



BIC ORDERING BEST PRACTICE

Frequently Asked Questions: Receiving, Returning and Managing Orders

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The Book Industry's Supply Chain Organisation

Supply issues such as shortages or damages:

1. I've received a stock consignment with a shortage. What should I do?

If you have received all cartons from your order, please refer to your customer services team at the relevant supplier with the invoice number and shortage details. Please be aware that you may have received another title in its place as a substitution, so do check this before raising the claim.

2. I've received a stock consignment with a damaged item. What should I do?

Please refer to your customer services team at the relevant supplier with the invoice number and details of the damaged item. They may ask you for photographic evidence to help resolve the claim.

3. I've found a title with a manufacturing defect. What should I do?

Please refer to your customer services team at the relevant supplier, quoting the invoice number (if available) and details of the defect. The supplier may ask you for photographic evidence to help resolve the claim. The supplier may also decide to investigate further with the relevant publisher. This could be a print run defect rather than a one off.

4. I've received a stock consignment with missing boxes. What should I do?

If you have not received all cartons from your order and you have already allowed an extra day for the missing carton to arrive, please refer to your customer services team at the relevant supplier with the invoice number and shortage details.

5. I've received a stock consignment belonging to another business. What should I do?

Please refer to your customer services team at the relevant supplier, quoting the invoice number and details of the carton(s) received. The information and consignment paperwork may be different from what you usually receive. The information will help the customer services team. They will arrange for the consignment to be collected if necessary.

6. I've received a stock consignment with no paperwork. What should I do?

If it is a Batch distributor, look up the invoice on Batch payments. If it isn't there, wait one day and look again. If it still isn't there, contact the distributor. For non-Batch distributors, contact the distributor.

7. I've received a stock consignment with no ASN. What should I do?

As above.

8. I've received an order that I cancelled. What should I do?

If it were one book and it could be sold, then consider keeping the title and putting it on sale. For a bulk order or a special order that wouldn't sell, ideally the bookseller should know when/ how they cancelled the order and who they spoke to. Contact the supplier to explain the situation and arrange returns authorisation and collection at the cost of the distributor.

9. I've received stock that I didn't order. What should I do?

Firstly, check that the paperwork (delivery note or invoice) isn't for another store. If it is, contact the store (if nearby), or get the distributor to collect the stock and resend.

Check the invoice to see if it was a mispick or if there is a corresponding shortage and substitution. If the mispick can be sold, put it on sale and reorder the missing item. Similarly, where a substitute has been supplied, put this on sale. In these situations, no claim is required. If the book can't be sold, make a claim and contact the distributor to arrange collection of the errant title, giving the distributor a deadline of 3 weeks to collect.

As a further check, look at the style of the order reference. Is it recognised by the bookseller?

10. I've received a stock consignment with a price or discount discrepancy. What should I do?

For a Batch distributor, claim a price discrepancy using Batch Claims. Otherwise, contact the distributor.

Where there is no discount or a lower than standard discount, claim a discount discrepancy using Batch Claims, followed up with an e-mail to the distributor's customer services team (sales rep copied in). Otherwise, contact the distributor.

If a higher (than standard) discount should have been given, claim a discount discrepancy using Batch Claims, followed up with an e-mail to the sales rep (with the distributor's customer services team copied in). Otherwise, contact the distributor directly.

[continued overleaf]

