

## BIC INDUSTRY RETURNS INITIATIVE (IRI) REVIEW TASK & FINISH WORKING GROUP MEETING – Minutes

**Location:** GoToMeeting / Conference Call

**Date and time:** Wednesday 28<sup>th</sup> June 2017, 10am

**Minutes taken by:** Alaina-Marie Bassett

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### Present

Alaina-Marie Bassett, BIC (AMB)  
 Vincent Bull, Waterstones  
 Doug Culham, Penguin Random House  
 Simon Edwards, Consultant (Deputy)  
 Matt Griffin, Hachette  
 Sarah Hassenpflug, Blackwell's  
 Jonathan King, Batch  
 Peter Morley, Ingenta (Chair)  
 Simon Parker, Batch

### Apologies

Luisa Keep, Macmillan Distribution  
 Karina Luke, BIC  
 Andrew MacBeth, Waterstones (AM)  
 Adam Miles, Pearson  
 Alex Milne-White, Hungerford Bookshop (AMW)

### 1. Welcome and apologies

PM welcomed the Group to the meeting and the apologies were delivered.

### 2. Competition Law – Conduct Reminder

The Group was reminded about BIC's Competition Law Policy – for further information regarding this policy, click here: <http://www.bic.org.uk/149/BIC-Competition-Law-Policy/>

### 3. Review minutes and follow up on actions from the last meeting

PM noted that, as well as the last meeting of this Group which took place on Tuesday 9<sup>th</sup> May 2017, a Breakout Session – which consisted of a select number of representatives from this Group – went ahead on Thursday 1<sup>st</sup> June 2017 to discuss the returns window, the use of B10 (for seasonal / events stock) and the creation of an IRI survey. The minutes from these meetings were approved without amends. The following actions were discussed:

#### - Firm Sale

- **ACTION CARRIED OVER:** AMB to liaise with both LK and Matthew Hogg to ascertain whether the status of a sale can be accessed by Macmillan Distribution's system and report back to this Group.

#### - Google Docs

PM noted that feedback being provided in Google Docs creates a duplicate file. He expressed concern that consequently important information may be missed and asked if this can be stopped. SH advised the Group to always identify the most recent version of the document before providing feedback for this reason.

- **ACTION:** SE and AMB to investigate whether it is possible to stop Google Docs from creating a duplicate document every time someone provides feedback.

- Existing returns systems  
 AMB reported that she has not received any information about existing returns systems from this Group to date. SP reported that Batch has a manual, online option for returns. PM agreed to produce a list of distributors which use Ingenta's systems. He noted that a more specific question regarding which systems are currently in use within the book industry could be included in the forthcoming BIC IRI survey. JK reported that there are lots of system changes being put in place currently; as such this Group will need to review what IRI compliance constitutes.
  - **ACTION:** PM to produce a list of distributors which use Ingenta systems and add to Google Docs for comment, ASAP.
  - **ACTION:** ALL to provide feedback on PM's list of distributors once it has been added to Google Docs.
  - **ACTION:** SE to include a question in the draft IRI survey document to ascertain which existing systems are used by organisations for IRI.
  
- Returns window  
 SH noted that, as well as capturing current issues and prioritising its workload, this Group's objectives will need to be documented; with a view to ensuring that publishers and retailers work to the same timeframe going forwards. DC noted that, in principle, the current returns window (3-15 months) works for the majority of organisations but there are still those that it is not appropriate for. He suggested that the work carried out by this Group should aim to engage further IRI and non-IRI users.
  
- IRI Survey  
 PM suggested that two surveys could be produced by this Group; one to identify any new IRI issues being experienced in the book industry and a second to request further information about organisations' use of IRI including which systems. SH commented that only one survey is necessary in this respect as the BIC IRI Workshop (held on Tuesday 10<sup>th</sup> November 2015) identified the issues and priorities for this T&FWG. The Group agreed.
 

SE suggested that the IRI survey should ask organisations whether they are happy with the IRI rules as they currently stand; by way of an example, he noted that Blackwell's will not hold stock beyond 12 months regardless of the 15-month (maximum) returns window. SH suggested that organisations should also be asked for the reasons why they are not using IRI to date and what would need to be changed in order for them to reconsider its usage; she noted however that these questions have been answered already to a large extent. She commented that these questions could be posed nonetheless to future-proof and gain more of an insight into where IRI falls short for specific organisation types. MG agreed.

#### 4. Identified IRI Issues

SE noted that in future this Group should refer back to the signed off Project Brief which lists the identified IRI issues in detail and in priority order.

