

**A Review of the Welsh Books Council's
Trade Representation Service**

**David Kewley
Paul Richardson**

July 2005

Preface

This review was commissioned by the Welsh Books Council after a competitive tendering process and was carried out between April and June 2005. The Welsh Books Council initiated the review because it recognised that it was timely in relation to general changes in the UK book retailing sector, particular challenges and opportunities in the Welsh market and changes in the remit of the Welsh Books Council itself. The review also takes forward the suggestion in Peter Kilborn's 2001 review of the Distribution Centre*, that there should be a separate appraisal of the trade representation service.

The overarching objective set for the review was to 'suggest ways of improving the effectiveness and efficiency of the service and thereby increase sales, bearing in mind the needs of publishers and booksellers in Wales but at the same time ensuring the future viability of the Distribution Centre'. This report offers a number of proposals to this end, drawing on a range of data and a variety of opinions expressed by stakeholders in the trade representation service – the staff and management of the Welsh Books Council and publishers and booksellers in Wales. We are extremely grateful both to the publishers and booksellers who contributed to the research and also to the management and staff of the Welsh Books Council and the Distribution Centre who have been unflinching in their willingness to supply information and devote time to explaining and discussing the issues.

Since much of this report is inevitably concerned with the challenges and opportunities facing the Welsh Books Council in relation to its trade representation service, it is, perhaps, worth emphasising here that the review is taking place in the context of a very successful track record over a sustained period. The sales through the Distribution Centre have grown, on average, over 6% a year over the last 15 years and over 8% a year in the last three years. In 2004 the Distribution Centre recorded its best ever year for sales and a record Christmas season. Though precise direct comparisons are difficult to make, this performance is significantly ahead of that of the UK book trade as a whole over the same period. The report is intended as a contribution to sustaining this growth in changing circumstances and to delivering an improved and cost effective service to all the stakeholders: authors and readers, publishers and booksellers in Wales and beyond.

David Kewley
Paul Richardson

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*Kilborn, Peter, *Welsh Books Council Distribution Centre: A Strategy for the Future*, 2001
<http://www.cllc.org.uk/graphix/pdfs/PeterKilborn.pdf>

Acknowledgements

In drawing up this report we received extensive inputs from the Director, Heads of Department and other members of the staff of the Welsh Books Council. In addition we had individual and/or group discussions with the following Welsh publishers and booksellers:

Mary Buttle, Siop y Felin
Nicola Craddock, Honno
Richard Davies, Parthian
Alwyn Elis, Gwasg Gwynedd
Selwyn Evans, Siop y Siswrn
Mick Felton, Seren
Paul Gatehouse, Ottakars, Aberystwyth
Elena Gruffudd, Cwlwm Cyhoeddwyr Cymru
Garmon Gruffudd, Y Lolfa
Richard Houdmont, University of Wales Press
Geraint James, Awen Teifi
Dylan Philips, T-Hwnt
Mairwen Prys Jones, Gomer Press
Phill Trenfield, W.H.Smith, Cardiff
Luned Whelan, S4C/Hughes a'i Fab
Dylan Williams, Cymdeithas Lyfrau Ceredigion

We had group meetings with:

Cwlwm Cyhoeddwyr Cymru
Literary Publishers Wales (LPW)

Both organisations also submitted short additional papers.

Written responses were received from the following:

Publishers

Accent Press
Columbia Publishing Wales
Cwmni Cyhoeddi Gwynn
Cyhoeddiadau Barddas
Dref Wen
Glyndwr Publishing
Gwasg Carreg Gwalch
Gwasg Gomer

Honno Welsh Women's Press
Hughes a'i Fab
Planet
University of Wales Press
+ one anonymous reply

Booksellers

Awen Menai
Bangor Christian Bookshop
Brecon Beacons Information Centres
Canolfan Rhiannon
Case of Harlech
Castle Hill Books
The Chepstow Bookshop
College Street Books
Courtyard Books
Cover-to-Cover Bookshop
Cwpwrdd Cornel
Dolphin Books
Galloway Ltd
Inc
Llun a Gair
Llyfrau'r Ddraig
National Library of Wales
Nickleby's Bookstore
Ottakars, Aberystwyth
Ottakars, Carmarthen
Palas Print, Caernarfon
The Pembroke Bookshop
Pethe Powys
Siop Clwyd
Siop y Felin
Siop y Ganolfan
Siop y Siswrn
Siop yr Hen Bost
T-Hwnt
TSO Wales
Wales Direct
+ 4 anonymous replies

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Executive Summary

The following points offer a summary of the main judgements and recommendations to be found in this report:

1. The Welsh Books Council (WBC) is a unique organisation combining as it does a publicly funded role to support all aspects of the book publishing and selling sector in Wales (from author through to reader) with a commercially-based distribution service.
2. The Council has a complex task balancing its cultural and commercial agendas, serving the interests of both publishers and booksellers and providing support for the differentiated needs of Welsh books in both the Welsh and English languages.
3. Recent years have witnessed sustained growth in the business of the WBC distribution and sales operations and the findings of this report confirm the view of an earlier review that the Distribution Centre operates efficiently and that without it both publishing and bookselling in Wales (and therefore the writing and reading of Welsh books in both languages) would be disadvantaged. However, both changes in the book trade as a whole and in the remit of the WBC make a review of its trade representation service timely.
4. This report is based on the consultants' wide book trade experience, a depth of statistical and other documentation provided by the WBC, interviews with management and staff of the WBC, and comprehensive questionnairing of and extensive discussions with Welsh publishers and booksellers.
5. Our conclusions are that under the right circumstances and with appropriate funding and professional guidance there is considerable growth potential for Welsh books in both languages. However, to optimise the market and provide best value for money, the WBC needs to initiate various changes.
6. The relationship between the WBC and the publishers needs to be regularised. We suggest that there should be three levels of service from straightforward wholesaling through to an exclusive distribution contract. Publishers would be required to conform to professional trade practices and there would be greatly improved information flows up and down the supply chain. There would also be three levels of discount for books supplied to the WBC.
7. The WBC sales and marketing management should develop a more proactive and strategic approach to its relationships with both publishers and booksellers.

8. The Sales and Marketing department of the WBC should be re-organised under the new position of Head of Sales and Marketing, supported by a Sales Manager and a Marketing Manager.
9. The special role of sales executive in partnership with Literary Publishers Wales should not be continued and the territories, call rates and targets for the trade representatives should be revised. The role of the merchandiser for certain mass-market outlets should be maintained in the immediate future.
10. The work of the trade representatives should be more targeted and prioritised; with the prior planning and agreement of sales management the sales team should be empowered to strike special deals with booksellers; and they should receive further and regular training in specialist selling techniques.
11. Representatives' remuneration packages, informational support and technical equipment should be kept under review and in line with good industry standards.
12. The Standing Order system should be continued but applied in a more discriminating way to meet particular customer needs.
13. The operation of the returns system should also be closely reviewed and managed on an account-by-account basis and booksellers should pay for the cost of returning books. Publishers should accept ultimate responsibility for all books returned from bookshops.
14. The sales and distribution management should also encourage the strengthening of the bookselling infrastructure by offering incentives to small booksellers to build their stockholdings and commit to longer periods of stock retention.
15. The WBC should work to develop its outreach beyond the Welsh market, especially to the major UK wholesalers.
16. Further investment should be made in IT development and especially in the website and the use of e-commerce.
17. Improvements in the sales and marketing operation should go hand-in-hand with the direct and indirect encouragement of Welsh publishers in both languages to improve the content, design and marketing of their books. A successful sales representation service is ultimately dependent on the quality of the lists it is carrying. The WBC needs to continue and extend its efforts to work with Welsh publishers to improve the standards and commercial appeal of their publications in both languages. This clearly also has funding implications that are beyond the remit of this report

18. In the increasingly competitive environment of book retailing it is vital that all parties in the supply chain adhere to recognised publishing and distribution disciplines and operational practices. The WBC should take a lead in establishing such professionalism throughout the Welsh book trade.

1. Introduction

This report will not describe the structure or operation of the Welsh Books Council's trade representation service in detail. However, there are a number of characteristics of the Welsh Books Council as a whole and the operation of the Distribution Centre (DC) and the trade representation service in particular, that need to be highlighted because they have so strongly influenced our conclusions and recommendations in this report.

The Welsh Books Council

The Welsh Books Council (WBC) is a unique organisation in our experience. There are bodies concerned to enhance the performance of independent publishers and booksellers in Scotland, Ireland and other regional and small language markets in Europe*, but we know of none as comprehensive, offering, as the WBC does, a range of services to the trade (including editorial, design, marketing and sales, distribution and support for booksellers) and also awarding grants for publishing in Welsh and (since 2003) in English. The WBC is also a hybrid organisation in terms of corporate identity. The WBC in its core functions is a publicly funded body, whilst its Distribution Centre (DC) aims to be a self-supporting commercial venture. Given the range and complexity of its activities, it is not surprising that there are innate tensions or crosscurrents in the definition of aims and objectives and in the day-to-day operations and these impact directly on the trade representation service.

The Trade Representation Service

In the UK as a whole book trade representation has changed very significantly in recent years. This change has been driven especially by the increasing share of the market being taken by the major bookselling chains and supermarkets, which operate mainly through central buying supported by merchandising services, and internet and other forms of direct selling. At the same time the servicing of small independent accounts has passed increasingly to wholesalers. The result has been a very significant reduction in the number of trade representatives employed by the major publishers, often linked to an up-grading of their role to regional sales management and the more extensive use of other means, including electronic communication, to sell books into the book trade.

*See Hampson, John and Richardson, Paul, *Kitchen Table to Laptop; Independent Publishing in England*, Arts Council England, London, 2005, Appendices A, C and D. Also available on <http://www.artscouncil.org.uk>

So far as Wales is concerned, the UK-based publishers and selling agencies generally cover the south of the country from the West of England and the north from North West England. West Wales is often somewhat neglected and scant coverage is given to the predominantly Welsh language independent outlets.

The WBC's sales organisation is necessarily very different. Its trade representatives are part of the WBC's Marketing Department. A Senior Sales Executive, responsible to the Head of Marketing, leads a team of three generalist reps and one Sales Executive. The Sales Executive is a joint appointment with Literary Publishers (Wales) Ltd (a consortium of publishers of English-language literary books) in order to give special impetus to the sales of Welsh writing in English. This post currently covers the whole of Wales and involves sales activities with booksellers who are solely or predominantly concerned with English language book sales. The portfolio of the Sales Executive is narrower than that of the other reps and includes a maximum of 120 new titles and 120 backlist titles. These are mainly titles that would qualify for public funding on account of their literary or artistic merit. Whilst most titles come from Literary Publishers Wales, a minority come from English language publishers outside that group.

The portfolio of the generalist reps is wider, with about 1000 new titles a year as well as the whole DC stock backlist, in both Welsh and English. Until recently Wales was split into three sales regions. In 2004 a pilot scheme was introduced under which one of the sales staff concentrated on providing merchandising services for mass market outlets (selected W.H.Smith and Tesco branches across Wales) while the two remaining reps covered enlarged North and South Wales territories.

The rationale for this structure emerged from the unique remit of the Welsh Books Council and the special features of the retail book trade in Wales. These issues are examined in the following sections.

Commercial and Cultural Objectives

The dichotomy between the WBC's cultural mission in support of Welsh writing in both the Welsh and English languages and the commercial objectives of the DC can never be wholly reconciled, nor need it be. Instead a working balance has to be struck. If commercial objectives were of paramount importance, many of the 1000+ titles carried by the trade representatives at any one time (and the 12,000 in stock at the Distribution Centre) would be given scant attention and a number of the smaller bookshop accounts would not receive regular visits, for instance. As it is, the sales management and the reps set commercial priorities, but also aim to offer a comprehensive coverage to all the publishers and booksellers they service.

Publishers and Booksellers

Most trade selling organisations want to nurture and support their retail customers, but owe their ultimate loyalty to their publisher suppliers. For the WBC the balance is somewhat different –it has a more direct responsibility for sustaining book retailing in as many communities as possible, hence the care with which the Council has had, for instance, to approach the issue of direct supply via the *gwales* website.

