

Countdown to e-Day

Mayday is usually a distress call but for the book industry 1 May signifies a wake-up call for e-commerce. Simon Edwards reports

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This was one of the recommendations from the report which kick-started the Book Industry Communication (BIC) e4books project, which was designed to move the UK book trade towards electronic trading. It was clear in 2004 that the book trade was in fierce competition with other leisure products and that books must be brought to market more efficiently and more cheaply in order to survive.

One area of cost which could be reduced was the inefficient flow of paper business messages through the supply chain. These orders, invoices, credit notes, returns dockets etc amounted to a huge cost which could be eliminated by using electronic trading. As well as removing this cost, further benefits would accrue from speedier service, improved product information, automated invoice matching and so on.

This was the idea behind BIC's e4books project which set out initially to analyse the barriers to e-commerce adoption, and cited ignorance, fear of change, conservatism, lack of resource and a shortage of impartial information as reasons for the trade's reluctance to adopt electronic trading. In turn, the report led to a campaign to encourage the take-up of supply chain e-commerce and, with the enthusiastic help of project sponsors and major players, e4books has been the catalyst to significant supply chain improvement over the last four years.

One of the first necessary steps was to hold a workshop to bring together systems and service providers to discuss how well the trade's computer systems work together and their adherence to standards. This led to systems and service providers working more closely together and to the development of a number of products and services which inter-operate successfully.

Another outcome was the development of new BIC web services standards to help businesses utilise the latest technology called web services. This technology (not to be confused with websites) is now being implemented and it is ideal for asking and answering important questions such as: Is this book available? How much is it? Is it on order? Can I return it? The advantage of web services is that the messages are easy to program and the user gets an immediate answer from their trading partner.

Once the technical solutions had been addressed, the project moved into its promotional phase, encouraging booksellers, publishers, distributors and wholesalers to embrace e-commerce. This activity involved countless presentations and one-to-one coaching sessions, as well as the development of user guides and the documenting of best practice in a series of case studies. These resources were made available on the e4books website at www.e4books.org

Four years on, the book trade is extremely fortunate to be able to use a range of services which offers inexpensive electronic trading. These services from the Booksellers Association, PubEasy and Nielsen have something to suit all sizes of business, and thousands of booksellers and publishers are now using them.

One of the key elements in the e4books campaign has been the accreditation scheme which is open to book businesses which can demonstrate their commitment to trading electronically. Around 70 book businesses, ranging from small independents to chains, library suppliers, wholesalers and major distributors, have now been accredited. This amounts to well over 80% of the UK book trade in value terms.

Accreditation for e4books has also been cited as the catalyst behind a number of major initiatives from book businesses such as Penguin and Nielsen. Penguin UK has announced that it is to become the first UK publisher to accept orders from its customers exclusively by

electronic means. So, for UK booksellers to receive normal trade terms and free carriage, they must place their orders on Penguin electronically, and similarly, if they want to return books they must request authorisation via the Industry Returns Initiative by using batch returns.

Nielsen's TeleOrdering has been around for over 25 years and its aim is to be able to deliver any book trade order to an appropriate distributor or wholesaler. With publishing's famous "long tail", there are many thousands of small publishers which need to be able to receive orders from booksellers via TeleOrdering. Small publishers were reached by first class post or fax, with Nielsen incurring significant costs. With the encouragement of e4books, Nielsen took the decision to upgrade the TeleOrdering service and to provide an email alert and a website as part of BookNet Web from which publishers could download their orders.

The new service was launched in March 2007, and has been widely welcomed, and an amazing 7,800 publishers are now on the service. This enables small publishers to compete on a level playing field with big publishers and distributors, as the service provides their orders more quickly and sends back an order acknowledgement. Other versions of Nielsen BookNet Web offer full EDI facilities for small publishers, including invoices and credit notes.

Major distributors, bookselling chains, wholesalers and library suppliers have typically increased their electronic ordering and invoicing volumes from 30% to 80%, and their electronic returns from 0% to over 50%, all in the last four years. Some small booksellers have done even better by deploying all the available free services, and with a simplified supply chain via their wholesalers. These amazing improvements have been largely unsung in the book trade but are perhaps hinted at in some recent high profile results announced where modest sales performance has been accompanied by much more impressive increases in profits. Once e-Day has passed, e4books will continue as a mainstream project within BIC.

The focus will be on providing accreditation to businesses which comply with electronic trading and helping to solve specific issues around standards and systems interoperability. Book businesses are under sustained pressure to embrace e-trading and reduce their costs. The green agenda is also important here, as businesses which used to generate tons of paper invoices and other messages can now supply these electronically at negligible environmental cost. Many book trade companies are currently formulating their response to environmental concerns and electronic trading should be an important part of this.

On e-Day, take a moment to think about your business and how well equipped you are to handle electronic trading. It's not too late to apply for e4books accreditation, and you can find out how from the website.

E4books is a Book Industry Communication project and has been sponsored by the Booksellers Association, Publishers Association, Nielsen BookNet, PubEasy, Waterstone's and VISTA International. Simon Edwards's report is freely available at <http://www.bic.org.uk/pdf/report-final-sep-04.pdf>

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