BIC Acquisitions and Divestments Task & Finish Working Group– Minutes
Bowker Offices, 5th Floor, 3 Dorset Rise, London, EC4Y 8EN
Thursday 19th February 2015, 2pm

Present
Graham Bell, EDItEUR
Tim Devenport, EDItEUR
Katy Gibson, BIC
Ruth Jones, Ingram Content
Karina Luke, BIC (Chair)
Barry Richardson, Nielsen
Pam Singh, PLS
Jack Tipping, Bowker
Gabrielle Wallington, Waterstones

Apologies
Alaina-Marie Bassett, BIC
Noah Genner, Booknet Canada
Gareth Jarrett, Taylor & Francis
Mark Majurey, Taylor & Francis
Len Vlahos, BISG

1. Introductions and apologies
KL welcomed the Group to the meeting and the attendees introduced themselves for the purpose of the minutes.

2. Review of actions from the last minutes
- Project Scope
KL noted that there were minor changes to the project scope and that she would amend and recirculate the document, including the updates from the Price & Availability Task & Finish Working Group as, after this Group has finished working through the TRADACOM code list, there will be overlap in some areas of the work of these two groups.

- Phone Call with Apple/Other Involvement
KL noted that the previously planned phone call with Apple (via Ingram Content Group) will take place later on in the lifecycle of the project, once there is more information and a proposal to share. The call will focus primarily on the termination and transfer of e-book titles.
GW noted that she would approach Paul Fox from OverDrive with regards ecommerce and the Group also noted that once there is a best practice draft document to show, it will approach Richard Green of Sainsbury’s. The Group commented that it would be good to have more retailer involvement.
The Group approved the minutes for the previous meeting.
ACTION: KL to amend project scope document and re-circulate to the Group.

3. Update on hiring a Consultant/Project Leader
KL informed the Group that there had been a disappointing response to the call for consultants to tender for this project. KL informed the Group that to help avoid unnecessary expense, it was worth seeing how much the Group could deliver itself without a consultant. It might be a consideration later on to recruit a Project Leader to finalise the project but this would be BIC budget dependent and may not in reality be required. The Group agreed to look in detail at the straw man document compiled by KL, RJ and MM, and provide feedback.

The book industry’s supply chain organisation
ACTION: ALL to look at draft document of straw proposal and provide detailed feedback (See Point 6 for more information on the draft straw man proposal.)

4. Discussion about expressing acquisitions & divestments in ONIX (EDItEUR)
GB delivered his presentation concerning the expression of acquisitions & divestments in ONIX. He emphasised that the expression covers the change of responsibility of products, not rights. GB noted that 08 and 09 are the codes to express a notice of acquisition but that these were not a complete answer nor did they cover an exchange of customer lists. GB included a section of ONIX best practice guidelines relevant to both ONIX 2.1 and noted that 09/13 were codes to express the different roles of parties involved - 09 being that of the purchasing publisher. GB informed the Group that it was possible in ONIX 3 to express the “effective transfer date”, but that this was not possible in ONIX 2.1. GB informed the Group of the difficulties here including ISBNs with the same product and record references where there was actually a different product; information needed constantly updating but that there were options for potential solutions.
   a) Centralised Information Hub
   GB noted that a centralised database (which might in turn facilitate something similar to the Enhanced Transfer Alerting Service (ETAS) in the journals and serials community) may be useful as well as, or instead of, a code of best practice. The Group agreed that the latter would be its priority. BR suggested that sponsorship from potential users of such a centralised hub could be an effective method of funding it. The Group agreed that the creation of best practice guidelines would gather traction on the matter, and the Group could look later at whether a “hub” is needed.

5. Discussion about expressing acquisitions & divestments in TRANSFER (EDItEUR)
TD delivered his presentation concerning acquisitions and divestments in a “Serials Context”. TD informed the Group of the electronic domain of transfer surrounding articles and their continuing use as resources. TD informed the Group that the problems with acquisitions of journal titles arise where societies change their commercial publishers as quickly as every two to four years. During the transfer period, there can be a loss of, or interrupted, access for the end-user of the journal, (end user being for example, the library patron). Therefore it affects the customer experience and consequently can affect statistics which can in turn, affect the possibilities of contract renewal for the publisher. TD noted that the difference here was between bilateral and multilateral contracts, where multiple players are involved in competing for titles, as well as other third parties such as library services.

TD informed the Group about the UKSG (UK Serials Group) which has had an international Working Group looking at acquisitions since 2006. The balance in stakeholders is achieved by having joint Co-Chairs, one from publishing and one from the Library sector.
TD informed the Group that there are three strands to the solution:
   1. Sharing a code of best practice, arranged by subheadings and checklists.
   2. The Enhanced Transfer Alerting Service (ETAS). Organisations sign up to receive updates via e-mails and blogs through this service.
3. Ongoing education and communication spread the message and reinforce the work of the Group. This includes conferences and articles to sustain the initiative.

