



Kable Fulfillment Services

# Subscription Fulfillment Newsletter

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**I**n September, Kable welcomed its Subscription and Product Fulfillment, and Distribution clients to its bi-annual Client Conference at the picturesque Grand Geneva Resort in Lake Geneva, Wisconsin. The four-day event was a good balance of work, play, and great weather and everyone departed feeling like their time was well-spent. By all accounts the 2005 Client Conference was a huge success!

Mike Duloc, President and COO, kicked off the conference with a reflection on Kable's many accomplishments over the last two years. His comments focused on Kable's stability and dedication to the publishing industry with examples pulled from our three core business units (Subscription, Distribution and Product). Most importantly, he emphasized the significance of the \$20+ million investment we have made in our business—and, by extension, our publishing clients—during the last two years. Later in the conference, leaders from all aspects of Kable's organization took the opportunity to provide more information on the many enhancements and improvements funded by this investment.

During an afternoon session on the first day of the conference, we elaborated on one of our biggest and most significant enhancements: Data Warehouse. This state-of-the-art reporting system will deliver web-based circulation, marketing and financial reports along with a powerful query tool to assist you in managing your business. Later in the day, members of Kable's executive leadership team also talked about our enhanced customer service processing system (KCSS), the updated Warehouse Inventory Control System (KICS), and newly installed Image Archive technology that is linked to Kable's image-based order processing system.

As 2006 draws closer, migration of Colorado publications to the K-Data system becomes a more primary focus. Migration will allow Colorado-based clients to benefit from a relational database environment, daily updates, and a larger mainfile record. Migration will also position Colorado clients to enjoy the benefits of Kable's powerful new reporting system. Midwest clients can also look forward to using these enhanced reporting tools in the upcoming year.

Not forgotten among all of these impressive developments for our Subscription Fulfillment clients are the concurrent improvements to Kable's Membership, Product and Newsstand Distribution systems.

This is an important and exciting time for Kable, its employees and you, our business partners. The Conference allowed us the opportunity to share our enthusiasm. We look forward to continuing along this path into the future and are confident we will continue to provide you the very best service necessary to help you accomplish your business goals!

## Data Warehouse Project Update *Mark Earley & Ron Smith*

**A**t the 2005 Client Conference, Kable was able to share with clients its progress on the groundbreaking Data Warehouse Project.

Kable's goal is to develop a robust and all-inclusive reporting system to support a wide array of business needs. To this end, Kable created an internal Business Intelligence team to assist with development and support of the system and enlisted the assistance of twelve clients to provide input and feedback on report development and design.

The new reporting system will include historical data from both Kable-Midwest's SMSF (Subscription Marketing Statistics File) as well as data from Kable-Colorado's Modhist (Transaction History) file. The system will use this statistical information, as well as ongoing feeds from the K-Data system, to generate standard circulation and financial reports. Ongoing feeds to the system will include all transactions (orders, payments, changes of address, etc.), batch control data (used for financial balancing), label, renewal and billing selection information, and financial liability and accounts receivable information. Since all financial and circulation report data will be coming from a single source, they will balance.

The system will offer three tiers of reporting. *Standard* reports will provide clients with basic circulation, marketing and financial data. *Drill Down* reports will allow clients to "drill down" into different data elements on standard reports to get more in depth information. Finally, *Business Analysis* reporting will allow clients to determine their specific reporting needs and customize reports to meet them. Eighteen Data Cubes will support the various aspects of client reporting necessary for business planning and analysis.

Although the conceptualization/planning stage of development on Data Warehouse began in August 2004, it was not until Kable partnered with EDS' Business Intelligence (BI) team in December 2004 that a project framework was established. Members of the development team from EDS and Kable identified three phases for the project.

Kable moved quickly through Phase I between January and April 2005. This phase included creation of a project team, establishment of a project scope, analysis of current client reporting and data extract needs, and development of a conceptual data model to be used throughout future phases of the project.

