Next Month	October	\$201,064		\$201,064
							2 Months Out	November	\$213,991		\$213,991
							Grand Total				

Leverage Stratum to monitor your trade funds allowances, commitments and actual promotional spending

## Cooperative Sales / Marketing Planning

Stratum's built-in analytics helps publishing organizations create sound promotions for moving titles with greater velocity based on previous performance for the title, consumer buying trends related to similar titles, and a number of other variables. Plus, it lets you easily allocate promotional funds by region, account group, title category, title name, and more ... to reduce or eliminate trade and promotional "overspending" due to a lack of visibility to realized actual spending.

## Inventory Optimization

You can rely on Stratum to analyze past, present and future data so you can build an ideal working inventory model for your business, too.

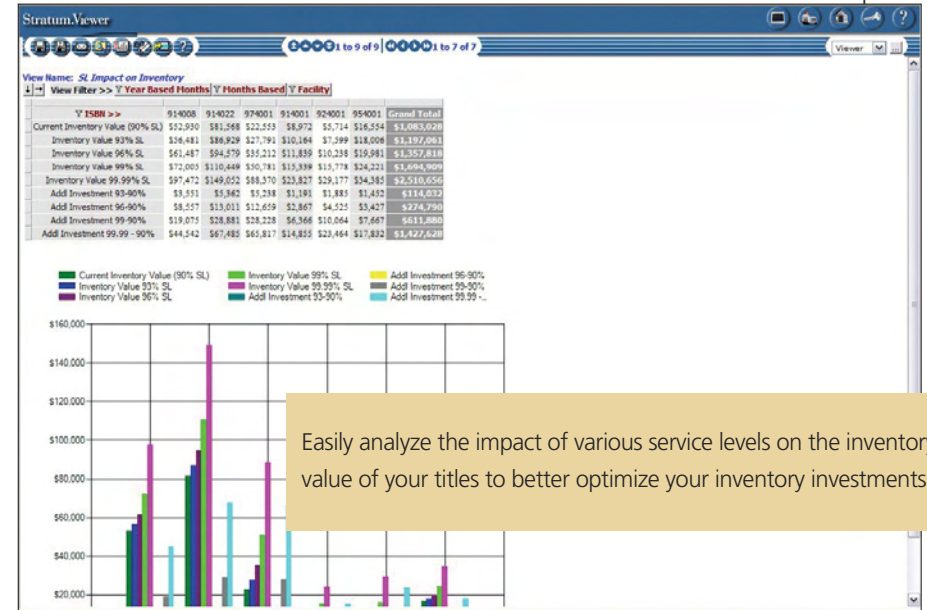
Once created, empower your users to operate against the model and make dynamic adjustments to recover profit from your inventory investments. Many of our clients have reduced their inventories by 30% through such optimization, while also reducing out-of stock situations and ensuring that the right titles and quantities are available to satisfy demand.

StratumViewer

View Name: FG Suggested Inventory by SL  
View Filter >> Y Facility Y Year Months Months