Grant-giving and Service-providing

The relationship between the WBC and Welsh publishers, and to a lesser extent Welsh booksellers, is complicated by the fact that on the one hand the WBC is a provider of funding, which is very important, or even critical, to their existence and on the other hand it is a service provider in terms of sales and distribution. Moreover, the publishers by and large have no alternative to the WBC in this latter role. There is no other comprehensive sales and distribution service in Wales they could turn to and no other UK distributor would be prepared to offer the kind of service that WBC does in Wales. The Kilborn report (see above) concluded that the DC was ‘efficiently run and well organised’ and concluded that ‘Without the distribution centre, the consequences would be likely to be: fewer publishers and fewer published titles; fewer specialist booksellers, reduced access to books in the Welsh language and books about Wales and its heritage; and an undermining of the Welsh Books Council’s mission’. In so far as the research for this review looked at the performance of the DC it found strong evidence to support this view. However, it must be emphasised that the DC has to pay its way and our recommendations in relation to discounts and to new contractual relationships with publishers seeking a distribution rather than a wholesaling relationship with the DC and a full use of the representation service relate directly to this issue.

Distributing and Wholesaling

Some stakeholders, at least, appear to see some conflict of interest between the DC’s activities as a distributor (and therefore service provider) and wholesaler (and therefore customer). We are not convinced that that is an insuperable problem if the recommendations in this report are implemented. Our proposals would give different levels of service and terms of trade to those publishers who contracted into an exclusive distribution agreement with the WBC, those who contracted a limited service and those who were content to deal with the DC as a regional wholesaler.

Welsh publishers in both languages do need to recognise that, if they are to enjoy the full benefits of the DC and its sales service, they must also give it

their full support both by working to acceptable professional service standards and by not cherry-picking the easy sales directly themselves and leaving the less profitable parts of the business to the DC. The alternative must be to trade at higher discounts – as they would have to with any other wholesaler.

The Two Languages

It is essential to differentiate the issues that relate to Welsh and English language publishing and bookselling in Wales, even though both are being serviced by a single sales and distribution organisation. Although Welsh language publishing is directed to a small market, it is, to some extent a captive one – there are no other significant sources of supply outside Wales; there is a core readership which is dedicated and enthusiastic and this provides a base for further growth; and Welsh language publishing is the core business for a significant number of small specialist booksellers. It also attracts media interest in Wales and it is fair to say that the policies of the WBC over a number of years has led to steady improvement in the quality and appeal of books in this sector, especially those for children, and this is now being replicated in the adult sector. There are certainly a number of important opportunities for growth in this sector to which we shall refer later. However, this publishing sector has currently a strong market base on which to build. Currently Welsh language sales, which are accessible to about 20% of the Welsh population, account for about two-thirds of the DC throughput. The top 50 DC accounts are responsible for 72% of its total sales and of these the top 30 Welsh language specialist bookshops are responsible for over 50% of total sales. They showed growth in both real terms and market share in 2004/2005 over 2003/2004.

The market situation for Welsh writing in English is very different. Although it does have the added value of 'Welsh interest' or 'local authorship,' it is not differentiated in anything like so strong a way as Welsh language publishing. Welsh writing in English is much more dependent on sales through larger, general shops and chains and is competing with the output of the major UK publishing houses – which includes works by major Welsh authors published by English publishing houses and books of special Welsh interest published outside Wales, such as Mainstream's sports titles published in Scotland, as well as international bestsellers.

To take the genre of fiction published in English in the UK as a whole, over 90% of sales in the sector are generated by the ten largest UK trade publishers and another 7% by the next twenty. No English language Welsh publisher features in this list and, even within Wales, the pattern of sales for English language fiction is not very different, apart from the occasional Welsh-published bestseller or prize-winner.

It is also worth noting that Welsh publishing in English is a relatively recent phenomenon without the history or scale of, for instance, Scottish publishing in English. Thanks to positive support from the Welsh Assembly Government, this sector has the potential to improve its quality and market share, but it is still in a much more challenging competitive situation than Welsh language publishing. Sales of Welsh publishing in English through the DC grew in 2004/2005 over 2003/2004, but at 4% this growth was below the average for the operation as a whole. It is noticeable that W.H.Smith delivered very strong growth in 2004/2005 in comparison to 2003/2004 (its share of DC sales increased from 4.9% to 6.1%), but the other top non-Welsh language specialist accounts in the DC's top 50 accounts showed no overall real growth, despite the additional support provided by the LPW sales executive which they received.

These figures underline the need to review both the operation of the trade representation service, especially though by no means exclusively in relation to the English language books, and the nature of the Welsh publishing in English being offered to the market, though that is an issue beyond this review. It would not be commercially viable to support two completely different systems of trade representation for the published output in the two languages and the book trade would not want this, but they clearly do have very different needs and priorities, which the WBC service has to accommodate.

The Funding Dimension

A very positive aspect of Welsh and English language publishing and bookselling in recent years has been the success with which it has attracted funding from the Welsh Assembly Government under several different budgets. The WBC has played a leading part in seeking this funding as well as disbursing it.

Such funding is very important, and sometimes critical, for the health of publishing in Wales. For some years the funding for Welsh language books has been administered by the WBC in ways that have led to an improvement in the quality of publishing and the widening of appeal of the range of books published. While funding for English language publishing in Wales was administered by the Arts Council of Wales the focus was, as with the Arts Council England, on works of literary and artistic merit. However, these were generally of limited popular appeal and it is clear that if the DC and the sales representation service are to build English language sales, there must be a thriving portfolio with commercial appeal and further investment will be required in the short term to build the range of product and get it into mainstream book retailing outlets.

At the same time there is potential to develop wider sales for Welsh language books, especially in the children's books sector but also in categories now

being developed for the adult market with a view to reaching new audiences. That means having effective strategies to get the product into mass market outlets, such as W.H.Smith and supermarkets, in order to reach purchasers, such as parents who do not themselves read Welsh but wish to buy Welsh language books for their children, who would not normally frequent the specialist Welsh book retailers.

Accessing these wider markets for books in the two languages has implications both for the initial funding of publishing and in terms of the commercially disproportionate commitment of resources that may have to be put, at least initially, into selling into and servicing these channels of distribution.

Reasons for Change

We have already noted that the sales and distribution service of WBC has a strong track record in terms of growth and service performance and we have rehearsed some of the issues that give the Welsh book trade its very particular characteristics. At this point it may be helpful to summarise why it seems likely that changes in the trade representation service are necessary – and why so at this particular time.

- Operational and structural changes in the UK book trade as a whole, for instance in relation to e-commerce, are altering the commercial landscape in which the WBC is operating, especially in relation to the chains and the mass market outlets.
- The transfer of responsibility (from April 2003) from the Arts Council of Wales to the Welsh Books Council of the award of grants for English language publishing in Wales has, on the one hand, given the Council a more direct remit to support this sector in its entirety and, on the other, a greater opportunity to influence the nature of published projects.
- Subject to funding, the Welsh Books Council wishes to broaden the range of Welsh writing in English and support the publication of more popular books, which are market-driven and have the potential to appeal to a wider audience as well as providing significant extra throughput for the DC.
- The additional funding from the Welsh Assembly Government following the publication of the Welsh Writing in English Report produced by the Assembly's Culture Committee will help achieve this vision. However, funding will need to be on-going and the publishing will need to be supported by appropriate selling strategies.

- This approach involves both changes in the WBC's trade representation and distribution services, and also a transformation in the working practices of publishers – hence the importance of the contracts proposed later in this report.
- It will be imperative that the best commercial practices of the UK book trade are adopted in Wales, while recognising the special requirements of the dual-language market and the particular structure and practices of the trade in Wales.
- Much of the emphasis of what has been said above has been on Welsh publishing in English. This is in no way meant to ignore the potential for market development of Welsh language publishing, which is also enjoying increased funding and which also needs to be appropriately supported through the WBC's sales service.
- The Welsh Books Council's wider brief now encompasses the development of the book trade as a whole in Wales. This implies providing a service which meets the needs of both publishers and booksellers in the two national languages.

These underlying issues have all been taken into account in our recommendations. We have also considered the responses of the immediate users of the service – the publishers and booksellers – to our questionnaires and questions posed in face-to-face discussions and some other particular characteristics of the Welsh book market.

2. Research Methodology and Review of Outcomes

This report is based on data drawn from a number of sources during April–June 2005:

- Extensive documentation provided by the Welsh Books Council
- Wide-ranging discussions with WBC management and staff
- Meetings with individual Welsh and English language publishers and small group discussions with members of Literary Publishers Wales and Cwllwm Cyhoeddwy'r Cymru.
- Bookshop visits and discussions with booksellers in Cardiff, Carmarthen, Aberystwyth and Mold
- An e-mail questionnaire sent to publishers in Wales based on WBC's supplier list
- A postal questionnaire sent to booksellers in Wales drawn from WBC's customer list

Bookseller Responses

Thirty-five booksellers out of 115 mailed responded by the deadline of the end of April 2005. Detailed analysis of their responses and the Questionnaire itself are provided in Appendices III and IV. A response at this level is statistically significant, especially when combined with the views we garnered in our face-to-face interviews with individual booksellers, which included three managers from branches of major chains and four proprietors of Welsh language specialist shops. The shops varied significantly in the size and mix of their business. Eight of them were quite large with annual turnover of over £200,000 (not always all from books), while the average sales revenue for the rest was about £80,000.

The responses from the booksellers are quite distinctive as between the Welsh language specialist retailers and the English language independents and branches of the chains.

Welsh language specialist shops

These are mainly smaller retailers, but the larger of them are among the most significant customers of the DC. In general they are highly orientated towards the WBC distribution and sales service. For some, books are the major part of their business, for others less so, but either way the DC is their major source of book supply. They were generally very happy with the service provided by the Centre and the reps. Most got a call rate of 4 to 6 weeks, which was satisfactory. They were happy to have this supplemented by telesales and e-

mails but these were not regarded as substitutes for face-to-face contact with the reps. Most also used the *gwales* website and the CDROM for information and *gwales* in some cases for ordering. Many of these outlets used the Standing Order system and it was an important service for them, especially in relation to school and library business. Most were happy with the returns policy of the Distribution Centre and praised the information service provided by the Centre. Overall their rating of the sales and distribution service was very positive. Many of these shops also stocked some English language books published in Wales, but found these harder to sell in their market. One common criticism from these shops was that good sellers from Welsh publishers were too often out of stock/print at crucial selling periods, such as the Christmas market.

General booksellers and chains

These shops were generally larger, though not as Distribution Centre accounts. They also sourced from English publishers and wholesalers to a greater extent. Welsh language books were much less significant for them, but Welsh publishing in English was also only a small or very small part of their business. They were less likely to use the standing order system, except for the Welsh Book of the Month scheme. They did use *gwales* and the CDROM and also had positive experiences of the Distribution Centre's information service. They were likely to be more critical of the level of information the reps provided, especially on publication dates and prices, while recognising that this might be a publisher rather than a rep problem. Some of the larger shops were also amongst the minority who were not happy with the Distribution Centre returns policy. That could be because they were more likely to stock in quantity and have a higher rate of returns on some titles and because books for return got more handling in store.

There was also a sense amongst some of the chain branches that the reps and the sales organisation as a whole did not really understand the nature of the mass market, what constituted a bestseller and what informational and promotional back-up was needed to create one. A small number of these larger shops were the least satisfied with the trade representation service – apparently comparing it unfavourably with the service they got from the major English-based publishers and wholesalers. This may be partly accounted for by the rather frequent changes in representation in parts of South Wales in the last few years.

Overall assessment and suggestions for improvement

Taking all respondents together, there was a positive overall assessment of the service:

- Excellent 9
- Good 14
- Satisfactory 6
- Poor 4
- Very unsatisfactory 4

Only a minority of respondents had suggestions for improvements. Those suggestions, which were made by more than a single respondent included:

- More sales training for the reps
- Better journey planning to avoid duplication of visits
- Better advance information on publication dates etc.
- More flexibility for the reps to do special deals

Publisher Responses

Only 13 of the 55 publishers mailed responded, but we also held group discussions with representatives of Cwlwm Cyhoeddwyr Cymru and Literary Publishers Wales as well as talking individually to four other Welsh and English language publishers.

As with the booksellers, there was a substantial difference in scale between the largest and smallest of the respondents – from sales revenue of £11,000 per year to around £900,000. About half the responding publishers published entirely in English and a quarter entirely in Welsh. The two largest published in both languages. A number of the English language publishers only produced books for adults while those who published in both languages stated that Welsh language children’s books were a very important part of the mix.

Not surprisingly the Welsh language publishers drew almost all their sales from Wales and mostly through the WBC Distribution Centre, while the English language or dual language publishers were more likely to draw a substantial part of their sales revenue from outside Wales and via other channels than the DC in Wales. Apart from grants, books generated all or almost all the income for all respondents, with the exception of those who were also engaged in printing.

