



Magazine Supply Chain Sustainability Initiative

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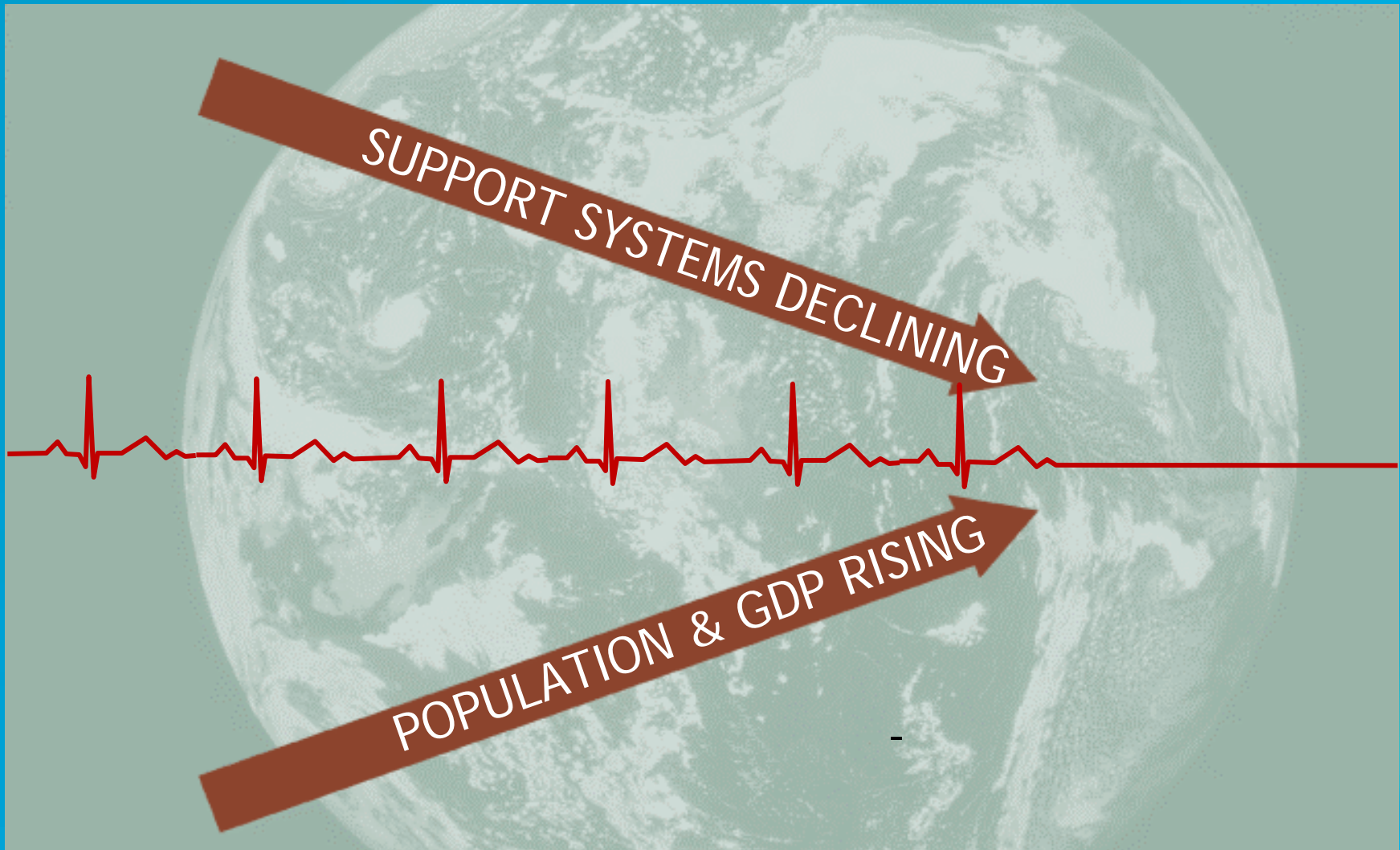
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What does Sustainability mean to you?



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Life support systems are in decline...



... creating huge demand for innovation

Sustainability is:

**A powerful driver of innovation
that creates value for both
business and the world**

Two Types of Innovation

Cost – do more with less
(energy, waste, materials, water, pollution)

Revenue – new products, new markets

Sustainable Pathway

Today's
Business
Practices

Quick

Innovation
Projects

Game Changers

Sustainable
Business
Practices

Waste reduction is best way to reduce impact and raise profit for single copies

Improving efficiency to 50% efficiency saves 60M unsold magazines annually and:

- 203,438 trees
- 2,128,438 gallons of diesel
- 242,812,500 gallons of water
- 40,833 tons of CO2



Industry leadership

- Focused on what matters most
- Convened “System-in-Room” Summit
- Set aggressive sustainability and business goals
- Established teams for six innovation projects to move from push-system to pull

Goals

**Increase comp store sales
by 5%**

**Improve magazine sell-through
efficiency to 50%**

**Remove magazine waste
from supply chain**

Innovation projects

- Merchandising 360
- Title Mix Optimization
- POS Replenishment
- Bottom-Up Distribution
- Scan-Based Trading
- Aligning Incentives

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