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# Introduction

## MCB University Press – a profile

MCB University Press (MCB-UP) is a major English-language publisher of internationally focused, specialist academic and professional journals. The business is an independent commercial enterprise, unsupported financially either by academic institutions or advertising revenues.

MCB-UP was originally founded in 1967 by 50 business school academics to provide management consultancy services. In 1971 they acquired the journal *Management Decision* and commenced in earnest their activities in the field of publishing. Since then, by implementing an aggressive acquisition and new launch policy aimed primarily at the academic market, MCB-UP has increased its portfolio of journals to more than 150.

The company's publications are sold on a subscription-only basis through direct mail, database marketing, consortia purchasing and a field salesforce. They are generally high priced, with low circulation levels, and are sourced in a number of niched areas of managerial science.

MCB enjoys a global customer base with more than 75 per cent of sales coming from outside the UK. MCB-UP has regional offices in Malaysia, North America and Japan and representative offices in Australia.

### **MCB products and their markets**

MCB-UP publishes primary, secondary and tertiary journals. Primary publications constitute more than 90 per cent of the portfolio. Secondary products, under the Anbar brand name, take the form of abstracts of articles drawn from more than 400 major management journals and a similar number of journals in the fields of computing and civil engineering. The tertiary products comprise précis or digest material.

The primary portfolio consists of around 140 titles which are aligned to some 15 customer groups. These are in the areas of general management, human resources, training and education, economics, quality, marketing and distribution, engineering, health and environment, production management, property management, finance, and library and information management. Full text and abstracting, search and retrieval services are provided and, since the early 1990s, CD-ROM and Internet collections have been added to the traditional paper-based versions.

The company's journals are segmented according to the following markets:

- academic;
- academic to practitioner;
- practitioner to academic;
- practitioner.

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The main niche which has evolved, however, is the academic/practitioner, practitioner/academic market which brings the body of research to the practising manager and, conversely, takes industry to the researcher.

The market breakdown of MCB University Press is 65 per cent academic and 35 per cent corporate customers. It can be seen from this that the corporate group (practising managers and senior professionals) provides MCB with a substantial proportion of its customer base. The buying behaviour of this group, however, lends itself neither to repeat purchase nor to multiple subscriptions. The corporate group represents 35 per cent of MCB's current total sales value, and the company has launched several initiatives (both paper and electronic) to exploit and develop this market further.

The library market currently provides MCB with 65 per cent of its total sales value, as a result of its propensity for high renewal rates and multiple subscription buying behaviour. Both of these characteristics make libraries the desired market for new sales generation. MCB has recognized, however, that changes in this market-place brought about by the advent of electronic publishing and digital libraries will have an impact on the purchasing decisions within the library environment. This is in terms of budget allocation, product choice and the roles of those involved in the purchasing decision.

The majority of librarians purchase and renew their subscriptions via subscription agents which provide a "one-stop" shopping service for their total library collections, thereby saving costs of administration and resources.

MCB has introduced customer service and ordering facilities online, via the Internet.

### **Regional sales**

Distribution is worldwide, with sales by subscription primarily to academic and corporate libraries and practising managers. The breakdown is as follows:

UK	19 per cent
Europe	25 per cent
America	20 per cent
Far East	21 per cent
Australia	7 per cent
Rest of the world	8 per cent

### **Facing an electronic future**

MCB's stated goal is "to become a profitable world class publishing company" and the critical success factors for this have been identified as people, growth (through acquisition, new launches, renewals, new sales and electronics), data integrity, product and service (including electronic products), customer satisfaction and delivery mechanisms (i.e. paper, CD-ROM, online). The company's prime objective is to seek and exploit opportunities in management publishing, keeping abreast of technological changes in the industry.

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MCB has wholeheartedly embraced the benefits and opportunities presented by electronic publishing. It is generally believed that the future of the business is in the delivery of high “added value” information via electronic media. The platform of the Internet also provides the opportunity for the publisher to bring together authors and readers, and further add value via this “connectivity”.

In recognition of the underlying electronic developments taking place in the publishing industry at large, in 1994 an Electronic Publishing Initiative (EPI) was established. Its role was to identify projects which were market-driven, commercially viable and sustainable in an industry which has been faced with a major change from delivery of a paper-based medium to CD-ROM and digitized delivery over the Internet.

### **A growing company**

MCB-UP has experienced very high levels of growth in recent years, and notably in the decade to 1995. Growth of the business is achieved primarily through acquisitions, new launches, electronic publishing initiatives and highly targeted sales efforts. The business is based on the understanding of customer life-cycle, renewal patterns and price elasticity.

Corporate growth is sustained through cross-selling to existing customers, external prospecting for new customers, new product development (in the form of new journal launches) and journal acquisition. Journal launches tend to be targeted at new markets emerging within the existing customer base. Acquisitions are made to complement and strengthen the existing portfolio and to “buy in” new groups of customers which may, in turn, be developed into purchasers of other MCB titles.

Between 1985 and 1994, growth in turnover outpaced the increase in titles published and the number of staff employed, reflecting a drive upmarket in terms of journal quality and price and the ability of the organization to acquire mature journal titles for relaunch and repositioning.

While overall growth during this nine-year period was spectacular, much of the growth the business has enjoyed was achieved in the late 1980s. Since that time, the increase in turnover has averaged a respectable, if not spectacular, rate of around 20 per cent per annum.

The first half of the 1990s saw a deliberate shift away from traditional markets for UK-sourced management literature published in English (i.e. the UK and Australia), towards continental Europe, North America and the Far East where substantial sales potential was seen to exist. This focus continued through the late 1990s and a representative office was established in Kuala Lumpur. Despite the downturn in the Tiger economies, this region is still seen as a growth market of considerable potential.

### **Reorganization**

In the mid-1990s, MCB underwent two major reorganization programmes. The first resulted from certain partners/owners expressing a desire to sell shares in the company. In January 1995 a potential buyer emerged, but in April the sale was abandoned.

MCB partners who wished to remain were tasked with finding an alternative solution for the partners who wished to leave. This resulted in the requisite funds being raised through the bank. Three senior members of staff were appointed to the board and one of the remaining partners was appointed CEO, with the other two being nominated to the positions of chairman and vice-chairman.

The second reorganization, in 1996, resulted in the company being divided into two divisions:

- (1) the Electronic Publishing Division; and
- (2) the Paper Publishing (or Paper ++) Division.

The aim of the reorganization was to ensure both the electronic and paper publishing markets received 100 per cent attention and focus from the members of staff in these departments.

Since 1996, there have been a number of further changes. The most significant was the move from a product “push” to a market “pull” strategy, i.e. structure now follows strategy rather than vice versa. In line with this, the recognition that the academic market has moved rapidly to embrace the electronic “revolution” has led MCB, wherever necessary, to employ new technology to ensure maintenance of market share.

In a third reorganization, introduced in late 1999, marketing has been split into three distinct operations to reflect the differing needs of the company’s three major customer segments, i.e. academic, corporate and public sector organizations.

In marketing to academic organizations, MCB is working to increase its flexibility to enable it to move away from a “one size fits all” product policy towards a more tailored approach to customer needs and relationships. Marketing to the corporate market, meanwhile, is being developed in the light of the recognized requirement of this market not only for electronic products but also for paper and, possibly, specially tailored paper products. Finally, the company’s third market segment, public sector organizations, are seen to have very different purchasing behaviour, and a particularly marked need for research and other information.

Overall, MCB-UP is focusing on maintaining a strong position in the academic market whilst significantly enhancing its presence in the corporate and public sector markets.