In general the Welsh language publishers were more positive about the representation service than the English language ones (at least in the written responses), but both groups had a range of reservations.

A number were unhappy with the mixed relationships they had with WBC – as a public body channelling funding into the industry, as a commercially based distributor, as a wholesaler and so on.

There was a general feeling that the service provided comprehensive representation rather than prioritised sales and that the reps needed more sales training. A number of respondents felt they were reasonable at selling in new titles, but weaker on checking backlist. There was a general dissatisfaction with the level of feedback both in terms of general market information and on specific titles. There was concern about how priorities and targets were being set for the reps.

The Welsh language publishers were generally in favour of the Standing Order system, while the English language publishers regarded it as a blunt instrument for getting the right level of stocking into different types of outlet. Some publishers in both languages wanted to see sales development from the DC outside Wales.

Almost all publishers wanted to see a greater flexibility on terms so that special deals could be struck on individual titles with individual booksellers and were prepared to give more discount themselves to this end.

The larger publishers were ready to negotiate contracts, which might involve trading exclusivity (with certain exceptions) for better market information and more of an input into a more proactive selling service. They also endorsed the view that more of the professional publishing disciplines should be adopted by Welsh publishers – for instance in terms of the critical path for new publications.

Some of the English language publishers perceived a Welsh language bias within the sales organisation – or felt that it was simply better set up to deal with that part of the trade, even after the appointment of the English language books' Sales Executive.

Overall evaluation

In the written responses there was one Excellent rating for the representation service, two Goods and the rest spread between Satisfactory and Poor and two rated Very Unsatisfactory. This spread was broadly reflected in the face-to-face responses.

Evaluation of the Responses

The responses from both sides of the industry need to be seen both in proportion and in context. Some of the negative comments may be valid and the reasons for this are examined in more detail below. Others may stem from unrealistic expectations, misunderstandings and also lack of information.

Finally, as one publisher commented, ‘publishers always blame disappointing sales on the reps’.

Context

The impact of the very particular nature of the book market in Wales cannot be overemphasised. For the Welsh language books that make up two-thirds of the DC’s turnover the independent booksellers still have an enormous importance quite unlike the situation in the rest of the UK.

On the other hand Welsh publishing in English is a small part of the business both for the Welsh language independents and the general book trade (and especially the chains).

The DC is one of the top ten sources of supply for the book trade in Wales, but only because of its market leadership as a source of Welsh language books. It is currently a relatively small player in the English language market in Wales in comparison with the major English publishers and wholesalers. It is very important to recognise this current reality whilst still holding to the view that there is substantial opportunity for growth for Welsh publications in both languages in and beyond Wales.

Challenges and issues

In our estimation the challenges and issues highlighted by the research need to be addressed in an integrated way by Welsh publishers, booksellers and the WBC in its various functional roles from funding to selling and distribution.

- **Product:** in the final analysis, the best sales organisation cannot sell through books for which there is little demand or which compare badly in terms of quality of content, design and value with the competition. Much work has been done in recent years to improve the quality of Welsh language books to good effect. More work still needs to be done in that sector, but the greatest challenge must be to raise the commercial appeal of the English language publishing which faces a much more powerful competition for the consumer’s discretionary spend.
- **Publishing Disciplines:** the retail market, and especially the UK-based wholesalers, chains, direct-selling organisations and supermarkets, operates on the basis of effective systems and communication: a critical pathway of advanced information, bibliographic records, advanced jackets, firm publication dates etc. Unless these systems are followed then even the best new books will not sell in to their full potential. And unless inventory is properly managed there will either be overstocks or lost sales through titles going out of stock. Delivery dates for new titles at

critical times such as pre-Christmas must be adhered to. There are major implications here for publishers.

- **Marketing and Promotion:** there is a danger, especially with the smaller operations, that publishers lack the time, skills and money to support their books with adequate and effective marketing. The WBC is now in a position to provide more support in this area, but the prime responsibility must remain with the publishers themselves.
- **Selling:** it does appear to be the case that, given the number of titles carried, the number of accounts visited and the frequency of their call rate, the reps are hard-pressed to develop more pro-active selling strategies or devote time to backlist sales. These and related issues are addressed in more detail below.
- **Bookselling:** although there are excellent bookshops and dedicated booksellers in Wales, the sector as a whole is structurally quite weak, with too many small businesses constrained by lack of space and working capital and a relatively low level of investment in IT and the development of e-commerce. Here too the WBC is now in a position to provide more support in partnership with the book trade.
- **Partnership:** all the evidence suggests the need for the WBC to continue and extend its work in developing a partnership approach between all the stakeholders in the industry and this will require the regularisation of relationships through appropriate contractual arrangements and much improved information flows between all parties.

Some of these issues go beyond the remit of this report and some are contingent on increased and on-going funding from the Welsh Assembly Government, at least in the short to medium term. The following sections focus in particular on the operation of the sales representation service and related issues in terms of publisher and bookseller relations with the WBC.

3. Main Findings: Issues and Recommendations

1. The Issues

The process of our research threw up for review a considerable number and wide range of issues from across the full spectrum of stakeholders in the WBC, its Trade Representation service and its Distribution Centre. Many respondents raised similar issues but expressed in a slightly different way. The full range of issues raised is set out below, and each of them which we feel requires attention is addressed in one or more of the Recommendations which follow. The satisfactory resolution of each of these issues is a matter for the Welsh book publishing business in its totality – every part, from author through all the different functions of the publishing process, to sales, distribution and even the individual or institutional consumer has a part to play in bringing greater professionalism and market awareness to the process of Welsh publishing and distribution – whether in the Welsh or English language.

1.1 Issues of representation

- Size of territories
- Number and coverage of reps
- Frequency and duplication of rep calls
- Size of the lists to be presented
- Management structure
- Setting of targets by title and customer
- Experience and training of the sales organisation
- Selling/representation time per account
- Lack of backlist selling and promotion
- Division into representation and merchandising functions
- Mobile telephones, IT equipment, selling materials
- Remuneration

1.2 Issues of function/authority

- The reps present but do they have the time and skills to really sell?
- The reps are not empowered to do sales “deals”
- The reps can find themselves undercut by publishers supplying product direct, and via English and Welsh wholesalers
- There is a lack of a contractual relationship between the client publishers and the WBC as service provider. There is also a lack of a managed relationship with publishers, and to some extent, booksellers at a strategic level.

1.3 Issues of process/system

- Current apparent inability to supply the same title at different discounts to different customers
- Level of returns and returns policy, particularly for larger bookshops
- Over publishing in the Autumn (for the Xmas market)
- Lack of EDI (essential for Waterstones and becoming so for Ottakars)
- Lack of a sales and marketing “critical path” schedule for publishers to follow (in fact two critical paths may be necessary for Welsh and English language books)
- Value of the Standing Order system

1.4 Issues of information

- Inadequacy of provision, timeliness and presentation of selling information (publication dates, Advance Information, sales materials, bibliographic information)
- Inadequacy of stock supply information (to reps and through gwales.com web site)
- Lack of market data fed back by reps (in general, and title and customer specific)
- Lack of subscription sales data for publishers

1.5 Issues of sales training and experience

- Lack of backlist selling (whilst recognising the short life of some parts of the list and space limitations in some shops)
- Weakness in publisher involvement in pre-selling to the sales force
- Lack of some aspects of professional sales training for the reps
- Lack of professional publishing skills/training for some of the publishers

1.6 Issues of management

- Perceived separation between the selling and distribution operation and the marketing operation because of the separate locations
- Lack of customer care for the publishers as clients of the WBC representation service
- Weakness in aspects of sales and marketing leadership and management focus
- Weakness in publisher perception of the importance of their role inputting into the sales and marketing process

1.7 Issues of growth

- WBC not geared to supplying books to the English wholesale and retail market
- Insufficient weight behind the marketing of Welsh books published in English for the popular market
- The quality of published titles, especially funded English language titles, in terms of subject, content, design and marketing
- The difficulties of marketing, merchandising, selling and supply to non-traditional book outlets (e.g. Tesco, Tourist Information Centres)
- Demographic limitations in the Welsh language market
- Some publishers not sufficiently focussed on rights sales, an issue beyond this report

2. The Recommendations

The recommendations set out below are ways of addressing the issues raised in our research. Implementation should enable the WBC to develop its trade representation service to the benefit of authors, publishers, booksellers, institutions and individual consumers – present and future – but we recognize that implementation will make demands across the Welsh book industry which may be onerous and may not be easy to meet, at least in the short term. The proposals are drawn from our own sales, marketing and publishing management experience in the commercial world of UK and international publishing. We recognize also that there are particular issues of national cultural identity, bilingualism and politics that the WBC faces in providing its services and support in pursuit of its purposes of:

- stimulating interest in books in Welsh language books and Welsh books in English,
- promoting the book trade industry in Wales in all its aspects and co-ordinating the interests of authors, publishers, booksellers and libraries
- assisting and supporting authors.

It may not be possible, in this context, to implement all that we propose in the short term – but we make our recommendations in the belief that these changes are necessary both to enable the WBC to perform its mission and for the Welsh publishing and bookselling industry to become more effective and customer responsive in the 21st century.

2.1. Contractual sales and distribution relationship between the WBC and publishers

The relationship between publishers using the WBC Trade Representation service and DC and the WBC must be put on a sound contractual footing to

ensure that the rights and obligations of the publisher as customer and the WBC as service provider are clearly defined to their mutual benefit – and ultimately to those of authors, booksellers and their customers.

At present the trade representation service sells over 1100 new titles (and the number is growing) published in Wales each year (approx 600 Welsh language titles and 500 English language) to the entire range of shops selling books in Wales. The DC tries to provide a comprehensive stockholding and distribution service to Welsh publishers (and, in the manner of a wholesaler, it also buys in stock of Welsh interest publications from publishers elsewhere in the UK). Because the relationship is unregulated and not clearly defined it is open to abuse, misunderstanding, misinterpretation and, consequently, dissatisfaction.

We believe, on the basis of observation of current arrangements and discussions with publishers and booksellers, that the WBC should be offering three levels of service: Gold, Silver and Bronze.

Bronze service. This service would not be subject to a contract as it conforms to and fulfils an established trading model in use for the distribution of all types of products around the world. It should be a straightforward wholesaling service in which the WBC DC buys stock from publishers for onward sale to retailers on terms fixed by the WBC.

The benefit to the publishers is that the sale of stock, although subject to normal UK book trade terms and conditions – including agreed rights to return – would:

- be non-exclusive (leaving the publisher free to sell to other customers in the same market)
- be effectively “firm” and at an agreed discount (55% - or higher)
- provide for full payment after a negotiated term of credit
- put full responsibility for the management and costs of returns in the hands of the DC.

The benefit to the DC would be that it would:

- only buy titles that it believed it could sell and in appropriate quantities
- only have to present and sell the titles to those accounts with, in its view, an appropriate market
- own the stock and would be free to sell it on the terms most likely to achieve the sales it required
- re-order in quantities to suit its order pattern and requirements.

Typically (but not necessarily) this model would be applied to the purchase of books published outside Wales and is pretty much the model in current use by the DC for stock bought in from publishers based in England, Scotland and elsewhere.

Silver service. This service, which, like the Bronze service would be non-exclusive, would be subject to a contract imposing rights and obligations on both parties. It would only be available to Welsh publishers.

The additional benefits to publishers would be that:

- the WBC would contract to represent to the full range of the Welsh book trade titles produced by the publisher
- it would be a non-exclusive contract allowing publishers to sell to other Welsh accounts themselves
- the WBC would contract to provide the publisher with general market information and feedback in the form of a monthly market report from sales management
- publishers' stock would be held at the DC on a consignment basis and would be paid for as and when sold – as under the present transfer system (see Gold below)

The additional benefits to the WBC would be that:

- the publishers would contract to follow a basic minimum and market appropriate “critical path” schedule for the supply of bibliographic and advance title information and publication dates
- the WBC would have the right to delay the selling and distribution of titles that failed to meet critical path schedule requirements. If this is not practical, it should be made clear that such titles (i.e., with inadequate advance sales or marketing information or late deliveries) would not be prioritised by the sales team.
- the WBC, through the trade representation service and the DC, would have freedom to negotiate additional discounts for special promotions (see Gold below)
- the publisher would be responsible for the financial cost of returned stock accepted for credit
- the DC would buy the stock from publishers at a higher discount than under present arrangements (this would need to be negotiated, but we anticipate that a discount of 50% would be needed).

