

BIC

Breakfasts 2019

**Welcome to November's BIC Breakfast -
Stronger Together: Acquisitions &
Divestments in the Book Industry**

#BICBreakfast

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BOOK INDUSTRY COMMUNICATION LTD

What is a BIC Breakfast?



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BOOK INDUSTRY COMMUNICATION LTD



THE BOOK INDUSTRY'S
SUPPLY CHAIN ORGANISATION

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BOOK INDUSTRY COMMUNICATION LTD

BIC Committees

Digital Supply Chain

Libraries

Metadata

Physical Supply Chain



BOOK INDUSTRY COMMUNICATION LTD

Regular BIC Events

BIC Breakfasts
(monthly)

Networking Events

Building a Greener Business Seminar at
London Book Fair
(12th March 2020, 10am-12:30pm, Olympia)



BOOK INDUSTRY COMMUNICATION LTD

Engagement

Extensive Training Programme

Social Media:

@BIC1UK

@KarinaLuke

@BIC_LCF

Connect with us on Twitter, Facebook and LinkedIn.



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JOSEPH WHITAKER TO NIELSEN



Joseph Whitaker

1858 The Bookseller magazine

1874 Bibliographic data catalogue

1967 UK ISBN Agency was created

1979 Teleordering launched

1988 BookBank launched

1995 BookScan: UK

2003 Whitaker became Nielsen

2016 Online ISBN Agency Launched

NIELSEN BOOK TODAY

The Virtuous Circle





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Stronger Together: Acquisitions & Divestments in the Book Industry

A view from a publisher

01

02

03

04

01

Sharing

02

Understanding

03

Transferring

04

Communicating

SHARING

Take legal advice

Be clear what you are selling

Be clear what you are not selling

Remember every book has a history



SHARING

Harbottle & Lewis

Mergers and Acquisitions: an introduction to the role of your legal team

1. Preparing for the deal

A substantial amount of preparation is required for any merger or acquisition before the main documents are drafted. The overall deal structure should be considered carefully; changing the deal structure down the line may be time-consuming and costly, and could weaken your bargaining position.

The deal structure is likely to be heavily influenced by the information gathered as part of the due diligence process. The due diligence process will also highlight other key questions that should be addressed early on, such as potential tax implications, third party consents required and the transfer of employees. The agreed deal structure and key terms are commonly set out in a preliminary document, the heads of terms.

It is usual for each party to involve their legal teams (as well as any other professional advisers, including accountants or tax advisors) at an early stage of any transaction, in particular in the due diligence process, as issues will certainly need to be looked at from a legal viewpoint.

a. Deal structure

- An acquisition can be structured either as a purchase of the shares of a company (**share sale**) or as a purchase of a collection of assets that make up a business (**asset sale**). The general rule is that a buyer will favour an asset sale as it can 'cherry-pick' the assets which it acquires, while a seller will prefer a

https://www.bic.org.uk/files/pdfs/Mergers%20and%20Acquisitions_%20An%20Introduction%20to%20the%20Role%20of%20your%20Legal%20Team_FINAL.pdf



UNDERSTANDING

Know your assets, or leave nothing behind

First published 1982 by Applied Sciences Publishers Ltd.

This edition published 2008

by Taylor & Francis

2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

Simultaneously published in the USA and Canada

by Taylor and Francis

270 Madison Ave, New York, NY 10016

*Taylor & Francis is an imprint of the Taylor & Francis Group,
an informa business*

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A catalogue record for this book is available from the British Library

Library of Congress Cataloging in Publication Data

Levitt, M.

Precast concrete : materials, manufacture, properties and usage /

M. Levitt. – 2nd ed.

p. cm.

1st ed. published : London ; Englewood, N.J. : Applied Science Publishers Ltd., c1982.

Includes bibliographical references and index.

1. Precast concrete. I. Title.

TA439.L443 2007

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2007007528

ISBN10: 0-415-26846-X Hardback

ISBN10: 0-203-93435-0 Ebook

ISBN13: 978-0-415-26846-2 Hardback

ISBN13: 978-0-203-93435-7 Ebook

UNDERSTANDING

Step 1: Publisher to Publisher Information Exchange [PUBLISHER TASK]

Once this scenario is confirmed and can be discussed between the parties, and after the operational and contractual implications have been discussed between both Publishers, all physical assets should be issued to Publisher A from Publisher B in accordance with the terms of the contract. It is recommended that this happens as soon as possible, and should include all production files, including master files.

Publisher B also should liaise with its own distributor to confirm exactly which ISBNs are affected under the agreement.

In addition, Publisher B needs to send to Publisher A:

1. A complete, clean and definitive list, as agreed by both parties, detailing all affected ISBNs (by ISBN), all physical products, all physical formats. This list will match exactly the distributor's manifest and should include Out of Print (OP) titles where applicable. BIC recommends that as early as possible, Publisher A and Publisher B should both confirm to each other which assets (by ISBN) they understand to be affected under the agreement.
2. A list (by ISBN) confirming which assets held at Publisher B are not affected by transfer of ownership.
3. A full list of all its 3rd parties with details of key contacts.
4. A list, confirming all associated assets by ISBN held by 3rd parties, pertaining only to those ISBNs affected by transfer of ownership.
5. A full ONIX file (or file in pre-agreed (between Publishers A and B) format) of all affected ISBNs

First published 1982 by Applied Sciences Publishers Ltd.
This edition published 2008
by Taylor & Francis
7 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

in the USA and Canada

ork, NY 10016

print of the Taylor & Francis Group,

gay, Suffolk
at Britain by

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Title.

