

By Dean Foust, "Harry Potter And The Logistical Nightmare", Business Week (Aug 6, 2007), p. 9.

How do you get 12 million books to appear all at once?

For executives at Scholastic (SCHL), it was a challenge so tough it made them wish for Harry Potter's magic wand: Print 12 million copies of the highly anticipated Harry Potter and the Deathly Hallows—a record first printing in publishing—and deliver them to thousands of retailers around the U.S.

The daunting part was synchronizing shipments to arrive no more than a day (or hours) before the scheduled July 21 12:01 a.m. release—to minimize the risk of someone's leaking the book's ending. "We didn't want 12 million books sitting around the stores any longer than was absolute necessary," says Ed Swart, Scholastic's director of operations.

Even before author J.K. Rowling delivered the manuscript last January, Scholastic was in full battle planning. Executives from its manufacturing and logistics divisions were meeting with printers and trucking companies to make sure they could deliver on the tight turnaround required to get the book to fans before summer vacation ended. After Rowling and her editors put the finishing touches on Deathly Hallows this past spring, Scholastic's printers— R.R. Donnelley & Sons (RRD) and Quebecor World (IQW)—worked around the clock to be sure the book would be ready by the release date. For the sake of speed, Scholastic bypassed its own warehouses, using hired trucks to ship from six printing sites directly to big retailers like Barnes & Noble (BKS) and Amazon.com, as well as to distributors supplying legions of independent booksellers. And to expedite loading and unloading, it required the truckers—led by Yellow Transportation (YRCW) and J.B. Hunt Transport Services (JBHT)—to use same-size trailers and pallets. (If all the trucks that delivered Deathly Hallows were lined up bumper-to-bumper, Scholastic says, the caravan would stretch 15 miles.) What's more, every trailer in the Potter armada had a GPS transponder that would alert Scholastic by e-mail if the driver or the trailer veered off designated routes. "It's not unheard of for a trailer to be hitched up to the wrong truck," Swart says.

But the hardest task was getting the books to hit stores on the Thursday or Friday before the launch. The timing was particularly tricky for e-tailers, which had to ship in advance for the books to hit customers' doorsteps on July 21. Scholastic plans to sue e-tailer DeepDiscount.com for prematurely delivering 1,200 copies. An attorney for DeepDiscount says the company "respects on-sale dates" and began cooperating with Scholastic as soon as it learned books had been shipped early.

Barnes & Noble.com developed special algorithms that enabled its shipping team to figure out when to release books to the U.S. Postal Service and UPS (UPS) to ensure a simultaneous arrival around the country on that Saturday. (UPS declined to discuss its delivery logistics, citing customer confidentiality agreements.) "We had about a week and a half, maybe two weeks, from when we received the books to make it all work," says Marie Toulantis, CEO of Barnes & Noble.com, "and we delivered on 99% of our orders." Not bad for a bunch of Muggles.