Gold service. This would be the standard full service offered by the WBC through its trade representation service and DC.

The service would offer contracting Welsh publishers:

- guaranteed stocking and storage of an agreed minimum quantity of every title published – both in the year of publication and for the active life of the title

- a transfer/consignment system, as at present, whereby the publisher owns the stock in the DC and is paid for it in full 30 days after the end of the month in which it is sold – without responsibility for the order servicing and distribution costs, cash collection or bad debts, and at a discount of only 45%. In particular circumstances in which the publisher and the WBC jointly agree to offer the retail trade an additional discount as part of a promotion, the cost of that extra discount will be passed on to the publisher in order to preserve the DC's required trading margin
- a full trade sales representative service to all Welsh bookselling accounts
- general market and specific title and customer information and feedback
- additional empowerment of the sales team to enable them to agree special deals within strict parameters agreed between the publishers and sales management
- an extension of the WBC distribution service into the English and Scottish market sold to and supplied by English wholesalers
- proactive publisher/supplier relationship management and services such as training in “critical path” schedule adherence and sales and marketing for publishers.

In return Welsh publishers would agree, as a contractual commitment, that:

- the WBC DC would be their exclusive distributor in Wales – other than for agreed exceptions (such as publisher-branded spinners placed and serviced/merchandised by the publisher themselves; these would generally be restricted to tourist and cultural outlets and not bookshops) – and non-exclusive outside Wales
- they would support the WBC sales and distribution initiative to the English and Scottish markets through giving the additional discount necessary to supply stock to UK wholesalers
- they would endeavour to adhere to the market-appropriate (i.e. differentiated according to Welsh market requirements which would be different for books published in Welsh and English) “critical path” schedule adopted by the WBC for the supply of bibliographic and advance title information, cover proofs or roughs (from which the WBC would be able to make colour copies), publication dates and other “selling-in” requirements including the delivery of stock
- they would attend bi-annual sales conferences to present their seasonal lists
- they would accept that failure to deliver essential sales and marketing materials to schedule (within reasonable tolerances) will result in titles *either* being moved back to a later month in the WBC publishing programme *or* stocked and distributed, but not fully sales-supported by the reps.

Returns Policy: the WBC DC returns policy should be as follows:

Booksellers may return, for credit to their account but at their cost, goods supplied by the DC subject to the following conditions:

the books shall be in good condition – such that they are re-saleable at the publisher’s full recommended retail price

the books shall not be returned earlier than 3 months nor later than 12 months after delivery, subject to any further provisions of the “UK book industry returns initiative”.

Discounts: we recommend that a minimum level of discount to the retail trade is set as follows:

25% for educational, academic or other highly specialised titles

33.3% for general publishing titles.

Extra discount should be offered to retail customers either to support a particular title, promotion or marketing theme, or as an incentive to increase sales. However, given the nature of the WBC service to publishers, differential discounting between represented publishers across the range of represented titles should not be part of the service offer – except for particular stock clearance or similar initiatives.

2.2. Management and Organisation of the Trade Representation service

Management

In order to maximise potential and respond to the major challenges facing the book trade over the coming years we recommend the creation of a new post of Head of Sales and Marketing. This position should be filled, ideally, by someone with UK-wide book trade sales and marketing experience and should be responsible for the strategic leadership of the Sales and Marketing functions within WBC. The position should parallel that of the Head of Distribution – both reporting to Arwyn Roderick, Head of Finance and Operations.

In addition to the strategic management of the sales and marketing departments and their activities, this position would be responsible for the development of, and positive interaction in, the strategic management of the relationship with publisher clients of both the Gold and Silver services provided by the WBC. This would also encompass the training of publishers to meet the sales and marketing needs of the trade representation service (and their adherence to it) and the strategic management of the relationship between the WBC and bookshop customers. It would also include responsibility for driving the expansion of Welsh

published books (particularly those written in English) into growth markets in Wales (such as the major bookshop chains, supermarkets and tourist-focussed outlets) and the English and Scottish markets via the English wholesalers. The position would be supported by a Senior Sales Executive/Sales Manager and a Marketing Manager.

Representation

Through redeployment of existing staff the representative team, reporting to the Senior Sales Executive/Sales Manager, should be re-organised back into its original configuration and the Welsh market re-divided into three, more manageable geographic territories each covering independent bookshops, chain stores with a limited number of shops in Wales and other outlets that are not part of multiple outlet businesses requiring merchandising. The reps covering the three territories would be responsible for selling both Welsh and English language publishing from Welsh publishers contracted to the WBC. This arrangement should allow more effective management of accounts and call-rates and enable the reps to give full, prioritised attention to front and backlist in both languages. It will also give the reps a mixed portfolio of types of customer and avoid or, at least reduce, duplication of calls.

In the immediate future there will need to be a compromise, which recognises the language and other skills of the existing staff and puts them to optimum use, but some benefits should be realised for both the customers and the reps right away.

Merchandising

The merchandising service to W.H.Smith and Tesco is both an important part of the wider service that the WBC should be offering in order to reach a wider audience, and an important vehicle for growth although it must be recognised that the range of books stocked in such outlets will be within a very limited range. It is instructive to note the particular success of Welsh language children's books through these mass market outlets. Stocking a range of books in these outlets enables consumers who might not otherwise be book buyers to see and choose books as part of their everyday life – rather than through making a special visit to a bookshop. The market power of these outlets is such that publishers and distributors have to meet them on their terms – and if the relationship is to be successful that includes managing the stock in the shops at times to suit the retailer (something that is almost impossible to reconcile with a trade rep's pre-planned schedule of bookshop visits). The existing structure includes a successful full-time merchandiser for the WBC, and we recommend that that continues using current staffing. Should the staffing situation change, management should consider dividing the role on a geographic basis between two or more part-time, regional merchandisers, depending on the number of outlets being serviced.

LPW sales executive

This position, which was created as an Arts Council initiative, has been important for building sales of more literary Welsh publishing in English. However the demand for that specialist service has been weakened by the departure of one publisher from the consortium and by the increase in the amount of English language publishing by other Welsh publishers – total output of new English language titles has risen by 20% since 2001. In addition, with the extension of the WBC's remit, the focus that it must now give to the publication of Welsh writing in English will lead to the broadening of the range (as well as the number) of books published in the language to encompass more popular books with the potential to reach a wider market. In these circumstances it must be right, over time, to move from the present situation of one specialist English language rep and two full trade reps to a situation where each of the three representatives carries the full range of Welsh and English language publishing contracted by the WBC in their respective territories.

We recommend that the arrangement with LPW should not be renewed in September and that a partial reconfiguration of territories and responsibilities be put in hand (see above).

Training

The reps should be given regular training and refresher courses – on sales techniques, market information analysis and reporting techniques and publisher front and backlists (defined in this instance as books that are continuing to sell or have real potential to sell after the initial year of publication) as part of the bi-annual sales conference programmes. There should be special training on particular issues, such as the selling of academic titles or high price books. Given the very competitive nature of the English language retail book market, the staff of the Sales and Marketing department will need specific and more advanced training in sales techniques and in the creation and provision of market-appropriate sales and marketing materials.

Training and a set of rules and agreed parameters should be put in place to enable the sales team to offer additional discount to their customers in particular circumstances, pre-approved by sales management, which may lead to a larger subscription order or the faster sale of slow-selling stock (see also below).

Appropriate higher-level sales management and marketing training courses should be identified for the in-house sales and marketing staff.

Bookseller account management

The rep calling cycle should be reviewed and adjusted to accommodate the need for more focussed, cost-effective and market-aware selling with more time for

accounts with growth potential and for backlist selling. The current programme under which most accounts are visited on a 4-6 week cycle is more than the size of revenue from many of those accounts can justify. At present inefficiencies in the supply of title advance information and publishing schedules by publishers are being compensated for by the (expensive) frequency of rep bookshop calling. The essential improvements in the supply of timely, seasonal new title and publication information through publisher attention to the critical path schedule will enable the reps to sell titles further along the publishing schedule and be more effective in selling without the need for such frequent visiting.

There will be a process of targeting by rep territory, by key titles and by key customers and performance against target will be regularly reviewed. Whilst the principle of comprehensive representation in terms of both titles and customers should be maintained, there will be a sharper setting of priorities

Telesales and e-mail selling will be largely an enhancement to face-to-face selling, but may replace some calls where these are over-frequent either in terms of customer requirements or the size of the account.

Remuneration

The reps salaries are broadly in line with comparable regional sales salaries in England and Scotland, and their bonus scheme, set on the achievement of sales targets based on historic performance comparison, is one widely used elsewhere. Both components of their remuneration package should be reviewed regularly against industry comparators. The provision of appropriate tools for the job of selling for the reps should be reviewed. They should have mobile phones with in-car hands-free facility and appropriate access to computers and printers provided for them as necessary tools of the trade.

Reps performance should be discussed in an annual appraisal (a system which is already in place) but this should look at a basket of factors such as quality of feedback, marketing initiatives, managed reduction of returns etc as well as sales growth.

2.3. Changes to the operation of the Distribution Centre

The specialist Welsh language booksellers seem largely satisfied with the day-to-day working of the DC— as do other booksellers who have spent time developing a good working relationship with the DC management. However, it was noticeable that some of the strongest criticisms of the service came from chain booksellers used to very bookseller-responsive customer service. The DC appears to be less customer service focussed in its approach to its function than the successful English wholesalers, who are slowly encroaching into the Welsh market, and this will, over time, be to its cost. If it is to grow and expand its service offering the DC must become more pro-active in its customer service.

The DC must also be more proactive in its account management and go out to its customers to find ways of giving them more and better information and service. This is an approach that should be led by the Senior Sales Executive in collaboration with the DC management.

Returns

As part of the change in culture which must come from the new contracts and re-organisation being proposed the DC should take a tougher line on the one aspect of returns which is contrary to established book trade practice – namely refunding booksellers for the cost of returning stock to the warehouse. In addition the DC and publishers may have to be more flexible in their evaluation of what constitutes damaged stock.

The Standing Order system

This is an important and focussed part of the marketing service offered by WBC. It enables selected and subscribing bookshops to receive automatically on publication a pre-determined number of copies of each book published by Welsh publishers and to use what are, in effect, selling samples either as immediate bookshop stock, or as samples on which to make a buying decision, or as samples to circulate to their library or school customers. The service provides added value to Welsh booksellers, which is very much in line with the purposes and mission of the WBC. It provides competitive advantage and enables smaller booksellers to carry a wider range of stock than they might otherwise be able or choose to and more entrepreneurial booksellers to market their business to a wider range of customers. Booksellers have the option of retaining and paying for the standing order stock or returning it to the DC.

The standing order service should be maintained, but it should be made much more selective. Quantities should be adjusted to match historical performance and a system to send out titles selectively should be considered. However, membership of the scheme must be reviewed annually in line with usage and returns – and with an eye to the possible inclusion of new members of the scheme who may be able to benefit from the wider marketing and sales opportunities that the scheme provides. A system for monitoring returns from the Standing Order system will need to be devised by the DC.

Variable discounts

At present the DC does not have the systems to allow different discounts to be given for the same title to different customers. This is inhibiting sales flexibility and potential revenue growth. This situation needs careful review to see whether there are ways that such a facility can be introduced without substantial additional investment.

Building bookseller accounts

The management and development of retail will need to be addressed at all levels in the sales structure from the Head of Sales and Marketing at a strategic level through the Senior Sales Executive to the reps – all in collaboration with the DC management.

In the case of the small independent bookshops, consideration should be given to introducing incentive extra discounts in order to develop their bookselling business and to increase stockholding. As a return for the extra discount, there should be an agreement on retention of stock (for a period to be agreed) and on returns, including the cost of returns.

This is relevant to the comments on the weakness of infrastructure referred to on p18. We also note that a recommendation to this effect was included in the Joint Marketing Strategy prepared by the trade and presented to the Welsh Assembly Government in 2003.

IT

It is essential that the DC set up its IT systems to accommodate EDI– this is already underway and will be available in the near future. It must also sharpen up publisher information flows on stock availability and endeavour to further develop the *gwales.com* service so that it supplies real-time stock information to customers using the service to place orders.

On-going investment in improving *gwales.com* for both trade accounts and consumers (including those in the rest of the UK and abroad) should continue to be a priority.

We see this as essential if the DC is to remain competitive with the major publishing groups and national wholesalers (and indeed if it is to continue to trade at all with certain key customers). We recognise that there will be a significant cost, but would argue that there is an unanswerable argument for special funding in this area.

