



# Breakfasts 2015

Welcome to June's BIC Breakfast:  
Global Business Intelligence – How Effective Data  
Collection and Reporting of Sales, Rights and  
Royalties Can Benefit Your Organisation

Kindly sponsored by



Accountants &  
business advisers

# The importance of integrated reporting

## How to run a more successful business

- Need to understand customer/author/supplier behaviour
- Need to service customers/authors/suppliers
- Need to understand drivers affecting income and profitability
- Insightful and proactive decision-making
- Good data and flexible, accurate and timely reporting facilities
- Sales data integrated with accounting and royalties

# Where does the data come from?

- Your own e-commerce platforms
- Third-party e-commerce platforms
- In-house invoicing systems – P&E, Rights
- External invoicing systems – P&E

# Where is the data used?

- Sales reporting
- Royalties
- Accounting systems
- Management information

# What are the problems?

- Inaccurate information – more than one version of the truth
- Cut-off – repeatable, verifiable numbers

## **Caused by...**

- Multiple sources of information
- Multiple formats of information
- Unstructured data
- Too much time collating information – too little time analysing
- Data interfaces - lack of reconciliation and inbuilt controls
- Lack of aggregation of different data sets – data warehouse
- Lack of purpose-built reporting facilities – business intelligence

# What is the solution?

- Bring business functions together
- Put data integrity at the heart of data processing and reporting
- Implement data interface controls
- Implement data warehouse and business intelligence tools
- Appropriate expertise

This seminar and the accompanying handouts cover topics only in general terms and are intended to give a wide audience an outline understanding of issues relating to accounting applicable to entities in general, and therefore cannot be relied upon to cover specific situations; applications of the principles would depend on the particular circumstances involved. Furthermore, responses given in the seminar to questions are only based on an outline understanding of the facts and circumstances of the cases and therefore do not form an appropriate substitute for considered specific advice tailored to your circumstances. We recommend that you obtain professional advice before acting, or refraining from acting, on any of the contents. We would be pleased to advise you on the application of the principles demonstrated at the seminar, or on any other matters, to your specific circumstances, but in the absence of such specific advice, we cannot be responsible or held liable.

PKF Littlejohn LLP is a member firm of the PKF International network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member or correspondent firm or firms.

© PKF Littlejohn

# HYMNS ANCIENT AND MODERN LTD

[www.hymnsam.co.uk](http://www.hymnsam.co.uk)



# BACKGROUND

- Charitable trust
- Long history - over 150 years
- Began with eponymous hymnal - total sales now 170m
- Now active in publishing, bookselling and distribution
- 70 staff - Norwich and London

# WHO WE ARE - KEY BRANDS

- Church House Publishing - official publisher of CofE
- Canterbury Press
- SCM Press
- Church Times - world's best-selling Anglican newspaper
- Church House Bookshop
- Norwich Books and Music

# WHO WE ARE - KEY BRANDS

- Apps - now 6 including just launched Church Times
- Over 130K downloaded
- 100 new books a year - backlist around 4000 titles
- Church Times - No.1 place for clergy jobs

# WHO WE ARE - SUMMARY

- Activity in publishing/bookselling and distribution
- Gives of lots of connections in lots of areas
- All results in lots of data incoming and outgoing
- Huge changes from even a few years back

# WHO WE ARE - CONTEXT

- HA&M grew by acquisition
- Separated and disconnected
- Very little management data - no analysis
- Much larger religious booktrade - now gone
- Lots of speculation in decisions
- Result was lots of overstocks
- Huge costs of depreciation

# WHO WE ARE - CONTEXT

- Church Times - 80% of sales via newstrade - controlled by large wholesalers
- Content data - we had thousands of files for news/features/essays/reviews - word based network
- Distribution - no-one apart from us - should we outsource?
- Financial - took 6 months for P&L due to volume of data - historical interest only