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Ebook
46-2 Hardback
35-7 Ebook

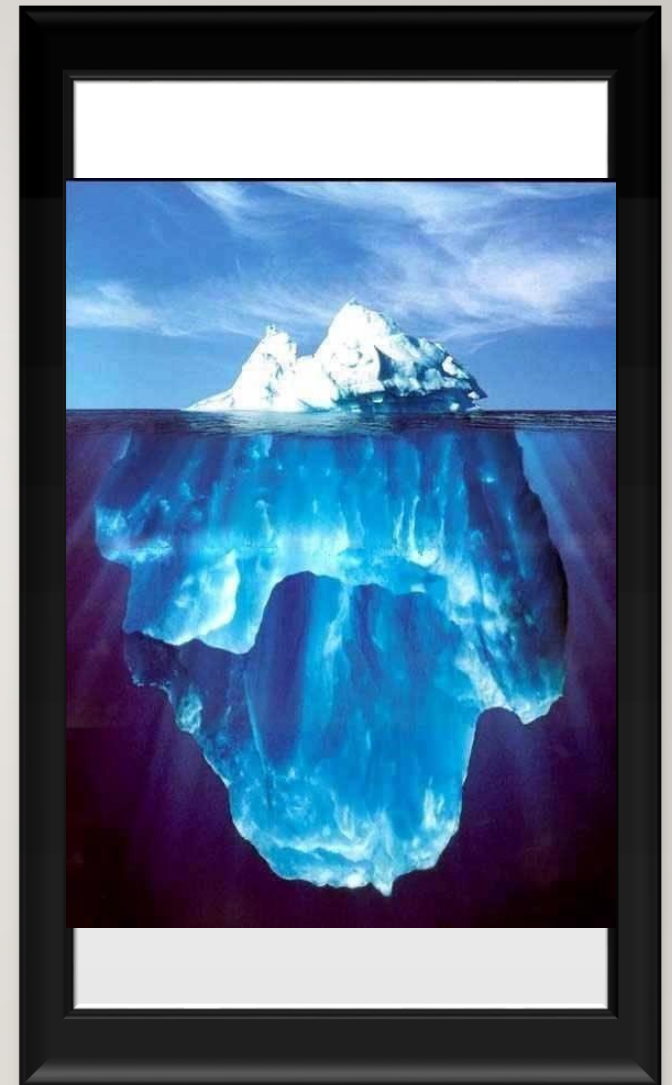
<https://www.bic.org.uk/209/Acquisitions-and-Divestments-for-Physical-Products/>

UNDERSTANDING

Most books have an author

Many books have content owned by someone else (e.g./ images)