Y ISBN	Months	Sales and Ops Forecast	Sales	Planned Lead Time	Actual Lead Time	Cycle Inventory	SS 95%	Suggested Inventory 95% SL	SS 98%	Suggested Inventory 98% SL	Average Inventory	Over/Short 95% SL	Over/Short 98% SL	Performance to Cust Req Date
914001	January	816	920	30	32	294	635	929	793	1,087	72	-858	-1,016	89.23%
	February	903	1,057	30	31	370	423	793	528	898	94	-700	-801	88.20%
	March	1,018	1,153	30	29	334	257	591	320	654	102	-489	-552	86.01%
	April	1,344	1,659	30	34	557	219	776	274	831	119	-657	-712	90.13%
	May	678	794	40	42	333	260	593	324	657	104	-490	-554	87.46%
	June	989	1,149	30	36	414	243	657	303	717	111	-546	-606	92.21%
	July	1,247	1,594	30	40	758	178	936	222	980	127	-859	-923	92.36%
	August	1,174	1,125	30	38	428	339	767	433	831	191	-576	-660	90.96%
	September	1,551	1,430	20	28	400	482	882	602	1,002	305	-578	-698	90.44%
	October	1,247												
	November	1,221	0											
	December	1,192												
<b>914001 Total</b>		<b>13,360</b>	<b>11,161</b>											
914002	January	6,209	6,841											
	February	3,979	4,372											
	March	3,704	3,771											
	April	2,653	2,785											
	May	2,290	2,703											
	June	2,894	3,125											
	July	3,986	3,782											
	August	4,596	4,330	30	46	1,992	1,071	3,063	1,337	3,329	1,565	-1,498	-1,764	90.23%
	September	5,087	4,883	20	04	175	1,040	1,215	1,299	1,474	1,278	63	-184	90.83%
	October	4,716		40	-40	1,886	839	2,775	1,110	2,996		0	0	88.67%
	November	8,053	0	70	-40	5,837	839	6,526	1,310	6,747		0	0	100%
	December	6,849	0	40	-40	2,740	839	3,629	1,110	3,850		0	0	100%
<b>914002 Total</b>		<b>54,957</b>	<b>38,090</b>			<b>80,751</b>	<b>24,928</b>	<b>105,679</b>	<b>31,125</b>	<b>111,876</b>		<b>-96,275</b>	<b>-102,472</b>	
914022	January	3,793	4,114	30	22	903	4,976	5,881	6,213	7,118	1,381	-4,300	-5,737	92.31%
	February	2,701	2,924	30	30	877	3,647	4,524	4,553	5,430	1,392	-3,133	-4,039	87.44%
	March	2,720	2,861	30	20	572	1,337	2,109	1,939	2,491	1,406	-704	-1,096	93.08%
	April	3,164	3,333	30	48	1,834	306	2,140	482	2,266	1,338	303	928	87.70%
	May	1,922	2,213	40	60	1,328	411	1,739	513	1,841	1,234	-505	-607	91.83%
	June	2,460	2,530	42	48	1,214	616	1,830	769	1,983	1,235	-596	-749	90.95%
	July	1,626	1,707	50	90	1,336	419	1,853	523	2,039	1,229	-726	-830	93.93%
	August	2,338	3,177	30	150	4,766	745	5,511	930	5,696	1,187	-4,324	-4,509	91.56%
	September	2,813	2,181	20	50	1,091	2,331	3,622	3,160	4,251	1,052	-2,370	-3,199	86.91%
	October	1,681		40	-40	7,064	487	7,674	784	7,881		0	0	81.71%

Use Stratum to calculate inventory levels based on service rates to better meet the supply needs of your accounts



## BUSINESS BENEFITS

### Supply Chain

- Decreased out-of-stocks
- Ability to accurately forecast the front list
- Greater visibility for managing the back list
- Enhanced sell-thru visibility
- Progressive collaboration between publishers and their retail customers

### Marketing

- Increased market share
- Greater ability to react to unanticipated actual demand
- Enhanced ability to respond more rapidly to market opportunities

### Sales & Category Management

- Better ability to meet sales goals
- Decreased returns
- Minimized lost sales due to out-of-stocks
- More effective distributor relationships
- Greater account management
- Higher account and end-consumer satisfaction

### IT / MIS

- Leverage the data already captured by and stored in your current publishing systems (along with any external marketing and point-of-sale data that you receive) from an enterprise-wide data repository
- Lower operational costs with pre-built views and reports that can be deployed "out of the box," yet customized easily
- Greater ability to adapt to rapid changes in retailer data feeds and standards
- Greater ease in integrating various data sources
- Greater user involvement & commitment

## USER BENEFITS

- Eliminates manual data entry and manipulation
- Consolidates all retail data into one reporting database so everyone's working from the "same version of the truth"
- Offers friendly point-and click capabilities, drill up/down exploration of data, data filtering, alerts and broadcasts
- Pre-built exception reports flag anomalies as they occur so users have more time to strategize
- Presents analytical results in sophisticated charts and graphs
- Provides flexible reporting options based on the individual preferences and requirements of your users. These options include a powerful built-in user interface for active power users and the delivery of reports and analyses via e-mail, portals, executive dashboards and interfaced to popular desktop applications
- Requires little or no computer expertise



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