



Book Industry Study Group

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BookExpo America 2007

Supply Chain 101: Toward a More Profitable Bottom Line

May 31, 2007

2:30 p.m. – 4:00 p.m.

Joe Gonnella, VP of Inventory Management and Vendor Relations, Barnes & Noble

“Good afternoon!

It is a great pleasure and an honor to be here at BEA on this BISG panel with such distinguished colleagues on the panel with me and with so many distinguished booksellers and their publishing partners in the audience.

Today I want to take stock of where we are on a few fundamentals for our industry.

First of all, congratulations on embracing and collectively implementing ISBN 13. ISBN 10 is dead! Long live ISBN 13!

I am sure any of you who know me will not be surprised to hear me say our work is not yet done. Not by a long shot. We have another campaign we must undertake throughout this industry and beyond. The mission is the elimination of dual identifiers on the items we vend.

I call your attention to the BISG Policy Statement POL-0701. We need one and only one identifier (a single number and its associated bar code) on every product we sell. From its inception, dual identification (two numbers and two bar codes) has been a source of complication in databases and of confusion and unnecessary cost in the supply chain, leading to delays at point of sale, missing sales information and lost reorders.

Some of the organizations that have indicated support of Policy Statement POL-0701 include the U.S. ISBN Agency, GS1 US, the Association of American Publishers (AAP), the American Bookseller Association (ABA), the Evangelical Christian Publishers Association (ECPA), PMA, the Independent Book Publishers Association, the Association for Christian Retail (CBA) and Map Link.

We need to move to a single identifier per item ASAP, but no later than March 31, 2008, as is recommended in the policy. The policy clearly states which identifiers should be used with each type of product.

	Identification	Bar Code
Book	ISBN 13	EAN 13
Spoken word audio	ISBN 13	EAN 13
Maps	ISBN 13	EAN 13
Sheet music	ISMN 13	EAN 13
Calendars	GTIN 12 or 13	UPC or EAN 13*
Greeting cards	GTIN 12 or 13	UPC or EAN 13*
Games	GTIN 12 or 13	UPC or EAN 13*
CD's	GTIN 12 or 13	UPC or EAN 13*
DVD's	GTIN 12 or 13	UPC or EAN 13*

*Item specific, not price point

Where you have a choice, you should pick one and only one to appear on the products you sell us.

By August 1, 2007, Barnes & Noble's systems will be identifier agnostic, meaning we can transact on UPC or EAN seamlessly, and our supply chain team will be working with our buying staff and our suppliers to establish timelines and action plans to get us where we need to go.

As usual with issues as complex as this one, we will be working item by item, partner by partner and business by business to get to a place where we both win.

Now news from another front.

I understand we live in the digital age and that we speak at a time of momentous change in our world. But I am puzzled by a few things, and find some facts hard to reconcile.

As many of you know we have significant difficulty managing the quality of the data on the 10-15 million books we can potentially sell in the new and used book marketplace. Try to imagine how the digitalization of content is about to exponentially increase the number of objects physical and virtual which we are going to vend.

I do not see how our industry can pretend to manage that future without an unambiguous approach to linking discrete authors, or indeed any entity that has created content, to the works they create. I don't see this as a rights management issue alone. I would maintain that authoritative discovery on the web will be hampered, no matter how clever the algorithms, without the widespread implementation of two emerging identifiers.

The first of these is the work identifier, ISTC or International Standard Text Code, that has already been defined and assigned to Bowker and Nielsen Book Data, among others, to administer. The second is the ISNI, or International Standard Name Identifier, for authors and other content sources. This identifier is under development by ISO as we speak.

Even if information wants to be free – organized and value-added information comes at a price, and I believe the consumer is going to want accurate information authoritatively linking a creator to their work, and they will not be willing to wander the halls of the Library of Babel for very long if they don't get it.

Barnes & Noble will support BISG in the establishment of these two foundational identifiers.

Of course any identifiers, no matter how foundational they may be, are of no value unless there is meaningful and accurate metadata that accompanies them. ONIX is almost ten years old, and while new title data from some of the larger houses has improved, I have to say that on balance, the quality of our metadata as an industry remains woefully inadequate.

To rectify this, I would like to announce today our intention to articulate a Barnes & Noble Data Certification Program. Our Barnes & Noble program will be based on the standards that come out of BISG's metadata committee later this year, but it will go further. Our program will seek to define what A+ data means at the record and field level for the bibliographic, commercial and merchandising data points defined by the ONIX standard.

Indeed we have baked the ONIX standard into our new product database, which will launch this year.

In coming months we will be working with our top 200 suppliers to introduce you to our certification program, and we will take that opportunity to show you what is missing at the record and field level for your new and backlist books. Together we will develop an action plan to fill in the gaps, so we can sell more of your books online and in our stores. We will be working with our IT Department on our vendor portal to be launched later this year to facilitate the program for our smaller publishing partners.

I would also like to say we will support other certification programs such as Product Label Certification under development by BISG's Distribution Executive Interest Group that Craig Bauer will be discussing later. At Barnes & Noble, we are preparing a companion certification program for the shipping labels we receive from our vendors.

On occasion I am questioned by my colleagues about how realistic my expectations are for our industry. Those of you who have joined us in recent years may not know that the ISBN itself was not only questioned when first introduced, but adamantly opposed by many authors, publishers and booksellers. Can you imagine where we'd be today without ISBN, Standard Address Number, bar codes and other standards?

Although it took a lot of work and cooperation on all our parts to put those standards in place, the enormous benefits are now obvious. I have no doubt that we can also successfully meet the challenges presented by the elimination of dual identifiers, and the establishment of Work Identifiers, Name Identifiers, certification and other initiatives.

I believe that the result will be a more efficient supply chain (which rewards us all with lower costs and increased sales) for publishers and booksellers; and perhaps most important of all, a vastly improved, more satisfying connection between authors and readers.

These are exciting times... Excelsior!!!”

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