**John Readings**

**Company Expansion Strategy**

**2015-2020**

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Ty Black CEO

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It is written for the Board and Senior Executive team only.

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# **A Note to the Student**

This case study has been developed for use by College for Adult Learning (CAL) students who do not have a suitable workplace or practice environment. The case study is used throughout the online program and the work you do, builds on the study from one unit to the next.

The initial folder of case study materials comprises this detailed summary document as well as a number of separate attachments. A summary of the attachments used to support this case study throughout the online program, are provided in the appendix of this document. As you progress through the program of study, you will find additional material added to the case study.

As you read through this case study, you will be referred to the additional documents (attachments). It is up to you to download these documents and to read as widely as you can to gain a complete picture of the online book industry in Australia and globally. The learning team at CAL strongly recommend that you take the time now to read all the material carefully, do the additional research and gain a comprehensive understanding of the industry and its logistical requirements and supply chain management (SCM), as you will use it continuously throughout your program of study.

It is important to note that not all the information you may think you need is included in this case study for obvious reasons. As a user of a case study (as opposed to someone observing what is occurring in the workplace and researching work-related documents and other information), you are required to fill in the gaps yourself. You can do this by conducting additional research online and/or using your imagination, as well as the theory you have learned in the preceding tutorials, to do so.

It is also important to remember that you will be assessed on how well you understand and apply the new knowledge and skills you have learned in your study to the case study scenario. Your assessor will be specifically looking to see that you have applied your learning and not that you have put together an enormous amount of additional facts about this fictional company.

If you are unsure how to approach the use of the case study you should book a time with your coach and they will walk you through it.

Good luck – we hope you enjoy this interesting and exciting case study!

# **Company History**

John Readings Pty Ltd is an Australian retail company trading under the name Readings. Its primary business is general bookselling however, over recent times and, in line with online service provision, it has purchased its own warehouse and now sources and stocks books from authors all over the world. It currently has over 850 stores located across Australia and New Zealand and a new large warehouse and distribution centre located in Laverton VIC. Laverton has easy access to road, air, sea and rail transport options with both Avalon and Tullamarine Airports within easy reach and the Docklands precinct for air cargo. This chain of traditional booksellers retails a broad range of fiction and non-fiction books, DVD’s etc. and Read’s main opposition comes from Borders, Angus & Robertson, Dymocks, Collins and the large department stores including Myers, David Jones, Kmart and Big W who sell some of their books and related products at below cost price.

John Reading who, prior to the war had been a business prodigy, started the company in 1956 when he returned from the Second World War to Melbourne and an unlikely inheritance. His second cousin removed whom he had never met and was only vaguely aware of had died in England and left him with a substantial estate and a request to bring reading to the masses. Subsequently Reading, who knew little about books and even less about fiction but was an extremely savvy businessman, opened his first store in Collins Street Melbourne in late 1956 just in time to catch the Christmas trade. Fortunately, he married gregarious reader and budding author Tilley Johnson who went on to write and publish the now famous Darkfire Trilogy – a fantasy series unsurpassed in modern fiction. Together they built the readings empire and by the late 1970’s it consisted of more than 50 stores across Australia.

In the mid 80’s John and Tilley handed the business over to their daughter Zoe and her husband Damian Black. Zoe, like her mother, had a talent for creating and, mentored by her father since she was small, she also had a good business head on her shoulders. Damian too comes from an old retailing family whose business interests have operated in Australia and the UK for nearly a century. Under Zoe and Damian’s leadership, the company grew to over 850 stores with planned expansion into New Zealand and Asia.

# **Company Overview**

The recession of the early 1990’s and the seeming pre-occupation with TV and videos caused the business to struggle to keep afloat for a couple of years until the public float of John Readings in 1998. This resulted in some structural and cultural changes although Zoe continued on as CEO and, as a consequence, the company went into a period of high staff, turnover, low morale and stagnancy. The company’s shares floated at AUD$2.10 but later fell as low as $1.20 and then reached heights of $4.70 just before the GFC.

With the change in structure, the company decided to take a new direction to entice customers back into their shops and away from the TV. They introduced coffee shops into all their high turnover stores. In 2004, the company initiated a major move to online sales and to this end, the company invested in developing the online strategy and designing and developing the infrastructure to support it. It started business as a modest $10 per day ‘family side project’.