Remember your customers

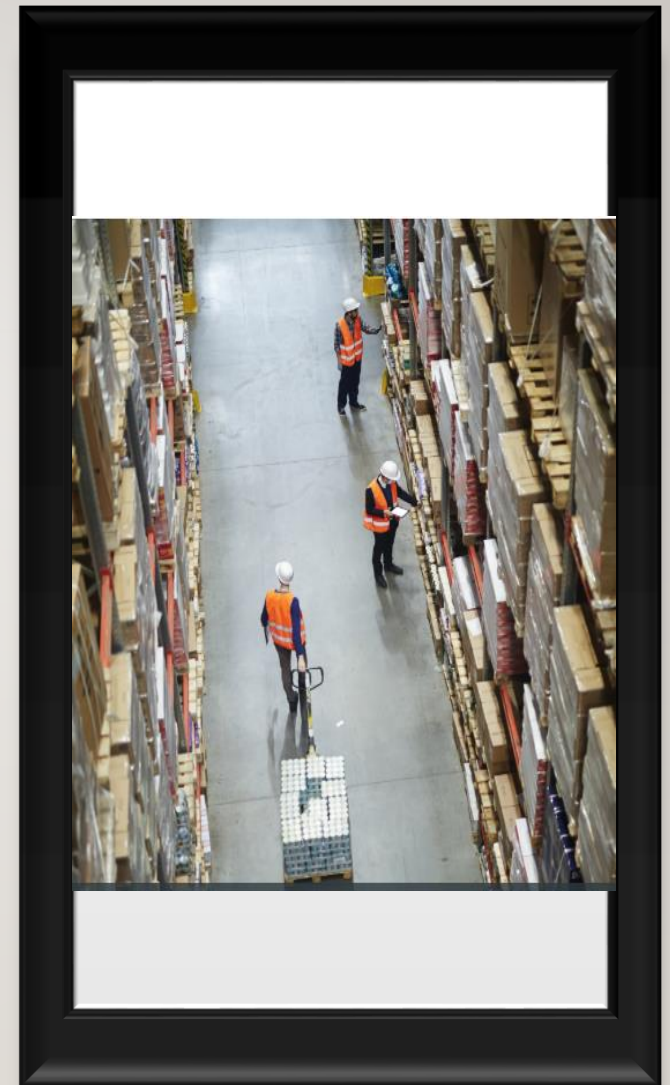


TRANSFERRING

Stock

Files

Customers



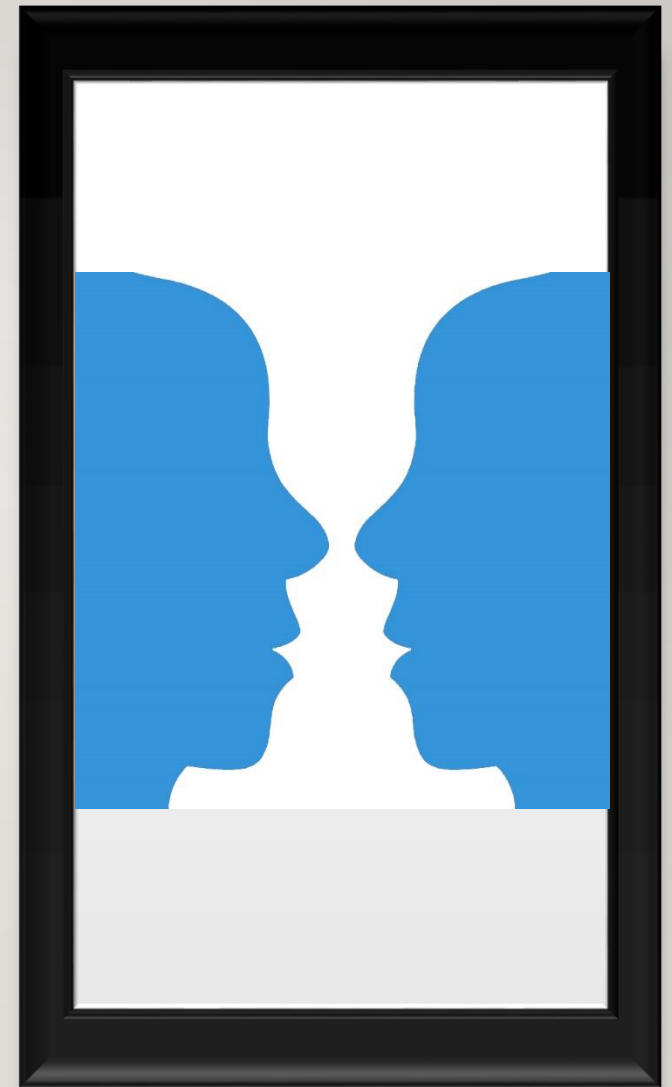
COMMUNICATING

Staff

Authors

Customers

ISBN agency



COMMUNICATING

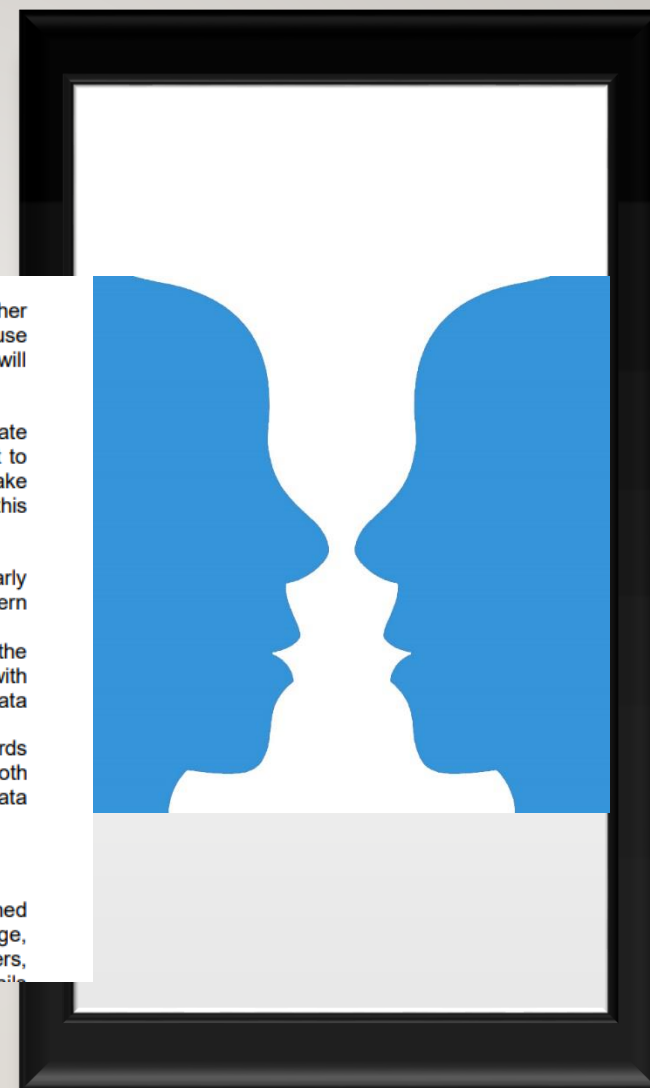
Leave no ISBN in limbo: The term "ISBN in limbo" in this context refers to records that neither party feel responsible for and which are therefore not updated / maintained by anyone. It can cause customer service issues for retailers and discovery issues for customers (the "limbo" ISBNs will look available when they are not).

To avoid this happening, Publisher A is responsible for maintaining and providing accurate availability information for all ISBNs included in the deal, including any that they do not want to keep / make available. These ISBNs (including any that Publisher A does not want to keep / make available) will no longer be the responsibility of Publisher B / available from Publisher B. With this in mind, BIC recommends the following:

- i. At a mutually agreed time, Publisher B needs to ensure their own metadata records clearly indicate that these ISBNs are unavailable from Publisher B (if Publisher B is a going concern post-deal).
- ii. It is vital that Publisher A and B agree early on upon the definitive list of ISBNs affected by the deal. At date of transfer, this list should be re-confirmed mutually by Publishers A and B with both publishers signing agreement to the list. This list should then be shared with the data aggregators by Publishers A and B.
- iii. Upon receipt of this list, the data aggregators should sense check this list against their records and highlight any records not included in the list that may have been overlooked to both Publishers A and B. Publishers A and B should resolve this together and feed back to the data aggregators before any further steps are taken.

Step 3: Ordering and Payment [PUBLISHER AND 3RD PARTY TASKS]

Once Publisher A has received the list of Publisher B's 3rd parties, their contacts and their signed contracts, Publisher A should contact each of them as appropriate, informing them of the change, attaching the Declaration of Transfer, and where applicable detailing where/how to place orders, the bank accounts to be used for payment of sales and where to send return requests, with details



