



PERSONAL PUBLISHING ON DEMAND.

We provide a platform for you to create,
buy, sell and control digital content on demand.

www.lulu.com

Technology

- Desktop Publishing – MS Word, rtf
- Adobe PDF, JDF
- Content Management
- XML protocols between players
- eCommerce
- Bibliographic databases
- Digital Printing
- The Internet

Intellectual Property

- 80% of Book Readers say they will write a book
- Vast libraries and silos of content
- Napster
- You tube
- Social Networking
- Self Expression in general

At the Convergence

- Publishing Industry is impacted
 - Number of new titles explodes
 - Where Books are sold shifts
- New Small Publishers
- Individuals as Publishers
- Blurring of roles in the channel
 - Distributors print
 - Publishers distribute
 - Booksellers do it all?

Old Math of Publishing

- Print books for warehousing
- Sell books from stock
- Requires capital for inventory
- Warehousing Costs
- Spoilage of inventory
- Risk of excess inventory and obsolescence

New Math of Publishing

- Sell Book, then print book
- True on Demand printing
- Online models
- Requires robust system interfaces between retailers, wholesalers, and manufactures
- Zero inventory risk, no backorders, quicker time to market

4 Areas of Publishing

- Traditional Book Publishing
 - Professional Technical and Reference
 - Religious
 - Trade
- Content Aggregators – bring large collections back to life
- Self Publishing
- *Publish on Demand*

Traditional Publishing – Inventory Management Scheme

- Reduce inventory costs
- Keep titles in print
- Improve customer service – never say “no”
- How?
 - In plant POD systems
 - POD printers aligned with wholesalers and retailers

Content Aggregators – Keeping Content Alive

- University of Chicago Bibliovault
- University Libraries
- JStor for journals
- Questia
- Private Concerns
- Government and Non-Gov't Agencies
 - World Bank
 - International Monetary Fund
 - Many many More
- Google

Self Publishing – The Growth

Fastest growing area is self publishing

- Over 80,000 self published manuscripts out of 160,000 new books in 2005 –US ISBN's
- Desktop Publishing tools becoming easier and more widely distributed
- More people Speak English
- Better more efficient distribution channels
- Online book retailers – Amazon
- Aging population – more to write about
- Wealthier populations
- More special interest groups – micro marketing



Publish on Demand – New Models

- Consumer *Creates* or assembles the content
- Document Object Identifier (DOI)
- Mash ups
- Icon Online
 - Business research
 - Geopolitical research
 - Medical Reference

Costs and Metrics

- But printing one at a time costs more per unit
 - One at a time perhaps 5x costs in quantity
- Emphasis on minimizing the transaction costs
 - Fully automated order management
 - Freight per book is high – need for local printing
 - Handling and packaging costs
- Look to Return on Investment rather than lowest unit cost
 - Can the project turn a profit? If books are in a warehouse they are not generating profit

Lulu – n: *a remarkable idea, person or thing*

- Founded by Bob Young – Co-founder of Red Hat software, the leader in open source software
- #1 search engine ranking for “Self-Publishing”
- Rapid growth into book markets
- Flexible platform for publishing and e-commerce
- Access to major distribution channels



New Publishing Model

- Lulu takes Personal Publishing to a new business model
 - Free
 - Sell from your own website
 - Multi-lingual
 - Traditional Distribution Options
 - Distributed Print
- Not Just Books



Products

- Books
- Calendars
- Photobooks
- CD / DVD
- Framed Art
- Electronic downloads
- Commercial Products

Emphasis on Color



Lulu /S All About the Long Tail

- Average Print Run is 1.8 copies
- 75% of orders are for one book
- 120,000 titles / items available
- A “hit” prints 5-10,000 copies
- Low or no transaction costs
 - Automated publishing and purchasing workflows



Lulu *IS* All About the Long Tail

What Sold in 2006 on Lulu.com

- 86,113 different soft-cover book titles
- 10,516 different hard cover book titles
- 7,473 different calendars



Lulu *IS* All About the Long Tail

2006 Creator Totals

- Creator registrations in 2006: 191,536
- Lulu creations: more than 323,000
 - Soft cover books: 163,000
 - Hard cover books: 20,000
 - E-books: 18,800
 - Photo Books: 7,800
 - Calendars: 18,800
 - Brochures: 3,400



Signal to Noise Ratio

- More noise in the long tail
- Poor quality writing requires filtering
 - Lulu.com will introduce “Persuasion Architecture” to lessen the problem
- Diamonds can be found anywhere
- Bookstores now want to carry self-published books

Opportunities

- API's to deliver tool sets to businesses
 - eCommerce
 - Content Management
 - Transaction Management
 - Leveraging Global Fulfillment and Customer Service
- Extend into Social Networking
- Mash ups
- Retail Distribution



Challenges

- Color Management
- Landed Cost of a Book still too high
 - Freight alternatives and consolidations
 - Expansion of product lines through LSI
 - Distributed print
- Materials Consistency
- Race to be relevant on the Web



Questions?

www.lulu.com