Phases II and III of the project run concurrently. Completion of different components in Phase II (examination of architectural, technical, application and support details, and initial system design) triggers the start of Phase III for those same components. Completion of Phase III, which consists of final design and implementation of the data structure, data load into the database and testing of all system components, will mark the point where EDS turns the system over to Kable. Kable expects to begin parallel testing as soon as it takes full ownership of the system. Turnover of the system and the start of parallel testing are scheduled for late December 2005.

Watch for more information on the Data Warehouse Project in client communiqués and future newsletters.

## Kable's New Inventory Management System *Becky Huth*

The project to implement a new Inventory Control System (KICS) to support all of Kable's Subscription Fulfillment clients has been fully implemented and is currently operational. The new inventory system is an enhanced version of the system that previously operated in the Colorado warehouse.

### System Highlights/Features

*Single System Processing.* The updated inventory system provides for a single update point for inventory activity in all Kable locations. This eliminates the need for two separate inventory systems in the different locations.

*Accommodates Multiple Stock Naming Conventions.* A single stock piece will be known by both the naming convention associated with the NPS system (for Colorado-based clients) as well as by the naming convention associated with the K-Data system. By accommodating both naming conventions, there is not a requirement for Colorado clients to immediately re-order stock at the time of migration. Existing stock can be re-named to K-Data standards by cross-reference to the original stock name.

*"Real Time" Stock Activity.* The location and disposition of any stock item and its quantity is updated in "real time" to provide an up-to-the-minute view of stock quantities.

*Web Access.* Key inventory reports are available via the web from user desktops. The system provides client reporting that covers:

- Current Inventory Balances
- Individual Stock Item Detailed Activity
- Stock Receiving Information
- Minimum Stock Level Information
- Obsolete Stock Item Information

The free trial period for clients to experiment with this new reporting tool has been extended through February 1, 2006. Kable strongly encourages its clients to try the system out—contact your Client Service account team for more information—and to let us know what you think. After the trial period, there will be a nominal fee for accessing web-base reports.

*Client Reporting.* In addition to the reports that are generated in "real time" and available on the web, Kable has also built an Inventory Summary Report to provide cumulative data for an entire month. By providing both real time and cumulative report views, Kable is able to accommodate varying client needs.

Visit Kable on the web at [www.kable.com!](http://www.kable.com!)

## New Messaging Software Promises to Improve Message Creation *Cerisse Carpenter*

**K**able is pleased to announce its recent purchase of industry-leading messaging software from GMC Software Technology. PrintNet-T™ Triple Suite is an “advanced document customization application” (messaging software) which provides functionality that positions Kable to potentially improve and enhance its printing capabilities. Installation of the application and training are underway and testing will begin November 2005. Implementation for production use is estimated to begin during the first quarter of 2006.

PrintNet-T™ has desktop publishing capabilities with onscreen layout, design and proofing tools. One of the most exciting features of PrintNet-T™ is its ability to import an image of the actual form into the system and compose customized text over the top of it. This will allow technicians to more accurately align messages as they are being created rather than during later testing stages of message creation. This will also allow technicians to begin work on messages as soon as a production-ready image is available.

PrintNet-T™ has many composition features including word wrap, spell check, and dynamic font sizing to ease the message creation and checking processes. Online access to message proofs will allow clients quicker and easier access to view and approve work.

Kable is confident that this new product will give message creation a much-needed boost and benefit clients through improved turn-around time and streamlined processing. Look for updates on this new technology in upcoming client communiqués.

## PubCoBase *Glyn Standen*

**P**ubCoBase, Kable’s joint venture with Mal Dunn Associates, promises to be the definitive publisher database.

PubCoBase is designed to be an important tool for publishers to use for new subscription acquisition, renewal enhancement and additional revenue. The database allows for data enhancement and expert modeling that will award publishers the ability to more tightly target market segments for new subscriptions. Finding and acquiring the “best” subscribers ultimately increases renewals and publisher bottom lines.

If you are interested in more information about PubCoBase please contact Glyn Standen at (815) 734-5959 or email him at [gstanden@kable.com](mailto:gstanden@kable.com).

