

If you lost the "a" and the "c" from Mike Shareck's name, you'd have a cynical green ogre with a soft spot in his heart. Mike is neither green nor cynical, but he does share the soft spot with the animated movie character.

You can see it in the smiles and greeting nods of employees as they pass him by along the picking lines at Von Holtzbrinck Publishing Services. Mike smiles back, calls many of them by first name. Privately, he's embarrassed that he doesn't know all their names. (But Mike...there are 350 of them...how could anyone possibly remember all their names?)

"We've got some really good people," he says proudly. "A lot of people have been with us right from the beginning. We opened in 1997. We still have people here from 1997. I'm really happy with them."

Picking books, by the pallet load or by individual title, is not easy. It gets hot inside this behemoth of a building despite the roaring ventilation fans. And there is some danger involved with moving conveyors and tall racks of heavy books and fork lifts scooting back and forth and up and down 30 feet. And there must be some stress and pressure to correctly fill each order every time.

As they stand at the picking line, listening to the computer voice in their headsets tell them what to do and where to go next, the workers must notice the titles of the books they are picking and packing. They must wonder, what lies within these pages?

"We have an employee book store," says Mike pointing to a rack of books by the door. "Once a week they can buy up to 12 and we charge the exorbitant price of 25 cents each." The most popular titles among employees? Children's books.

Partly obscured behind tasteful landscaping on 115 acres just off Route 15, VHPS has proved itself not just a good employer but also a good citizen. In some ways it is an ideal Orange County industry. It pays taxes. It trains and hires local people...even helps with their college tuition. It does not pollute, nor does it use local natural resources. The only water it requires is for the personal needs of its workers. Most importantly, it has no plans to pack up its tents and steal



Mike Shareck is Senior Vice President of Operations at VHPS. Active in the Chamber of Commerce and the Thomas Jefferson Partnership, Mike helped put together a project that resulted in a 30-day emergency water supply impoundment for the Town of Orange.

Photo by Phil Audibert

The green ogre?



The main man at VHPS, Mike Shareck stands near the chutes as a carton of books makes its way to the loading dock. From the time the order was received, it takes three days to process to this point.

Photo by Phil Audibert

away in the middle of the night. Orange County Economic Development Coordinator, Julie Jordan unhesitatingly says, "They're a fantastic company and Mike is just wonderful and they contribute to the community. They are such a valuable asset."

Ever since Mike Shareck came here eight years ago, he has immersed himself in this community. Active in the Chamber of Commerce, serving as its President for a year, Mike is also a moving force with the Thomas Jefferson Partnership, a regional public/private economic development group. "The community gives us a lot and we try to give back to the community. So, I like to stay involved and help out wherever I can because there are some great organizations here."

Asked what could be done better, he has a few suggestions. Residential development: "If we get to a place where all we have is residential development...rooftops...without the same kind of support on the business development side, we're going to end up with a lopsided economy."

County leadership and the business community: "They need to remember the contributions that businesses, not only us, but all the businesses in Orange County make. And they've got to make it easy for businesses to do business. Sometimes we make it more difficult than it should be." Recently, Mike was tapped as a reference that resulted in Diversified Information Technologies announcing it will locate a document storage and processing facility in the old Liberty building just behind VHPS. Ironically, that site originally hosted Doubleday...a publisher that faded away decades ago.

Perhaps Mike Shareck's most notable contribution came during a period of crises...the Great Drought of '02. Seated at the VHPS Conference table, Mike says, "I don't know how involved I was, but I hosted meetings in this room...what we got out of it was a 30-day water supply that I hope will prevent porta-potties from springing up around the building again."

It was during that crises that he remembers wondering, "If we ever got rain, what could we do with it? An inch of rain falling on this building is

250,000 gallons of water." He pauses to let that nugget of information sink in...that's just how big VHPS is. "So we were saying, 'what could we do with that water?'" Was there a way to pump it back to Orange for treatment and distribution? He shakes his head in disappointment. "The answer was 'no'...too expensive."

Having just heard the news that this past spring was the second driest on record since record keeping began in 1892, Mike is not content to rest on the laurels of the 30-day storage facility in Orange. "It doesn't mean we should stop now," he warns. "How much water do we need in 10, 20, 30 years? Let's start planning towards that."

Mike Shareck came to Orange County and the world of publishing in a round about way. Born to a military family, "We got to move every two or three years whether I wanted to or not." In fact he says, "Up until moving to Virginia, the longest time I'd ever been in one place was actually Germany."

Armed with a degree in Applied Physics, Mike went to work for a defense contractor in Florida near the Kennedy Space Center as a research scientist and engineer. "I have built things that have gone on rockets," he responds modestly to a question about being a rocket scientist. "I've also built communications systems that control rockets and satellites that process images from satellites."

