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BIC PRINT ON DEMAND & SHORT RUN TASK & FINISH WORKING GROUP – Minutes
The Publishers Association, 29b Montague Street, London WC1B 5BW
Wednesday 17th June 2015, 11am

Present
Alaina-Marie Bassett, BIC
Roger Christiansen, Ricoh Europe (Deputy)
Andy Cork, Printondemand-worldwide
Tim Cruickshank, Cambridge University Press
Katya Dolgodvorova, Penguin Random House
Alison Lewis, Ingram Content Group
Karina Luke, BIC
Kate McFarlan, Clays
Alan Rakes, Hachette UK
Jean Roberts, Printondemand-worldwide (Chair)
Gabrielle Wallington, Waterstones
Linzi Webb, Wiley
Andy Williams, Palgrave Macmillan

Apologies
Andrew Bromley, Ingram Content Group
Nancy Roberts, Cambridge University Press
Claire Walker, Harper Collins
Mark Walker, Macmillan
Alma Weber, Penguin Random House

1. **Introduction & apologies**
   The Group were welcomed to the meeting and introduced themselves for the purpose of the minutes. In particular, they welcomed Andy Cork of Printondemand-worldwide and Linzi Webb of Wiley as new members of this Group. The following delegates were also welcomed: Tim Cruickshank of Cambridge University Press and Katya Dolgodvorova of Penguin Random House.

2. **Review minutes and follow-up on actions from the last meeting**

   - Macmillan's workflow diagram
     The Group commented that it would be useful to obtain a workflow diagram from Macmillan for a second distributor's perspective. However, after some discussion, they agreed that this Group should – rather than obtaining a workflow diagram – request that Macmillan provide feedback on the workflow that this Group creates.
     ACTION: AB to liaise with Macmillan Distribution to obtain their feedback on this Group's workflow diagram, once it has been produced.

   - Publishing Status Codes in ONIX
     At the last meeting of this Group, it was suggested that a Publishing Status Code could be used in addition to an Answer Code within feeds in order to provide production / manufacturing information to the data recipient. GW informed the Group that this topic was raised with Graham Bell (GB) of EDItEUR, who suggested that Publisher Status Codes may not be the best means of providing this information; he suggested instead that there are other, existing ways of expressing this information within ONIX. GW noted that this Group's suggestions will be considered by GB providing that the Group can supply evidence of / definitions for the

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information that needs to be expressed. KL commented that GB is quietly confident that there will be a way to provide this sort of information within ONIX. She noted that this Group will now need to discuss / clarify its needs and provide this information to GB.

- Feedback on / anomalies for the definitions for Virtual Stock, ASR, and Traditional Printing
It was noted that the Group did not provide any additional feedback on these definitions after the last meeting. They agreed that these definitions were signed off by the Group during the last meeting and as such do not require any further comment. The Group also noted that no anomalies were brought to the Group's attention for discussion.

- Retailer's requirements in relation to this Project
GW informed the Group that conversations she has had at Waterstones have revealed that one of the biggest issues that retailers currently experience appears to be around electronic ordering; particularly when an order is sent directly from the printer accompanied by a different / independent order number. She noted that this issue is not particular to Virtual Stock. KM agreed, noting that this is an auto-matching issue that affects the book industry at large. GW noted that the Purchase Order (PO) number needs to be present on the documentation provided by the supplier of the book, regardless of whether the supplier is the publisher themselves or the printer. She also noted that the timing of the documentation is important, in particular when the e-documentation is supplied within the process. AW commented that this process is exacerbated but not caused only by Virtual Stock.

When discussing the delivery of orders (direct from the printer), AD informed the Group that each order should be boxed separately according to the PO number, even if two orders are being delivered to the same address. AR noted that a picking note and a copy of the invoice should also be included in the delivery box. He informed the Group that the box from the DC (containing non- Virtual Stock titles) would also need to specify how many books will be sent from another supplier to fulfil the order. RC asked whether this process should be added into the workflow diagram. The Group agreed that it should be included.