REMEMBER

Sharing

Understanding

Transferring

Communicating



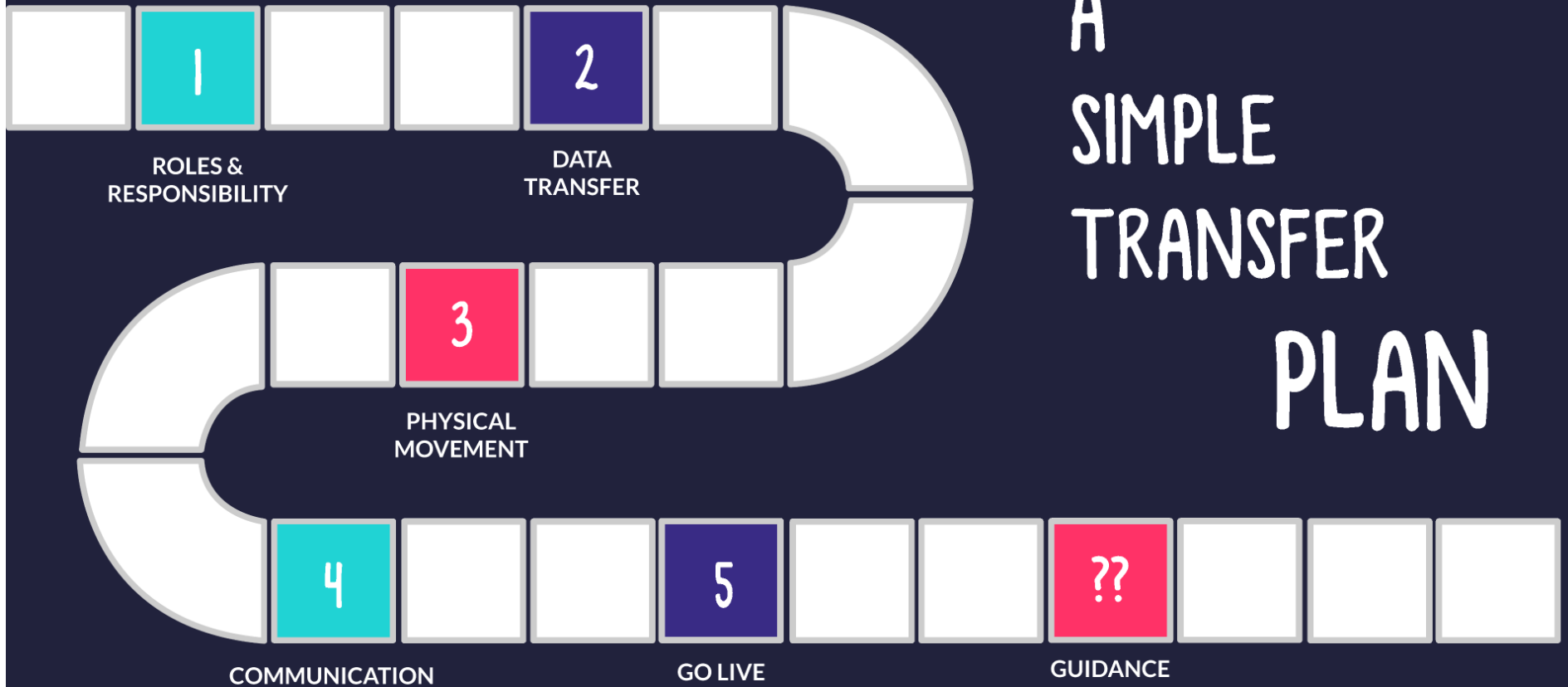


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ROLES & RESPONSIBILITIES

Publisher

- Finance
- Information Technology
- Sales / Marketing
- Sales Operations
- Production

Distributor

- Finance
- Information Technology / Development
- Customer Service
- Credit Services
- Warehouse

Project Plan

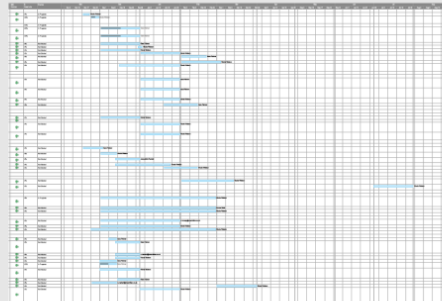
Meeting
Schedule

Steering
Committee

Project Plan

How are you communicating your plan?

How are you measuring progress?