# SOME DECISIONS

- Realised HA&M needed to put data management at the heart of the organisation

# SOME DECISIONS

- Took decision to spend money and lots of time and energy on upgrading all systems to the best we could find (and afford)
- Refocus core business to direct to consumer
- Refocus onto new websites with one single log-in
- New focus on synergy
- Automate what we could and felt confident with
- Understand would take time, we would get some things wrong, would affect staff



# AND THE STORY SO FAR

- Still on-going - 8 years in
- New systems and databases for all areas
- Overlap data wherever possible
- Support cross-marketing
- Automate feeds to each other

# AND THE STORY SO FAR

- We have more things now to look at - from even more partners
- Many ways more complex
- Easier than ever to operate via
  - multi-channel
  - multi-product
  - multi-territory
  - multi-royalty payments

# AND SOME RESULTS

- Publish 30% less books - but increased profitability
- RRP prices up
- Trade now around 65% of total sales (from around 80%)
- Hold all costs and income in one single report - per ISBN
- P&Ls now few days after month end
- More accurate financial planning and forecast management - phasing of renewal sub income
- Better customer service with automated welcome/renewals/opt outs/refund

# AND SOME RESULTS

- Like everyone - big challenges ahead
- BUT because of decisions taken / infrastructure we have new opportunities
- International news app
- Cross-marketing to existing database
- Create specific products for market group
- Feefo - market research

# AND SOME RESULTS

- Like everyone - big challenges ahead
- BUT because of decisions taken / infrastructure we have new opportunities
- New clients into NBM - now 15 publishers
- Create Festival bookshop via CHB - g-books/Greenbelt
- Create own literary Festival - Church Times Festival of Faith and Literature
- OR decide to exit market - as we did with RMEP

# AND SOME RESULTS

- Like everyone - big challenges ahead
- BUT because of decisions taken / infrastructure we have new opportunities
- Fast analysis of sales to trade - create bespoke core stock lists
- Create a Rewards scheme with confidence - Friends of CHB - now 1500 strong

# CONCLUSIONS

- We are smaller and leaner organisation
- We focus on key brands
- We focus on direct sales esp via websites
- We try and make decisions supported by evidence - less assumptions

# CONCLUSIONS

- In lots of ways this is just the beginning
- We need to build on what achieved so far
- More focus on data - esp content management and how we manage/monitise
- More focus on customer behaviour
- More focus on customer mindset and path to purchase



# Effective Sales Reporting

Getting the most  
from your sales reports

BIC Breakfast, 24th June

or

**EDItX (the *other* standard)**

**Graham Bell**

**Executive director, EDItEUR**

# About EDItEUR

- **not-for-profit membership organisation**
- **develops, supports and promotes metadata and identification standards for the book, e-book and serials supply chains**
- **acknowledged centre of expertise on standards and metadata for the industry**
- **based in London, but a global membership of publishers, distributors, wholesalers, subscription agents, retailers, libraries, system vendors, rights organizations and trade associations**

# EDItX (the *other* standard)

- a consistent ‘family’ of XML-based business transaction messages
- EDItX Sales Report message
  - originally developed – as the EDItX Digital Sales Report format – in collaboration between EDItEUR, BIC and BISG’s SCEDI committee
  - to support the fledgling e-book market
  - subsequent internationalisation
  - <http://www.editeur.org/53/Sales-and-Inventory-Reporting/>

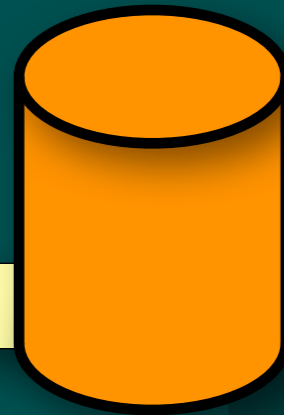
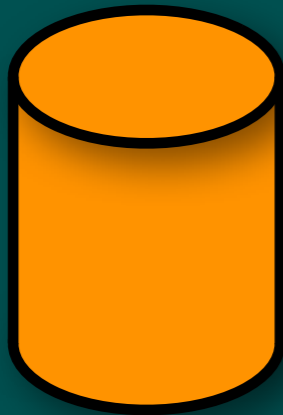


