



**Book Industry
Communication**

BIC Review Group

Review Name: Industry Returns Initiative 2025

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BIC Review Brief

The Purpose of the BIC Review Brief

The BIC Review Brief is required to enable necessary pieces of work to progress from being a good BIC Board or Committee idea to a formal request for work that is submitted to the appropriate review group and consultant. The brief must be agreed upon and signed off initially by all members of the BIC Committee responsible for the piece of work and then by the dedicated Review Group, once established.

The brief should generally be short and provide an overview of the proposed work.

The final, signed off document will be made available to all BIC members, who will be able to provide comment or feedback on the intended work.

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BIC Board/ Committee Review

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IRI Review Group Members	27 November 2024

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Table of Contents



- 1. Purpose**
- 2. Background**
- 3. Review Definition**
- 4. Outline Business Case**
- 5. Quality Expectations**
- 6. Ownership**
- 7. Acceptance Criteria**
- 8. Risks**
- 9. Outline Plan**
- 10. Budget/Costs**
- 11. Authority Responsible**
- 12. Consultant**
- 13. Customers And Users**
- 14. Reporting**



1. Purpose

The ultimate purpose of this review group is to further develop the Industry Returns Initiative (IRI). It is not BIC's intention to rewrite the rules that have underpinned the standard for 20 years, rather to develop the standard and associated best practice to reflect the needs of today's stakeholders and address the unforeseen issues that occur when a complex standard is implemented and used in earnest.

The review's outputs, in the form of new or updated collateral, will be published with all returns stakeholders in mind. These include publishers, standards organisations, data aggregators, distributors, wholesalers, physical as well as online retailers and other third parties.

2. Background

The 2025 review group's work will be informed by two key documents:

2.1 The IRI Review Group Closure Report, July 2022:

Outputs from the review included providing clear definitions for all key terms to avoid the potential for misinterpretation of the rules governing IRI. The returns process was mapped out and captured visually. Finally, previous BIC meeting and review group minutes were reread to create a comprehensive list of all IRI related issues that had been raised (but not necessarily addressed), since its inception.

2.2 IRI Potential Next Steps, October 2023:

This discreet piece of work analysed IRI rejections via Batch Returns. It highlighted that Batch Returns, which is purely a delivery mechanism for returns requests and subsequent authorisations and rejections, continues to perform as expected. However, stakeholders' understanding of the returns calculation is incomplete, awareness of which publishers/ distributors support IRI is patchy and the reason for rejection codes are open to misuse. The lack of a formal process for challenging rejected returns also means that the automated process is undermined. Sales reps or customer service teams are asked to authorise returns that were previously rejected via IRI. Neither will usually have a robust understanding of IRI and the risk that manual intervention poses.

3. Review Definition

3.1 Review Objectives

By the end of the review, BIC (i.e., the Board and the Physical Supply Chain Committee) should be presented with enhanced support materials that address the specific points captured in the table overleaf. The documentation should also include a plan to ensure the socialisation of the support materials.

The documentation will be arrived at through the efforts of the IRI Review Group that will be set up specifically. The review will be led by the Consultant who will have responsibility for ensuring the review delivers to budget.

#	Area of Concern	Proposed Action	Outcome
1	15/ 30-calendar month rule	Review the specific collateral. Update and adapt according to the audience.	Summarise with additional detail as required to reflect the audience (e.g., bookseller, publisher, sales rep).
2	15/ 30-calendar month rule	Capture which IRI compliant distributors are using the 15-calendar months or 30-calendar months parameter to inform returns allowances. Are there non-compliant publisher clients at a compliant distributor?	Clarity. Will provide an indication of why rejections are occurring.
3	Reason for rejection codes	Verify the relevance of the current code list. Elaborate, expand and provide examples.	Accurately inform booksellers about reasons for rejection. Avoid the inappropriate use of codes and subsequent queries.
4	Reason for rejection codes	Verify and enhance the relevance of the current code list. Consider a specific code for 'non-IRI compliant publisher' at an 'IRI compliant distributor'.	Avoid the inappropriate use of codes and potential queries.
5	Document worked examples	Consider how worked examples can illustrate IRI processes. Combine with a visual approach.	Offers another way to communicate the more complex aspects of IRI.
6	Flexibility of parameters	Illustrate the potential upside of flexibility.	Maximise the use of the automated and transparent IRI process for different returns groups' needs.
7	Feedback loops	Recommend best practice for all IRI players.	Address bookseller frustration with returns rejections and break the cycle of rejected returns being submitted to sales reps for authorisation.
8	Collateral updates	Publicise updates to the support collateral.	Remove reliance on out-of-date collateral.

