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BIC PRINT ON DEMAND & SHORT RUN TASK & FINISH WORKING GROUP – Minutes
BIC, CILIP Building, 7 Ridgmount St, London WC1E 7AE
Thursday 26th March 2015, 10am

Present	**Apologies**:
Alaina-Marie Bassett, BIC	Andrew Bromley, Ingram Content Group
Roger Christiansen, Ricoh Europe (Deputy)	Andy Cork, Printondemand-worldwide
Katya Dolgodvorova, Penguin Random House	Alison Lewis, Ingram Content Group
Karina Luke, BIC	Claire Walker, Harper Collins
Kate McFarlan, Clays	Mark Walker, Macmillan
Alan Rakes, Hachette UK	Alma Weber, Penguin Random House
Jean Roberts, Printondemand-worldwide (Chair)	
Nancy Roberts, Cambridge University Press	
Gabrielle Wallington, Waterstones	
Andy Williams, Palgrave Macmillan	

1. **Introduction & apologies**
   The Group welcomed Andy Cork of Printondemand-worldwide to the Group in his absence. They also welcomed Alma Weber's delegate, Katya Dolgodvorova, from Penguin Random House. The Group were informed that Charly Nobbs of Wiley will not be able to attend meetings for this Group henceforth but will provide information / feedback on the work of this Group, where necessary.

2. **Review minutes and follow-up on actions from the last meeting**
   The minutes from the last meeting of this Group were approved without corrections. JR noted that there were a handful of actions from the last meeting, the first of which was determining the terminology for POD; specifically, what the term POD means to different factions of the book industry. JR noted that she has not seen any definitions for this term except those that were incorporated into the workflow diagrams received. She noted that some organisations have not sent their workflow diagram to the Group. The Group noted that, to date, workflows have not been received from: Macmillan and Waterstones. GW noted that, since the information requested at the previous meeting of this Group is concerned with publishing processes (and Waterstones is, of course, a retailer), Waterstones are not able to contribute to the workflows being submitted.
   ACTION: AB to liaise with Macmillan regarding their workflow diagram.

   KL reminded the Group that their definitions of POD are needed for this Group to ascertain what the general definition of POD should be industry-wide. JR agreed, noting that Waterstones deliberately do not stock POD titles since these titles are often unreturnable or deemed to be so. AW agreed that this is the common consensus but commented that Waterstones most likely do stock POD titles already, though they may be unaware that the books are printed using POD.

3. **Determining workflows and expectations (per term)**
   The Group agreed to begin work on the workflow diagrams using Hachette's ASR workflow diagram. AW noted that this document is particularly good, though he suggested that "purchase orders"

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should be specified as "purchase orders from the production department". KM agreed, noting that the key word used is "individual". AR (of Hachette) disagreed, qualifying this statement by explaining that printers are provided with an open purchase order with ASR. AW commented that this fact means that their definition for "purchase order" is different to other organisations. KL suggested that this Group should reference a pricing matrix in the definition for ASR and JR agreed. RC suggested that this should be "pre-agreed terms between printer and publisher / printer-distributor" (depending on which type of organisation the billing entity is). The Group agreed to use the following wording: "between two entities / parties". RC noted that the ASR process is concerned with speed though AW commented that the speed of a job comes down to the organisation's relationship with their printer; he suggested that speed is not intrinsic to the definition for ASR. AR noted that organisations do not want editorial / content changes to be included in this process and suggested that "preferably without editorial changes" should be added to the definition. After some discussion the Group agreed that this statement is not necessary within the definition.

AW suggested that the term "print on demand / POD" should not be included in the definition for ASR because it has too many negative connotations. He suggested "manufacture on demand" as a suitable alternative since its use may prove to be easier / more fruitful than trying to change organisations' perspectives on POD. GW agreed, noting that POD should not be used in the definition for ASR for this reason but noted that this will only apply if the printing job does not have short lead times. She also noted that POD, rightly or wrongly, is frequently associated with products with lower terms – an association that retailers find hard to negate. AW noted that Palgrave Macmillan use the term "virtual stock" internally. GW showed a preference for this term, noting that the most important feature of the process (to retailers) is being able to receive their stock with the same level of discount as offset printing; she noted that the biggest problems arise when the terms do not match. For this reason, GW suggested that POD titles with the same terms as offset print jobs should simply be labelled with the price & availability (P&A) code "IP (available)". AW agreed, noting that – providing the terms are the same as offset print jobs – there is no reason to differentiate between them. Care needs to be taken that availability codes are not used to communicate commercial terms. This is not what they are designed for.

KM questioned whether it would make a difference if the order is being sent to the customer from an alternative location, i.e. directly from the printer rather than the distributor / warehouse. AW agreed that this would change the definition and noted that the order could also be sent from an online retailer (who may have produced the order(s) themselves). GW informed the Group that Waterstones' issue with this sort of fulfilment is that the EDN arrives before, and separately from, the printer. She noted, however, that if this information comes from the distributor it is not a problem. She suggested discussing this matter further with Philip Amatt of Waterstones. KL noted that this Group will need to define how this sort of "printed by retailer" delivery differs from standard delivery.

