

## **Evolutionary strategies for publishers: mutation, migration and natural selection**

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You'll find that one of the occupational hazards of being a publisher is that any acquaintance required to produce any piece of writing sets it in front of you 'just to check the spelling. And grammar. And does it make sense?'

And so the idea for this talk was born when my husband whipped out an assignment on altitudinal climate change and wondered out loud if I'd mind just checking the spelling... .

Turns out that as climate change pushes warm air further up the mountain, species tend to climb higher to stay within their comfort zone. At a rate of about 12m height increase per decade it's not exactly the fast train to destruction, but it's pretty clear that long-term it's a one-way street. As they get nearer the top, there's less and less mountain to go round.

The conditions get increasingly tough as the vegetation gives way to bare rock, and sooner or later they're simply going to run out of mountain.

And I thought: what an interesting metaphor for any business facing disruptive change, say, for example, scholarly publishers who suddenly find themselves sharing a mountain with open access initiatives, institutional repositories, Google Scholar, Wikipedia, peer-to-peer file sharing and the wisdom of the crowd, all muscling on their role and their revenue streams.

And I wondered: are there any alternatives to a metaphorical retreat upwards to shrinking, ever less attractive habitats, trying to preserve our old way of life and fighting with increasing desperation over the last scraps of food?

Put bluntly, in the animal kingdom the answer is simple: evolve or, eventually, die. And this tends to be the rule in business as well: gas lighting manufacturers who dismissed the new fad for electricity fared poorly.

So what evolutionary strategies might publishers adopt in the 21<sup>st</sup> century?

Evolution is driven by two key factors: natural selection (ie those best fitted to their environment survive to pass on their genes) and genetic drift, which chucks in an element of randomness that keeps things interesting. Important to remember the importance of random elements, blue-sky thinking – that's how whole new businesses are created.

One way of attempting to make natural selection work for you is to get even better at what you do best, to spin the treadmill ever faster, to come out top in the increasingly desperate fight as the species en masse moves higher up the mountain and hope that one day things will go back to the way they were.

Realistically, any strategy aimed at surviving disruptive change is likely to involve an element of this focus on core operations: it's hard to turn into an entirely new creature overnight. So publishers can reduce operating costs, focus commissioning on the most profitable areas, and maximize the impact of marketing spend just by being cleverer. The watchwords of this defensive strategy are control, efficiency and profit maximization.

The problem is that these are not the watchwords of innovation and change, and yet publishers need to somehow reconcile these two world views, to protect the margins that are typically painfully tight even in a good year but somehow also make space for risk-taking and creativity, and accepting that that will involve some mess.

So what more creative responses are there to environmental change, and do they have a more promising long-term prognosis?

### **Migration**

Every business has its ecosystem. For scholarly publishers, we have authors, competitors, library suppliers, librarians who purchase our titles and campus bookstores that stock them, academics who read and discuss them, or who put them on reading lists for students to read and discuss. That ecosystem was stable for a very long time, everyone knew their place in it, and generally it worked pretty well.

But suddenly students and academics have wandered off away from the end of the supply pipe: they're producing and consuming material amongst themselves without any intervention from publishers, they're transforming received information through their discussion, and generating new ideas off the back of them amongst themselves, as a class, an institution, or globally as a community of interest.

Today, the ecosystem looks more like this – a tangle of horizontal networks, with each node receiving information from every direction. And yet in this blizzard of information the role of the publisher is more valuable than ever, if only we're prepared to adapt to the new rules: publishers are uniquely well placed to identify and nurture talent, draw attention to the best ideas, and highlight useful connections to other works with related ideas and arguments.

One publisher that does this brilliantly is O'Reilly – Tim O'Reilly, the man who coined the term 'Web 2.0', sees Twitter as an extension of his remit to focus attention on interesting people and important ideas. O'Reilly's Rough Cuts program, which makes books available to readers at beta stage and allows them to participate in shaping the finished work, has been successful both conceptually and commercially (he claims they sell about the same number of a Rough Cut work while it's in progress as a finished book that's not in the scheme, and once it's published the sales shoot up to over 2.5 times that of the control book, on average).

Another example of migration is the astounding growth of mobile use for content delivery over the last 12 months: although Japan has seen novels written for delivery by mobile for years now, it's a relatively new sight for us to see someone flicking the pages of a journal article on their iPhone. Our sister company Pan Macmillan was quick to spot the significance of this trend, partnering with Stanza to deliver sample chapters of new titles for free via the iPhone apps store.

### **Mutation:**

As well as moving our focus to follow that of our readers, the other way we need to evolve is by changing ourselves. Digital publishing requires new capabilities, technical resource, systems and a new culture: it's hard when we've always measured success by profit margins and operational efficiency to learn to accept uncertainty,

tolerance of failure as a necessary part of risk-taking, up-front investment for unproven revenues.

In nature, genetic mutation means that every now and then a creature will be born with a characteristic that proves favourable to the environment it finds itself in, such as a rabbit with faster-than-usual hind legs. This is what powers natural selection; such a creature is more likely to live long enough to pass on its lucky genetic quirk. Rather than trying to become an entirely different creature, perhaps publishers should ask themselves what unique favourable characteristics their organization possesses, and how can they become the starting point for this process of change?

For Palgrave Macmillan, one answer to this question was our relationship with Nature Publishing Group, which has been at the bleeding edge of digital publishing and online communities for several years now. Since our journals are already hosted on the NPG platform, we exploited that advantage by extending the platform to ebooks – Palgrave Connect launched last week, in the first instance as a means of selling collections of ebooks direct to libraries, and will in time allow us to create powerfully flexible content offerings combining journals and ebook content.

### **Natural Selection**

Only time will tell which (if any) of the traditional publishing houses will survive in the new information age. All we can do is take every chance we have to become more fit for purpose, more responsive and adaptive, partnering more widely and more intelligently with each other and with the newcomers in our environment, because it's clear that if we fail to do so we are doomed one day to fall off the top of the mountain.

THANK YOU

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