# ONIX + EPUB

XML

MY BOOK

EPUB



Publisher

Retailer

Microsoft Excel - BudgetForecastsXDemo

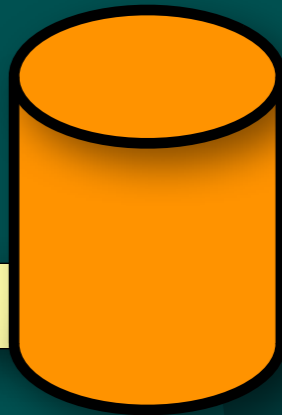
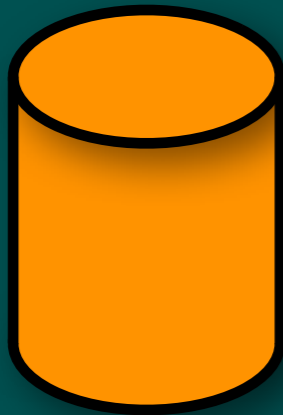
Happy Valley Farm												
Div./Department		Status	1	Enter 1 for completed status.								
Cut Flowers												
Happy Valley Farm	Start Date	Completed >	Complete									
	Jun-06											
Unit Sales		Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	
Products	Direct Unit Cost	Totals	1	2	3	4	5	6	7	8	9	10
Flowers-Export	\$0.27	169,000	0	5,000	6,500	7,500	10,000	20,000	20,000	20,000	20,000	20,000
Flowers-Local	\$0.43	93,200	0	200	3,500	5,500	4,000	8,000	12,000	12,000	12,000	12,000
Flowers-Eldoret	\$0.81	151,540	0	40	1,500	5,000	10,000	15,000	20,000	20,000	20,000	20,000
Revenue 4	\$0.00	0	0	0	0	0	0	0	0	0	0	0
Revenues 5	\$0.00	0	0	0	0	0	0	0	0	0	0	0
Total Units		413,740	0	5,240	11,500	18,000	24,000	43,000	52,000	52,000	52,000	52,000
Sales	Unit Prices											
Flowers-Export	\$2.25	\$380,250	\$0	\$11,250	\$14,625	\$16,875	\$22,500	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Flowers-Local	\$2.95	\$274,940	\$0	\$590	\$10,325	\$16,225	\$11,800	\$23,600	\$35,400	\$35,400	\$35,400	\$35,400
Flowers-Eldoret	\$3.45	\$522,813	\$0	\$138	\$5,175	\$17,250	\$34,500	\$51,750	\$69,000	\$69,000	\$69,000	\$69,000
Revenue 4	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenues 5	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sales		\$1,178,003	\$0	\$11,978	\$30,125	\$50,350	\$68,800	\$120,350	\$149,400	\$149,400	\$149,400	\$149,400
Direct Cost of Sales		\$208,453	\$0	\$1,468	\$4,475	\$8,440	\$12,520	\$20,990	\$26,760	\$26,760	\$26,760	\$26,760
Gross Margin		\$969,550	\$0	\$10,510	\$25,650	\$41,910	\$56,280	\$99,360	\$122,640	\$122,640	\$122,640	\$122,640
Gross Margin %		82.3%	0.0%	87.7%	85.1%	83.2%	81.8%	82.6%	82.1%	82.1%	82.1%	82.1%
Operating Expenses		\$558,977	\$24,700	\$27,363	\$31,415	\$35,923	\$40,036	\$51,526	\$58,002	\$58,002	\$58,002	\$58,002
Operating Profit/Loss		-\$173,566	-\$24,700	-\$16,853	-\$15,765	-\$5,987	\$16,244	\$47,834	\$64,638	\$64,638	\$64,638	\$64,638
Management Charges		\$60,624	\$0	\$1	\$2	\$3	\$4	\$5	\$6	\$7	\$8	\$9
Profit/Loss		\$410,507	-\$24,700	-\$16,854	-\$15,767	\$5,984	\$16,240	\$47,829	\$64,632	\$64,631	\$64,630	\$64,629
Operating Margin %		34.85%	0.00%	-140.77%	-19.14%	11.89%	23.61%	39.74%	43.26%	43.26%	43.26%	43.26%
Variable Costs Budget	22.29%	Totals										
Variable Costs	Variable %	\$262,575	\$0	\$2,663	\$6,715	\$11,223	\$15,336	\$26,826	\$33,302	\$33,302	\$33,302	\$33,302