11. How do I calculate VAT on a VATable or mixed rate VAT item?
- In the UK and the Isle of Man ALL products sold in the book supply chain are subject to VAT. Printed books and digital versions of books are subject to a VAT rate of 0%. Audiobooks (digital or physical) are subject to the standard rate of VAT (currently 20% in the UK). Stationery, adult colouring books, toys, games, puzzles and other non-book products are subject to the standard rate of VAT (currently 20% in the UK). For children's picture books that can be made into a toy we recommend you refer to the latest HMRC advice on the gov.uk website.
 - In Ireland physical books are subject to the zero rate (0%), digital books are subject to the reduced rate (currently 9%) and audiobooks (physical or digital) are subject to standard rate (currently 23%).
 - For any product that is currently zero rated the calculation is very easy and any commercial receipt can just show VAT as being 0%. Please note, there are no physical products usually sold in bookshops that are exempt from VAT in the UK.
 - How to calculate VAT manually. If you need to calculate the tax amount from a price including tax, you divide the gross amount by (1 + VAT %) so if the VAT Rate is 20% you divide by 1.20. As an example, if the product costs £10 with VAT of 20% - divide £10.00 by 1.20 = £8.33 (recurring). Deduct £8.33 from £10.00 and the VAT amount is £1.67. If you have a net amount that needs VAT added, then you calculate this by multiplying the net amount by (1 + VAT %) so if the VAT Rate is 20% you multiply by 1.20. As an example, if the net amount is £8.33, multiply by 1.20 and you will get £9.996 - which you will round up to £10.00.
 - If you have two products that have different rates (e.g., 0% and 20%) and that could also be sold as separate units, then the VAT is applied to the value of each part that is the product.

Note that we recommend you consult HMRC via the gov.uk website or a tax expert for detailed and up to date advice for the UK.

Consignment tracking:

1. What is 'consignment tracking'?

When a distributor uses a parcel carrier or courier service to deliver to customers it should be possible for them and you to track the progress of this delivery using online tools provided by the carrier. This may not be available for all deliveries. E.g., Royal Mail 1st or 2nd class post is not a trackable service, but will be applicable to the majority of deliveries. Typically, there will be a unique tracking number for each parcel in each delivery.

2. Why is this important?

Most of the time it is not necessary to track deliveries as the underlying services provided by the carrier are both fast and reliable. Tracking is however helpful in specific scenarios, such as for urgent orders or events or where perhaps there is a query or delay to deliveries.

3. Where can I find 'consignment tracking' information?

This information is available from the customer services teams at the respective distributor(s).

4. How often does 'consignment tracking' information update?

Tracking data will update with each 'event' that takes place in a parcel's journey. You can typically see when it is collected from the distributor, processed in the carrier's central hub, moved to a local facility ahead of delivery and then when out on the van etc... The level of visibility may vary by carrier.

5. Help. The information I have is incorrect.

In this situation, you should revert to customer services at the respective distributor to address with the carrier and either resolve the delivery or replace the shipment.

Order Management (including dues management, acknowledgements and re-acknowledgements):

1. What is meant by 'dues'?

Book orders that have been recorded but not yet fulfilled are known as 'dues'. In the book supply chain, it is common for booksellers to place orders for titles with a variety of availability status (such as in print, not yet published, temporarily out of stock). 'Dues' capture all orders that cannot be immediately fulfilled, regardless of the different types of availability status.

2. Where can I obtain 'dues' information or reports from?

'Dues' information and reports can be obtained from the distributor, wholesaler or self-distributed publisher responsible for supplying the specific book orders. Depending on the range of suppliers used for order fulfilment, multiple 'dues' reports will be required to provide an overview of unfulfilled orders. Where booksellers receive paper invoices with their deliveries, suppliers will show orders recorded for future supply (since the last invoice) immediately after details of the supplied lines on the invoice.

3. What information should I look for on a 'dues' report?

Depending on how you manage your stock, certain pieces of information may be more important than others. Key fields include 'Purchase Order Number' and 'Order Line Reference'. Either of these fields could indicate special orders, customer orders or event stock. 'Order date' will indicate how long the item has been on order, while the 'Expected Supply Date' will indicate when the order is likely to be fulfilled.