After an extensive review by PWC, the company closed a number of non-profitable stores and re-opened others. The chain had always had a good range of fiction and was well known for its huge collection of fantasy and science fiction as well as its ability to source hard to find fiction for patrons. During the early 2000’s and not long after the coffee shops were introduced, management decided to promote the non-fiction collection, especially technical books and to compete head on with the technical booksellers such as Melbourne University Press, Pearsons and the growing influence of Cengage Learning and the Australian arm of McGraw Hill etc.

The company’s largest and most successful store is located in Sydney CBD and has more than 3,956 (EFT) employees. The company has more than 850 stores at locations all over Australia and New Zealand. The online business that commenced in 2004 has grown to a staggering annual turnover in excess of $70 million in only 11 years.

In late 2014, the company purchased the online bookseller Bookworld (see ref. ‘JR Acquires New Bookseller’).

Readings now turns over in excess of $224 million annually and is growing rapidly. In 2008, the company formally separated the bricks and mortar retail store business and the online business into two distinct divisions within the company. Each division has its own general manager (see organisational chart for further details).

Along the way, John Readings along with many of its key competitors (some of whom are no defunct) such as Borders, Angus & Roberston, Dymocks and many of the smaller booksellers have experienced the impact of several changes in retail and the bookselling industry generally. More recently, it is entering a highly competitive engagement with Amazon Australia (see ref. ‘Amazon Competitor Analysis’).

First off, they were hit hard with the change in law that protected Australian writers but, as a consequence saw imported books (which was a whopping 87% of the range) penalised and become much more expensive to buy overnight. This meant that the average book purchase went from $20 to $35 almost immediately.

Over the years of growth of the company (from a small business to a large retail book giant), the consumer too has radically changed. Once upon a time, the consumer was relatively easy to please and easy to predict. All they wanted was a book – either for leisure or study purposes. Sure, it was a challenge to keep up with reading patterns and keep abreast of modern authors, however, with the new century has come new technology and a whole new ball game for retail bookstores.

Almost overnight, consumers changed their reading habits to what they could access online and in electronic format, and the advent of e-books and the early domination of Amazon really battered the Australian bookseller so much so that two of Readings’ major competitors, Borders and Angus & Robertson, went into receivership. Along with this, the large department stores pushed up their stock of books and related products and sold them at below cost price, implementing a deliberate strategy to increase traffic into their stores, using popular fiction and non-fiction books as lost leaders. All of these changes in the market and the decline in store sales have seen staff confidence and morale plummet.

# **New Initiatives**

In 2015, the company purchased a large warehouse facility in Laverton VIC to service the current business, the fast-growing online business (see press/news/articles re. ‘online business growth’ and ‘awards won’) and the planned global expansion programs over the next decade (see plans and capability statement for warehouse facility).

As part of this expansion, John Readings will also supply product direct to the trade (B2B) as well as to its own commercial business outlets and direct to the public (B2C) online.

Recently, the company signed a major deal with Apple Australia to provide them with an exclusively branded iPod that is also a reader. Along with its other features, it will directly compete with the Amazon Kindle and other cheaper readers in the market.

The Apple reader is a top end product however it provides users with a much higher quality reading experience and far exceeds the experience provided by Kindle (the current market leader). The company plans to extensively market this new product using its online site as the key (and critical channel to market).

The company is also further broadening out its product offerings into a more extensive movie collection, providing popular as well as hard to get cult and specialized genres. Other miscellaneous products such as soft toys, unusual and up-market stationery and other items more broadly related to the core business, are also proving popular with customers. It is expected that this range of non-core product will continue to grow and expand following market trends and consumer demand.

Despite all the problems facing retail and bookselling in particular, John Readings has managed to grow with annual projections well above the average for the sector and Damian Black (Managing Director) puts this down to visionary leadership, the staff of John Readings and the exemplary customer service they provide.

*“Everyone in the organisation is focused entirely on customer service and making sure every customer is satisfied”* he says. *“We go out of our way to give our customer an exceptional shopping experience where they can come into the store and relax in our beautiful environment especially designed to relax and calm the senses, they can sit and have time out with a coffee and a doughnut and they can browse through our stock.*

*If customers prefer to shop online, we have a fantastic and highly interactive website with a delivery service that guarantees delivery within 48 hours (which certainly beats our international competitors)! We have worked really hard to make it a real experience so that customers want to come back because it is just so damn relaxing and pleasurable and, of course once they’re in this state they always purchase.”*

Ty Black (the eldest son of Damian and Zoe) was appointed CEO in 2007 when Zoe retired. Damian remains as managing director and continues to be an active and innovative force in the company.