2.4. Publishing strategy

The Welsh Books Council will have an opportunity within the context of its enhanced position as a funding organisation and in the more pro-active relationship with Welsh publishers, which should result from the previous recommendations, to continue to nurture and raise the quality of publishing in Wales. This will not only have positive effects in terms of sales through the Distribution Centre. It will increase the potential for sales of these books elsewhere in the UK and in other markets, either as exports or through the licensing of rights, which will fulfil important parts of both the cultural and commercial agendas of the WBC.

Appendix I: Contracts

This report has proposed three levels of service agreement between the Welsh Books Council's Distribution Centre and its publisher suppliers – Gold, Silver and Bronze, which are described in detail on pp 29-32. The following are draft agreements to cover the Gold and Silver Services. The Bronze Service will operate on the basis of the wholesaling terms and conditions already used by the Distribution Centre.

1. Gold Service Contract

This agreement is made between the Welsh Books Council, Castell Brychan, Aberystwyth, Ceredigion (hereafter known as the Council) and _____ (hereafter known as the Publisher) for the selling and distribution of publications within Wales.

I DEFINITIONS

- a) 'Goods' means any products, books, publications (including any instalments of the goods and any goods of other organisations for whom the Publisher may be acting as agent) which the Publisher is to supply in accordance with the terms and conditions hereof.
- b) 'Carrier' means the carrier appointed by the Publisher to deliver the goods to the Council.
- c) 'Transfer' defines an agreement whereby goods are supplied to the Council by the Publisher accompanied by a delivery note but are not invoiced by the Publisher until notified of their sale by the Council, an arrangement referred to as 'on consignment'.
- d) 'Terms' means the standard terms and conditions of sale set out in the document and/or re-issued or revised by the Publisher or the Welsh Books Council from time to time and includes any special terms and conditions agreed in writing between both the Publisher and the Council.
- e) 'Contract' means the contract for the supplying and sale of the goods.
- f) 'Written' includes letters, faxes, electronic mail and other comparable means of communication.

II PERIOD OF AGREEMENT

This agreement shall commence on 1st XXXXXX 200X and shall continue for an initial period of three years. If renewed, the Agreement will continue until

terminated by either the Council or the Publisher giving to the other not less than six months written notice to terminate.

III DISTRIBUTION ACCOUNTS AND TERMS

The Publisher agrees that the Council's Distribution Centre shall provide an exclusive service for the sales and distribution of its publications in Wales and a non-exclusive service elsewhere. Any exceptions to exclusivity (e.g. merchandising arrangements that cannot be serviced by the Council) will be reported to and agreed with the Council. Unless agreed in advance between the parties the Publisher will not sell stock of its titles to bookshops where the WBC representatives have a current and ongoing sales relationship and undertakes to route all sales orders for titles represented by the WBC through the WBC.

The Council will provide a full trade representation service for all the Publisher's publications in Wales and endeavour to develop sales elsewhere in the UK and export markets. The Publisher will endeavour to develop new accounts for the WBC distribution centre in Wales and elsewhere.

The Council will provide the Publisher with a monthly report containing commercially sensitive and detailed sales information in relation to all the accounts it services on behalf of the Publisher, sales information on all new titles and key backlist titles, a dues report on forthcoming and out-of-stock titles, and a short general market report analysing such issues as market trends in relation to product sectors, pricing, competitive activity and marketing opportunities and successes where relevant in that month.

The current exceptions to the agreement to exclusive supply are as follows:

IV SUPPLY OF STOCK

The Council reserves the right to have final discretion over the titles held and stock levels. However, there will be guaranteed stocking and storage of an agreed minimum of every title published by the Publisher in the year of publication and for the active life of the title.

The Publisher will supply the Council with goods on a 'transfer' basis and will deliver to ordering customers within two working days of receiving orders. Delivery notes will accompany each delivery. The information in the delivery notes should include the number of titles, ISBNs, full title of publication, price and correct discount codes. New titles will be supplied immediately they become available. The Council shall re-order stocks as required.

If the Publisher delays delivery to the Council's distribution centre but delivers to other agreed outlets, the Council reserves the right to take an additional discount of 2.5% on the sales of the title throughout the life span of that particular title.

Products will be sold at a price specified by the Publisher who shall be under a duty of care to inform the Council in writing of any price changes and shall be

liable if they do not. The Council will be liable if notifications of price changes are received but not implemented.

The Council will not accept returns from a bookshop that has been supplied directly from the Publisher or another supplier.

V ADVANCE INFORMATION

The Publisher shall inform the Council in good time of new publications and shall furnish ISBNs, advance jackets/jacket proofs, publication dates, Advance Information Sheets and other relevant marketing material according to the agreed publishing critical path schedule defined by the Council. Changes in bibliographical information and publication dates will be notified by the Publisher to the Council within 48 hours.

If the Publisher does not adhere to the critical path schedule, the titles concerned may *either* be moved back in the selling cycle *or* stocked and distributed but not prioritised in the representative's sales presentations.

The Publisher will supply appropriate materials for the bi-annual sales conferences and will attend all sales conferences in order to present forthcoming titles to the sales and marketing team

VI PAYMENTS

A Stock Movement Report containing details of the previous month's sales will be issued to the Publisher before the end of the first week of the following month and VAT invoices and credit notes will be issued to the Council by the Publisher on the basis of information contained within the reports. Discrepancies should be reported by the Publisher to the Council's Head of Finance before the issuing of invoices and credit notes, otherwise it is understood that the Publisher has accepted that all information is correct. Payments will be made by the Council to the Publisher within 30 days of publisher's invoice.

VII DISCOUNT ALLOWED

The Publisher will supply the Council at wholesale terms of 45% where the normal retail terms are 35% (inclusive of 2.5% settlement discount). If any other retail terms are used the wholesale terms will be such that the Council is left with a surplus of 15.385% of the net price after retail discount.

The Council and the Publisher will work together to build sales in existing accounts and to identify and develop new outlets or market opportunities for the Publisher's products.

The Council and the Publisher may agree additional discounts for retail customers in the case of special promotions and the Council will, in these cases, receive an appropriate additional discount from the Publisher.

The Publisher will support initiatives by the Council to extend the sales of its books through UK wholesalers and other agreed customers by giving an appropriate extra discount to the Council.

The Council reserves the right to claim an extra 2.5% discount if titles are not delivered in a saleable condition, i.e. without bar-codes or incorrect or illegible bar-codes.

Where, with the agreement of the WBC, the Publisher supplies other agreed retail outlets the Publisher undertakes that the invoiced discount levels will be no more favourable than those granted by the Distribution Centre.

VIII CARE OF STOCK

As from the Commencement Date and throughout the period of the Agreement the Council undertakes to provide clean and dry warehousing facilities at its premises for sufficient quantities of various titles.

The Council will also maintain a fully computerised fulfilment system which will cover the entire order processing cycle from receipt of order to banking of cash, raising invoices, packing and despatch in respect of all orders for products of the Publisher, including the recording of dues and reporting of sales information, on a monthly basis. The Council shall administer terms of trade according to criteria set by the Publisher and which may be reviewed by the Publisher at any time in a careful and responsible manner. The Council shall also pursue bad debts and the Council retains the right of recovery for any unpaid invoices. Any financial losses as a result of bad debts will be borne by the Council although some outlets facing financial difficulties may return books for credit, which will have a net effect on current sales. As soon as goods are invoiced to a customer they become the property of the Council until paid for by the customer.

IX OWNERSHIP OF STOCK

The goods shall remain the property of the Publisher while within the Distribution Centre of the Council and the Publisher will make its own arrangements to ensure adequate insurance cover.

Should the Publisher go into receivership the Council reserves the right to lien to the value of 2% of the retail value of the stock.

The Publisher will allow the Council to take up to seven *gratis* copies of new titles from stock for its own purposes, and further copies by arrangement.

X DELIVERY AND RETURN OF GOODS

The Publisher will be responsible for carriage of goods to the Council although the Council may collect at its discretion. If the Council does collect goods from the Publisher the Council will be responsible for the stock as soon as it is loaded on the Council's delivery van. Council will be responsible for the carriage of

returns to the publisher– unless the Publisher requests specific returns in which case the Publisher will be responsible for carriage costs, unless these requests are as a result of excessive ordering whereby the Council will be responsible for carriage costs. The Council will be liable for damage or loss whilst in transit from the Council to the Publisher or to its customers.

All packages, cases etc. delivered by carrier or collected by the Council's delivery van to the Council, will be examined upon receipt in the presence of the carrier. Where a delivery of goods differs from that specified on the delivery note or appears to have been tampered with or damaged, this will be recorded on the carrier's delivery sheet, and written notification made to the publisher and the carrier within 48 hours. Where packages appear to be in satisfactory condition a clear signature will be given. The contents will be unpacked and checked immediately and again discrepancies or damage reported to the Publisher in writing within 24 hours.

XI RETURNS FROM BOOKSHOPS

While the Council will endeavour to ensure that bookshops return any unsold copies in re-saleable condition, the Publisher undertakes to accept financial responsibility for any books returned from bookshops including those that are not in a good enough condition to re-sell. These will be returned to the Publisher along with other faulty books, every quarter.

XII CONFIDENTIALITY

Neither the Council nor the Publisher, during the existence of this Agreement, nor after its termination, shall disclose directly or indirectly to any company, firm nor person, the contents of neither this Agreement nor any confidential information acquired during the terms of this Agreement.

XIII STOCK-TAKE

The Council shall undertake one physical stock-take each year and transmit the reports to the publisher within thirty days of the stock-take. The Council shall be liable for any net shortages of stocks at no more than the net realisable value to the Publisher.

The Publisher, having given reasonable notice, may be allowed to inspect stock and undertake its own stock-take if necessary and at its own expense and at times reasonable to the Council.

XIV TERMINATION

- a) This agreement shall terminate forthwith if either party shall be declared insolvent or shall cease to trade.
- b) The Council may terminate this Agreement:

- i) forthwith by notice to the Publisher if the Publisher ceases to carry on its business or substantially the whole of its business or threaten to carry on the same (otherwise than for the purpose of reconstruction or amalgamation) or shall sell or otherwise dispose of (whether by one transaction or two or more transactions whether related or not) the whole or a substantial part of its undertaking or assets except with the previous consent in writing of the Council.
 - ii) forthwith by notice to the Publisher if the Publisher shall commit a material breach of the terms of this Agreement and if capable of being remedied such breach is not remedied within a period of thirty days from receipt of a written notice from the Council to do so.
- c) The Publisher may terminate this Agreement:
- i) forthwith by notice to the Council if the Council shall cease to carry on its business or substantially the whole of its business or threaten to cease to carry the same (otherwise than for the purpose of reconstruction or amalgamation) or shall sell or otherwise dispose of (whether by one transaction or two or more transactions whether related or not) the whole or a substantial part of its undertaking or assets except with the previous consent in writing of the Publisher.
 - ii) forthwith by notice to the Council if the Council shall commit a material breach of the terms of this Agreement and if capable of being remedied such breach is not remedied within a period of thirty days from receipt of a written notice from the Publisher to do so.
 - iii) at its own discretion, by notice of not less than six calendar months to the Council.
- d) In the event of the Agreement being terminated by either party, the Council shall undertake a stock check as at the date of termination and shall be liable for any shortages of stock at the unit cost of any such missing stock; and the Council shall, within 30 days of the date of termination, pack all stocks remaining in the Council's Distribution Centre in a suitable and proper manner and within 30 days of the date of termination insure, despatch and deliver such Goods to any address specified by the publisher.
- e) In the event of this Agreement being terminated by the Publisher for any reason whatsoever, the Publisher shall be liable for the actual cost of the packing and delivery of its stock held at the Distribution Centre.
- f) In the event of this Agreement being terminated, all orders and enquiries received by the Council shall be forwarded to the Publisher for a minimum period of 180 days from the date of termination.

Signed
 On behalf of the Welsh Books Council

Date

Signed
 On behalf of

Date

2. The Silver Service Contract

This agreement is made between the Welsh Books Council, Castell Brychan, Aberystwyth, Ceredigion (hereafter known as the Council) and (hereafter known as the Publisher) for the selling and distribution of publications within Wales.