[continued overleaf]

The effort involved is envisaged to be:

- 1) 1 day per week of consultancy between November 2024 and March 2025, with a maximum 16.5 days budgeted.
- 2) Recruiting a consultant (recruited as of November 2024).
- 3) Re-establishing the previous IRI Review Group as well as recruiting and onboarding additional BIC members to contribute to this review.
- 4) An in person launch meeting scheduled for 1000 – 1200hrs on 22 January 2025 at Penguin Random House, Embassy Gardens, London. This will be followed by regular video calls. These meetings should be held at least once a month.
- 5) Regular catch-up sessions between BIC's Executive Director and the Consultant.
- 6) Two reports (long-hand and summary form) to be produced monthly by the Consultant for the Board and the Physical Supply Chain Committee. The long-hand report will be published on the BIC website.
- 7) Enhanced support collateral, accompanied by a marketing and adoption plan.
- 8) There is minimal impact on the BIC office as the Consultant will work remotely.
- 9) The Consultant together with the review group will need to determine how best to manage the work.

3.2 Review Scope

The review will focus on the specific areas of concern captured in the above table and will cover physical products with an ISBN as the primary identifier. The review is relevant to all stakeholders involved in returns management, including:

- a) Publishers
- b) Distributors
- c) Wholesalers
- d) Booksellers (physical and online)
- e) Standards organisations
- f) Metadata aggregators
- g) Service and systems providers

Whilst the focus is on the needs of the BIC membership, the review group may wish to approach non-BIC members on an ad hoc basis to reflect the diverse needs of returns stakeholders, including smaller and specialist organisations. The participation of a non-BIC member may be subject to a 'participation fee'. The review will have a UK and Ireland focus but will be mindful of the international nature of our industry, including cross-border trade and the existing standards and best practice that support it.

Areas in scope include (this list is not exhaustive):

- a) Business to business returns transactions.
- b) Physical product with an ISBN as the primary identifier.
- c) Product supply details, including supplier, price & availability and returns condition code.
- d) Sales and returns history.
- e) Compliance with the current iteration of the IRI standard (in EDI, Batch Returns, BIC Realtime API or text file format), and associated best practice.
- f) Compliance more generally with current iterations of industry standards (including ONIX).
- g) The reason for return (conformance or non-conformance).
- h) The reason for rejection codes.

- i) Returns query management and resolution.
- j) Returns scenarios (complex as well as the more common ones).
- k) Automation of all returns related processes.
- l) Information and education.
- m) Roles and responsibilities.
- n) Sustainability.

Areas out of scope include (this list is not exhaustive):

- a) Digital product.
- b) Consumer direct fulfilment.
- c) Libraries and library suppliers.
- d) Scenarios considered to be unique to a business.
- e) Situations considered to be commercially sensitive or of a confidential nature.
- f) Legal advice.

3.3 Outline desired outcomes

The key deliverables in summary are:

- 1) Review group members' participation is a demonstration of their organisations' ambition to adopt the review group's outputs within a reasonable time frame after their publication. This may require collaboration with other returns stakeholders. "A reasonable timeframe" is to be agreed by the review group. Members should consider the relevance and applicability of the individual deliverables to their own organisation and reflect on what adoption might look like.
- 2) Agreement between the Consultant and the Review Group regarding how the work should be managed.
- 3) A plan to show deadlines for each deliverable with actions and owners clearly assigned. This should be drawn up, shared with the Review Group and kept up to date by the Consultant.
- 4) Confirmation of the issues to be addressed should be captured as part of the first review group meeting. It is essential to include the items referenced in this document.
- 5) Regular progress reports from the Consultant to the BIC Executive Director, the Board and the Physical Supply Chain Committee.
- 6) Two separate monthly reports, including one for publication on the BIC website.
- 7) The updated collateral to include reference to sustainability where appropriate.
- 8) An outline marketing plan and a comprehensive adoption proposal.
- 9) An update on the impact of adopting the refreshed support materials by review group members. This should happen no later than 12 months after the Review Group has finished its work.
- 10) Review group closure report.

3.4 Constraints

The effective management of returns is key to an efficient supply chain. The requirement to meet the specific needs of a range of stakeholders, whilst adhering to recognised industry standards, is challenging.

The workload and time pressures of those individuals that the Consultant will need access to may be a constraint.

It is important that review group participants commit their respective organisations to endorsing, promoting and ideally adopting the updated best practice, as well as increasing awareness of the Review Group's work.