TD noted that there are high numbers of participation on this UKSG Working Group, perhaps due to its voluntary nature. There are around 20-25 participants actively involved which represent the interests of around three-quarters of the global academic journal output, as well as those of the purchasing customers; libraries. The participating organisations use the best practice code in order to be “TRANSFER Compliant”.

As a voluntary endorsement model, TD noted that the programme gained traction quickly and doubted whether the programme would have been as successful had it been mandatory. Therefore the whole initiative relies on reputation as a form of crowd sourced sanction rather than any punitive measures delivered by a central board for a lack of compliance.

TD noted the difficulties, however, as many early drafts saw great enthusiasm but as the drafts were passed on to legal teams there were questions raised within participating organisations as to whether their involvement was appropriate particularly with regard to competition law.

However, now “TRANSFER Compliance” has become considered a basic requirement for organisations transferring titles. TD again emphasised that its success lay in its voluntary nature, as well as its pragmatic approach; it is easy to use and has been proved necessary to the industry.

TD mentioned that there are 50 endorsing publishers, including Cambridge University Press, Oxford University Press and the Taylor & Francis Group and that the Group continues to target potential future participating publishers.

TD noted that details of 600 data exchanges had been released through the “E-mail Transfer Alerting Scheme” (ETAS) e-mail system to date. This data has in turn been sent to the 500-600 subscribing organisations. This scheme was supported financially originally by UKSG and has now also attracted funding from JISC. There is also a fully searchable index of an exploitable set of basic metadata supported by the University of Manchester which includes the information of “effective transfer dates” (legal dates of transfer). He noted that the first best practice code appeared in 2007 and was radically overhauled in 2008. A small amount of money is required to sustain the initiative which now comes from a variety of sources including UKSG, JISC and, more recently, NISO. There is also a bulk update facility if multiple acquisitions occur in one transaction - this information is critical for any publisher looking to acquire ownership of imprints.

TD noted that such a system, as outlined above, is not a solution in itself and also requires its extensive use to encourage compliance and therefore there must be confidence in the system.

The Group agreed that a similar system for ebooks would be beneficial to the book industry. The Group discussed the similarities between e-books and serials, but agreed it would be difficult for a similar system surrounding e-books to include a complete list of acquired ISBNs. It was agreed that
best practice guidelines, including a checklist, would benefit the digital supply chain due to the immediate effect of transfer on the digital platform; it is critical to get the information correct first time to allow a smooth exchange. The difference between e-books and serials arises in variant delivery methods i.e. streamed books (more like serials) or the purchase of e-books (more akin to the print chain).

KL noted that Acquisition and Divestment Best Practice guidelines could possibly be incorporated into the BIC Supply Chain Accreditation Scheme, but that the scheme would not penalise organisations that have not acquired any imprints. TD noted that further to this, such best practice needs promotion from an early stage.

TD handed out hard copies of the UKSG guidelines, also available online, and noted Alison Mitchell at Macmillan as a useful contact to discuss crossover between e-books and serials.

KL thanked Graham Bell and Tim Devenport of EDItEUR for their presentations. **ACTION:** TD to e-mail updated version of presentation to AB/KG for circulation to the rest of the Group.

6. **Update/Progress on First Actions and owners, with reference to Project Brief**
   - **Straw Man Proposal**
     The Group discussed the “Straw Man Proposal” that KL, MM and RJ had produced. KL noted that this document should be kept as simple as possible in order to encourage adoption. The Group looked at the first scenario involving e-books only. In reference to where “Publisher A purchases list from Publisher B”, GB noted that the word “list” should be applied with caution. A safer, more accurate representation would be “list of products purchased”, or as GW suggested “group of ISBNs listed”. Due to this, and the fact there are varying interpretations of term “imprint” and or “list”, the Group agreed that further draft copies of this document should include a glossary.

     Regarding the “Declaration of Transfer” (official documentation requiring signatures from both buying and selling parties, to confirm the transaction) as listed in the straw man document, GW noted problems arising when one of the parties is insolvent, where broad licensing terms and the consequent division of rights can cause extensive complications. The Group agreed it would be useful to produce additional guidelines for additional sets of scenarios to cover such eventualities. The Group agreed that ultimately, a flowchart format would be useful to illustrate the Best Practice Document.

     The Group also noted that publishers are not always aware exactly what products a third party holds.

     In relation to “**Step 1: Inform the Supply Chain**” of the straw man document, KL asked at what stage the digital file should be issued to Publisher A (buyer) from Publisher B (seller). It was agreed that this may lie in the contract between Publisher A and B and that this could not necessarily be standardised. However, a reference to this point may be required in the final documentation, as this information may not always be incorporated into the contract. Further to this, questions arose as to
how exactly a master file should be transferred. It was agreed this should be referenced in the final documentation.