I DEFINITIONS

- a) 'Goods' means any products, books, publications (including any instalments of the goods and any goods of other organisations for whom the Publisher may be acting as agent) which the Publisher is to supply in accordance with the terms and conditions hereof.
- b) 'Carrier' means the carrier appointed by the Publisher to deliver the goods to the Council.
- c) 'Transfer' defines an agreement whereby goods are supplied to the Council by the Publisher accompanied by a delivery note but are not invoiced by the Publisher until notified of their sale by the Council, an arrangement referred to as 'on consignment'.
- d) 'Terms' means the standard terms and conditions of sale set out in the document and/or re-issued or revised by the Publisher or the Welsh Books Council from time to time and includes any special terms and conditions agreed in writing between both the Publisher and the Council.
- e) 'Contract' means the contract for the supplying and sale of the goods.
- f) 'Written' includes letters, faxes, electronic mail and other comparable means of communication.

II PERIOD OF AGREEMENT

This agreement shall commence on 1st XXXXXX 200X and shall continue for an initial period of three years. If renewed, the Agreement will continue until terminated by either the Council or the Publisher giving to the other not less than six months written notice to terminate.

III DISTRIBUTION ACCOUNTS AND TERMS

The Publisher agrees that the Council's Distribution Centre shall provide a non-exclusive service for the sales and distribution of its publications in Wales and elsewhere. Any exceptions to exclusivity in Wales will be pre-established with the Council. Unless agreed in advance between the parties the Publisher will not sell stock of its titles to the agreed list of bookshops in Wales where the WBC representatives have a current and ongoing sales relationship and undertake to route all such sales orders for titles represented by the WBC through the WBC.

The Council will provide a trade representation service for all the Publisher's publications in Wales to the agreed retailers and endeavour to develop sales elsewhere in the UK and export markets. The Publisher will endeavour to develop new accounts for the WBC distribution centre in Wales and elsewhere.

The Council will provide the Publisher with a short monthly general market report analysing such issues as market trends in relation to product sectors, pricing, competitive activity and marketing opportunities and successes in Wales where relevant in that month.

The current exceptions to the agreement to exclusive supply in Wales are as follows:

IV SUPPLY OF STOCK

The Council reserves the right to have final discretion over the titles held and stock levels. However, there will be guaranteed stocking and storage of an agreed minimum of every title published by the Publisher in the year of publication and for the active life of the title.

The Publisher will supply the Council with goods on a 'transfer' basis and will deliver within two working days of receiving orders. Delivery notes will accompany each delivery. The information in the delivery notes should include the number of titles, ISBNs, full title of publication, price and correct discount codes. New titles will be supplied immediately they become available. The Council shall re-order stocks as required.

If the Publisher delays delivery to the Council's distribution centre, but delivers to other agreed outlets, the Council reserves the right to take an additional discount of 2.5% on the sales of the title throughout the life span of that particular title.

Products will be sold at a price specified by the Publisher who shall be under a duty of care to inform the Council in writing of any price changes and shall be liable if they do not. The Council will be liable if notifications of price changes are received but not implemented.

The Council will not accept returns from a bookshop that has been supplied directly from the Publisher or another supplier.

V ADVANCE INFORMATION

The Publisher shall inform the Council in good time of new publications and shall furnish ISBNs, advance jackets/jacket proofs, publication dates, Advance Information Sheets and other relevant marketing material according to the agreed publishing critical path schedule defined by the Council. Changes in bibliographical information and publication dates will be notified by the Publisher to the Council within 48 hours.

If the Publisher does not adhere to the critical path schedule, the titles concerned may *either* be moved back in the selling cycle *or* stocked and distributed but not prioritised in the representative's sales presentations.

The Publisher will supply appropriate materials for the bi-annual sales conferences and will endeavour to attend the conferences to present the forthcoming seasonal programme to the sales and marketing teams.

VI PAYMENTS

A Stock Movement Report containing details of the previous month's sales will be issued to the Publisher before the end of the first week of the following month and VAT invoices and credit notes will be issued to the Council by the Publisher on the basis of information contained within the reports. Discrepancies should be reported by the Publisher to the Council's Head of Finance before the issuing of invoices and credit notes, otherwise it is understood that the Publisher has accepted that all information is correct. Payments will be made by the Council to the Publisher within 30 days of publisher's invoice.

VII DISCOUNT ALLOWED

The Publisher will supply the Council at wholesale terms of 50% where the normal retail terms are 35% (inclusive of 2.5% settlement discount). If any other retail terms are used the wholesale terms will be such that the Council is left with the same percentage of the net price after retail discount.

The Council and the Publisher will work together to build sales in existing accounts and to identify and develop new outlets or market opportunities for the Publisher's products.

The Council and the Publisher may agree additional discounts for retail customers in the case of special promotions and the Council will, in these cases, receive an appropriate additional discount from the Publisher.

The Publisher will support initiatives by the Council to extend the sales of its books through UK wholesalers and other agreed customers by giving an appropriate extra discount to the Council.

The Council reserves the right to claim an extra 2.5% discount if titles are not delivered in a saleable condition, i.e. without bar-codes or incorrect or illegible bar-codes.

Where, with the agreement of the Council, the Publisher supplies other agreed retail outlets the Publisher undertakes that the invoiced discount levels will be no more favourable than those granted by the Distribution Centre.

VIII CARE OF STOCK

As from the Commencement Date and throughout the period of the Agreement the Council undertakes to provide clean and dry warehousing facilities at its premises for sufficient quantities of various titles.

The Council will also maintain a fully computerised fulfilment system which will cover the entire order processing cycle from receipt of order to banking of cash, raising invoices, packing and despatch in respect of all orders for products of the Publisher, including the recording of dues and reporting of sales information, on a monthly basis. The Council shall administer terms of trade according to criteria set by the Publisher and which may be reviewed by the Publisher at any time in a careful and responsible manner. The Council shall also pursue bad debts and the Council retains the right of recovery for any unpaid invoices. Any financial losses as a result of bad debts will be borne by the Council although some outlets facing financial difficulties may return books for credit, which will have a net effect on current sales. As soon as goods are invoiced to a customer they become the property of the Council until paid for by the customer.

IX OWNERSHIP OF STOCK

The goods shall remain the property of the Publisher while within the Distribution Centre of the Council and the Publisher will make its own arrangements to ensure adequate insurance cover.

Should the Publisher go into receivership the Council reserves the right to lien to the value of 2% of the retail value of the stock.

The Publisher will allow the Council to take up to seven *gratis* copies of new titles from stock for its own purposes, and further copies by arrangement.

X DELIVERY AND RETURN OF GOODS

The Publisher will be responsible for carriage of goods to the Council although the Council may collect at its discretion. If the Council does collect goods from the Publisher the Council will be responsible for the stock as soon as it is loaded on the Council's delivery van. Council will be responsible for the carriage of returns to the publisher— unless the Publisher requests specific returns in which case the Publisher will be responsible for carriage costs, unless these requests are as a result of excessive ordering whereby the Council will be responsible for carriage costs. The Council will be liable for damage or loss whilst in transit from the Council to the Publisher or to its customers.

All packages, cases etc. delivered by carrier or collected by the Council's delivery van to the Council, will be examined upon receipt in the presence of the carrier. Where a delivery of goods differs from that specified on the delivery note or appears to have been tampered with or damaged, this will be recorded on the carrier's delivery sheet, and written notification made to the publisher and the carrier within 48 hours. Where packages appear to be in satisfactory condition a

clear signature will be given. The contents will be unpacked and checked immediately and again discrepancies or damage reported to the Publisher in writing within 24 hours.

XI RETURNS FROM BOOKSHOPS

While the Council will endeavour to ensure that bookshops return any unsold copies in re-saleable condition, the Publisher undertakes to accept financial responsibility for any books returned from bookshops including those that are not in a good enough condition to re-sell. These will be returned to the Publisher along with other faulty books, every quarter.

XII CONFIDENTIALITY

Neither the Council nor the Publisher, during the existence of this Agreement, nor after its termination, shall disclose directly or indirectly to any company, firm nor person, the contents of neither this Agreement nor any confidential information acquired during the terms of this Agreement.

XIII STOCK-TAKE

The Council shall undertake one physical stock-take each year and transmit the reports to the publisher within thirty days of the stock-take. The Council shall be liable for any net shortages of stocks at no more than the net realisable value to the Publisher.

The Publisher, having given reasonable notice, may be allowed to inspect stock and undertake its own stock-take if necessary and at its own expense and at times reasonable to the Council.

XIV TERMINATION

- a) This agreement shall terminate forthwith if either party shall be declared insolvent or shall cease to trade.
- b) The Council may terminate this Agreement:
 - i) forthwith by notice to the Publisher if the Publisher ceases to carry on its business or substantially the whole of its business or threaten to carry on the same (otherwise than for the purpose of reconstruction or amalgamation) or shall sell or otherwise dispose of (whether by one transaction or two or more transactions whether related or not) the whole or a substantial part of its undertaking or assets except with the previous consent in writing of the Council.
 - ii) forthwith by notice to the Publisher if the Publisher shall commit a material breach of the terms of this Agreement and if capable of being

remedied such breach is not remedied within a period of thirty days from receipt of a written notice from the Council to do so.

- c) The Publisher may terminate this Agreement:
 - i) forthwith by notice to the Council if the Council shall cease to carry on its business or substantially the whole of its business or threaten to cease to carry the same (otherwise than for the purpose of reconstruction or amalgamation) or shall sell or otherwise dispose of (whether by one transaction or two or more transactions whether related or not) the whole or a substantial part of its undertaking or assets except with the previous consent in writing of the Publisher.
 - ii) forthwith by notice to the Council if the Council shall commit a material breach of the terms of this Agreement and if capable of being remedied such breach is not remedied within a period of thirty days from receipt of a written notice from the Publisher to do so.
 - iii) at its own discretion, by notice of not less than six calendar months to the Council.
- d) In the event of the Agreement being terminated by either party, the Council shall undertake a stock check as at the date of termination and shall be liable for any shortages of stock at the unit cost of any such missing stock; and the Council shall, within 30 days of the date of termination, pack all stocks remaining in the Council's Distribution Centre in a suitable and proper manner and within 30 days of the date of termination insure, despatch and deliver such Goods to any address specified by the publisher.
- e) In the event of this Agreement being terminated by the Publisher for any reason whatsoever, the Publisher shall be liable for the actual cost of the packing and delivery of its stock held at the Distribution Centre.
- f) In the event of this Agreement being terminated, all orders and enquiries received by the Council shall be forwarded to the Publisher for a minimum period of 180 days from the date of termination.

Signed
On behalf of the Welsh Books Council

Date

Signed
On behalf of

Date

Appendix II: Publishing Critical Paths

Below we have included the BA/PA draft guidelines for the critical path/life cycle of a new title. This is an ideal critical path and there will always be exceptions for instant or topical books. The timeframe would probably also need to be adjusted for colour-illustrated books printed in the Far East. The detail could, of course, be adjusted to suit the needs of the market in Wales, but English language books will be competing with those published elsewhere in the UK where the intention on all sides of the trade is to make the following timetable standard

For Welsh language books parts of the cycle will be much shorter, but a standard should also be agreed for them with the all sides of the book trade and applied strictly in all but a very few, exceptional cases.

Life Cycle of a New Title - Best Practice Guidelines

INTRODUCTION

The aim of these guidelines is to help publishers and booksellers sell more books by providing an indicative outline of the life cycle of a new title and the information required by all parties to enable everyone to meet their commercial objectives in a timely fashion.

What follows is a minimal framework and not hard and fast 'rules'. The life cycle for different types of publishing and individual titles will vary greatly, as will individual company requirements. Certain aspects of this document will apply only to UK general trade publishing and their trading arrangements with key customers for black and white titles. Nevertheless we hope everyone involved in book publishing and bookselling can use these guidelines to think carefully about how they provide information and communicate this, so that key commercial decisions can be made more accurately, enabling a more efficient supply chain and thus avoiding unnecessary wastage.

Summary of the main points:

- Timing standards should be followed where they exist (e.g. BIC Basic/ONIX for the supply of product information, Launch Dates Code of Practice for key titles, IRI for returns parameters).
- Publishers should conform to the BIC Basic timelines for providing key product data (regardless of whether they are accredited under the BIC Basic scheme or not) and, if possible, supply data in an agreed electronic format such as ONIX.
- Publishers should set provisional publication dates, prices and print runs in a structured way well ahead of publication.

- Publishers should prioritise their titles and have AISs, jackets and proof copies (where available) ready before presentations to key customers.
- Publishers should provide information on which titles have been licensed for cheap/exclusive/special editions to key customers and inform them if this changes.
- Publishers should provide information on which titles have been agreed for Launch Dates and/or embargoes in a timely fashion to key customers, the BA, the bibliographic agencies and the trade press.
- Booksellers and intermediaries (i.e. wholesalers/merchandisers/retailer DCs) should agree promotions and place subscription orders before the initial print decision is made.
- Publishers should validate transactional information held on distributors systems before publication.
- Distributors systems should work towards just in time to avoid titles 'leaking out' early and should also make suitable arrangements for earlier deliveries to intermediaries.
- Publishers should use sales data and inventory reports to assess possible reprint requirements.
- All parties should subscribe to the standard terms of the Industry Returns Initiative.

