



**MINUTES OF THE  
BOOK INDUSTRY STUDY GROUP  
EAN TRANSITION TASKFORCE SUBCOMMITTEE ON  
PRODUCT DELIVERY**

A conference call of the Book Industry Study Group (BISG) EAN Transition Taskforce subcommittee on product delivery was held at 2:00 p.m. on November 9, 2006. The following participants were present:

<b>Participant</b>	<b>Company</b>
Russell Heenie	Anderson News
Tim DeYoung	Dorchester Publishing
Bob Levine	Hachette Book Group USA
Jose Salcido	Holtzbrinck Publishers
Tony Carozza	Levy Home Entertainment
Sharon Hails	News Group
George Wright, Sr.	PIPs
Chris Demyonovich	Random House
Phil Madans	Hachette Book Group

Phil Madans chaired the meeting and took minutes.

### **Objective**

The objective of the sub committee is to create a best practice document outlining the need for timely delivery of product to wholesalers and distributors who must further prepare or package inventory for other vendors down the supply chain.

### **Discussion**

The discussion was opened by the chair who asked the participants to first describe the issues confronting the wholesalers and publishers. The proposed remedies to these issues would then create the best practices.

Levy had proposed at the last full task force meeting that if Publishers can get their product to the wholesaler 15 days in advance of the “Street” (also known as the “On-Sale”) date, Levy could take care of any repackaging (ie, stickering) that needed to be done to the product and still ship product to the retailers in time. That proposal was put forward again although The News Group and Anderson News said they would ask for product 14 days in advance of the street date. Levy reiterated they would prefer 15 days.

There were a number of reasons why the wholesalers need product in this time frame.

- The transition from UPC to EAN codes has increased the handling of the inventory in terms of stickering bar codes for customers who will not accept EAN
- Wholesalers must get product from all of their suppliers before they can begin filling any of their orders to their customers.
- The extra days give the wholesalers more flexibility to catch routes and provide better logistical planning in general.
- Consistency in receiving product--knowing when product is going to arrive and having it arrive when expected allows wholesalers to efficiently ship the product to their customers.
- There was discussion about whether or not this needed timeframe was a short term need until EAN is widely accepted by the retailers. The feeling from the wholesalers was that adoption of the EAN, and, perhaps more importantly, the reluctance of retailers to perform the skew maintenance required for item specific tracking, indicated that this would be a long term solution.

The discussion turned to obstacles for achieving this 14-15 day delivery timeframe.

- The main obstacle being that there are just a few printers producing this product. So the problem is how to get all of the product out of the few printers that produce it faster than it is being produced now. The printers have just so much capacity to go around.
- Sometimes the “on-sale” date changes due to late changes in the delivery schedule. “Movie tie-in” editions were identified as a consistent offender on this count. Not communicating these changes in a timely fashion was the main issue here.
- In some cases product comes in with unexpected changes to key metadata, such as title and price. Again timely communications of changes was the main issue. (This particular issue may be dealt with by the communications sub committee.)
- Freight trapping, where shipping companies hold product from one customer in order to consolidate shipments with another customer’s product, was another cause of product coming in late. Publishers said that they do not want their shippers to use freight trapping and would like to hear from the wholesalers if such practices occur.
- Publishers receiving orders from the wholesalers past the stated close date set by the publishers was another area of concern. One fear was that if Publishers try to get earlier manufacturing dates from the printers in order to meet the 14-15 day delivery timeframe, they will have less concrete order information to use for setting print quantities.
- Mixed on sale dates, where a publisher might want an early release on some titles was raised but, after discussion, was identified as a non-issue. Wholesalers will not send small quantities to retailers, so if there is enough volume on an early release it will go out. When there isn’t enough volume, the title will be held to ship with the rest of the titles.

From these issues, a set of Best Practices emerged:

- Publishers should aim to deliver product to the wholesalers, ideally, 15 calendar days prior to “Street” or “On-Sale” date, 14 days at a suggested minimum.
- Freight trapping can delay shipments and should be avoided. Wholesalers should communicate incidents of freight trapping back to publisher.
- Use of Advance Ship Notice will cut down on calls to the publisher’s customer service people by wholesalers trying to track down shipments.
- Publishers should try to deliver books consistently on a specific day. This will help wholesalers plan and execute consistent shipping schedules. Consistency is very important, so that when the inevitable exceptions do occur, wholesalers can effectively deal with them.
- Publishers should use change procedures set up by wholesalers to communicate changes to delivery schedules.
- Wholesalers should strive to get orders to publishers within the stated time frame. Publishers cannot guarantee that orders that miss the galley close date will ship with the galley.

## **Next Steps**

Bob Levine and Tim DeYoung will work with their respective production departments to see how the proposed 14-15 day timeframe may affect productions schedules and if this in turn would affect the dates orders are needed from the wholesalers. The Sub Committee will need to weigh in on whether any proposed change in these dates is feasible from a real world perspective.

The sub committee should review these notes and submit any changes, corrections, or additions—and any ideas for other best practices points.

The next sub committee meeting is scheduled for Nov. 30<sup>th</sup> at 2 pm. A format invitation will be sent around with the call-in number.

The immediate goal of the sub committee is to polish the Best Practices content, draft the formal document, review and revise the formal document over the next two or three meetings. We should shoot for having a draft for the entire Task force to review by the beginning of January in order to have the document approved at the January full Task Force meeting.