- Testing returns systems using a piloted / standard set of tests

SE noted that IRI is largely about the automation of returns however some organisations cannot automate their processes in this way because of their systems. He asked SH if it's possible for Blackwell's to tell whether its customers are providing information in an automated way. SH confirmed that it is not possible. SH also informed the Group that she is aware of just two larger organisations that use Batch's manual system to date. She noted that it is the control, or rather the (wrongly) assumed lack of control, with regards to returns that dissuades organisations from using IRI; this is especially true of smaller organisations.

SE suggested that each organisation should be encouraged to test its returns system to ensure that the automated process is doing what the organisation would usually do manually. If the outcome is the same, he suggested that this fact should help to alleviate organisations' concerns about IRI / increase their confidence in it. After this, SE suggested that organisations will then be able to refer to the system's reports on a frequent basis to ensure it continues to work as it should. PM agreed. DC noted that Penguin Random House (PRH) has tried to ensure that all its orders are carried out using IRI on their system however it is not possible to achieve this wholly due to non-IRI users.

- Testing the Returns window

DC commented that the main deterrent to IRI is the 3-15 month returns window. SE suggested that various parameters might be agreed for different organisation types going forwards. DC noted that these parameters will need to be first agreed with the wider BIC community and then documented in the IRI rules for the sake of clarity and to display the new level of flexibility which was not available through IRI previously. SE noted that it would not be appropriate to drastically change the current IRI rulebook (as this is out of scope for the agreed Project) but he agreed that – since organisations often put non-standard workarounds in place to handle returns – this prospect should be revisited during phase 2 or 3 of this Project: Processes / Promotion.

- **ACTION:** PM to test Ingenta's system before the next meeting of this Group and report back / provide feedback on the results of the test.

- Running returns systems and Batch in parallel

SH asked whether it would be possible for organisations to run both their returns system and Batch's manual, online solution in parallel to simultaneously cater for different organisations. SP noted that the possibility of running two systems / solutions in tandem was discussed by another group of professionals previously however those involved agreed that a full solution which caters for all requirements should be identified instead. SE noted however that systems / the process between two trading partners could be adapted if both parties are willing to do so; he suggested that these arrangements, which are based on the IRI rules, could be called IRI Lite. SH agreed but suggested that there are some core elements of IRI which should be protected if this process is put into action, to ensure that IRI is not misused.

- Returns window for wholesalers and supermarkets

SH noted that a 12-month returns window (as opposed to the stated 15-month window) appears to be sacred to some organisations and so this Group must use the forthcoming survey to determine what the necessary parameters should be. SE noted that wholesalers offer retailers a 12-month returns window to allow themselves 3-months in which to return their stock to their suppliers. PM asked the Group if this practice is acceptable and if so, he noted that Tesco's could therefore be treated as an exception going forwards. SE agreed that it may be practical to offer wholesalers and supermarkets a different returns window / parameters. SH noted that IRI should not stand in the way of exceptions providing the solutions created by this Group are automated.

SE noted that the issue for publishers with regards to the minimum returns window is giving their books enough time to sell; the 3-month (minimum) from publication date returns window was put in place to provide this opportunity. He noted that any amendment to the minimum returns window could seemingly lead to further time reductions in due course. DC noted that if a book is not selling at a supermarket, it is taken off their shelves; the book then has to be stored off the shop floor for up to 3-months. He acknowledged that the 3-month returns window is acceptable to most retailers but not for supermarkets. SE asked whether other organisations would be happy to accept different rules relating to different organisation types.

- B10 (seasonal / events stock)

SP informed the Group that Macmillan Distribution (MDL) implemented B10 into its system some time ago however its adoption was scarce. As a result, MDL now has a workaround in place, using a flag to show that orders are events stock but not through the use of B10; as such, they are capable of accepting returns before the 3-month returns window has been reached. He suggested that, if other organisations were to implement this practice, the IRI rules may not need to be amended in relation to event stock – an agreement could simply be made between relevant publishers and suppliers / distributors. SH asked how the organisations recognise these orders if no invoice is provided. SE noted that the orders would be identified by both the flag in use and the quantity allocated to that flag, in this way publishers will retain control over the process.

DC informed the Group that PRH has a B10 solution in place which is triggered by PRH representatives manually. He noted that the volume of orders placed in this way is small and that it takes an extra 24 hours (approximately) for the order information to be despatched in comparison to a standard order.

- **ACTION:** PM to liaise with MDL and PRH to find out about their workarounds for events stock and how they implemented it, with a view to finding a solution that can be used by the book industry as a whole going forwards. PM to report back to this Group, ASAP.

MG and SP left the meeting.