TYPICAL PROCESS FLOW

Nine Months to Publication

Publishers

Titles prioritised for bi-annual presentations - e.g. a) Key b) Let's talk c) Backlist
Advance Information Sheets (AISs) and book jackets produced (including ISBN if already allocated)

First presentation to key customers: February/March for September/January titles

Second presentation to key customers: August/September for February/August titles

Seven Months to Publication

Publishers

ISBN-10 and bar code allocated and BIC Basic new title record supplied to the bibliographic agencies and key customers - preferably in an agreed electronic format such as ONIX

(Note: ISBN-13 will replace ISBN-10 from 1st January 2007)

Six Months to Publication

Publishers

Core bibliographic record (including publication day/month/year and anticipated RRP) complete with the bibliographic agencies and key customers

Five Months to Publication

Publishers

Bibliographic record complete for BIC Basic accreditation
First monthly presentations to key customers
First notification of possible Launch Date titles to key customers and BA website
First notification of serialisations and embargoes (where possible)
First notification of licensing of cheap/exclusive/special edition(s) and date on market (where possible)

Booksellers

First notification of possible Launch Date selected by BA panel to publishers for approval

Four months to Publication

Publishers

Completeness of bibliographic record measured for BIC Basic accreditation scheme
Bibliographic information submitted to the British Library's Cataloguing-in-Publication (CIP) Programme
Details of Launch Date titles (Author/Title/ISBN/Launch Date) live on BA website and in trade press
Promotions agreed with key customers

Booksellers & Intermediaries

Key customers to give indication of subscription orders and projected sales (if possible)

Three Months to Publication

Publishers

Final notification of serialisations and any embargoes
Final date for notification of licensing of cheap/exclusive/special edition(s) and date on market
Decision taken on first print run and confirmation of RRP to the bibliographic agencies and key customers

Booksellers & Intermediaries

Final date for key customers to place subscription orders (black & white titles)

Two Months to Publication

Publishers & Distributors

First printing and delivery to distributor (may depend on type of book)
(Note: There may be further changes at any time between this point and publication, e.g. serialisation may effect dates)

One Month to Publication

Publishers

Final opportunity to agree a Launch Date with the BA panel and supply details to the BA and trade press

Booksellers & Intermediaries

Final opportunity to place top up orders to ensure addition to distribution release schedules

(Note: The closer to publication, the less guarantee of stock availability as print decisions will already have been made)

Three Weeks to publication

Publishers & Distributors

Validation of full product record held by the bibliographic agencies

Validation of transactional information held on distributors systems Price and availability information to be included in daily electronic feeds to bibliographic agencies and key customers

One/Two Weeks to Publication

Distributors

Delivery to merchandising wholesalers, retail DCs and library suppliers

One Week to Publication

Distributors

Delivery to trade wholesalers, retail bookstores and Internet booksellers

One or Two Days Pre-Publication

Booksellers & Intermediaries

Books shipped from Internet booksellers/mail order suppliers to consumers

Publication

Publishers

An official publication date should be recorded, i.e. a specific day rather than simply a month of publication

Booksellers

Books go on sale to consumers in retail bookstores. (Note: Books must not be sold before publication under the Launch Dates Code of Practice)

Post Publication

Publishers & Distributors

Books supplied for legal deposit to the British Library

Daily changes to price and availability information should be sent to bibliographic agencies while titles remain in print

(Note: Formal notification of Out of Print status should be provided to bibliographic agencies only when titles reach the end of their life. All other temporarily unavailable statements - e.g. Reprinting, Reprinting Under Consideration, and Temporarily Out of Stock - may be provided between Publication Date and formal confirmation of OP status)

Three Months after Publication

Booksellers & Intermediaries

First returns allowed under Industry Returns Initiative
(Note: May be subject to promotional agreements)

Fifteen Months after Publication

Booksellers & Intermediaries

Last returns allowed (from date of last invoice) under Industry Returns Initiative
(Note: May be subject to promotional agreements)

FURTHER INFORMATION

UK ISBN Agency

www.whitaker.co.uk/isbn.htm
isbn@nielsenbookdata.co.uk

ISBN-13

www.isbn-international.org

Bowker UK

www.bowker.co.uk
www.bowkerlink.co.uk

Nielsen BookData

www.nielsenbookdata.com

ONIX/BIC Basic & IRI

www.bic.org.uk

British Library CIP Programme

www.bibliographicdata.com

Launch Dates Code of Practice Industry Returns Initiative

www.booksellers.org.uk

Legal Deposit

www.bl.uk

Appendix III: Analysis of Questionnaire Responses

Bookseller Questionnaire

The Bookseller Questionnaire is included as Appendix IV. It was drafted by the consultants and modified in the light of suggestions from an independent Welsh language bookseller and a manager from one of the national chains and from the Welsh Books Council. It was sent out in English and Welsh with a prepaid envelope to 115 booksellers and 35 replies were received. Not all respondents replied to all questions, but in general the responses were detailed and constructive. The number and range of replies were numerous and wide enough to amount to a significant sample from which to draw some conclusions about the views of the Welsh book trade on the trade representation service, especially when checked against opinions received during the face-to-face interviews.

Size

Twenty-nine shops answered this question. Nine of them were larger shops or branches of chains with an annual turnover of more than £200k. The rest were in a range from £10k to £115k and an average of £80k.

Sales mix: books as a percentage of total sales

The average book sales component of revenue was 64%, but this may be a misleading figure created by the inclusion of a few shops with book sales percentages of less than 10%. At least half the shops had book sales of over 80% and a number recorded 99-100% book sales.

Welsh language books as a percentage of total book sales

Here again the average, 33%, is misleading. Half the shops reported very low, single-figure percentages, while 20% reported 90% or more Welsh language sales. In general these tended to be smaller shops while the very low percentages were in larger, mixed goods outlets, bookshops in the South and East of the country and branches of UK chains.

Welsh writing in English as a percentage of total book sales

Here there was more homogeneity; 22 out of 27 responses made a return of 10% or less and none rated more than 40%. The very low proportion was reflected in responses both from the Welsh language specialists and the larger shops and branches of the chains. This distinction between the parts of the list carried by the trade reps clearly has important implications for this report.

Percentage of book sales generated by books supplied by the WBC

Taking the previous two figures together produced another significant response. The average was 47%, but about half the booksellers, predominantly the smaller shops and the Welsh language specialists got all, or the great majority, of their books from WBC, whilst the other half were in a range of 1% to 20% (and mainly in the lower part of that range).

Other sources of supply

Those buying mainly from WBC sometimes bought also direct from a Welsh language publisher, usually because they were local. Those who bought little from WBC bought from the major UK wholesalers and direct from Welsh and English publishers. A couple of other Welsh intermediate suppliers were mentioned.

Frequency of reps calls

About 65% were called on every month or six weeks, 25% quarterly and the rest occasionally or never. Some of the latter were quite large shops but with low sales of WBC product.

Satisfaction with calling pattern

The great majority were satisfied with the calling pattern. However, one or two of those seldom or never visited regretted this and one or two questioned why they were visited by two reps.

Information supplied by reps

Again, most were satisfied, but five or six expressed some dissatisfaction, mainly with the lack of hard information, especially on publication dates etc. At least one recognised that this might be the publishers' fault.

A telesales alternative?

Twenty-six said no to this idea, some very firmly; six said yes. A number commented that they were happy with the Friday calls they got from the reps at the Distribution Centre and the supplementary calls pre-Christmas.

An e-mail information alternative?

Nineteen said no to this (again, some very firmly) and six said yes. Several said they were happy with it as a supplement, but not a replacement for the face-to-face representation, which is clearly highly valued by a number of customers.

Orders via gwales

A fairly even split on this; 13 said yes and 15 no. A higher proportion consulted it for information and a number were accessing it daily.

CDROM

A similar split 14:15 (though not the same shops in every case). Two shops said they did not use it because of 'bugs' or incompatibility with their computers (suggesting they had no CDROM capacity?)

Standing order system

Thirteen shops, mainly the Welsh language specialists, used it; three used it only for Welsh Book of the Month; and sixteen did not use it including three who had not heard of it.

For those who did use it, there were a variety of final purchasers of the books: general public, schools and libraries

Returns

There was an interesting divergence here. Two-thirds of the respondents found the service on returns good or very good while the other third were quite or very critical, complaining of 'pickiness' or over-exacting standards. These included some of the bigger shops and chains. This might be explained by the facts that the larger shops ordered in larger quantities and returned more and/or the books got more handling in the larger shops or branches, but that is just a hypothesis.

Overall rating of the trade representation

This question also produced an interesting spread.

- Excellent 9
- Good 14
- Satisfactory 6
- Poor 4
- Very unsatisfactory 4

On the assumption that the WBC is aiming to achieve an Excellent or Good rating and would be very unhappy with a Poor or Very Unsatisfactory rating, this is overall a positive result. However, there is some cause for concern that some of the larger shops and branches gave low ratings in comparison with other suppliers and this has implications especially for the Welsh writing in English titles.

Suggestions for improvements

It is perhaps in the nature of things that many of the respondents did not contribute on this question and that some of the criticisms/suggestions had more to do with the Distribution Centre and/or the publishers than the reps. Comments made by only a single respondent are not listed here.

- Reps need more training
- Poor information, details on new titles, lack of firm publication dates
- Reps sometimes duplicate calls

- Reps should be allowed to do deals (with approval)
- Books too frequently out of stock

Publisher Questionnaire

This questionnaire, which is also included in Appendix IV, was emailed to 55 publishers in both Welsh and English. Because of the slow response a reminder was also e-mailed before the closing date. In the end only 13 responses were received and this cannot really be taken as the basis for quantitative analysis. However, taken with the outcomes of the face-to-face meetings with both Welsh language and English language publishers individually or in groups, it does provide interesting and valuable qualitative data.

Beyond that, the low rate of response raises a number of questions since the publishers could be seen as the main potential beneficiaries of the trade representation service and there was a perception that, in general, they were likely to have more critical comments than the booksellers – as one publisher remarked, publishers always complain about their reps.

At least one Welsh language publisher expressed disapproval of the whole process and, in their face-to-face discussion (which was open and constructive), the Welsh language publishers group, Cwlwm Cyhoeddwyr Cymru, said some of their members were not prepared to answer the questionnaire at all – or at least a number of the questions. LPW on the other hand were full and frank in both their face-to-face and written responses.

Size and mix

Ten respondents were prepared to answer this question and there was a very big range from £11k to almost £900k. For those who replied all or almost all their income came from the sale of books (and in a couple of cases magazines/journals), apart from grants and subsidies.

WBC grants

Almost all of the respondents received some form of grant aid from WBC. The most common application was towards publishing costs, but in several cases grants were received in all categories.

Language of publication, mix and numbers

Six of the respondents published entirely in English and three entirely in Welsh. The two largest respondents by sales revenue published in both languages, but with English providing the larger share of their sales revenue.

A couple of the publishers only published English language adult material, but almost all the rest published a mix, with children's books playing a significant part, especially in the Welsh language.

Most of the respondents published only a few titles a year, whilst the two largest published over 50.

Sales in Wales and sales via WBC

Naturally the Welsh language publishers sold all, or almost all in Wales, and all or almost all via the WBC. The two largest publishers sold the majority of their books in Wales, but a significant minority of their Welsh sales did not go via WBC and this is clearly an issue for the report. A couple of the smaller English language publishers sold only a small minority of their books in Wales and a minority of those via WBC, which also has significant implications

Where there were significant non-WBC sales they appeared to be via Camelot, Webbs or the English based distributors/wholesalers, with a little direct selling.

Selling methods

Little or no evidence of systematic direct selling was forthcoming from the completed questionnaires, however, and only one responding publisher maintained a number of spinners (there was an issue for a couple around the history of spinners in the National Museum). Two publishers did some teleselling and two sold off their websites.

Discounts

With the exception of one Welsh language publisher, all respondents would be prepared to give an extra discount to booksellers for special deals.

Evaluation

There were two 'good' and an 'excellent' rating for the trade representation service, but a number of 'satisfactory', some rather grudging, alongside two 'poor' and a 'very unsatisfactory'.