A friend lured him to the world of publishing, saying "they need people who understand what technology is." Mike first went to McGraw Hill then Simon and Schuster before he landed the Senior Vice President of Operations position at the highest tech publisher in the world: VHPS. He has no plans to leave any time soon.

For fun Mike drives his classic Porsche 930 and for relaxation tries to catch the elusive native brown trout high up in Shenandoah National Park with flies he ties himself. And...he likes to read. Asked tongue in cheek if he's read every book they ship, he responds "I wish I could." As it is, Mike Shareck, with 350 employees to oversee, a quarter of a million books to ship daily, and \$200 million in annual receivables to account for, still finds time to read two books a week.



Von Holtzbrinck Publishing Services

VHPS



Tethered by a safety strap, a VHPS employee uses a forklift to gingerly lower a pallet load of books from three stories up at the 450,000 square foot book distribution and warehousing facility. Note the wire guidance system in the floor that keeps the fork lift centered in the aisle.

Photo by Phil Audibert

Sarah Jarrell of Somerset practices with the new "Pick to Voice" system at VHPS along the third level picking line. A computer voice will tell her how many and where to find the books that she will place in the carton. Note loose books in bins behind her and the "chairlifts" that take the empty cartons away for recycling.

Photo by Phil Audibert

Big or small, they handle it all

Recently, things have been a little more hectic than usual at the massive Von Holtzbrinck Publishing Services (VHPS) facility in Orange County. You see, Janet Evanovich's newest Stephanie Plum novel, *Twelve Sharp*, was released this past Tuesday and VHPS handled all the distribution of this instant guaranteed bestseller while introducing a brand new "Pick-to-Voice" warehousing system.

That's right...thousands and thousands of hardback copies of *Twelve Sharp* came through here first. Not long ago, they arrived from the bindery at the front door of this 450,000-square-foot building just off Route 15 between Orange and Gordonsville. Lasers measured them.

INSIDER

By PHIL AUDIBERT
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VHPS--by the numbers

450,000/11
square feet/soccer fields under roof

200,000
square feet Industrial Park building

40 million
books warehoused

27,000
titles under one roof

10,000
orders filled daily

250,000
books shipped daily

1,500
new titles published annually

350
fulltime employees, including temps

\$10-\$12 million
annual payroll

\$200 million
annual accounts receivable

\$372,361.51
annual taxes paid to Orange County

Scales noted their precise weight. Bar scanners put a name tag on them, and they were put away by the pallet-load in towering metal racks, their precise location duly noted by the computers of the Warehouse Management System.

Meanwhile, orders for this light-hearted mystery novel about a lady bounty hunter, have been pouring into VHPS from bookstores as big as Barnes and Noble and as small as Mom and Pop... from across the country ...from around the corner.

The night shift at this 24-hours-a-day, five-days-a-week operation begin replenishing the smaller orders for *Twelve Sharp* from the pallet locations to the racks and bins along the "picking" lines, running three levels high, right through the middle of the building. Employees, tethered by safety straps, operate side-mounted wire-guided fork lifts taking them three stories skyward to store, find and transport cartons and pallets of Stephanie Plum's latest misadventures.

It's an eerie scene...the fork lifts traveling up and down the narrow dark rows rising and lowering silently. And through the middle runs a river of light, the brilliant picking lines, with their gleaming steel conveyor rollers and elevated moving yellow baskets looking like mini ski chairlifts, carrying the empty cartons away. Like bees, workers wearing headsets and computer belts pick books from the bins behind them and pack them in cartons. They stare blankly into the distance and utter number sequences into their mouthpieces, pause and move on. It is vaguely reminiscent of a scene from *Star Trek: The Next Generation*. This could be an episode about the Borg.