Meeting Schedule

Work streams

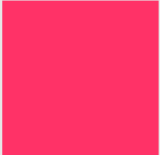
Frequency

Multiple Locations

Availability



Steering Committee



Project Management



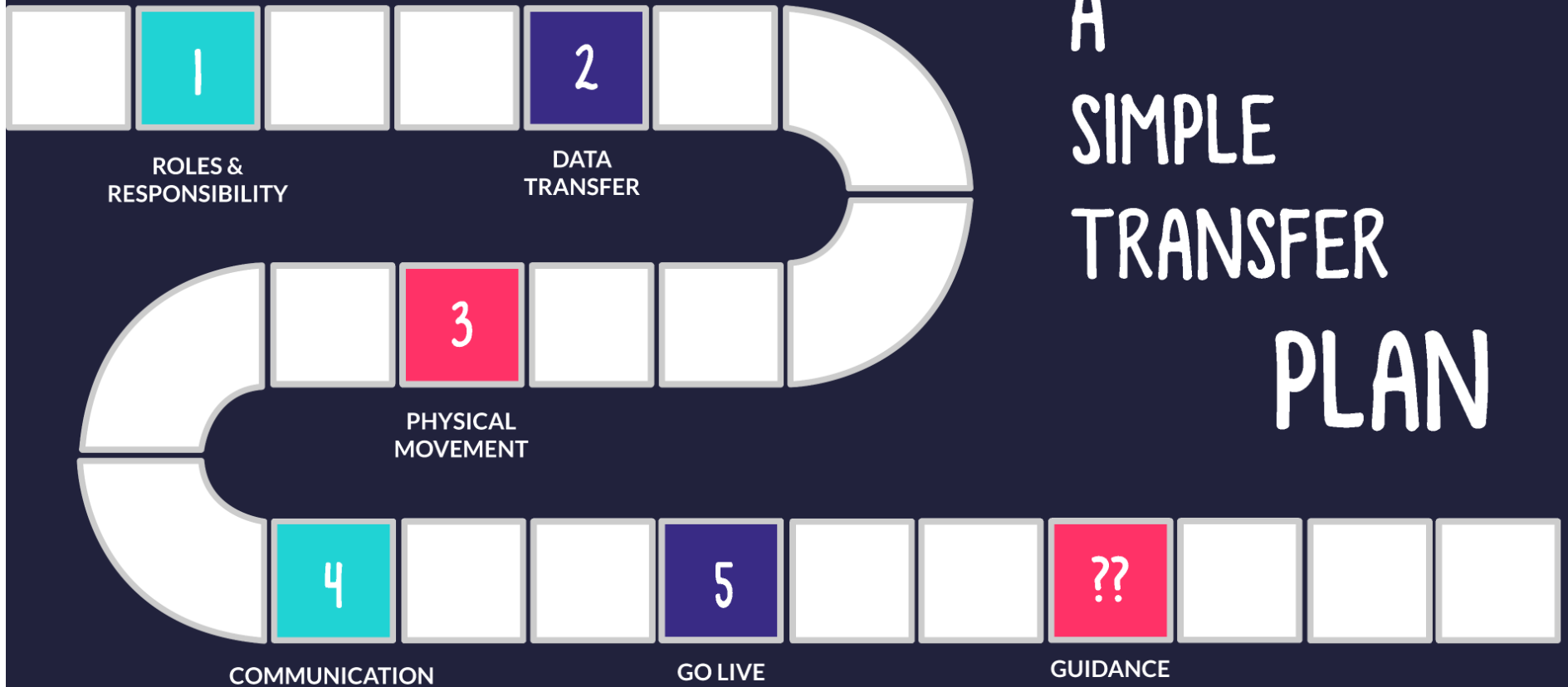
Ownership



Governance



Stronger Together: Acquisitions & Divestment in the Book Industry



Data Transfer

Full Title Data

Full Customer Data

Legacy Sales Data

Royalties Data

Sales Representative / Distributor Data

Website Interfaces

Title Interface

**Detailed & Complete
Data**

Data - Detailed & Complete

Accurate migration of full data sets is essential to the success of any transfer

Title Data (In & Out of Print)

Full Title
Short Title
Author(s)
Price(s)
Product Type
Commodity Code
Country of Origin
Market Restrictions
Weight & Dimensions

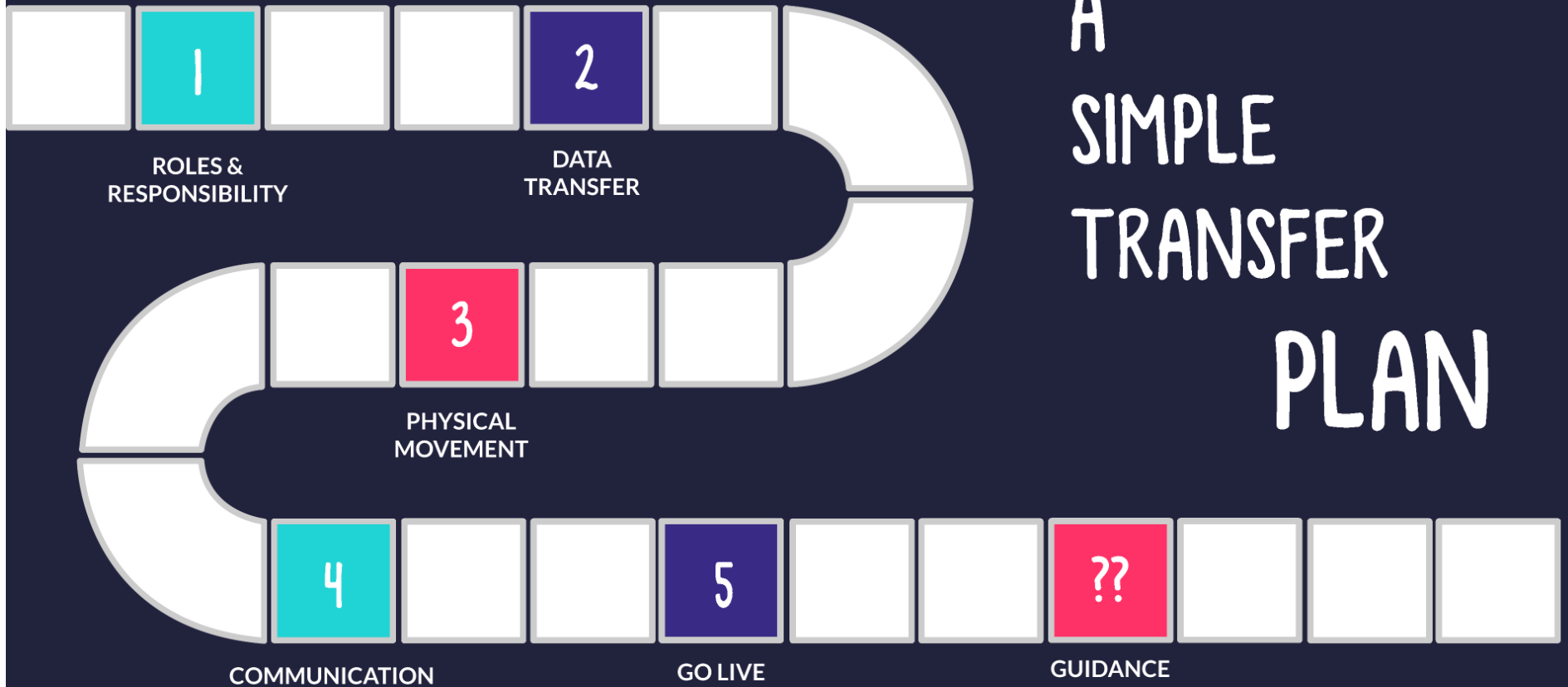
Customer Data (Current & Past)

Name / Address
Contact Details
VAT number / status
Rep Code
SAN / GLN
EDI Requirements
Currency
Freight Forwarder
Despatch preferences

Sales + other data

Line level sales detail -
3-5 years
Rep Structure
Royalties contract data
Discount matrix
Active mailing codes
Backorders
Stopped Orders

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Distributor A

Identify stock to move

Identify stock to pulp

Schedule for bulk stock movement

Schedule for forward stock movement

Consider packing & delivery requirements for distributor B

Returns transition arrangements

Distributor B

Understand stock to move

Allocate bulk & forward locations

Title check for price, weight & dimensions

Receipt & Put-away to schedule

Reconciliation & reporting

Transport & Costs

Transport & Costs



Who will transport?