- Returns metadata – POD / Firm Sale

SH reported that this issue was discussed at the most recent meeting of the BIC Metadata Sub-Committee on Wednesday 24<sup>th</sup> May 2017. She confirmed that ONIX is able to address issues relating to books sold on a Firm Sale basis and that Graham Bell of EDItEUR is now looking into which fields are most suitable for recording and disseminating this information. Despite it being possible to supply Firm Sales information through ONIX, SH commented that publishers are still not using the necessary fields. She also noted that some of the fields are commercially-specific so the best place for this information may be in Price & Availability (P&A) feeds rather than ONIX. This topic will be discussed further at the next meeting of the BIC Metadata Sub-Committee on Thursday 7<sup>th</sup> September 2017.

- **ACTION:** KL to provide an update on the BIC Metadata Sub-Committee's discussions following their next meeting.

PM noted that more organisations need to engage with metadata for Firm Sales. SH suggested that a flag is required to highlight the status of the sale. She noted that, during the meeting, the members of the BIC Metadata Sub-Committee acknowledged that the current metadata for Firm Sale does not provide a sufficient level of detail – as such, they agreed that this is an issue which needs to be addressed.

- Returns metadata – Out of Print (OP)

SE noted that, in some instances, if a book is going OP then it is not accepted for returns regardless of the status of the sale. PM suggested that this may be a misunderstanding by some wholesalers that do not realise that OP does not mean this. The Group agreed that this process should be clarified in the IRI Rulebook bearing in mind that publishers may not want to receive returns for OP stock. VB noted that the purchasing organisations cannot foresee when a book will become OP so they should be able to return the stock within the agreed returns window. SH noted an exception in this process – when old / new editions of academic publications are ordered. She suggested that further information about the decision processes behind OP stock should be sought out and SE suggested taking a case study approach to this research – identifying which organisations determine when a book should go OP, who they informed, how they informed the book industry about this information, etc. SH and DC agreed to liaise with Oxford University Press (OUP) about its processes.

- **ACTION:** ALL to liaise with at least 1 publisher regarding decision and communications processes involved when making a title OP – and report back at the next meeting.

DC left the meeting.

- Order Cancellation

- **ACTION CARRIED OVER:** ALL to provide raw data to SE for order cancellations, ASAP.
- **ACTION CARRIED OVER:** SE to write a document for order cancellations and add it to Google Docs for this Group to review.

**5. Feedback from the BIC Operational Board on liaising with non-IRI users**

- **ACTION CARRIED OVER:** KL to provide an update on this topic at the next meeting.

**6. Feedback on the governance of IRI from the BIC Physical Supply Chain (PSC) Committee**

AMB reported that the next meeting of the BIC PSC Committee will take place on Thursday 29<sup>th</sup> June 2017, where this item will be discussed.

- **ACTION CARRIED OVER:** AMB to add 'Managing Retros' (to agree a date from which retros should be excluded from IRI – note they are already excluded in the IRI guidelines but some organisations may have returns agreements involving retros which should be revised) and 'Governance of IRI' to the agenda for the next meeting of the BIC PSC Committee.
- **ACTION CARRIED OVER:** KL to provide an update on this topic at the next meeting.
- **ACTION CARRIED OVER:** Once agreed, SE to amend the wording of the IRI Rulebook.

**7. A.O.B.**

- RO1 - Quantity Higher than Supplied

PM noted that he is in the process of reviewing RO1 with a view to getting it into Ingenta's test system in the next month or so. SE commended PM for his efforts with this ongoing task. SH suggested that OUP may be willing to test their system in relation to RO1 also.

- Returns metadata – Out of Print (OP)

It was noted that this Group is awaiting feedback from the BIC P&A T&FWG regarding the OP availability code; VB agreed to liaise with Gabrielle Wallington (GW) of Waterstones to obtain this. SE noted that the BIC P&A T&FWG will need to ensure that P&A codes are fit to meet the book industry's requirements.

- **ACTION:** PM to provide an update on his progress with RO1 at the next meeting.
- **ACTION:** VB to liaise with GW regarding the decisions made / discussions that have taken place since the BIC Metadata Sub-Committee meeting with regards to the work the BIC P&A T&FWG have carried out in relation to TRADACOMS List 54.

- Remaining IRI issues

PM suggested that it may be necessary to assign IRI issues to the most relevant person / people on this T&FWG going forwards to facilitate progress.

- Minutes

The Group agreed that it would be useful to store a copy of each set of minutes for this T&FWG on Google Docs going forwards so that feedback / comments (for the Group's future reference) can be included.

- **ACTION:** AMB to add the minutes for this T&FWG to Google Docs going forwards.

**8. Date of next meeting**

The Group agreed that the next meeting of this Group should take place at the CILIP Building, with dial-in facilities for those who are unable to attend in person. This meeting will take place on Thursday 24<sup>th</sup> August 2017.