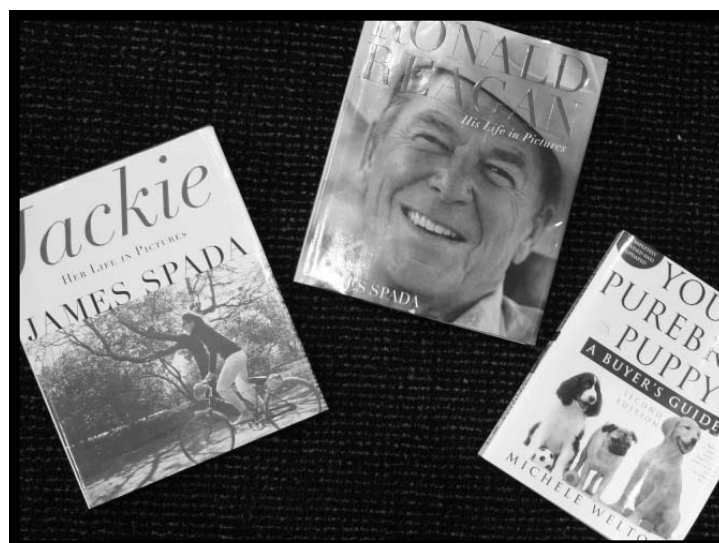
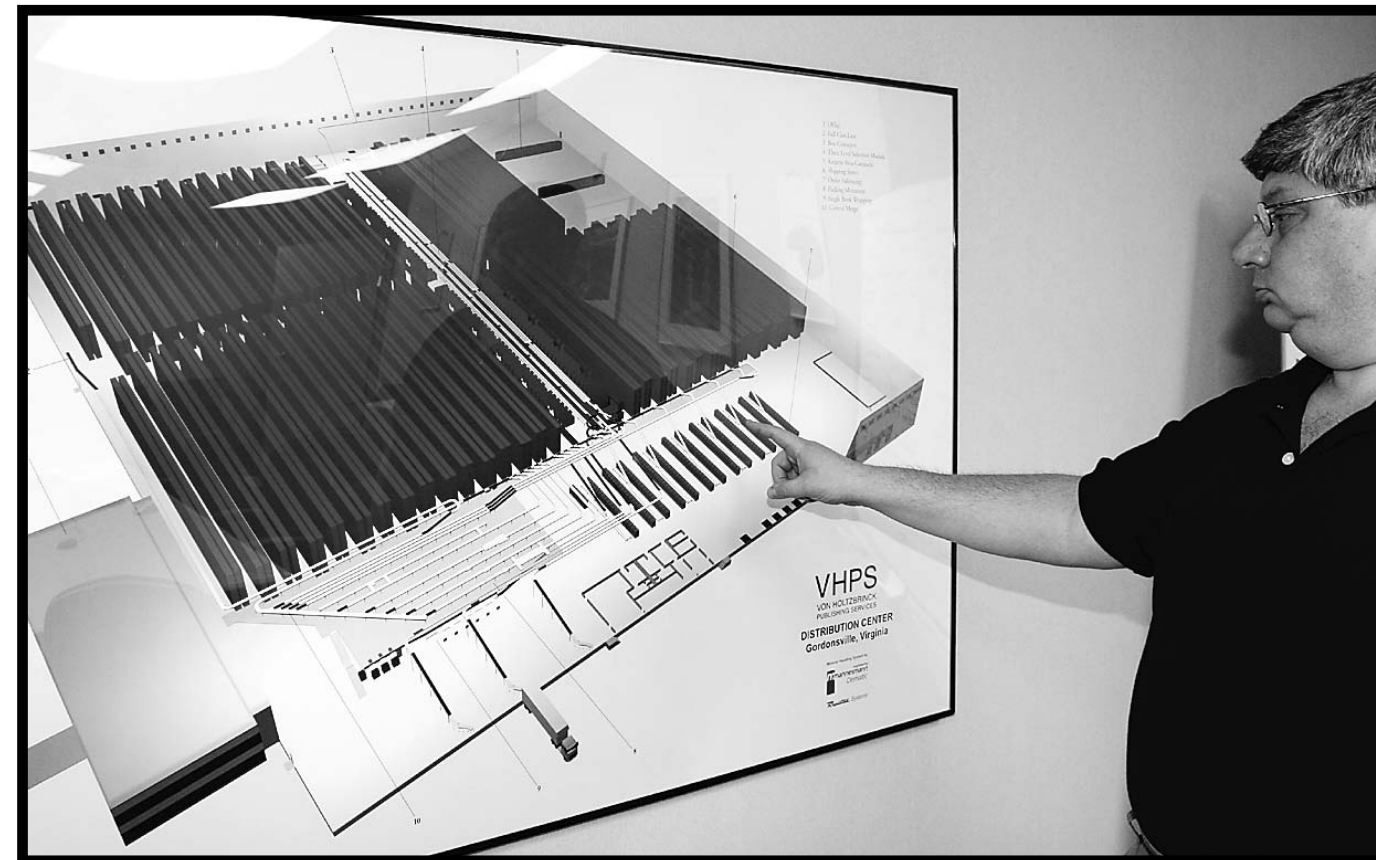
But of course, it's not. These folks have no intention of assimilating us; they are not machines, they are humans. They smile when you pass, laugh and joke on break, worry about their kids at home and the price of gasoline. And they worry about keeping track of 40 million books...that's right, 40 with six zeros ...not a simple task in a building the size of 11 soccer fields.