Ty came to the helm with excellent formal business qualifications and extensive managerial experience at senior levels in the retail industry having studied at Stanford and worked extensively in the U.S.A in senior roles at some of the most innovative and exciting retail giants. One of the first things he did when he took the helm was to review efficiencies.

Over an 18-month period, he reduced costs through the use of cutting edge IT systems to better predict sales and more effectively manage inventory and he has streamlined the customer service counters in all the stores offering customers the option of self-serve.

Instead of having so many staff processing sales, he has what he calls ‘advisors’ who wander the store offering advice and help to customers who can’t find or don’t know what they’re looking for and, he has spent the marketing budget promoting the online business.

*“Our figures for the last year have shown that, since we started with the advisors, the average buy per customer has gone up from 1.5 items to an amazing 3.8”* – says Ty.

*“It seems our customers are very happy to get the help, as they then will buy twice as much as what they may have come in for and, our online traffic has also grown dramatically – the online sales have increased 50% and we have reduced our salary bill by nearly one-third, as we no longer need so many staff in the stores. Where we used to average 10 check-out staff per store (as an example) we only need two or maybe three advisors as our customers seem really happy to use the self-serve checkout service.”*

The new warehouse facility is Ty’s baby. Under his leadership, the company purchased the land and purpose built a warehouse facility that will grow and develop as the online business and global expansion projects role out. He recently moved the purchasing, warehouse and transport functions into one combined section and appointed a Director of Purchasing and Logistics to develop the strategy and oversee the set-up of the warehouse, develop the supplier network and the most efficient transport modes for the company to utilise.

In 2010, the company received ISO 9001 Quality Management accreditation and is currently working with a small group of partner suppliers preparing for ISO 28000 Supply Chain Security Management Systems.

The online business was recognised as one of the BRW fast 100 companies on 2012, and won the Telstra Business Awards in 2014.

# 

# **Summary of Future Business Direction**

To date, John Readings has been a very successful retailer but largely only in Australia and New Zealand.

The new five-year strategic plan anticipates expansion in three new business directions:

1. Store market expansion fully into Asia, specifically Japan, China, Malaysia, Thailand and Indonesia,
2. Online market expansion globally (commencing with Asia/Pacific and growing from there to South America and Russia),
3. Take-over of two primary market competitors in Australia (with the aim of increasing store numbers by one third and revenue by 22.6%).

## *Market Expansion Strategy: Asia*

To increase Readings markets, it is proposed to expand more fully into Asia – (as detailed in the commercial in confidence market research report and business analysis conducted for the Asia-Pacific Regions) – specifically the relatively untouched markets (for bookstores) in many countries in Asia.

As these countries all speak English and have large numbers of English Speaking expats in residence at any given time (refer to Market Research Report and accompanying feasibility reports by country), it is proposed to carry a full range of books translated into the local languages. Just how extensive the local language uptake will be in unclear and will be further researched overtime and once the brand is established.

Four project teams will be established. One each in Japan, China, Malaysia and India to establish and secure locations and launch the flagship stores in each location (using detailed information on customer requirements and demographics etc. gathered in the Market Research Report).

## *Country Expansion Strategy*

At the time of writing each of the five project leaders and their teams are preparing the initial project plans (refer to Market Research Report and accompanying feasibility reports by country) and initial schedule for in-country expansion. These plans will be made available to all directors and relevant staff as soon as they are complete.

## *Possible Expansion: South America*

Although expansion into South America has been noted and nominally agreed to, no decision has been made on an implementation date as yet; however, the broad strategy is to expand into South America in three-five years.

Extensive market research indicates that there is little retail competition in country and what competition there is, seems to be failing (as it did in Australia a decade ago). Another strategy to consider in this market is to buy-out or takeover failing book retailers.

## *Funding Options for the Expansion Strategies*

It is proposed to fund the Asian expansion strategy from reserves. This means that no additional capital will be required (either from debt or equity).

However, it is unclear at this stage about funding the market expansion into South America. It may be necessary to raise capital to fund this strategy. This will depend in large part, on the early success of the expansion into Asia.

If capital is required and it cannot be drawn from reserves, other options will need to be considered, however this would not need to be considered for 18 to 24 months and by then we should have some early indicators of the launch strategy in Asia.

## *Online Market Expansion Strategy*

This is already well underway following substantive research in all key global markets (further details can be found in the commercial in confidence Market Research Report and accompanying feasibility reports by country).