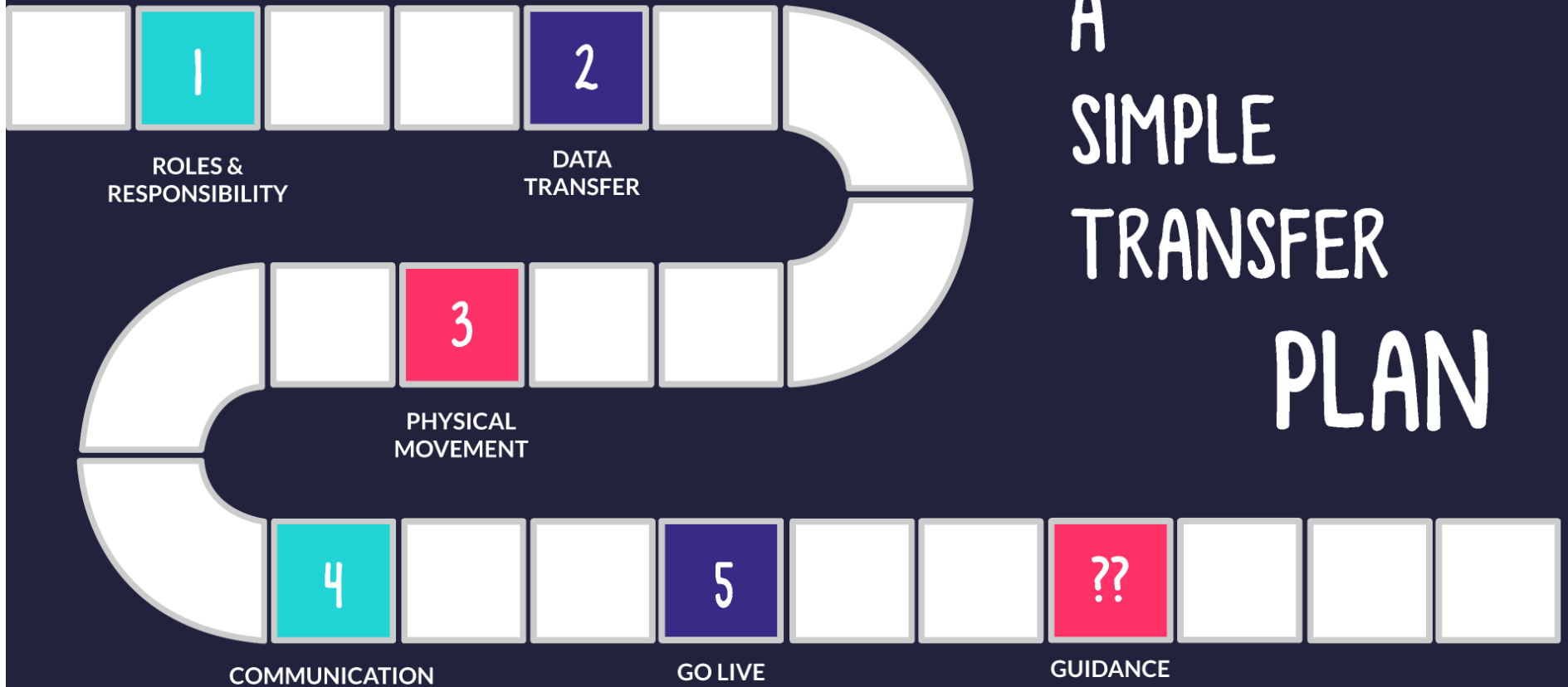
Transport Planning & Coordination



Transport & stock movement costs



Stronger Together: Acquisitions & Divestment in the Book Industry



COMMUNICATION

Stakeholders

Key Accounts

Customers

Authors & Agents

Suppliers

Nielsen Bookdata

**Transmit
Data**

External

Internal

Internal Communications

Go live planning

Embed business into existing processes

Define new process around list specific requirements

Staff training and product awareness



External Communication

Go live date

Transition arrangements

Returns arrangements

Bank account details

Contact information

Start transmitting data



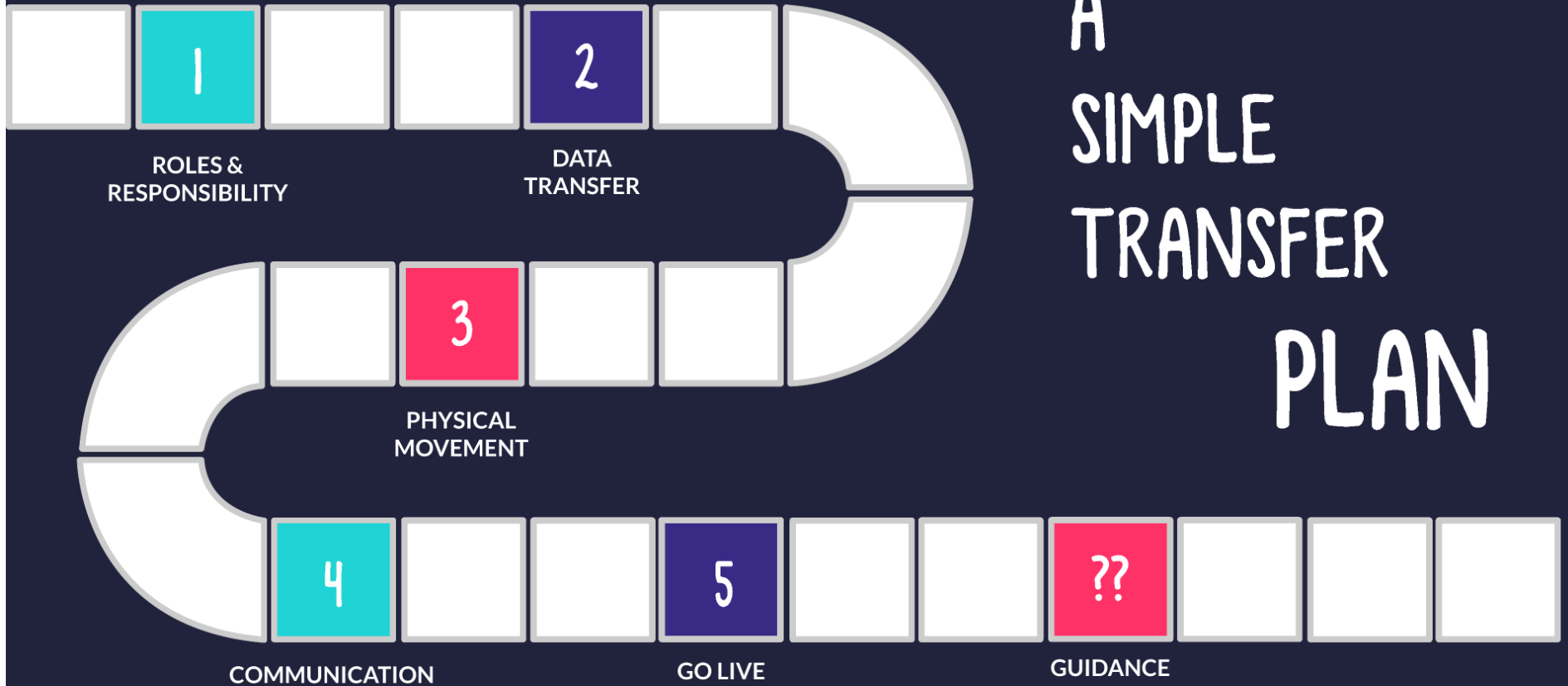
ONIX Feeds

Price & Availability Feeds

Business Intelligence System Feeds

Website Feeds

Stronger Together: Acquisitions & Divestment in the Book Industry



GO LIVE!

Products available

Nielsen listing correctly

EDI orders routing

Business has visibility



Elton John Official Autobiography

Elton John (Author)



International Service Territory United Kingdom