# ONIX + EPUB

XML

MY BOOK

EPUB



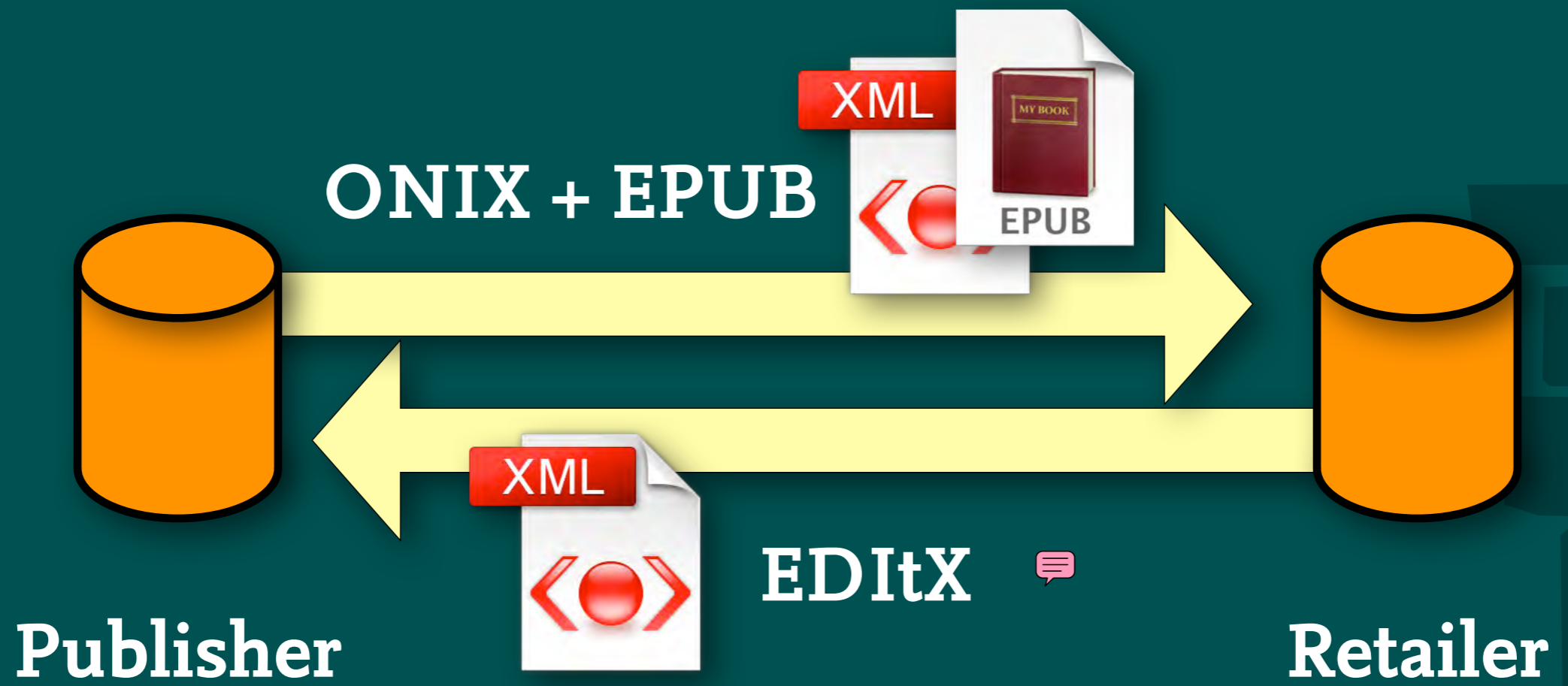
Publisher

Retailer

Happy Valley Farm												
Div./Department	Status	Enter 1 for completed status.										
Happy Valley Farm	Start Date	Completed >	Complete									
Unit Sales	Direct Unit Cost	Totals	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07
Flowers-Export	\$0.27	169,000	0	5,000	6,500	7,500	10,000	20,000	20,000	20,000	20,000	20,000
Flowers-Local	\$0.43	93,200	0	200	3,500	5,500	4,000	8,000	12,000	12,000	12,000	12,000
Flowers-Eldoret	\$0.81	151,540	0	40	1,500	5,000	10,000	15,000	20,000	20,000	20,000	20,000
Revenue 4	\$0.00	0	0	0	0	0	0	0	0	0	0	0
Revenues 5	\$0.00	0	0	0	0	0	0	0	0	0	0	0
Total Units		413,740	0	5,240	11,500	18,000	24,000	43,000	52,000	52,000	52,000	52,000
Sales	Unit Prices											
Flowers-Export	\$2.25	\$380,250	\$0	\$11,250	\$14,625	\$16,875	\$22,500	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Flowers-Local	\$2.95	\$274,940	\$0	\$590	\$10,325	\$16,225	\$11,800	\$23,600	\$35,400	\$35,400	\$35,400	\$35,400
Flowers-Eldoret	\$3.45	\$522,813	\$0	\$138	\$5,175	\$17,250	\$34,500	\$51,750	\$69,000	\$69,000	\$69,000	\$69,000
Revenue 4	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenues 5	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sales		\$1,178,003	\$0	\$11,978	\$30,125	\$50,350	\$68,800	\$120,350	\$149,400	\$149,400	\$149,400	\$149,400
Direct Cost of Sales		\$208,453	\$0	\$1,468	\$4,475	\$8,440	\$12,520	\$20,990	\$26,760	\$26,760	\$26,760	\$26,760
Gross Margin		\$969,550	\$0	\$10,510	\$25,650	\$41,910	\$56,280	\$99,360	\$122,640	\$122,640	\$122,640	\$122,640