In preparation for implementation, three online project teams have been formed:

1. The e-commerce team. To develop/enhance IT functionality and capability as well as the e-commerce strategy and action plan,
2. The international purchasing and logistics team. To review in-country logistics, set up depots and/or distribution centres at strategic locations in countries identified for expansions,
3. The sales and marketing team. To develop a marketing strategy and sales plan, including promotions and launch materials/events to raise brand awareness etc.

The funds for each of the three project teams have been budgeted for, and will come from, profits.

The teams will develop draft strategies and plans for discussion with the executive team and in accordance with the schedule and agreed implementation plan (once finalised and signed off).

## *Take-over Expansion Strategy*

Following the successful takeover of Bookworld (see ‘JR Acquires New Bookseller’) at the end of 2014, this strategy is well developed and is not awaiting another opportunity. It has been commercially costed and we expect to be able to purchase an additional two businesses at fire sale rates.

The timing of this strategy is somewhat elastic and depends on the viability in the short term of the businesses identified in the market analysis. A wait and see approach will be adopted for the next 12-18 months after which time this will be re-evaluated.

## *Ongoing Operational Strategy*

With Damian’s backing, Ty also wanted to take a much more strategic approach to managing the company and mapping Reading’s future and, as part of this approach, he has engaged a management consultant to independently assess the company’s strengths and weaknesses. Damian believes that together, with well thought out strategies and objectives, the quality and performance of staff and stakeholders will be a key to the future success of Readings.

The consultant’s evaluation of the company commenced with the HR function. This evaluation is ongoing.

## *New Warehouse Distribution Set-up*

In preparation for the move to the new warehouse and distribution facility, a project team has been formed to implement the first phase to improve efficient throughput by enhanced mechanisation of the process. This involves a new order picking system and a more efficient warehouse layout.

This will take the order picking throughput for the online business alone, from 8,000 units per day, before Christmas 2014, to a new automated facility which will handle 16,000 units per day.

The Phase Two installation is already under consideration which is planned to accommodate anticipated future expansion and to become operational in 2016.

For details on the new warehouse system, see the document ‘Warehouse Systems Upgrade’.

# **Human Resources Management at Readings**

Marg Jessop the HR Director at Readings for more than 20 years says:

*“In general, we have been very strong in our employee relations. Our employees tend to stay with us for the long term. We have been fortunate in that sense. It’s not something that we say, but what we have done for the employees that make them feel that we do care for them. There are a lot of things that we’ve done in the past. We have shown them that if they are capable, even if they are beyond the retirement age, we’ll still want them to stay with us. I think that once employees know that their employer really means what they say, it makes a lot of difference to them, we already have people who are in their 70’s. I have one employee who is 75 in one store. So, in that sense, we are in the forefront of HR practices. And, we value our staff and their talents; they are an asset to us.”*

Staff at Readings have always been paid above the average and they work a 32-hour week with the option to work overtime and take a day in lieu. We don’t like to pay overtime but we’re very happy to let staff work flexibly as long as they organise their shifts and let us know in plenty of time. *“We trust our staff to do the right thing,”* Jessop says.

Jessop feels, beyond this, employee and stakeholder communication has played a pivotal role in the company’s ongoing success.

*“When we have good times, we share these with employees and we listen to them. For instance, if I were to implement a change in a scheme that may affect the employees, I would set up focus groups with participation from different levels of employees. We listen to them, give them a chance to participate in the whole process, so eventually when we roll out a new strategy and the system or policies that support them, it’s easier for them to accept, as they feel they have been a part of it. They have helped to guide and formulate strategy. It’s not something that only management is involved in. They feel they are respected, they have a voice in the organisation.”*

In addition, the HR team leader conducts surveys, and its senior management team walks the stores every week and has direct access to employees.

However, she confides that she is a bit concerned with the change in direction with the new CEO and the ideas suggested in the consultant’s report. She feels that the company is in danger of moving away from people as its biggest asset to technology instead.

*“Many of our long-term staff have confided in me that they’re worried about the shift from what they see as customer service to online and self-serve and the focus and celebration around financial savings made as a result.”* She says, *“It all sounds very exciting but we need to remember it’s people who make it all happen and we need to care for our people. I just hope they know what they’re doing!”*

You can see a summary of the HR projects the consultant recommended in the documents titled ‘Summary of Current/Proposed HRM Projects’.