4. How do I action or update a 'dues' report?

Ideally, you should request your supplier to provide the 'dues' report in an electronic format such as Excel, CSV or rich text format and send it to you via email. Download the report and make a copy of it for your review. That way, if you make a mistake, you have the original report to refer to. Clearly highlight on the report those order lines which you wish to cancel and return the report to the original supplier. Do not annotate the report in any other way and do not amend any other piece of information. The purpose of the report is to simply allow you to identify those order lines which you no longer need and that should be cancelled immediately. This will avoid unnecessary deliveries and subsequent returns.

Look out for more information on 'dues' on the Ordering Best Practice page of the BIC website:

<https://www.bic.org.uk/232/Ordering-Best-Practice/>

5. What are 'acknowledgements'?

An 'acknowledgement' is an electronic transaction sent in response to a book order, confirming receipt of that order and the order status.

6. What are 're-acknowledgements'?

A 're-acknowledgement' is an electronic transaction updating a previously sent order acknowledgment. This happens when the order status changes again before the order is fulfilled.

7. Where can I find 'acknowledgment' or 're-acknowledgment' information?

'Acknowledgement and 're-acknowledgement' information is sent electronically in response to an order. Ordinarily, this information automatically updates order status and product availability information in booksellers' EPOS, stock management or back-office systems (where the data is mapped to do so). Where the data isn't mapped or systems don't exist to interpret the information, it is not readily accessible.

8. What action should I take with 'acknowledgments' and 're-acknowledgments'?

'Acknowledgements' and 're-acknowledgements' are there to help booksellers make informed stock management decisions. There may be no action to take if the order is acknowledged for immediate supply, or there is a clear future supply date. Conversely, if an order is acknowledged as 'out of print' or territorial rights mean that it cannot be supplied in this market, the order should be cancelled and an alternative sought. Where there is ambiguity - the order is acknowledged but the status is uncertain - then the bookseller may need to investigate further.

Returns (including 'sale or return' and 'firm sale'):

BIC encourages all book supply chain participants to automate returns processes, from the request to return through to authorisation or rejection, by adopting the Industry Returns Initiative, otherwise known as IRI. This is the standard aimed at automating and streamlining the returns process. The FAQs below assume IRI rather than manual returns handling.

Please note that IRI support materials are subject to review and revision. Look out for updates on the Industry Returns Initiative page of the BIC website:
<https://www.bic.org.uk/207/Industry>Returns-Initiative/>

1. What are 'returns'?

Historically, publishers grant booksellers the right to return unwanted copies of books. These books are considered "returnable." As books are returned, booksellers expect to be reimbursed via a credit note for the cost (i.e., their purchase price) of any books they return.

2. What products are returnable?

Any product, usually a bound book, is deemed returnable by a retailer, to the publisher's supplier, within the agreed time period and according to the commercial terms of the publisher in question.

3. What is the process for returning books?

Authorisation must be sought for all books selected for return by a retailer. This can be done electronically via Batch Returns, standard EDI or BIC Realtime. The supplier will respond to the request listing those titles that are authorised for return against their returns criteria. Some books may be rejected if they fall outside these criteria. The retailer then needs to confirm the exact quantity, by title, of the books that are being sent back. The books must be returned in a re-saleable condition (unless agreed otherwise) and the cost of shipping the books back to the supplier is usually borne by the retailer, unless the return is due to an error by the supplier. Once the books have been received by the supplier they are counted and a credit note is issued for this return.

4. Are there products that can't be returned?

Unless by prior written agreement, loose-leaf books, subscription products, book supplements and CD products are not eligible for credit. Any product sold 'firm sale' is also non-returnable.

5. What does 'sale or return' mean?

This is a commercial arrangement whereby the retailer purchases a quantity of goods with the right to return any surplus. Booksellers normally order books on a 'sale or return' basis.

6. What does 'firm sale' mean?

'Firm sale' describes those products that a retailer buys that cannot be returned under a 'sale or return' arrangement.

