

**BIC Acquisitions and Divestments Task & Finish Working Group Brainstorming Session – Minutes****Location:** CILIP Building, 7 Ridgmount Street, London WC1E 7AE / Conference Call**Date and time:** Wednesday 8<sup>th</sup> November 2017, 2pm**Minutes taken by:** Sophia Sophocleous**Present**

Karina Luke, BIC (Chair)  
 Brian O’Leary, BISG (dialling in)  
 Sophia Sophocleous, BIC  
 Jack Tipping, Bowker (dialling in)  
 Gabrielle Wallington, Waterstones  
 Reeta Windsor, Nielsen (dialling in)

**Apologies**

Alaina-Marie Bassett, BIC  
 Andre Breedt, Nielsen  
 Noah Genner, Booknet Canada  
 Kim Graff, BISG  
 Chris Housden, Nielsen  
 Gareth Jarrett, Taylor & Francis  
 Mark Majurey, Taylor & Francis  
 David Seymour, Taylor & Francis  
 Pam Singh, PLS

**1. Introductions and apologies**

KL welcomed the Group to the meeting and delivered the apologies.

**2. Competition Law – Conduct Reminder**

The Group was reminded about BIC’s Competition Law Policy – please click on the following link for more information regarding this policy: <http://www.bic.org.uk/149/BIC-Competition-Law-Policy/>.

**3. Best practice for print – brainstorming session**

KL reminded the Group of the purpose of this meeting: to agree how to approach the print side of best practice for acquisitions and divestments and to perhaps consider how, or even if this should be combined with the completed Digital Acquisitions and Divestments document. KL noted that feedback on the digital document had been positive and that BIC are now simply waiting for confirmation of the publication of the revised ISBN Best Practice Guidelines, so that the correct link can be included. Once this is received, the final document will be published and promoted. The Group agreed to go over the digital document in order to establish what the print document may require and what the differences would be. GW noted that the scenario in which a publisher moves distributor (but has not been acquired) is not covered by the digital document, but could be added as an addendum.

JT noted that the first bullet point under Step 4 of the best practice workflow diagram reads ‘is a transition period is required?’ and KL agreed that she have this amended, along with checking the spacing of words that appear under Steps 2 and 3.

- **ACTION:** KL to have the first bullet point under Step 4 of the best practice workflow diagram for digital amended to ‘is a transition period required?’
- **ACTION:** KL to check that there is a space between the words ‘of’ and ‘Transfer’, as they appear under Step 2, bullet point 2 and Step 3, bullet point 1.

KL informed the Group that the Harbottle & Lewis document 'Mergers and Acquisitions: an introduction to the role of your legal team' will apply to both the print and digital best practice documents.

- Purpose and Scope

GW noted that part of the text under 'Purpose and Scope' should be amended, so that any reference to eBooks or digital products reads as 'physical products'. The Group agreed that 'print' books should include anything that is physical, as opposed to digital (i.e. print books, physical audio books/CDs) and as such should be referred to as 'physical products'. KL added that she will remove the very last sentence under 'Purpose and Scope', 'Print books will be addressed in a separate document'.

- Scenario: Publisher A purchases a list or part of a list from Publisher B / Publisher A purchases Publisher B

Under 'Scenario' KL speculated whether any other scenarios are necessary for the document, besides 'Publisher A purchases a list or part of a list from Publisher B / Publisher A purchases Publisher B'. GW suggested adding a scenario such as 'Publisher A and B become Publisher C'. The Group agreed that all references to digital products should be changed to 'physical products'.

➤ **ACTION:** KL to change all references to digital products to 'physical products'.

➤ **ACTION:** KL to add scenario "Publisher A and B become Publisher C"

- Scenario, Step 1

KL noted that she will amend the text under 'Scenario, Step 1' from '...all files, including master files' to 'production files'. The Group agreed that 3<sup>rd</sup> parties should be redefined for physical products. GW noted that information on the amount of physical stock may be required in Step 1 (as it is not in the digital documentation). RW agreed that the location of stock may also be required. The Group agreed that a new step would therefore be required.

➤ **ACTION:** KL to create a new step under 'Scenario', to include the requirement for Publisher B to inform Publisher A of the production and inventory details of physical stock (i.e. inventory of stock (including Print on Demand titles), location of stock, any outstanding print jobs, returns, bulk orders and exclusives).

KL noted that Publisher A would also need to know whether Publisher B has been operating according to Industry Returns Initiative (IRI) rules. GW suggested that the BIC IRI Review Task & Finish Working Group (T&FWG) should be involved in this area of the documentation.

- 'Scenario, Step 2'

The Group agreed that under 'Scenario, Step 2' it should be stated that 'assumptions will be made / nothing will be changed by data aggregators based on ISBN prefixes'. This is regarding the scenario in which the buying publisher must decide whether to retain an imprint or not. KL informed the Group that a link to the revised ISBN best practice documentation (once published) will be linked to under 'Step 7: Transfer Completion'.

GW noted that details of territorial rights should also be included. The Group agreed that this should be sent in a pre-agreed format as some organisations may not use ONIX. KL noted that it may be worth discussing territorial rights further at a later meeting.

- **ACTION:** KL to add a 5<sup>th</sup> bullet point to Step 1, for Publisher B to send Publisher A exchange rights information in a pre-agreed format.

- Step 3: Transfer Sales Reporting

GW suggested that if Publisher A has their own distribution, bank account details should be communicated, and an addendum for 3<sup>rd</sup> party distributors should be added to the Acquisitions and Divestments Best Practice Guidelines. GW stated that communication of price and availability feeds should also be discussed and added to this step at a later point. It was agreed that providing information regarding where returns requests should be sent should be included in this step. KL stated that a note should be made regarding goods in requirements.

- 'Step 4: Transition Period'

GW noted that compared to digital, the considerations for the transition period are different with physical books. BOL noted that returns should be mentioned in Step 4.

- **ACTION:** KL to add 'returns window communicated at this point' to Step 4.

- 'Step 5: Notice of Transfer'

GW highlighted the need for publishers to be clear about the availability of all ISBNs. If Publisher A does not buy certain ISBNs, Publisher B needs to communicate clearly whether these ISBNs are still available. GW stated that many ISBNs 'fall between the cracks', with neither publisher taking responsibility for them. This often results in unfulfilled orders for bookshops. KL suggested that Nielsen may be able to provide the total amount of ISBNs that are affected in this way and RW offered to investigate this.

- **ACTION:** RW to check if it is possible to find out the total amount of ISBNs where Nielsen has assigned the code "not updated in 8 years or more" i.e. those ISBNs which 'fall through the cracks' (i.e. ISBNs that no publisher seems to take responsibility for, yet remain on databases and result in unfulfilled orders). In addition to total number, the number of times this code has been assigned in the past 12 months would be good to know.

#### 4. Agree next steps

- **ACTION:** KL to create a draft copy of the Best Practice Guidelines for physical products and circulate to the Group before Christmas break.  
*Post meeting update: KL circulated a draft copy to the Group on 19<sup>th</sup> December 2017.*
- **ACTION:** BOL to share KL's draft Best Practice Guidelines for physical products with BISG for feedback ahead of the next meeting of the larger/main Group in the New Year.

#### 5. Date of next meeting

Wednesday 14<sup>th</sup> March 2018.