## Martin Edelston Inducted Into The Hall Of Fame

**O**n October 18, 2005, Martin Edelston, founder and President of the privately owned company Boardroom, Inc. was inducted into the Direct Marketing Association's Hall of Fame.

Before starting Boardroom, Inc. in New York City in 1972, Martin Edelston, also known as Marty, sold greeting cards door-to-door and ad space in the Yellow Pages, House Beautiful and Cosmopolitan, among other jobs. This fast-paced publisher thrives on innovation and ideas. Marty, who publishes books and newsletters on business, health, and retirement, does not himself believe in vacations or retirement. It is no secret that he at one time had, and may still have, an electric palm tree and stuffed orangutan in his office, and he's reportedly said that's his vacation.

Marty is known to cultivate his staff with I-Power, a concept he developed in the late 1980's, and the title of a book he co-authored with Marion Buhagiar, a former editorial director for Boardroom Reports. The "I" in I-Power stands for ideas, ingenuity, innovation, improvement, etc. Under I-Power, Boardroom employees are encouraged to devise at least two ideas a week that would save money, make money or improve the work process. Those with the best ideas get cash rewards of varying sizes with the most innovative employees receiving bonuses and profit sharing.

With Boardroom now in its 33<sup>rd</sup> year, it's no surprise that Marty is now an honored member of the DMA's Hall of Fame. All of us here at Kable, wish you continued success and a heartfelt "Congratulations Marty!"

## Interested in a Particular Topic?

**I**s there a topic you would like to hear more about in our Subscription Fulfillment Newsletter? If you have an interest in a particular topic, please contact Cindy Williams at [cindy.williams@kable.com](mailto:cindy.williams@kable.com) with your ideas. Thank you for your interest!

## News Briefs

### USPS Postal Rate Case Announcement

On November 14, the USPS Board of Governors approved the Postal Rate Commission's settlement ruling regarding Rate Case R2005-1. Based on this ruling, Periodical, First and Standard class mail rates will increase by 5.4%. Media mailings will increase by 12.7% and non-profit mail rates will increase by 3%. The new rates will go into effect on January 8, 2006.

### ABC Regulation Changes

On November 7, the ABC Board of Directors unanimously agreed to rule changes that will go into effect with June 2006 Publisher Statements.

Highlights of these changes include:

- Elimination of reporting on subscriptions sold at less than 35% of the average price,
- Modification to Paragraph 8C, the Channel of Sales,
- Creation of a new category called "Verified" into which programs that no longer qualify as Paid Sponsored under new ABC rules will fall, and
- Requirement for Verified subscriptions to be classified by location code.

Visit [www.accessabc.com](http://www.accessabc.com) for additional information on these rule changes.

### New York State Privacy Law Changes

In October 2005, an amended New York State Privacy Law, passed in 2004, went into effect. The law requires magazine publishers soliciting subscription renewals to "clearly and conspicuously" disclose a subscription's expire date in one of the following ways:

- Print the month and year in which the subscription expires on the renewal notice,
- Provide customer service website and toll-free number information (where a subscription expire date can be obtained) on the renewal notice, or
- Include the month and year in which the subscription expires on the magazine mailing label when the renewal form is packaged with an issue of the magazine.

Kable recommends clients seek assistance from legal counsel should they have any questions regarding this legislation.

### Kable Service Requirements Guide

Kable Subscription Fulfillment is pleased to announce an update to its Client Requirements Guide. The "Requirements for Quality Processing When Working with Kable Fulfillment Services" was recently revised to include specifications and guidelines to be used by all clients regardless of which system work is handled on. The document will help clients design their stock and creative packages so mail can be most efficiently processed in both the lettershop and mail room. Visit [www.kable.com](http://www.kable.com) and click the [Requirements Guide](#) button to view or download the updated documentation.

## News Briefs

### **Paymentech and Chase Merchant Services Merger**

On October 5, Paymentech and Chase Merchant Services announced their intent to integrate their operations into a single company operating under the name Chase Paymentech Solutions, LLC. Chase indicated the merger will not impact existing service relationships, merchant contracts and/or processing connections. The two companies hope the merger will allow Chase Paymentech Solutions to become an industry leader with greater market strength and influence.