7. What is 'IRI'?

The Industry Returns Initiative (IRI) is a cross-industry standard designed to reduce the cost of returns processing. Most organisations in the book industry understand and accept the need for overstock returns. They agree that the industry-wide "Rule Book" which has been implemented, has been responsible for huge cost reductions in returns administration. The automation of returns authorisations combined with Batch Returns and other communication mechanisms enables booksellers to request permission to return books and receive a rapid response. This response is automated by computer systems with access to accurate product metadata and sales history.

8. What are the IRI rules?

The success of the IRI standard relies on the application of all 8 rules:

RULE 1: Pre-authorisation is required via standard electronic communications such as EDI, Batch Returns or BIC Realtime.

RULE 2: Sale or Return (SOR) items will be accepted, whilst pre-informed firm sale items will be refused.

RULE 3: Returns window. Returns are allowed three months after publication date and within 15 months of the last invoice.

RULE 4: Returns must not exceed the sold volume at organisation level.

RULE 5: Returns must not exceed agreed cap limits at organisation level. The cap can be based on the volume of title sales and/or the value of sales.

RULE 6: The agreed standard credit calculation is based on an average of the last 12 months' sales.

RULE 7: Non-conformance returns, including event stock, product recalls, damages, misprints and incorrect bindings should be actioned with the credit applied to the retailer's account immediately (and with reference to the original invoice). Overstock returns should have the agreed commercial credit terms applied that already exist between the publisher/ supplier and retailer.

RULE 8: Returns authorisations are only valid for three months from the date of authorisation.

Embargoes and Publication Dates:

1. What is an 'embargo date'?

The sales 'embargo date' is the earliest date on which a customer can take possession of a product (i.e., it is the date the embargo expires). If, for any reason, a publisher wishes to control the earliest date of retail sale or pre-order fulfilment more precisely, a sales 'embargo date' is indicated in addition to the publication date. If retailers receive stock prior to the stated 'embargo date', it must be sequestered by the retailer until the embargo has expired.

Fulfilment by mail order may usually begin one day prior to the expiry of an embargo since delivery to the consumer will occur the following day (at the earliest).

In North America, embargo dates are often known as 'strict on-sale dates', 'on-sale dates', or 'national-' or 'one-day laydown dates'. Embargoes are often backed by legal affidavit. In other industries, this may also be known as the 'street date'.

Embargoes are often set where book content is serialised in newspapers, or when a release needs to be synchronised ('day and date') with other media releases (e.g., film or TV tie-ins, or to ensure parity amongst all retailers for the release of a major new title).

2. What is a 'publication date'?

The 'publication date' is the date on which the product is nominally published but is not necessarily the first date on which retail purchasers may obtain the product. This date is used for advance planning and is associated with various business processes: it may be linked to the invoice date for product copies delivered prior to publication, to delivery guarantees offered to retailers, to the timing of promotional activity, or to bibliographic cataloguing. However, it is not necessarily the date on which copies of the product will be delivered to retailers, nor the earliest date a retailer may begin retail sales to consumers, nor is it the earliest date on which a consumer may place an advance order ('pre-order') for a copy of the product.

Actual availability of stock to the retailer may be no more than a few days prior to the nominal 'publication date' (this would be an 'expected availability date'), and (excepting cases of issues in distribution) no later than the 'publication date'.

Retailers receiving stock prior to the 'publication date' are not expected to wait until the 'publication date' to begin retail sales or pre-order fulfilment unless an embargo has been set. In the absence of an embargo, fulfilment to consumers may begin as soon as stock is available. Since most products do not have an embargo date, it is very common for retail sales or advance order fulfilment to begin a few days before the 'publication date'. Advertising and promotional activity is often timed to coincide with (or refer to) the 'publication date', but if exact synchronisation is required, an embargo or strict on-sale date should be set.

Each manifestation of a title (hardback, paperback, audiobook, digital etc) has its own 'publication date' and a new edition, i.e., with a new ISBN, will have a different 'publication date'. "Date of first publication" is the term used for the nominal 'publication date' of the first manifestation of the work of which the product is a manifestation.