3.5 Interfaces

BIC member groups outside the review group will be interested in this work. The Physical Supply Chain Committee is ultimately responsible for the successful delivery of this review with both the Metadata and Green Supply Chain Committees having a keen interest in its execution and success.

The Consultant will need to keep in mind the impact of the best practice guidelines on the following standards and best practice resources:

- 1) BIC Industry Returns Initiative
- 2) EDIFACT IRI format
- 3) BIC Realtime Returns Request and Authorisation
- 4) IRI Text Specification
- 5) EDItX Returns Request and Response
- 6) BIC Acquisitions and Divestments Best Practice
- 7) BIC Ordering Best Practice
- 8) BIC Price & Availability
- 9) BIC Out of Print Best Practice
- 10) ONIX 3

4. Outline Business/ Industry case

Please refer to sections 1 (Purpose) and 2 (Background) above.

5. Quality Expectations

It is important that the review addresses all areas detailed in the scope above (section 3.2 of this document).

The importance of this work will be in the following order of priority:

- 1) Quality
- 2) Cost
- 3) Time

Quality is most important because BIC's work must be of the highest standard. Misinformation or poor recommendations would be detrimental to BIC's reputation. Cost is the second priority because BIC's budget is important and BIC's resources must be managed. Timeline is the least important: if the work overruns slightly, but is still within budget and delivering optimum quality, this is acceptable. The budget is fixed.

6. Ownership

The Physical Supply Chain Committee will assume responsibility for this work and will make all necessary decisions to ensure the review runs to time, on budget and is delivered to a high standard. There is no scope for additional funding over and above what has been agreed.

7. Acceptance Criteria

The BIC Physical Supply Chain Committee has responsibility for the final sign off on the recommendations and best practice documentation presented by the Consultant. The documentation submitted should address all areas in scope and should already be signed off by all review group participants. Acceptance of this documentation will close the review, after which the marketing and adoption plan outlined in the documentation will begin.

A meeting of the original review group members will be called within 12 months of the Review Group completing its work.

8. Risks

Given its unique position at the heart of our industry, BIC can lead the way in bringing clarity to how stakeholders can optimise returns management within the existing standards framework. Not doing so risks ignoring feedback from the BIC membership, as well as the wider industry. BIC can enhance its relevance, solve specific industry issues and advocate for the further adoption and development of IRI standards and best practice.

It is possible that the best practice will have no impact beyond review group participants. The Consultant, the Review Group and the BIC Physical Supply Chain Committee should develop a strategy to promote wider industry implementation to mitigate these adoption risks. This will require ongoing activity from BIC and its members beyond the life of the 2025 review. See section 3.3, Outline Desired Outcomes.

9. Outline Plan

The Physical Supply Chain Committee will be asked to sign off this brief. Agreement on budget has already been given by the BIC Board. The next steps will be:

- **By Tuesday 19 November 2024:** Obtain review brief sign off from the Executive Director.
- **By Monday 25 November 2024:** Obtain review brief sign off from the Physical Supply Chain Committee and capture any relevant feedback. This will be an agenda item for the Committee's November meeting.
- **By Monday 2 December 2024:** Update the review brief to reflect feedback received from the Physical Supply Chain Committee.
- **From Monday 25 November 2024:** Issue the call for volunteers and schedule on boarding meetings where required. Use social media to create awareness.
- **By Friday 10 January 2025:** Complete on boarding meetings.
- **On Wednesday 22 January 2025:** Hold the initial in person review group meeting and confirm the immediate next steps.
- **January – March 2025:** The review is underway.

The anticipated end date for the review is 31 March 2025. This is the date by which all the deliverables outlined in Section 3.3 will be achieved.

A more detailed plan will be put together by the Consultant and will be one of their first actions.

[continued overleaf]

10. Budget/ Costs

At the time of writing, the costs to BIC are limited to the agreed Consultant's fees. Meeting room costs, staff time and staff travel expenses are not anticipated at this point, apart from the initial in person meeting.

11. Authority Responsible

BIC's Executive Director.

12. Consultant

Stephen Long, Independent Book Industry Consultant, has been appointed by BIC's Executive Director.

13. Customers and Users

All BIC member organisations.

14. Reporting

This review group reports into the BIC Physical Supply Chain Committee. The frequency of updates to the Committee will be agreed between the Executive Director and the Consultant but is likely to be monthly. This reporting should include, but may not be limited to the following:

- i) Progress on deliverables vs. the agreed timeline.
- ii) Engagement and availability of stakeholders.
- iii) Potential and actual obstacles to delivering the review on time and in full.
- iv) KPIs, including actuals vs. budget.