They have some help with this monumental order...arguably the most sophisticated and technologically advanced publishing distribution and warehousing system in the nation. "We designed ourselves to be a true distribution operation, and we've taken technology into account," says Vice President and Business Manager Lou Samel. Lou came here five years ago from a



Above, Lisa Lewis, her headset temporarily off of her ears, checks the status of an order on a computer screen next to the picking line at Von Holtzbrinck Publishing Services on Route 15 between Orange and Gordonsville. Right, Vice President and Business Manager Lou Samel points to a scale model of the massive VHPS distribution warehouse. Books are stored on metal shelves on either side of the picking line which runs through the middle of the building. Below, These are just three of the 27,000 titles warehoused at the VHPS facility in Orange County. Von Holtzbrinck Publishing Services publishes one out of every 10 books printed in the United States, 1,500 new titles annually.

Photos by Phil Audibert



rival publisher in Philadelphia. "We're very technology-savvy. That's all there is to it. This is a very nice facility. Compared to where I came from before, this is head and shoulders above that."

Lou walks down the picking line and points to the brand new "Pick-to-Voice" system, the headsets and belts. He explains how an employee will scan a bar code on the order and the computer will take it from there. "Through the headphones it will tell me what location to go to, it will tell me how many books I need to pick...and I validate with a check digit." He points to a number on one of the massive metal racks. "As a

you'll say 'one ready,' and it will move you to the next location."

Take a hypothetical Mom and Pop bookstore located in, say, the little town of Orange, Virginia. Time to order the new Janet Evanovich book, but you may as well order other books published by Von Holtzbrinck while you've got them on the line. After all, they publish one out of every 10 books in the United States. Mom and Pop Books could add in a dozen of *An Inconvenient Truth* by Al Gore and half a dozen copies of *The World is Flat* by Thomas Friedman. It could even order just one copy of *Treasure Island* by Robert Louis Stevenson, or two copies of *Ronald Reagan: His Life in Pictures* by James Spada. Big or small, they handle it all...even what Lou Samel terms

Based in Germany the Von Holtzbrinck Group is a multi-billion dollar publishing and media conglomerate. "We have books, newspapers, magazines, TV stations," says Lou Samel. Here in Orange, "we are the North American publishing arm." If you've seen books bearing the name St. Martin's Press, Tor, Renaissance Audio (books on tape), Picador, to name just a few, they are all owned by VHPS. The Orange County facility distributes the typical hardback books you'd see in a Barnes and Noble. They are also a major player in the highly competitive college textbook market.

If you are an aspiring author, it will do you no good whatsoever to run over to VHPS and plop your Great American Novel manuscript on Lou's desk. That is handled in New York, as is the layout and design of the books they publish. VHPS doesn't even print books; that's handled by binderies. "We're the back end of the process," explains Lou of the Orange County operation.

As it turns out, Janet Evanovich's prior book *Eleven on Top* came out in paperback the same day that *Twelve Sharp* came out in hardback. So what does Mom and Pop Bookstore do with all those leftover hardback copies of the older book?

"Returns are always a problem. You never want anything to come back," says Lou. But he adds, "as long as the books are ours and they are still active titles and they're not seriously defaced, they'll get a credit for that."

Returns go to the 200,000 square-foot VHPS building located in the Thomas E. Lee Industrial Park where "they'll age for a couple of years and then we'll turn around and sell them again for remainder sales. Remainders are sold at a highly discounted rate, but they're also sold non-returnable."

And so, in this day and age of computers and the internet and downloading, what is the future of the old-fashioned horse-drawn book as we know it? Lou says the textbook market might eventually convert to electronic media, but "People still want hardcover books." Why? "I don't know...I'm a book lover. I enjoy having books on my shelves, and I pick up a book and I read it, and I believe there are still a lot of people out there who still want to do it."

Just about then, a tractor trailer pulls out of the dock at VHPS. It may be fully loaded with cartons of *Twelve Sharp*. Just next to it a Fed Ex van pulls out with a cargo of "onesey-twosies." Big or small, VHPS handles it all.

picker, you have to train the system to recognize your voice. It's interactive. It's going to tell you to do something; you're going to respond. As you respond it will give you your next set of instructions."

Lisa Lewis is getting used to the idea that she's having a conversation with a machine. "Oh yeah, you gotta talk back at it," she says wide-eyed. "When you get to your location, you have to give it the check digit. Nine-four. It'll pause a second and tell you how many books to pick. And once you pick those books

"onesey-twosies." They are all equally important to him.

The computer will tell Lisa Lewis where in this maze to find these books, how many she should pick and put in just the right sized carton to hold them all. And she will send it on its way, rolling down the gleaming conveyor, to be labeled, weighed at quality control, taped up and shunted down the chutes to shipping where it will be loaded on the right truck bound for M and P Books, Orange, Virginia. From the moment Mom and Pop placed the order to when it left VHPS on Route 15, three days elapsed.