GW commented that some publishers list the Virtual Stock supplier (i.e. Lightning Source) as the distributor and some do not; though almost every order goes through the Hub. AC questioned whether this Group should work on a standard procedure for this process. GW agreed that this would be helpful but noted that the procedure may not work for every organisation. She commented that the suggested best practice would need to be agreed upon and signed off by other retailers (including those who are not represented on the BIC Operational Board). AW commented that this Group can provide information about the minimum requirements to standardise this process and send this document out to retailers for further comment. GW agreed, noting that idiosyncratic information does not need to be included in the best practice. AW noted that, once the minimum requirements have been agreed upon, it will be up to the retailer to implement them appropriately for their organisation. The Group agreed.

AR informed the Group that he could supply a list of the Top 10 suppliers, if this would be useful. KL commented that this would be very useful indeed and suggested that a straw man document

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can then be created and subsequently circulated.

ACTION: AR to provide a list of Top 10 suppliers before the next meeting of this Group.

3. **Determining workflows and expectations (per term)**

   JR and RC informed the Group that they met, prior to this meeting, to discuss the workflows that were submitted by this Group; including the recently amended workflows from Clays, Hachette, Palgrave Macmillan and Wiley. From this conversation, they established that there are six key areas / sequences within the Virtual Stock workflow process:

   - Channel
   - Publisher
   - Metadata
   - Distributor
   - Printer
   - Channel

   JR noted that the above sequences will need to be discussed and the order approved by this Group; she commented that the ordering of the sequences will be fundamental to the workflow. The Group agreed that the term "Virtual Stock" should be used instead of "POD".

   JR commented that the channel dictates / creates the demand for stock; the publisher then creates dues; and finally the channel dictates whether there is a need for Virtual Stock / ASR (though the publisher will do the decision-making surrounding production). The Group agreed that the channel could therefore be at the beginning and end of the sequences. They also suggested that there are two or three distinct streams for stock planning. They also noted that metadata is crucial to the workflow all the way through the process.

   KM noted that the purpose of this workflow diagram is to create a Best Practice Guideline for the entire Virtual Stock process, and commented that ASR is not relevant to the retailer in this context. GW noted that the aim of the Project is also to improve and raise the profile of Virtual Stock and redefine its role within the book industry. She agreed that retailers do not need to know whether a book has been produced by Virtual Stock providing that this information is supplied to those who do need it. She noted that not all Virtual Stock can be defined in the same way and the implications of this need to be made clear to organisations. KL agreed that the differences need to be made clear to all. GW noted that this Project should aim to facilitate flexible responses to orders. AR agreed, noting how quickly their titles go to ASR (within 3 months in most instances).

   AC noted that there are currently a number of efforts, globally, to define Virtual Stock / ASR. KL noted that she can liaise with BISG and Booknet Canada about any progress they have made and to obtain their feedback on this Group's work. AC noted that Printondemand-worldwide also have contacts at Ingram Content Group and Baker & Taylor who could be approached for this purpose.

   JR questioned whether the Group is content with the order of the above sequences. AW suggested that Metadata should be at the top of the sequences, and spans across all the other sequences. The Group agreed. AR noted that response data is also a fundamental aspect of metadata within the workflow.

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AL questioned whether this Group should build data agencies into the workflow diagram. GW and AL noted that data agencies act as conduits for the data and that part of their role involves properly coding the metadata. They suggested that this Group should provide references and perhaps produce guidance notes about how to do this efficiently but suggested that they do not need to be present on the workflow diagram.

JR noted that Printondemand-worldwide (PODW) are listed as the distributor on the inside of many of the books they produce. She noted that this means that PODW often receive queries about these books, instead of the publisher. AL and AW noted their concerns about this. They noted that, ultimately, it is still the publisher's decision whether to distribute the title, regardless of which organisation physically distributes it. GW commented that Waterstones only store information for one UK distributor per publisher, i.e. their main distribution centre, and noted that the distributor should remain consistent. She noted that having a relationship with multiple distributors is very hard for retailers. AW agreed, noting that it is the metadata in this process that is critical.