Series:

Imprint: Macmillan

Publisher: Pan Macmillan

Pub Date: 15 Oct 2019

Published in: United Kingdom

UK Market Rights: For sale with exclusive rights

Hardback 384pp h241mm x w162mm x d39mm 658g

ISBN13: 9781509853311 ISBN13: 978-1-5098-5331-1 ISBN10: 1509853316 EAN: 9781509853311

	Price	Price Type	Last Confirmed
GB	GBP 25.00	RRP including tax	13 Nov 2019
AU	AUD 44.99	RRP including tax	13 Nov 2019
NZ	NZD 49.99	RRP including tax	13 Nov 2019
ZA	ZAR 385.00	RRP including tax	17 Oct 2019
IN			13 Nov 2019
FR	GBP 25.00	RRP including tax	
DE	GBP 25.00	RRP including tax	
HK	GBP 25.00	RRP including tax	
SG	GBP 25.00	RRP including tax	
CN	GBP 25.00	RRP including tax	
IE	GBP 25.00	RRP including tax	

Main UK Distributor: Macmillan Distribution (MDL)

£10.00
RRP: £25.00

FREE Delivery.


In stock.

Dispatched from and sold by Amazon.

Quantity: 1 ▼

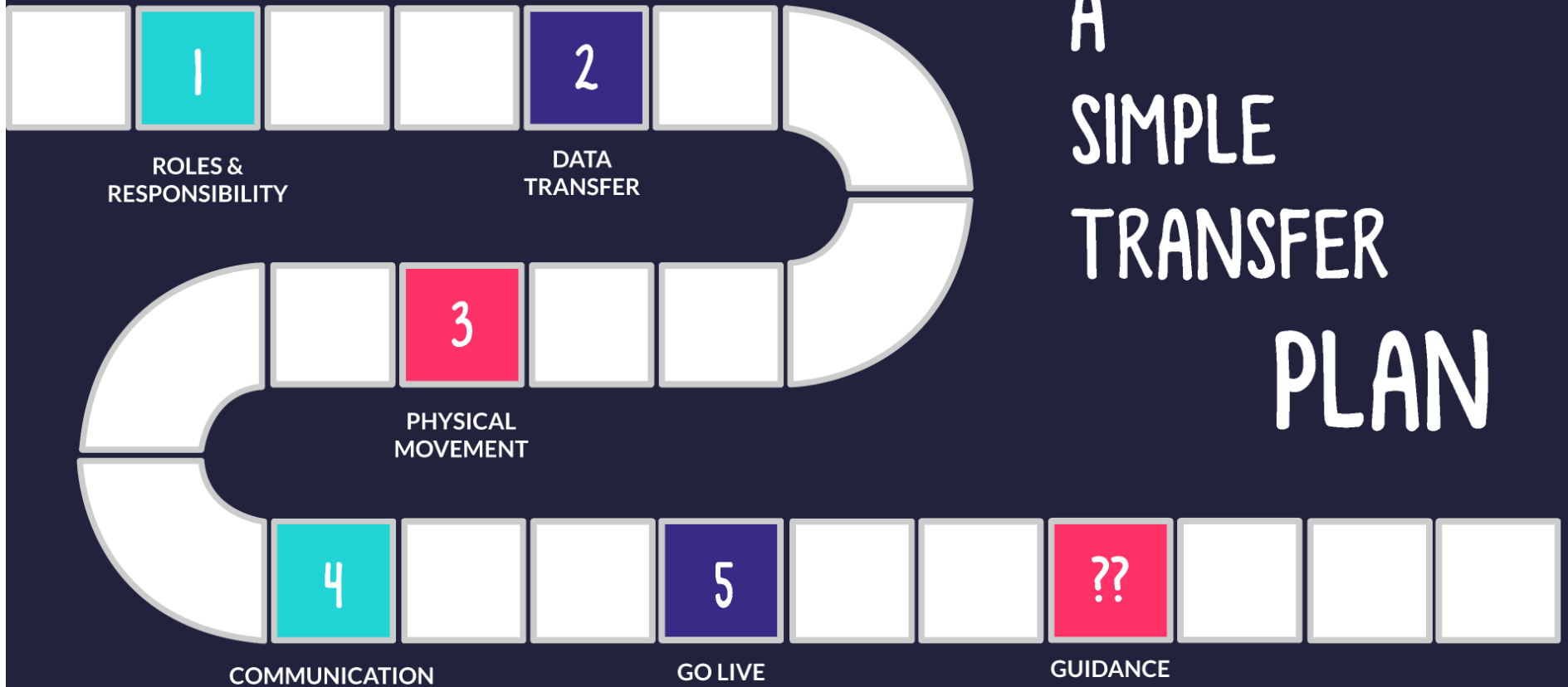
☐ Yes, I want a free trial with **FREE One-Day Delivery** on this order.
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 Deliver to Basingstoke RG23