### **Payment Card Industry (PCI) Data Security Standard**

Last spring, the credit card industry announced its intent to tighten controls around the handling of credit card information. Kable was identified as a “gateway for processing credit cards because [it] moves credit card data on behalf of ... clients and [it stores] credit card data on [the] system.” As such, Kable took measures to ensure compliance with Payment Card Industry (PCI) Data Security Standards. Over the last six months, Kable has worked diligently to improve controls around credit card information handling. Some notable process changes include:

- Reduction in distribution of reports where the full credit card number is printed,
- Implementation of file masks to blank out all but the last four characters of credit card numbers on reports requiring wider distribution,
- Verification of connection integrity between Kable and Paymentech, and
- Analysis of all Kable systems to ensure credit card information is secure throughout processing.

Kable is still tightening controls in two additional areas. Analysis is underway to determine encryption requirements for credit card data stored within the system. Kable is also working on a response plan to be implemented should a breach in security occur.

### **Update on Order Segmentation Process**

Kable is pleased to announce progress on the Order Segmentation project that is running lockstep with Data Warehouse. The project, which will allow for copy and dollar liability on all orders to be reported distinctly, is scheduled for on time completion in late December 2005.

Order segmentation will allow Kable’s Colorado-based clients to continue to see their business as they do currently—where liability is reflected for each individual order. It will improve financial liability and average price reporting for Midwest clients; records with more than two associated orders will be no longer summarized.

Implementation for Colorado-based clients will occur concurrently with migration and transition to Data Warehouse. For Midwest clients, processing will be put on hold for several days while Order Segmentation is implemented at a publication-level. After implementation is complete, processing will resume and publications will be ready to be moved to the Data Warehouse reporting system. Kable will schedule implementation of Order Segmentation for Midwest clients so a minimum of business interruption is ensured.

## Kable Thanks Clients for Commitment

Kable would like to express its appreciation to the following clients for their recent commitment to new business relationships:

- *PrivateAir Magazine*, a lifestyle magazine for pilots of private aircraft, will be managed by Kable's Illinois staff.
- Fairways & Greens Publishing, Inc. will be launching a new publication called *Fairways & Greens*. This publication will be handled in Kable's Illinois office.
- *Society of Conservation Biology* will be converted to Kable's Membership Fulfillment System later this year.

We are also appreciative of these existing clients for choosing Kable to handle fulfillment of their newly acquired or start-up publications:

- EC Publications, *Mad Kids*
- Curtco, *San Diego Magazine*
- Boardroom, Inc., *Bottom Line Natural Healing with Dr. Mark Stengler*
- Eagle New Media, *Chicago Home* and *Satisfaction*
- Network Communications, Inc., *Atlanta Homes & Lifestyles*, *Seattle Homes & Lifestyles*, *St. Louis Homes & Lifestyles*, *Colorado Homes & Lifestyles* and *Mountain Living*
- All American Crafts, Inc., *\$100,000 Quilting Challenge*
- Paragraph Publishing, *Beers of the World*

Kable would also like to recognize its many clients who have either recently signed contract renewals or have elected to strengthen our relationship through commitment to add-on services.

A sincere, "Thank You" to these clients for their expression of trust in Kable!



Kable Fulfillment Services<sup>sm</sup>  
308 E Hitt St.  
Mt. Morris, IL 61054

Phone: 800-800-7451  
Email: info@kable.com



**Kable News Company, Inc.**

*Kable News Company, Inc., a wholly owned subsidiary of AMREP Corporation and a NYSE corporation, is an aggressive company dedicated to innovation and growth, which allows us to help you achieve your goals.*

*Established in the 1880's, Kable began as a magazine printer. Over the years, the company has grown to include newsstand distribution, magazine fulfillment, product fulfillment, and direct mail services — and is now the second-largest fulfillment services provider in the U.S. Kable News Company, Inc., currently employs more than 1,500 people. We offer a combination of expertise, work ethic, resources, technology, stability (financial and staff), and economics that you will not find at any other company.*

**World Class Supplier of Circulation & Direct Marketing Services**