AW suggested that the definition for POD should include a paragraph about what POD is not. KM commented on the difficulty of this since this Group is trying to define something that has multiple uses for different organisations. AW commented that POD is a production process and as such it is

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not concerned with commercials / delivery issues. GW agreed, suggesting it may just be concerned with inventory.

JR read the current definition of POD so far, having taken into account the conversation of this Group. She listed the channels for POD, noting that the core is having multiple platforms for this to work on. NR noted that some organisations use POD to define discount terms, which implies commercial terms. GW commented that using a P&A code to define terms does not work as it is not what the codes are designed for – especially when the terms are used for different purposes. AW questioned how / whether this Group can define "virtual stock" in such a way that it will not be outdated in five years' time. KM agreed that this will be difficult, noting that there will not be a definition that applies to all parties. She noted that the "printed by retailer" category is outside of the scope for definition.

RC noted that the issue here is one of print quality. He suggested that there needs to be an acceptable level of quality which the publisher has control over. AW agreed but noted that quality control is the responsibility of the publisher. He suggested that quality can be controlled by each publisher choosing their own selection of printers; though this is out of the publisher's hands when the job is printed by a retailer with their own production methods. He noted that, in this instance, unsatisfied customers will most likely still come to the publisher to complain about the poor quality of a title. KL suggested that a P&A code is needed to express "retailer printed / printed by retailer". NR commented that publishers often do not have sufficient choice as to whether they should allow retailers to print their titles and questioned where the answer code would be situated. AW responded that IP should notify that a publisher is able to supply the book in question from the defined channels, though it can still be printed by other means.

GW suggested using the publishing status code in addition to the answer code. She noted that an availability code should simply provide limited, specific answers such as yes, no, impending, not now but in the future, never, etc. NR and KM agreed that this would be useful, though GW confessed that Waterstones currently do not accept publishing status codes but could do so, if it was beneficial. She noted that answer codes should not be concerned with production / manufacturing information. She also noted that any new publishing status codes will need to be created and instated by EDItEUR. GW commented that the P&A Task & Finish Working Group (T&FWG) is currently looking into updating the TRADACOMS code lists but noted that ONIX is far more likely to be able to express this sophisticated messaging.

GW noted that, when the availability codes for a title are changed and the terms are affected too, retailers fear that the terms have simultaneously changed on the copies already purchased. AW commented that these are the wrong assumptions, though GW noted that this is not the case with every organisation and many cannot guarantee that the terms have not changed with the alteration of a code. AW noted the irony that, to a publisher / printer, having a title as POD is a sign of success but to retailers they see it as a title going out of demand. AR commented that, because of the (new) publishing status code, retailers will know that POD titles are not traditionally printed and as such will investigate / assume the reasons why a status code has subsequently been changed. AW agreed, but noted that they would have to use the publishing status codes for this to be true. He noted that

The book industry's supply chain organisation

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there are three parts to this issue: answer codes, publishing status codes and terms. GW volunteered to speak to Graham Bell of EDItEUR about using publishing status codes.
ACTION: GW to liaise with GB about the possibility of using publishing status codes in ONIX.

GW suggested that the answer codes for this process should be looked into, particularly how each code will be interpreted and when they will be received. She noted that their use will depend upon who the organisation is addressing, i.e. the target audience for that information. She noted that this information should be targeted to define what the user needs to know and not what is happening internally within an organisation. For this reason, KL suggested that an additional code should be created to express "traditional or virtual stock: providing there are no changes to the terms" which is to be used in conjunction with publishing status codes. JR added this into the current definition for POD and read it aloud to the Group.

GW noted that it would be beneficial to gain other retailers' feedback on this definition since Waterstones are fairly idiosyncratic. KL agreed, noting that other retailers will be approached to feedback on this project.

The Group noted that the only substantial differences between ASR and POD is when stock inventory falls below a certain quantity; in this instance ASR will begin printing again automatically, and POD will not. For this reason, only one sentence about the difference between ASR and POD is needed. The Group agreed.

KL suggested that, if publishing status codes can be used in conjunction with answer codes, it is unnecessary to label a book as POD. AW noted that publishers will control the publishing status code and distributors will control the availability code. GW commented that, even if the codes aren't adopted, this process will at least show that POD has different connotations.

JR read out her current definition for ASR to the Group and they subsequently agreed to call POD a "legacy term" within the definition. AW noted that the glossary produced by this Group may need to include a definition for availability codes. KL disagreed, suggesting that the only requirement will be a best practice guideline for how best to use availability codes, i.e. solely for availability purposes. AW agreed, noting that anyone looking for further information on this matter can refer to P&A documentation.

It was noted that a code is already in existence for Amazon POD files: AMPOD – use of this code infers that the file can be printed by Amazon. KL noted her surprise at this code's existence since it is publisher specific and as such should not be allowed. The Group also noted that codes such as PD, MOD, MD or PTS would be labelled "IP" under the proposed process (in conjunction with a publishing status code).