# **Purchasing, Logistics and Supply Chain Management at Readings**

A recent restructure has seen the appointment of a Director of Purchasing, Logistics and Supply Chain Management (SCM). This has seen the merging of the purchasing department with the warehouse team and the company transport functions.

In line with the new initiatives and the growth of the online business, the role of this division is to develop a strategic sourcing approach including a small ground of high quality publishers and other suppliers as well as develop the online and global supply chain to ensure that customers (B2B and B2C) receive their products when and where they want them and in excellent condition. As this is essentially a greenfield development, the director and his management team is able to set up the new warehouse facility as well as develop a global sourcing strategy with world class suppliers and partners to provide the goods and services required.

A new and more strategic element to this strategy is the plan to become a trusted supplier to industry (currently competitor companies in the Australian market). Over the last decade, relationships between publishers, their distributors (where applicable) and Australian booksellers has deteriorated (see ref. ‘Supplier Problems at Angus & Robertson) and John Readings sees an opportunity to come into the vacuum this dissatisfaction has caused and form honest, trusting relationships as a distributor (supplier) with publishers and booksellers. Managing inventory more effectively is also a big factor in the plan to move into this space (see ‘Inventory Management in Bookstores’).

Recent talks between the new director, Harry George, have resulted in some promising commitments and two signed agreements with well-known publishing houses. Harry hopes to have a new team of relationship managers on the road in the next few months, making contact with other booksellers and offering them very competitive deals on book supplies.

The new warehouse and distribution facility will service the 850 stores currently located across Australia and New Zealand as well as the significant online business. It will (at least initially) also service the planned expansion (online and bricks and mortar retail stores) into Asia. The expansion strategy calls for the warehouse and distribution centre to service all offshore locations initially, moving to strategically located distribution centres offshore and overtime.

The warehouse and distribution centre is located in Laverton VIC. It has easy access to road, air, sea and rail transport options with both Avalon and Tullamarine Airports within easy reach for air cargo and the extensive Port of Melbourne Shipping Authority.

## *Warehousing and Distribution*

To accommodate this expansion, John Readings has purchased a new warehouse and distribution facility located in Laverton VIC. This sits adjacent to the ‘old’ facility and it is envisaged that the land and the facility can be used to extend the new facility and/or manage any overflow.

The feasibility plan calls for a 10,000sq. m. facility to cover the next five years, then expanding a further 5,000sq. m. to 15,000sq. m. before, or close to, the end of the decade. It is envisaged that this expanded warehouse will be adjacent to the existing facility at Laverton VIC.

Given the expansion plans, the company estimates that they will require a facility with the capacity for:

* B2B to pick, pack and dispatch 28m – 30m SKU’s pa expanding up to 40m within the decade,
* B2C to take the order picking throughput from 8,000 units per day, to a new automated facility which will handle 16,000 units per day.

This will require a Best-Practice National Distribution Centre in order to achieve the required efficiencies and minimise the costs.

The nerve centre of the whole operation is a bespoke warehouse management system (WMS) designed by John Readings and integrated with the logical functionality that drives the whole system.

The distribution centre will provide a single location to stock and distribute Reading’s products over the next five years. Whilst it is dependent on the success of the five-year plan, it is envisaged that the centre will need to be expanded and that other distribution centres may have to be established in overseas markets.

For the purposes of this five-year plan, the distribution centre will provide retail distribution to both local and overseas stores and also direct to customer for the online market.

During the course of this five-year plan, the number of books handled and shipped may rise from some 25m units pa, to 40m units pa, based on a 52 weeks x five day working week. This will see a rise on the average of 96,154 units per day to an average of 153,846 units per day across the B2B and B2C markets.

Whilst books are consumer durable and relatively hard to break, they can still be damaged in handling, storage, packing and transit. Customer requirements are also quite specific with all goods expected to arrive in pristine condition. Given the relatively tight margins, stock wastage and shrinkage must be minimised.

Readings will utilise Six Sigma techniques to minimise these costs.

For details of the systems and design of the warehouse, including storage and racking as well as the picking system, see document ‘Warehouse Systems Upgrade’.

## *Brief Industry Background*

Books are big business. There are far too many books, in and out of print for an individual retail bookstore to physically store them and for that matter (probably) sell them.

Book sales depend upon the author, the publisher, the topic and the genres. They are also heavily influenced by the promotional material that supports them as well as literary critical evaluations and online ratings.