In reference to “Step 2: Transfer Sales Reporting” of the document, the Group agreed written confirmation was required from both parties, if the Declaration of Transfer is not signed by both parties. The Group agreed that the use of “may” and “possible review” of existing contracts was suitable terminology to employ here as such a review should not be mandatory.

It was agreed it was in the interests of Publisher A (buyer) to chase up acknowledgements that details of the transfer have been received and correctly interpreted by other relevant parties. GB noted that the inclusion of “effective date of transfer” in relation to the first two steps was critical to maintain the timeframe and give context to these steps. The Group agreed that this, along with other points of “stating the obvious” was necessary for the purposes of clarity throughout this document.

In reference to “Step 3: Grace/Transfer Period”, the Group agreed that “Grace/Transfer period” should be renamed “Handover Period” and that this should be the period of time prior to the legal “effective date of transfer”. During this Handover Period, Publishers A&B will agree what to expect from each other, and will agree to avoid providing suppliers with conflicting information. Publisher B must notify relevant parties of its selling information; a clean handover must be promoted. The Group agreed that during the Handover Period the acquiring publisher should take control, and the divesting publisher should follow Publisher A’s lead. Publisher B’s communications should be limited to specific topics during this period. The Group discussed the timeframe of this “Handover period” and agreed that it commences when announcement is made confirming the change in ownership and will end on the date of effective legal transfer. The selling publisher is thus no longer involved with the transferred ISBNs at all after the legal date of transfer.

In reference to “Step 4: Content Withdrawal And Reactivation”, the “mutually agreed date” will now stand as the “effective (legal) date of transfer”.

In reference to Step 4’s Question, over the use of ONIX codes in this process, GW noted that the data must be at a data aggregator prior to the date of legal transfer following authorisation from both parties (this date must not be on public holidays, weekends or Fridays). The Group discussed how long this information would take to validate and BR said he would confirm how long this would take at Nielsen. The Group discussed that in the transfer of the digital file, it is essentially a transfer of the liabilities surrounding the file. If a change in distributor is also involved, the file is removed and put back up, there is a change in the metadata which must be catered for- this should be included in “Step 4”. The Group also discussed including ONIX as part of the best practice guidelines, as a standard format.

“Step 5: Transfer Completion”, refers to the use of reactivation messages. The Group discussed the need for alternative terminology here. GW and RJ noted that another conversation needs to be had surrounding rebranding, and re-ISBNing the products and that this was relevant to both the digital and physical supply chain. GB suggested that if transfers include a change in the distributor as a well then a separate set of best practice guidelines is required.
In reference to Step 5’s question, (the transfer/changing of ISBNs), the Group simply agreed that ISBN rules apply.

In reference to “Areas to Still Consider”, issues arise with data protection and the transfer of customer names. Third parties must also be aware of the changes in ownership. KL suggested the Group also think about how to approach changes in the retail platform but the Group noted that this may make the guidelines incredibly complex and not as user-friendly as the Group would intend the guidelines to be. The Group suggested the inclusion of an Appendix to the guidelines to provide relevant quoted material from the ONIX guidelines. The Group noted that they would not, however, penalise those who were not using ONIX and would guarantee those using spreadsheet formats were still catered for within the guidelines. KL also informed the group that the final document will be more visually appealing.

The Group discussed whether there would be any potential issues with Competition Law but agreed that there were no direct commercial interests here and that the best practice guidelines are striving to improve efficiency for all organisations across the supply chain.

**ACTION:** KL to amend and circulate the Straw Man proposal document to the Group and later to representatives from other organisations who may provide additional valuable feedback.

**ACTION:** BR to establish how long it would take to validate information and confirm when data should be at a data aggregator prior to the legal date of transfer.

**ACTION:** ALL to consider when ISBNs are to be provided to purchasing party.

**ACTION:** KL to keep other interested parties updated with the Group’s discussions.

The Group also discussed that a joint venture between Bowker and Nielsen could be a potential solution to creating an equivalent e-mail update system (like ETAS) for acquisitions and divestments as these data agencies are already handling this data and may be able to distribute the data efficiently, with low costs.

**ACTION:** RJ/KL to talk to other organisations about their involvement in this Group, including OverDrive, Kobo, Amazon and Apple, or at least gauge their feedback on the straw man proposal.

**ACTION:** BR/JT to determine whether a joint enterprise between Bowker and Nielsen is feasible to create equivalent system to ETAS (e-mail update system) for the book industry.

7. **A.O.B.**
The Group did not have any other business to discuss.

8. **Date of next meeting**
The next meeting will be held in the fortnight after London Book Fair.

**ACTION:** KG to send out DoodlePoll to arrange next meeting.