In his Sebastopol, Calif., office, Tim O'Reilly is playing professor -- dispensing imaginary homework to an imaginary class of computer science students. "I want you to read pages 45 to 61 of our main text," he says. "Then the research article I handed out. I also want you to study Chapter 9 in our supplementary text. Then complete the assignment on page 99 of the workbook." Talk about old school: Students switch back and forth between massive texts that cost a bundle, professors fritter away time and money making endless photocopies, and everyone has to lug the stuff around campus. Wouldn't it be easier if the coursework could be bundled neatly into a single text?

That's just the latest in a string of ambitious notions that have helped O'Reilly turn his company, O'Reilly Media, into the nation's second-largest tech book publisher. This fall more than 100 computer science professors nationwide will do the heretofore impossible: Through a new service called SafariU -- a partnership between O'Reilly and Pearson Technology Group, a division of the $7.1 billion Pearson publishing juggernaut -- they'll assign all-in-one textbooks, customized online to their exact specs. From a database of more than 5,000 O'Reilly and Pearson titles and articles, profs can click and drag anything from a few paragraphs to multiple chapters into their course syllabus. Then they can upload whatever outside material they need -- articles, exercises, links, exams -- and add it to the mix. Once it's digitally assembled, the text is instantly online; a print shop in Somerville, Mass., then cranks out hard copies to be shipped to the college bookstore.

Seemingly everyone benefits: Professors save untold hours copying, collating, and ordering; students save a bundle on books; and bookstores don't waste shelf space on hefty tomes. Most important, O'Reilly makes money -- on fees from subscribers to the service ($10 per month) as well as wholesale book sales (16 cents per page). "If we can establish this in just our segment of the market, computer science," O'Reilly says, "it could easily be a $100 million business -- bigger than our entire business is today."

One reason to believe that's more than just standard prelaunch hype is that O'Reilly has built a multimillion-dollar business on a series of wish-I'd-thought-of-that ideas. And that's all the more striking in the notoriously hidebound publishing business.

Keeping an Eye on Alphas
Hatched in the 1980s as a niche publisher of technical manuals, O'Reilly Media has 250 employees and clears an estimated $50 million in sales on its 500-plus titles, including definitive professional books on Java, C++, Linux, Unix, and other programming languages. So how did such arcane topics carve out shelf space at every major bookstore? Having spent the late 1970s writing Unix manuals and selling them to tech companies, Tim O'Reilly recognized early on that programmers represented a booming but underserved consumer market.

He also learned why hanging out with so many "alpha geeks" -- as he calls the inventors and programmers who were always in search of the next big thing -- provided a kind of early-warning marketing radar: If the alphas were abuzz about something new, from the Web to Linux, O'Reilly figured a mass-market hit didn't lurk far behind. "We look at what leading-edge people are doing and ask whether it's ready to pop into the mainstream," he says. "Information gets passed by word of mouth, but in order for it to scale, there have to be other methods of transmission. That's our core opportunity. We're arbitrageurs of expertise."

Clicking With the Web
That strategy has paid off in spades: In 1993, O'Reilly broke new ground with the Global Network Navigator (GNN), an online version of the then-best-selling *Whole Internet User's Guide & Catalog*. The site, which included a point-and-click guide to related materials, soon became the first to sell advertising -- and sold to America Online in 1995 for $11 million.

Two years later O'Reilly hit on another trend that swept through publishing. Hoping to capture new devotees of the Web, the company launched a line of books that intentionally aped the Web reading experience: plenty of topics, none longer than an average webpage. O'Reilly's first such effort, *Unix Power Tools*, became one of O'Reilly Media's best-selling titles. *Hacks*, a series launched last year offering industrial-strength tips and tools for navigating sites like Google and eBay (EBAY), follows the same formula, which now dominates trade publishing and magazines.

**Making More of Shelf Space**

O'Reilly's quirky individuality has also helped it succeed where conventional publishers rarely do. In the company's early days, it spiral-bound some books not just to cut costs but because bookstores moved them to shelves where covers faced out -- prime real estate that most publishers pay extra for. Likewise, when a worker's roommate mentioned that the names of Unix components (like Sed and Awk) sounded like exotic animals, O'Reilly saw a whimsical way to make books stand out on crowded shelves. Line drawings of bizarre critters, such as the monkeylike tarsier, now adorn every O'Reilly book cover -- and stand for one of publishing's most recognizable brands. Those touches of irreverence serve O'Reilly well in an industry that hews so closely to formulas. Says Jim Milliot, who covers business-book publishing at Publisher's Weekly, "O'Reilly has survived as an independent house, which isn't easy to do. And he survived a brutal computer market the last three years by doing things like Safari. He's always been willing to go beyond the traditional models."

**Divining the Data**

That's not to suggest that O'Reilly or others believe he's got it made. "Ten years ago we were publishing technical reference material," he says, "but there's so much of that online that many of the subjects we used to publish aren't successful anymore."

So what's next? Most promising, perhaps, is a new O'Reilly experiment in mainstream book merchandising. Last year, with data from BookScan -- a service that uses cash-register receipts to rank the nation's 3,000 top-selling book titles -- O'Reilly asked his mates to calculate the books' relative cost per page. That, he thought, might help him make price tweaks on his own books. The team divided titles into 80 categories, where the study identified holes -- or oversaturated sectors -- in the market.

To stress-test the research, O'Reilly's crew applied it to the sales of a major bookstore chain. The numbers told them that the chain carried too many titles on certain subjects and not enough on others. O'Reilly phoned the company and volunteered the research pro bono -- suggesting that if the chain stocked books in closer relation to the types of titles that sold nationally, it might boost gross revenue by 40 percent.

Why was O'Reilly so magnanimous with a corporate behemoth? Naturally, he thought that if the chain's sales improved, his would too. But goodwill, he adds, is also good for business. "We try to create more value than we capture," he says, "while many businesses try to capture more value than they create. But you can only do that for a while. Eventually customers catch on."

That won't be a problem for O'Reilly. Business with the chain has doubled.

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If you use this textbook as a bibliographic reference, then you should cite it as follows: OpenStax Introduction to Business, Introduction to Business. OpenStax CNX. Sep 18, 2018 http://cnx.org/contents/4e09771f-a8aa-40ce-9063-aa58cc24e77f@8.2. “Basically, I think we want to rip up that perception,” says the British-born conductor, arranger and composer, who leads both the Heritage Orchestra and the Metropole Orkest. “We’re done with all that. My own personal mission is just to try and demonstrate that ensembles do so many different, incredible things these days.” How does it work when you pitch ideas to the Proms? Do they look to you to shake things up? They’ve got lots of their own ideas and obviously I have strong opinions, too. I also back that up, of course, with a big brown suitcase stuffed with wads of cash! But seriously, I think we’ve developed a trust over the years; and I don’t take it for granted, the privilege of being involved in the festival each year.