Gross Margin %		82.3%	0.0%	87.7%	85.1%	83.2%	81.8%	82.6%	82.1%	82.1%	82.1%	82.1%
Operating Expenses		\$558,977	\$24,700	\$27,363	\$31,415	\$35,923	\$40,036	\$51,526	\$58,002	\$58,002	\$58,002	\$58,002
Operating Profit/Loss		-\$753,566	-\$24,700	-\$16,853	-\$5,765	\$5,987	\$16,244	\$47,834	\$64,638	\$64,638	\$64,638	\$64,638
Management Charges		\$60,624	\$0	\$1	\$2	\$3	\$4	\$5	\$6	\$7	\$8	\$9
Profit/Loss		\$410,507	-\$24,700	-\$16,854	-\$5,767	\$5,984	\$16,240	\$47,829	\$64,632	\$64,631	\$64,630	\$64,629
Operating Margin %		34.85%	0.00%	-140.77%	-19.14%	11.89%	23.61%	39.74%	43.26%	43.26%	43.26%	43.26%
Variable Costs Budget	22.29%											
Variable Costs	Variable %	\$262,575	\$0	\$2,663	\$6,715	\$11,223	\$15,336	\$26,826	\$33,302	\$33,302	\$33,302	\$33,302

**a real pain point**







**EDItX XML transaction message  
formats**

**SALES REPORT FORMAT, Version 1.1  
May 2011, corrected February, December 2012  
with code list changes made May 2014**

The EDItX Sales Report format are intended to be used by a retailer, distributor or other intermediary reseller or selling agent, or by an agent reporting on their behalf, to report sales to a supplier or publisher. The format was originally developed<sup>1</sup> for use in the ebook supply chain in North America, for reporting ebook sales on wholesale terms, but a series of revisions have made it suitable for use in both digital and non-digital book product supply chains, for reporting sales under both wholesale and agency terms. It is intended that the format be implemented in digital, non-digital or mixed book product supply chains, depending upon local market requirements.