These U.S. 2010 figures provide an interesting snapshot of the state of play in the U.S. market:

* Published new titles rose from 215,777 in 2002, to 316,480 in 2010,
* There are over three million currently published books,
* The book publishing is not growing and is increasingly being divided between digital and print products,
* Very few titles are best sellers. Only 62 of 1,000 business books released in 2009 sold more than 5000 copies,
* A book has less than 1% chance of being stocked in an average bookstore,
* Market saturation has resulted in it being harder to sell into market categories. There is a surplus of books on virtually every topic,
* The average new book generates only $100,000 U.S. to $200,000 U.S. in sales to cover all expenses.

It can be a fickle market with constantly changing product offerings and shelf life.

A 2015 report found that in early 2015, the press was filled with reports that the physical book market had made a comeback and that e-books had had their day. But according to statistical data, while sales of print books rose slightly in 2014, e-book sales rose even more, further increasing their share of the overall book market. 1

And, with regard to online sales potential, the same report found that, while online sales have been growing at around 20-30% annually, the overall market share was still under 10% of the overall market in early 2015. Many users cite the reasons for purchasing online.

There are many choices from offshore e-tailers offering low cost deliveries, with onshore businesses that operate a retail web presence providing service and communication at a local level. Low start-up costs and minimal barriers to entry have seen many enterprises including bricks and mortar stores and online only stores successfully operating in the direct sales to consumers market. 2

## *Book Sizes and Weights*

Book weight is dependent upon:

1. The number of pages,
2. Paper quality,
3. Cover and binding (i.e. hard-soft cover).

The common Australian book sizes are set out in the following table:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Format Size** | **Width mm** | **Height mm** | **% Annual Sales** | **Average weight (grams)** | **Average shipping pack** | **Average NET shipping pack (kg)** |
| **A format** | 111 | 181 | 6% | 550 | 12 | 6.60 |
| **B format** | 128 | 198 | 8% | 680 | 12 | 8.16 |
| **B+ format** | 135 | 210 | 23% | 750 | 12 | 9.00 |
| **C format** | 153 | 234 | 28% | 800 | 12 | 9.60 |
| **Demy** | 152 | 229 | 22% | 790 | 12 | 9.48 |
| **Royal** | 191 | 235 | 7% | 1100 | 6 | 6.60 |
| **A5** | 148.5 | 210 | 4% | 840 | 12 | 10.8 |
| **A4** | 210 | 297 | 2% | 1240 | 6 | 7.44 |

NB: These fictitious figures are not accurate and are developed for the purposes of this case study only

## *Storage*

Books are relatively easy to ship right through from single units to container loads. Individual books can be packed in a medium-hard weight cardboard for protection and then wrapped and shipped while larger shipments can be packed in boxes supported by foam/other protective material for shipment.

Whilst books could be categorised as non-perishable, they must still be safely stored and handled with care.

Books are generally received from suppliers in boxes, either a mixed lot or all one kind. In order to ship to an individual customer, cartons must be broken and books separated for one unit or split orders.

Other goods received and stored for shipment to retail stores and/or customers come in a mix of the following:

* Shipping containers,
* Pallets,
* Large single boxes,
* Cartons (inwards) and cases (outwards),
* Bins/totes.

Materials Handling Equipment (MHE) used include:

* Forklifts,
* Pallet jack,
* Pallet inverters,
* Pallet racking,
* Storage and retrieval systems,
* Manual handling.

The industry is subject to variable and seasonal volume. High volume occurrences include events such as:

* Christmas,
* Promotions – Father’s Day/Mother’s Day/etc.,
* New releases by headline authors – i.e. Harry Potter.

These impact on inventory and lead times.

For details on the racking and storage as well as picking and scanning systems used in the warehouse, see document ‘Warehouse System Upgrade’.

# **Appendix**

There are a number of documents that support this case study.

They include:

* John Readings Organisational Chart (with EFT numbers),
* John Readings Advanced Warehouse Management,
* John readings Warehouse Management System,
* Readings Online Award,
* JR Import Ban Books,
* Warehouse System Upgrade,
* Amazon Competitor Analysis,
* JR Acquires New Bookseller’,
* Inventory Management in Bookstores,
* Supply Chain Impact of online booksellers.

NB: The list of additional case study materials will grow as you move into new units of study (where you will receive content specific case study documents) so, be sure to check for additional case study documents before you start your next unit of study.

NOTE: The commercial in confidence Market Research Report and accompanying Feasibility Reports (by country and functional analysis) and the Detailed Financial Analysis and plan are not available for this case study.