On the whole selling in of new titles was rated rather higher, whilst backlist selling got a poor evaluation from most respondents and almost all were very critical of the lack of market feedback and feedback on individual titles. One wrote of an 'information vacuum'.

A number of respondents also mentioned the need for sales training or a more aggressive sales approach.

Appendix IV: Questionnaires

1. Bookseller Questionnaire

Cynrychiolaeth Masnach Cyngor Llyfrau Cymru: Holiadur i Lyfrwerthwyr

Enw a chyfeiriad y siop lyfrau
Name and address of bookshop

Rhif ffôn
Telephone number
Cyfeiriad e-bost
e-mail address

Enw cyswllt
Name of contact

1. Cyfanswm bras refeniw gwerthiant blynyddol y busnes
Approximate total annual business sales revenue

Llai na/Less than £5000 ; £5-7,500 ; £7,500-10,000 ;
£10- 15,000 ; £15- 20,000 ; £20- 25,000 ; £25- 30,000 ;
£30- 40,000 ; £40- 50,000 ; £50- 60,000 ; £60- 70,000 ;
£70- 85,000 ; £85- 100,000 ; 100- 115,000 ; £115-130,000 ;
£130- 150,000 ; £150-175,000 ; £175- 200,000 ; £200,000+ .

2. Canran refeniw gwerthiant blynyddol a ddaw o werthiant llyfrau
Percentage of annual sales revenue generated by book sales

3. Canran gwerthiant llyfrau blynyddol a ddaw o lyfrau Cymraeg
Percentage of annual book sales generated by Welsh language books

4. Canran gwerthiant llyfrau blynyddol a ddaw o Ysgrifennu Saesneg o Gymru

Percentage of annual book sales generated by Welsh writing in English

5. Canran gwerthiant llyfrau blynyddol a ddaw o lyfrau a gyflenwir gan Gyngor Llyfrau Cymru

Percentage of annual book sales generated by books supplied by the Welsh Books Council

6. Prif ffynonellau eraill sy'n cyflenwi llyfrau (cyhoeddwyr neu gyfanwerthwyr)
Other main sources of book supply (publishers or wholesalers)

7. Pa mor aml mae cynrychiolwyr Cyngor Llyfrau Cymru yn galw?
Frequency of calls by Welsh Books Council representatives

8. A fyddai'n well gennych pe bai CLIC yn galw'n amlach neu'n llai aml?
Would you prefer WBC calls to be more or less frequent?

9. Oes gan eich cynrycholydd CLIC fel rheol ddigon o wybodaeth fanwl ac amserol am y llyfrau mae'n eu gwerthu i chi allu gwneud penderfyniad ynghylch archebu?

Does your WBC representative usually have sufficiently detailed and timely information about the books that they are selling for you to make a decision about ordering?

10. Os nad oes, pa wybodaeth neu ddeunyddiau gwerthu ychwanegol fydddech chi'n hoffi eu gweld?

If not, what extra or additional information or selling material would you like to see?

11. Fydddech chi'n hapus i wasanaeth gwerthu dros y ffôn gymryd lle / ategu'r galwadau i gyd neu rai ohonyn nhw?

Would you be happy for some or all calls to be replaced/supplemented by a telephone sales service?

12. Os felly, pa mor aml fydddech chi'n dymuno cael galwadau ffôn?

If yes, how frequently would you like to be called?

13. A fydddech chi'n hapus i wasanaeth gwybodaeth/archebu e-bost gymryd lle/ ategu rhai neu bob un o'r galwadau gan gynrychiolydd?

Would you be happy for some or all rep calls to be replaced/supplemented by an e-mail information/order service?

14. Ydych chi'n archebu llyfrau drwy wefan gwales? Os felly, pa mor aml?
Do you order books via the gwales website? If so how frequently?

15. Ydych chi'n defnyddio CDROM gwales yn ffynhonnell gwybodaeth?
Do you use the gwales CDROM as a source of information?

16. Ydych chi'n cyfranogi yng ngwasanaeth archeb sefydlog Cyngor Llyfrau Cymru? Os felly, oes gennych chi sylwadau ar ddefnydd ac effeithlonrwydd y gwasanaeth hwnnw?
Do you participate in the Welsh Books Council standing order service? If so do you have any comments on the use and effectiveness of this service?

17. I bwy, dybiech chi, rydych chi'n gwerthu'r copïau o lyfrau y byddwch yn eu derbyn drwy'r gwasanaeth archeb sefydlog?
To whom do you think that you sell the copies of the books that you receive through the standing order service?

Y cyhoedd yn gyffredinol?
General public?

Darllenwyr diddordeb arbennig?
Specially interested readers?

Casglwyr?
Collectors?

Ysgolion?
Schools?

Llyfrgelloedd?
Libraries?

18. Pa sylwadau sydd gennych ar brosesau Cyngor Llyfrau Cymru ar gyfer ymdrin â llyfrau a ddychwelir?
What comments do you have on the Welsh Books Council processes for handling returns?

19. Ar ba radd fydddech chi'n gosod gwasanaeth cynrychiolaeth masnach Cyngor Llyfrau Cymru?
How do you rate the Welsh Books Council trade representation service:

- | | |
|--------------------|---------------------|
| 1. Gwych | Excellent |
| 2. Da | Good |
| 3. Boddhaol | Satisfactory |
| 4. Gwael | Poor |
| 5. Anfoddhaol iawn | Very unsatisfactory |

Allech chi nodi rhesymau penodol am eich dewisd?
Could you identify the particular reasons for this rating?

20. A oes gennych unrhyw awgrymiadau eraill ar gyfer gwelliannau y gellid eu gwneud i'r gwasanaeth cynrychiolaeth masnach?
Do you have any other suggestions for improvements that could be made to the trade representation service?

THANK YOU FOR YOUR HELP; IT IS GREATLY APPRECIATED. You will be notified when the outcomes of our consultancy are publicly available

Byddwch cystal â dychwelyd yr holiadur yn yr amlen stampiedig, erbyn dydd Gwener, Ebrill 29ain

Please return the questionnaire, using the pre-paid envelope, by Friday 29th April

2. Publisher Questionnaire

Cynrychiolaeth Masnach Cyngor Llyfrau Cymru: Holiadur i Gyhoeddwyr

Enw a chyfeiriad y cyhoeddwyr
Name and address of publishing house

Rhif ffôn
Telephone number
Cyfeiriad e-bost
e-mail address

Enw cyswllt
Name of contact person

1. Cyfanswm bras refeniw gwerthiant blynyddol y busnes
Approximate total annual business sales revenue

Cyfanswm bras refeniw gwerthiant cyhoeddi blynyddol y busnes
Approximate total annual publishing sales revenue

2. Ydych chi ar hyn o bryd yn derbyn grantiau gan Gyngor Llyfrau Cymru ar gyfer:
Are you currently in receipt of grants from the Welsh Books Council for:

Comisiynu awdurdon
Commissioning authors
Costau cyhoeddi
Publishing costs
Gweithgaredd marchnata
Marketing activity
Cynnal swyddi staff

Supporting staff posts

**3. Canran refeniw gwerthiant a ddaw o:
*Percentage of sales revenue generated by:***

1. Cyfanswm llyfrau Cymraeg:
Welsh language books total:

Oedolion:
Adult:

Plant
Children's

2. Cyfanswm llyfrau Saesneg o ddiddordeb Cymreig:
Welsh interest books in English total:

Oedolion
Adult:

Plant
Children's

**4. Sawl llyfr newydd a gyhoeddir gennych bob blwyddyn?
*How many new books do you publish each year?***

**Yn Gymraeg
*In Welsh:***

**Yn Saesneg
*In English:***

**Llyfrau Oedolion
*Adult books***

**Llyfrau plant
*Children's books***

**5. Canran o gyfanswm y gwerthiant a wneir yng Nghymru
*Percentage of total sales made in Wales***

**6. Canran o werthiant llyfrau a gyflenwir drwy Gyngor Llyfrau Cymru
*Percentage of book sales supplied through the Welsh Books Council***

7. Ydych chi'n defnyddio cyfanwerthwyr/dosbarthwyr eraill yng Nghymru? Os felly allwch chi eu henwi?

Do you use other wholesalers/distributors in Wales? If so could you identify them?

8. Oes gennych chi ddosbarthwyr eraill ar gyfer gweddill y DG? Os felly allwch chi eu henwi?

Do you have other distributors for the rest of the UK? If so could you identify them?

9. Ydy'ch busnes chi yn cynnal ei ymweliadau ei hunan â manwerthwyr llyfrau yng Nghymru?

Does your business make it's own sales visits to book retail accounts in Wales?

Os felly ydych chi'n cyflogi rhywun i werthu drosoch chi?

If so, do you employ someone to sell for you?

Neu ydy ymweliadau gwerthu yn digwydd yn achlysurol neu'n rhan-amser gan rywun sy'n gwneud gwaith arall yn y busnes?

Or, are sales calls made on an occasional or a part-time basis by someone who does other work in the business?

10. Ydych chi'n cadw troellwyr mewn unrhyw fannau gwerthu yng Nghymru?

Do you maintain spinners in any retail outlets in Wales?

Os felly, mewn sawl cyfrif gwahanol?

If so, in how many different accounts?

Allwch chi ddweud sawl un sy'n cael eu defnyddio ar hyn o bryd?

Can you say how many are currently in operation?

11. Ydych chi'n gwerthu i gyfrifon busnes (cyfanwerthwyr neu fanwerthwyr) yng Nghymru drwy'ch gwefan?

Do you sell to trade (wholesale or retail) accounts in Wales via your website?

12. Ydych chi'n gwerthu i gyfrifon masnach yng Nghymru drwy delewerthu?

Do you sell to trade accounts in Wales by telesales?

13. Fyddech chi'n rhoi gostyngiad ychwanegol i Gyngor Llyfrau Cymru ar werthiannau penodol er mwyn iddo gael ei basio ymlaen i gefnogi hyrwyddiad arbennig neu archeb fawr gan fanwerthwr?

Would you give an extra discount to the Welsh Books Council on certain sales so that it could be passed on to support a special promotion in, or large order from, a retail outlet?

14. Oes ffyrdd eraill y credwch y gallai cyhoeddwyr helpu CLIC i werthu rhagor o lyfrau yng Nghymru?

Are there other ways that you think that the WBC could be helped by publishers to sell more books in Wales?

Os felly, nodwch:

If so, please specify:

15. Ar ba radd fydddech chi'n gosod cynrychiolaeth masnach Cyngor Llyfrau Cymru yn gyffredinol:

How do you rate the Welsh Books Council trade representation service overall:

- | | |
|--------------------|---------------------|
| 1. Gwych | Excellent |
| 2. Da | Good |
| 3. Boddhaol | Satisfactory |
| 4. Gwael | Poor |
| 5. Anfoddhaol iawn | Very unsatisfactory |

Allwch chi roi'r rhesymau penodol am eich dewis?

Could you give the particular reasons for this rating?

16. Ar ba radd fydddech chi'n gosod y gwasanaeth cynrychiolaeth masnach yn benodol o ran:

How do you rate the trade representation service specifically in terms of:

1. Hyrwyddo teitlau newydd
Subscribing new titles
2. Gwirio a chyflenwi ôl-restr
Checking and replenishing backlist
3. Datblygu mentrau marchnata gyda manwerthwyr, a drefnir ar hyn o bryd gan Wendy Morris/Mathew Howard
Developing marketing initiatives with retailers, currently organized by Wendy Morris/Mathew Howard
4. Adborthi gwybodaeth am y farchnad
Feeding back market information

17. Pa sylwadau sydd gennych am brosesau CLIC ar gyfer ymdrin â llyfrau a ddychwelir?

What comments do you have on the WBC's processes for handling returns?

18. Oes gennych chi unrhyw awgrymiadau ar gyfer gwelliannau y gellid eu gwneud i'r gwasanaeth cynrychiolaeth masnach?
Do you have any suggestions for improvements that could be made to the trade representation service?

DIOLCH AM EICH HELP; MAE'N CAEL EI WERTHFAWROGI'N FAWR. Cewch wybod pan fydd canlyniadau ein ymgynghoriad ar gael i'r cyhoedd
THANK YOU FOR YOUR HELP; IT IS GREATLY APPRECIATED. You will be notified when the outcomes of our consultancy are publicly available

Byddwch cystal â dychwelyd yr holiadur drwy'r e-bost erbyn dydd Gwener, Ebrill 29ain
Please return the questionnaire by e-mail, by Friday 29th April