Version 1.1 incorporates a number of changes to meet North American sales and sales tax reporting requirements, as worked out in collaboration with the Sales Reporting Working Group of the Book Industry Study Group's Supply Chain EDI Committee. A small number of new elements have been added in support of North American usage.

An important change in this Version, applicable generally and not only in North America, is to allow the format to be used for sales tax reporting, especially for sales made under agency terms. A new top-level element SalesTaxReport has been added to enable sales and sales tax reports to be distinguishable when they relate to the same set of sales.

The format allows these reporting options:

1. Each report line may list an individual transaction, or it may provide a total of all transactions for a given (identified) tradeable product under a given class of sale or at a given price point during the reporting period specified in the message header.
2. Classes of sale may be defined by trading partners to reflect the details of the arrangements which they have negotiated. Additionally, a few standard classes of sale are defined (see Table 3):  
*retail, export, publisher internal, review copies, printed, digital.* Other standard



# EDItX Trade Book Supply Sales and Sales Tax Report Message Formats

## Version 1.1, May 2011

The *EDItX Message Specifications* were compiled for EDItEUR by David Martin and Francis Cave, with recent changes by Graham Bell. The XSD schemas were developed by Francis Cave.

Copyright © 2005–2012 BIC, BISG and EDItEUR. All rights reserved. This EDItX XML transaction document standard was developed jointly by [BISAC](#) (part of Book Industry Study Group, US), [Book Industry Communication](#) (UK) and [EDItEUR](#) (the international e-commerce standards group for books and serials).

**TERMS AND CONDITIONS OF USE of the EDItX Message Formats and associated XML schemas**  
All EDItX standards and documentation – including this document – are available free of charge.

# EDItX Sales reporting

- **flexible line by line sales report**
  - originally developed for reporting DTO digital sales on reseller terms, but extended to cover both digital or physical (*eg* POD), reseller or agency
  - reporting by class of sale, by retail outlet, net cost or discount-terms, RRP, ASP...
  - by transaction, or summarised
- **suitable for international use**
  - multi-currency sales in a variety of tax regimes

# EDItX in use

- developed in 2003, maintained and revised, but not as widely implemented as it could be
- detailed implementation variations
  - Sales reporting and Sales & Tax reporting
  - XML-based and 'flat file' versions
    - flat file is a subset primarily for North America
    - flat file version may appear conceptually simpler, but development usually breaks compatibility
- in use in North America, in Germany and other EU countries

**<Header>**  
**<FromDate>**  
**<ToDate>**  
**<SellerParty>**  
**<BuyerParty>**

**<ItemDetail>**  
  **<ProductID>**  
  **<ItemDescription>**  
    **<Title>**  
    **<Author>**  
  **<PublisherDetail>**  
  **<ImprintDetail>**  
  **<FormatCode>**  
  **<Quantity>**  
  **<ReferenceCoded>**  
  **<DateCoded>**

<PricingDetail>

<ClassOfSaleCode>

<Price>

<MonetaryAmount>

<Tax>

<DiscountPercentage>

<SellerCharge>

<LineAmountDueToSupplier>

<LineSalesAmounts>

<GrossSalesAmountBeforeDiscounts>

<DiscountsAmount>

<SellerCharge>

<LineAmountDueToSupplier>

<Tax>



**<Trailer>**

**<NumberOfLines>**

**<TotalDueToSupplier>**

# EDItX development

- **targetting 4th quarter for version 1.2**
  - **improvements in documentation a priority**
  - **addition of <PriceIdentifier> to link sales to terms and conditions expressed in ONIX**
  - **additions to codelists to provide geolocation evidence for EU VAT**
- **parallel updates to EDItX Inventory report**
  - **new codes for tracking e-book onboarding**



[graham@editeur.org](mailto:graham@editeur.org)  
[www.editeur.org](http://www.editeur.org)