Change scenarios for ValleyView (draft only)

Background to change

ValleyView Publishing has been producing tourism and recreation guides relevant to all parts of Australia. These guides are currently produced in hard copy book format, and these are distributed to a wide range of retail outlets throughout Australia – department stores, bookshops, and newsagencies and through other specialised outlets such as the Youth Hostels’ Association and Grey Nomad Inc.

ValleyView in recent years has found that its profits have been reducing. It is becoming top heavy with a large staff and is trying to work out of cramped conditions. One option is to look for a new premises, though this will cost the organisation more in rental.

Management is aware that its main rival, Clearwater Press, is taking more of market share and has developed several new products which have sold well. In addition, Clearwater Press has recently upgraded its web site and has forecast the possibility of selling its products online next year. Further, there have been enquiries, mainly from overseas consumers about buying on-line. The younger market is starting to expect that products should be able available for sale via the Internet.

Several shareholders in the ValleyView company are making noises about the need to reduce the high overhead costs and find more economical ways to sell ValleyView’s product. Some are strongly resisting the idea of the company moving to new premises or adding an additional one.

As a result, ValleyView is investigating two major changes to its operations.

1. E-commerce scenario

The scenario is:

ValleyView is currently considering a huge change – to that of entering the e-commerce market. This means that it will:

- sell its products online direct to consumers (it is hoped that this will include overseas consumers who buy these books before they arrive in Australia)
- make updates of existing guides free to consumers (these will only be of use to people who currently have a guide) and having these available online
- develop its web site to provide information on travel, generally, chat rooms for travellers, feedback from travellers, the update section, stories about travel, previews of new editions and products, as well as online sales.

This change will involve

- a redesign and redevelopment of the ValleyView website
- a new approach to marketing
- a new distribution approach. It doesn’t expect to stop distribution through existing outlets, but these will be phased down as people start buying online
- new funding for this development
- a restructure of the organisation, with changes to almost every department in the organisation. In addition, there is to be a review of the role of administrative officers with a view to investigating how they could be used more effectively.
2. New product range

If it is to stay viable, ValleyView must expand its range of products. It cannot afford to only go on publishing books. Its main competitor, Clearwater Press, is already producing maps and videos which are selling well.

So, ValleyView plans to develop a new product range. This includes:

- maps, CD-ROMs, videos
- an ecotourism range of guides
- travel literature – stories about people’s travels.