



Book Industry Study Group, Inc.

# Standardized Co-op Reporting

Project Description

Book Industry Study Group, Inc.  
6/28/2011

## 1. PURPOSE

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The purpose of the Book Industry Study Group's (BISG's) *Standardized Co-op Reporting Working Group* is to create a simplified and standardized set of data elements, reporting template and recommended best practices for use, to be used by wholesalers to report co-op sales to retailers and, in turn, to publishers. In doing so, publishers will gain efficiency in the processing of numerous co-op reports, resulting in a faster turnaround time back to the wholesalers and thus more accurate forecasting of co-op pools.

While the reporting from wholesalers is only one piece in the overall co-op reporting process, it was determined that a relatively simple solution could be achieved with relative ease. The intent will be to solicit the retailer perspective and buy-in at a later date, once a draft report has been created.

## 2. BACKGROUND

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In January 2011, BISG was approached by representatives from Simon & Schuster with a request to create a Working Group within BISG's EDI Committee, similar to that formed for BISG's Sales and Tax Reporting initiative, to develop a set of standardized data elements for reporting of co-op results between wholesalers and publishers. The proposal was approved by the BISG Governing Council in April.

In June 2011, the first call of the *Standardized Co-op Reporting Working Group* took place, with several BISG member companies (including representatives from Baker & Taylor, HarperCollins, Ingram Book Group, Levy Home Entertainment, Random House, Simon & Schuster and BookNet Canada) participating. During the call it was determined that there are no current standardized processes or formats for reporting co-op-qualified sales to publishers. The lack of standardization has resulted in lengthy vendor-specific processing on the part of publishers, subsequent delays in forecasting co-op pools and a general over-complication of the process.

A quick discussion here of the key elements involved in co-op processes will aid in adding context to the scope of the project. At its simplest configuration, a publisher offers retailers funds based on purchases from the retailers' wholesaler(s) to be used to promote the publisher's titles. These co-op fund amounts are based on the volume of sales of the publisher's titles through a wholesaler during a given period. The wholesalers report sales of these titles to the retailer, which in turn reports those sales back to the publishers in order to calculate the co-op pool for the following year.

Periodically, in addition to the annual sales volume, publishers may incent retailers and wholesalers for special promotional opportunities limited to a specific period of time. It is envisioned that reporting for both annual sales and short-term promotions could be contained within a single co-op sales reporting template.

### 3. PROGRAM SCOPE AND GUIDELINES

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1. The *Standardized Co-op Reporting Working Group* is open to all interested BISG members. Companies interested in participating should contact BISG's Associate Director:

Karen Forster, Associate Director  
Book Industry Study Group, Inc.  
370 Lexington Avenue, Suite 900  
New York, NY 10017  
Email: [Karen@bisg.org](mailto:Karen@bisg.org)  
Telephone: 646-336-7141 | Fax: 646-336-6214

2. As part of the *Standardized Co-op Reporting Working Group*, participating companies will collaborate to develop standardized data elements and create a draft template with best practice usage guidelines for the reporting of qualified wholesaler co-op sales. It is anticipated that the template will be made available in two file formats: a flat text file (ascii) and a Microsoft Excel (.xls) formatted file.
3. Upon completion of the data elements and the draft template, members of the *Standardized Co-op Reporting Working Group* will be asked to volunteer to participate in a pilot phase to implement the proposed co-op reporting template. During this pilot, feedback on the contents, terminology and usability will be assessed and may result in changes to the draft template.
4. Once consensus is achieved on the data elements and format (based upon the results of the pilot phase), the draft template will be presented to the EDI Committee, the BISG membership and finally the BISG Board of Directors for approval as a BISG-recommended template and best practice guideline. All member and non-member organizations will be encouraged to adopt the template, and use it per the best practice guidelines.

### 4. PROPOSED PROGRAM TIMELINE

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- Kick-off: June 2, 2011
- Draft Standard Completed: September 30, 2011
- Pilot Program Duration: October 1, 2011 thru December 15, 2011
- Final report submitted to BISG Board for Approval: January 26, 2012

## 5. ABOUT BISG

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The Book Industry Study Group, Inc. (BISG) is the U.S. publishing industry's leading trade association for policy, standards and research. As not-for-profit organization, it draws members from every sector of the book business and serves as a forum for managing change and enabling interaction among publishers, manufacturers, suppliers, wholesalers, retailers, librarians and others engaged in the business of print and electronic media.

In addition to creating and maintaining industry standards in areas such as product identification and description, bar coding and labeling, electronic commerce and digital content distribution, among other things, BISG gathers and analyzes statistical information about the entire U.S. book supply chain in order to evaluate and assess current industry trends.

Additional information on BISG may be found at [www.bisg.org](http://www.bisg.org).