Below are the current definitions for Virtual Stock, ASR, POD and Traditional Printing for this Project, written by JR during this meeting:

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Virtual stock is an inventory management process. Virtual stock is a process whereby a title is automatically printed using digital technology based on immediate demand, where costings and print instructions have been agreed in advance between parties, negating the need for individual purchase orders for each printing.

Automated Stock Replenishment (ASR) is a process whereby a title is automatically reprinted based on previous sales patterns, where costings and print instructions have been agreed in advance between parties, and negating the need for purchase orders for each printing. It is a means for topping up stock in a distributors' warehouse to ensure an IP (in print) answer code.

Virtual stock should have no reference to commercial terms.

Virtual stock is commonly used in supplying the following channels:
- *Distributor direct to printer orders for fulfilment back to the distributor*
- *Distributor direct to printer orders for printer to fulfil direct to consumer*
- *Publisher direct to orders*
- *Retailer printed orders (publisher franchises rights to retailer for the purpose of producing that one order)*

Virtual stock can be used at all stages of the lifecycle of the publication – advances / review copies / front list, mid and backlist (commonly known as the long tail).

Virtual stock / just in time printing / MOD / book of one / POD / PTO are all interchangeable terms that have been used to describe the same inventory management process using digital technology.

The term POD is a legacy term which has negative connotations due to the early capability of digital print, market dominance of early digital players and some major earlier adopters, e.g. self-publishing, content aggregators, etc.

Availability codes typically are set to:
- *MOD*
- *POD*
- *PD – TRADACOMS*
- *MD - ONIX*

Publisher status codes:
- *IP – Virtual stock*
- *IP – Retailer supplied*

Particular problems for retailers:
- *Availability*

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- *Commercial terms*
- *Quality of content*

Traditional printing refers to traditional inventory management processes using lithographic technology, typically large volume printing, purchased via a purchase order from the publisher to the printer.

ACTION: ALL to provide feedback on the above definition before the next meeting of this Group.

AC asked whether a definition for short run also needs to be produced by this Group. KL noted that short run print jobs are included in "virtual stock". She suggested, however, that "traditional printing" may need to be defined as "traditional inventory processes". AW noted that this process is about the negotiation of terms for printing purposes.

The Group discussed the other deliverables of this Project. KL noted that a set of best practice guidelines will need to be produced, plus documentation regarding the expectations for POD. KM noted that going beyond this would trespass into individual organisations' commercial decisions. KL noted that this Project will need to provide enough definitions to account for all the general processes within POD, though commercials are not within the Group's (or BIC's) remit. AW suggested that models may be needed to provide examples of best practice. GW also suggested that this Group should work towards dispelling the negative connotations that POD gives rise to; particularly with regards to value for money, time to acquire the product, and quality of the product. KM noted that these factors will be dependent on the printer / distributor and as such cannot be defined by this Project.

NR noted that every member of this Group will need to scrutinise the above definition and see if it covers their organisation's processes and would therefore fit into their suggested workflow. Any instances where this is not the case should be noted down and brought to the Group's attention. At the next meeting, this Group will begin to put the definitive workflow diagram together and decide upon the flows / processes involved.
ACTION: ALL to provide information about any anomalies found, to the Group two weeks prior to the next meeting.

RC suggested that a best practice guideline should be written for franchising. KM was sceptical about this, noting that the guidelines may not be read / taken into account by the targeted organisations that self-produce. KL noted that this Group can, nonetheless, recommend that they do read this document – and can only do so if the document is first produced. GW suggested tailoring the document to any issues that these organisations may experience; though their issues are, currently, unknown. NR noted that the consequences of each decision (made by organisations) need to be fully documented. AW suggested creating a decision-tree for this purpose. KL commented that BIC cannot be seen to be advising organisations about what they should or should not do commercially or as a business; it can, however, provide all relevant information for organisations to make be able to make an informed decision and offer recommendations on Best Practice.

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KL noted that, once this Project is finished, a BIC Bite on Virtual Stock could be written, providing interested parties with links for further information. She suggested that this Group could also speak to BISG and Booknet Canada to gain a transatlantic perspective on the definitions produced. The Group agreed that this would be beneficial to all.

AR commented that there could be an issue with retailer-printed returns, especially within the IRI process. GW noted that this topic should be investigated in depth in this Project. She noted that there are a number of returns processes to discuss. AW also noted that IRI returns should be considered. JR suggested that retailers should be considered first in the workflow since publishers' work is (to an extent) driven by a demand that is created by retailers. GW informed the Group that she will speak to her colleagues at Waterstones and other contacts that she has to get an overview of what retailers require in relation to this Project.
ACTION: GW to look into the requirements of retailers and report back to the Group at the next meeting.

4. **Review of responses to the narratives and timeframes grid, which outlines each organisation's ASR, POD and short run methods**
   To be discussed in depth at the next meeting of this Group.

5. **A.O.B**
   None.

6. **Date of next meeting**
   Wednesday 17th June 2015.