



Book Industry
Study Group

**Getting the most from today's & tomorrow's
supply chain**

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First principles (stating the obvious)

- Making connections
 - Our basic task
 - The basis of book business success
- Connecting authors to readers
- Connecting all the intermediaries
- Supply chain = the sum of connections
- Supply chains are increasingly complex
- Engaging and sustaining interest is tough



First principles (less obvious ...)

- ❑ Supply chain management is critical to business success
- ❑ It affects top line and bottom line results
- ❑ Supply chain is a commercial imperative, not just a series of technical projects
- ❑ In periods of low growth it may be the difference between success and failure
- ❑ Increasing complexity and rapid change demand higher level of engagement



Themes

- ❑ Doing business with your partners
- ❑ Measuring your company's performance
- ❑ Thinking about an increasingly digital future
- ❑ Participating in change
- ❑ Improving business results



Questions to consider

- ❑ Is new technology making the supply chain more or less complex?
- ❑ What impact will new entrants have on the book supply chain of the future?
- ❑ Will it be meaningful to speak of supply chains at all as digital delivery increases?



Doing business: handling the basics

- Identifying and describing books
 - The right information in the right place at the right time
- Essential business transactions
 - Ordering
 - Shipping
 - Invoicing
 - Returns



Identifying and describing books

- ❑ 200,000 active US publishers
- ❑ 10,000 new publishers in 2005
- ❑ 200,000 new titles per year
- ❑ 1.4 million titles in print
- ❑ Global marketplace
- ❑ Annual revenue growth in US book industry is 3% (BISG)



Identifying and describing books

- Retailers and wholesalers report:
 - 35% of active titles have no descriptive data
 - 30% of active titles have no cover image
- Good product information is a problem:
 - Despite extensive communication
 - Despite nearly 10 years of ONIX
 - Despite available Best Practice Guidelines



Identifying and describing books

- ❑ Dual identifiers on products
- ❑ Dual print runs for many titles
- ❑ Non-standard product labels on cartons
- ❑ Higher costs for all partners
- ❑ Lost sales for all partners



Current & future developments

- ❑ ONIX 3.0 development
- ❑ Review of Best Practice Guidelines
- ❑ Product Data certification program
- ❑ Education program
- ❑ Elimination of dual identifiers



Current & future developments

- New standards
 - ISPI, ISTC
 - GDSN
- Guidelines for shipping and product labels
- Certification program for product labels



Essential business transactions

- Widespread and growing use of EDI
- But barriers to adoption remain
 - Confusing proliferation of standards
 - Not all systems can handle all EDI versions
 - How well is EDI integrated into other systems?
 - Are there sufficient incentives for adoption?
- Conversations have been narrow
 - Current focus is on the presence of documents
 - Future focus must be on quality and process



Current and future developments

- BISG has started major review of EDI messages
 - Led by Supply Chain EDI committee (SCEDI)
 - Initial focus on Purchase Order (850)
 - Concentration on business requirements
 - Review of individual data elements
- Best Practice Guidelines will build on review
- Leading to EDI certification program

Measuring company performance

- ❑ Standards without compliance – what's the point?
- ❑ How to comply is not always obvious
- ❑ Where are the benchmarks to measure compliance and progress?
- ❑ Am I doing better than last year?
- ❑ Am I doing better than my competitors?



Supporting good practice

- Best Practice guidelines
 - Product information
 - EDI usage
- Certification programs
 - Product labeling
 - Product information
 - EDI usage
- Benchmarking
 - Warehouse performance



Product information certification

- ❑ Evolution of earlier BISG activity
- ❑ Awareness of existing non-US schemes
- ❑ Designed by BISAC Metadata Committee
- ❑ Managed by Certification Panel
- ❑ Program specification by March 2007



Product label certification

- ❑ Developed by DEIG
- ❑ Initiative led by Tom Clarkson (B&N)
- ❑ Encourages compliance with guidelines
- ❑ Acknowledges best practice
- ❑ Program design: January & February 2007
- ❑ Board consideration: March 2007



EDI Development

- ❑ Inventory of data elements
- ❑ Review of major EDI X12 transactions
- ❑ Involvement of all major constituents
- ❑ X12 Best Practice recommendations
- ❑ Leading to certification program
- ❑ Monitoring of EDItX XML developments
- ❑ Review of web services developments
- ❑ Led by SCEDI committee



Warehouse benchmarking

- Web-based application
- Open to all book warehouses
- Peer group evaluation
- 2nd cycle now underway

Supply chains in the digital future

- Intensive period of experimentation
- Digital Asset repositories
- Digital Asset distribution
- New channel partnerships
- Some standards infrastructure in place
 - Identifiers, metadata
- More development underway

Supply chains in the digital future

- Standards development
 - Standardizing access to content
- AAP/BISG standards program
 - Establishment of new BISG committee
 - Open, non-proprietary, platform-independent
 - Built on existing foundations, where available
 - Extensibility
- ACAP project (automating permissions)
- ONIX for Licensing Terms

Participating in change

- ❑ Significant supply chain inefficiencies
- ❑ Unnecessary costs
- ❑ Lost commercial opportunities
- ❑ Key foundations are in place
- ❑ Change must be consensual
- ❑ Industry-wide participation required
- ❑ Deployment of resources is essential
- ❑ Collaboration of impartial, trusted parties



In conclusion ...

- ❑ Efficient use of the physical supply chain is critical to business success
- ❑ Complexity is unavoidable, but support is available
- ❑ Progress is real but we have many problems still to solve
- ❑ Success requires leadership, engagement, consensus and resources
- ❑ A new supply chain is emerging



Questions and discussion

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