JR noted that Random House's workflow diagram now includes a new ISBN for Virtual Stock titles. GW informed the Group that the ISBN standard is currently under review. KL expressed concern here and noted that ISBNs are not concerned with the production process of making the book.

JR proposed that, now this workflow ordering with regards the sequences listed above has been agreed upon, this Group should now address one sequence at a time. RC questioned the level of detail that should be included in the workflow diagram. AW commented that there are different scenarios / eventualities that will need to be included in the diagram. The Group agreed that their focus should be on Virtual Stock, rather than ASR, for the time being.

The agreed order of sequences is as follows:
- Metadata
- Channel
- Publisher
- Distributor
- Printer
- Channel

- Metadata for Virtual Stock
  The Group asked GW what information retailers require from the metadata they receive. GW noted that the BIC Basic mandatory fields (details available on the BIC website) are essential; this includes receiving the data a minimum of 16 weeks ahead of publication. GW noted that these fields need to be populated for all books, regardless of their format or production process, however the timing is critical.

  GW noted that the availability is currently displayed as one of the following: Manufactured on Demand (MOD) or In Print (IP). She noted that the availability codes can affect a retailer's interpretation of the terms and / or timeliness of the order. She commented that Waterstones assume that all Virtual Stock titles are firm sale only. She noted that this is an issue that needs to

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be addressed by this Group since Virtual Stock titles are not always firm sale. She commented that the Group needs to ascertain exactly what information regarding availability codes is needed. AW noted that the commercial terms are detailed in the contract, however contracts are not available to buyers at the time of ordering. He noted that MOD should not be used as a means of expressing terms and KL agreed.

AW informed the Group that metadata is currently feeding to end users from unusual routes, i.e. from vendors or third parties. He noted that, as a result of this, these third parties also need to be supplied with sales / returns / discount terms. GW informed the Group that BIC has a Discount Group Codes scheme by which publishers send a matrix to their customers and a key code, specific to each imprint. Further information about this scheme can be found here: http://www.bic.org.uk/13/Discount-Group-Codes/

JR questioned whether the assumption that all Virtual Stock titles are firm sale is historic. GW informed the Group that it is but also suggested that the assumption is also a low-risk strategy. JR noted that there is a general shift in attitude across the industry with regards to Virtual Stock and this assumption will hopefully also change. GW noted that retailers need a way to differentiate between firm sale / returnable stock. AW agreed, noting that an override function will also be necessary for the publisher. GW agreed but noted that this addition may not be in scope of the Project Deliverables. She suggested that this could, instead, be addressed by the Industry Returns Workshop that BIC is currently scheduling for later in the year. RC commented that the assumptions surrounding returns should be divorced from the method of manufacture. JR noted that returns are out of the scope of this Project in terms of formulating a solution but the information regarding knowing if a product is firm sale or return is relevant to this Project. GW noted that the Price & Availability Task & Finish Working Group will also need to keep a watching brief on this topic.

The Group went on to discuss whether any additions are required to the workflow diagram from the point of view of distributors. AR noted that the data coming from the Virtual Stock supplier is important to distributors so that they can then send this information on to their other suppliers. As a result, he suggested that the information that is sent to Virtual Stock suppliers (in real time) should also be sent to the publisher / distributor simultaneously; likewise distributor data should also be sent to the vendor. AR informed the Group that Hachette Distribution currently do not send any data of this sort. He noted that, in Hachette, it is the publisher that works directly with vendors and information is changed manually

KL asked GW whether Virtual Stock titles are displayed on Waterstone's website. GW informed the Group that the Virtual Stock titles should be available online but noted that, in the past, Waterstones have experienced some issues with the quality and/or licenses of public domain books and, as such, these are often excluded. TC noted that some Cambridge University Press (CUP) Virtual Stock titles are not available on Waterstone's website. GW commented that, to her knowledge, Waterstones do not exclude Virtual Stock titles from their online site.
ACTION: TC to liaise with GW about the CUP Virtual Stock titles that are not available online.