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Guidance

BIC Guidance Documentation

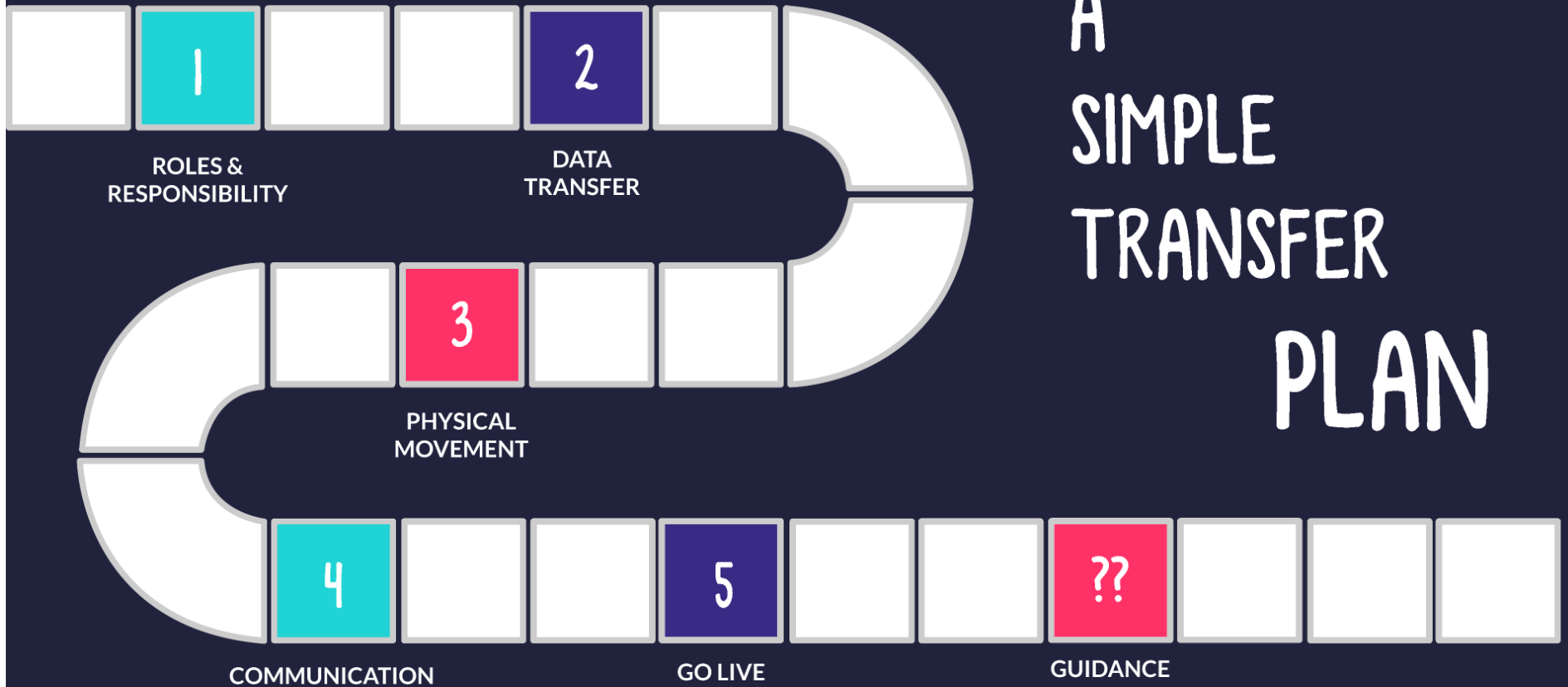
Internal knowledge

External knowledge

Customers

Suppliers







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STRONGER TOGETHER: ACQUISITIONS AND DIVESTMENTS IN THE BOOK INDUSTRY

Nielsen Book Services

Stephen Long
London, 21 November 2019

This artwork was created using Nielsen data.

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AGENDA

1. About Nielsen Book
2. BIC Infographic
3. Nielsen Book Focus
4. Common pitfalls
5. Message from a retailer

BIC INFOGRAPHIC

Acquisitions and Divestments



NIELSEN BOOK FOCUS

- Maintain and improve discoverability and tradability of books
- Act on appropriately authorised requests to change ownership
- Review and action changes in good time
- Share knowledge and expertise with wider trade
- Avoid common pitfalls



COMMON PITFALLS

- Don't assume your data is currently complete and accurate. Consider:
 - The affected assets; the unaffected assets
 - Content and quality of the metadata
 - Price & Availability
 - Bibliographic limbo
 - Communication
- Consider the implications for orders, returns, new titles
- Consider lead times for changes to take effect
- Timing and communication are everything

A MESSAGE FROM WATERSTONES

“Don’t wing it!”

Gabrielle Wallington, Bibliographic Manager, Waterstones



OUR MISSION

To connect and advance the global book industry, driving our clients' success through world class information and intelligence



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Any questions?

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BOOK INDUSTRY COMMUNICATION LTD

Thank you for attending November 2019's BIC Breakfast:

Stronger Together: Acquisitions & Divestments in the Book Industry

Alaina-Marie Bassett

Business Manager

Book Industry Communication Ltd

0207 255 0513

Alaina-Marie@bic.org.uk