

## *John Readings to Restructure*

### **Today, Sydney**

A news release was issued yesterday from John Readings following the success of their online pilot and the plan to move the business from substantially a bricks and mortar operation that services customers in their local areas, to an online retail and publishing business that will service customers throughout Australia and New Zealand and, overtime, across the Asia Pacific as well as provide a much-needed alternative for local authors seeking to publish their books using online tools.

John Readings CEO Damian Black, stated that their new business operation (which has only been operational for 12 weeks) had already generated 50% more revenue for the bookseller. The combination of quality products, quality service with same delivery to most states and territories as well as competitive pricing, had been responsible for the excellent growth of their online operation in less than ideal economic conditions.

With the move to online making significant headway in a competitive market and given talk of a proposed public float of John Readings (they are now privately owned), the news of a restructure is timely. It is well-known that lack of consistency between its various retail operations has been an impediment to John Readings market growth and profitability and, with the move to online, the need to streamline its retail operations and consolidate its business management is critical.

Potential shareholders should give the thumbs up to the new arrangements as it is expected that costs will be reduced and profitability increased, due to the organisational changes.

The organisation will shed a number of jobs in the restructuring in an endeavour to streamline operations. However, it has also given a commitment to retrain staff who are willing to move to the new business arm. Management and staff are now in negotiations regarding redundancy and redeployment. Given the recent reported 'golden handshakes' for executive staff, Black is keen to ensure that fair but realistic separation arrangements are reached.