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- Channel for Virtual Stock
The Group noted that the channel drives the sales for Virtual Stock. JR questioned whether the channel is as important for driving the sales of backlist titles. TC noted that CUP have an extensive range of backlist titles and, as such, the channel does not drive their sales. GW informed the Group that for retailers the sales are driven by anticipated demand, more than actual demand. She noted that high demand will not be expected but that the aim is to make backlist titles available rather than selling them en masse. AW agreed, noting that the customer will generate the demand.

JR reminded the Group that the channel to market can now be either traditional (i.e. distributors / retailers), or modern (i.e. online retailers / Virtual Stock suppliers). AW agreed, noting that, sometimes, retailers can also be customers. GW noted that ultimately the customer is always the end consumer and suggested that end consumers do not need to know which manufacturing method was used to produce their book. AW disagreed, noting that consumers need to be made aware that they are making a choice when ordering a book and argued that consumers should be better informed about franchising to better inform their choices. He noted that publishers aim to ensure their books are produced to a benchmark standard and this standard may not be the same depending on where the book has been produced. He noted that approximately 55% of publishers' sales come from online retailers and as such publishers need to be certain that the suppliers that produce their books do so to an acceptable standard. RC noted that the main concern about consumer complaints is the effect this may have on your brand and the potential for future sales.

JR informed the Group that the workflow diagram will be published widely and will provide everyone involved with Virtual Stock in the book supply chain with a model for suggested Best Practice. KL informed the Group that this information is included in the Project Brief, which can be found on the BIC website, here: http://tiny.cc/1ml1zx GW noted that the Best Practice documentation will need to include definitions for each process, and should illustrate how each organisation needs to work, what is required of them and what to supply during each stage of the process. She also noted that this Group will need to review how far in advance of the publication date the metadata needs to be supplied. AW noted that library suppliers need to receive their metadata well in advance. GW encouraged AW to join the Price & Availability Task & Finish Working Group to address this issue.

AC commented that this Group may be concentrating too heavily on the historic decisions relating to Virtual Stock, rather than focusing on the future and what needs to be achieved. JR agreed, noting that this Group and its work will provide an opportunity for the book supply chain to rethink their historical assumptions about Virtual Stock, i.e. that is it now a standard method of production.

AW informed the Group that Palgrave Macmillan want the majority of their titles to be Virtual Stock by the end of 2015. He noted that retailers will need to be well-informed that Virtual Stock is not always firm sale. KL also noted that, if any changes are made to the regular terms of a

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product, due to it being produced as Virtual Stock, the retailer should be made aware, before (or at the time of) ordering, that such a change has occurred.

4. **A.O.B**

The Group agreed it is currently premature to compile and circulate a straw man document that illustrates how each process within the Virtual Stock framework is linked. JR noted that the Group will continue to discuss the four remaining sequences within the Virtual Stock workflow at the next meeting of this Group, with a view to finishing this. She suggested that a straw man document could then be produced and circulated for comment.

KL raised her concerns about this Group's discussion surrounding metadata. She noted this Group has now agreed that terms need to be made available to all relevant organisations via their metadata however the Group has not yet established how to achieve this.

AW commented that drop-shipments may also have different requirements that need to be taken into account since this type of ordering triggers different actions. LW informed the Group that correct identifiers should be provided for drop shipments. AW noted that the Publisher PO number, plus the Customer Order number should both be passed on to the Virtual Stock supplier and both be used concurrently in all data / document exchanges. He noted that a tracking number may also need to be included. He commented that this level of information is not currently sent out by Palgrave Macmillan but Macmillan Distribution are supplying it, to an extent, though not on an industry-wide basis.

KL suggested that a PO/Order Management Workflow should be produced to illustrate how and where the numbers are used. She emphasised that this workflow will need to be standardised across the whole supply chain in order to be a success. This new workflow will be discussed during the next meeting of this Group.

ACTION: ALL to discuss the PO / Order Management Workflow at the next meeting.

5. **Date of next meeting**

The Group agreed that the next meeting should be three hours in length to facilitate drawing discussions on the sequences of the workflow to an end.

The next meeting will take place on Wednesday 15th July 2015.

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