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Inside Pandora's Box -- Thoughts Coming Out of the ALCTS Out-of-Print Discussion Group at ALA-MidWinter: "Not Dead Yet! Out-of-Stock, Out-of-Print and Remainders"

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Inside Pandora's Box

Thoughts Coming Out of the ALCTS Out-of-Print Discussion Group at ALA-MidWinter: "Not Dead Yet! Out-of-Stock, Out-of-Print and Remainders"

by **Bob Rooney** (Taylor & Francis) and **Brian Elliott** (Senior VP, Sales and Marketing, Alibris; Phone: 510-594-4530) <briane@alibris.com>

Column Editor: **Jack G. Montgomery** (Western Kentucky University Libraries)

Changes in the status of availability of new books, remainders and used books are all the result of a series of decisions taken by the market — the combination of authors, publishers, distributors, wholesalers, retailers and customers. As the book market continues to evolve, new technologies are developed and used book businesses grow, the number of alternatives available to all parties grows more interesting — and at times complex. We explored this from a couple of different angles:

- **Definitions:** What do the different core status designations (in print, out of stock, out of stock indefinitely and out of print) mean?
- **Decisions:** How do decisions to make changes in designation get made?

- **Technologies:** What are the impact of new technologies and business models on those designations?
- **Choices:** How are different libraries handling these changes?

Definitions and Decisions

We'll start with some core definitions, and also explore how publishers reach those points. I'll skip some of the interesting and at times problematic ones (Not Yet Published; Publisher Out of Business) in favor of focusing on a limited, frequent set.

In Print, and Remainders...

In Print means that the book is in print from the publisher, and may or may not be in stock with one or more distributor or wholesaler. Titles may achieve

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"remainder" status while in print. Practices differ among publishers and across trade vs academic publishers, but a decision to "remainder" a title is basically an accounting decision based on the fact that there are more copies of a title in the warehouse (or on their way back to the warehouse...) than are likely to be sold — potentially ever.

Remainders houses differ as well, but their basic role is to purchase stock that has been substantially written down and redistribute it for sale at drastically lower prices through stores and online. For trade books, remainders houses increasingly play a role in processing returns as well — again, often at drastically lower prices than the original publisher's list price.

Out-of-Stock (OS)

Out-of-Stock means that the title is out-of-stock with the publisher; at the same time or separately, distributors may be out-of-stock as well or may have stock on the title. As **Bob Rooney**, from **Taylor and Francis**, noted, the first time this happens to a title, it's the publisher's best friend — it means that demand actually exceeded supply, thereby at least partially funding the vast number of titles for which supply exceeded demand (and those that were remaindered).

Publishers try to monitor demand and supply, but clearly imbalances will happen. Publishers also try to ensure that demand gets met — it's in their best business interest — but practices vary as to how well this gets managed. Typically, titles should be able to be brought back in print and available in a three to six week period. This gets quickly messy if there are overseas sourcing issues, printing issues, or other multi-party problems.

Out-of-Stock Indefinitely (OSI)

OSI is a status that essentially means that a book is not only out of stock, but that there are no plans to put it back in print. OSI is a legal designation as much as a print run decision — it's the publisher's method of holding on to the rights to publish a title instead of having those rights revert back to the author(s) by declaring a book out-of-print.

Out-of-Print

An official declaration that a title is so far out of the realm of probability of ever creating sufficient demand that a publisher was willing to give the rights back to the author.

Technologies

The advent of digital printing and print-on-demand will have impact over time on the number of titles that go OS (and for what period), OSI and OP. That impact has been much slower than most expected, but other than DVD players such is the course of many recent technology innovations.

The adoption and usage of these new technologies are mitigated by several factors; many of these will be moderated over time, but some will not:

- **Not all electronic files are made alike.**
Just because there is an electronic copy

in some format of a title does not mean it is ready to print; even presence of a PDF file, while a help, doesn't prepare for all the different potential print methods (or even some of the basics). This will likely change over time, but will be slow and back catalog will present serious questions about level of investment warranted.

- **Quality isn't at offset levels.** Particularly for graphically intensive titles, digital print technologies range from adequate to murky. Again, this is in part dependent on the source materials, but also on print quality. This too is likely to improve over time.
- **Setup and support costs are not zero.** Beyond setting up files, the process of continuing rights management, author management, marketing and distribution are not zero. Thus, publishers have to decide whether it's worthwhile to continue to invest behind a title even if the print run economics support very short print runs. This issue will always exist.

At the same time, online resource like **Alibris** have increasingly brought together a wider range of materials (used in print, remainders, OS, OSI and OP titles from global sources) with a broader range of ways to purchase them (directly shipping from the seller, consolidated with purchase orders and invoices, through major distributors and wholesalers). The technologies here are a lot more straightforward, if challenging once you're dealing with over 30 million books.

Choices

One of the more interesting points of conversation and debate was where different libraries handle the "cutoff" on trying to still acquire a title based on its OP/OS/OSI status, and how they handle resolution after the cutoff.

A wide variety of practices exists regarding when or if to "give up" acquiring a new copy of a title from traditional sources. Some libraries continue to claim OS/OSI titles from distribu-

tors/publishers for up to 540 or even 720 days (1.5 to 2 years!). Some libraries immediately assume that OP/OSI books are essentially unavailable, and decide to cut their losses on those titles more or less right away, and cancel (as there are plenty of other new books to buy). Some other libraries set a decent mourning period of six months or so before trying to acquire any combination of OS, OSI or OP titles via the relatively new array of reliable secondhand sources.

Practices for acquiring used and/or remaindered products vary as well. Some libraries have staff search across multiple online vendors and manage the purchase, shipping and processing from individual sellers using Websites like **Bookfinder** or **AddAll**, or directly on **Alibris'** consumer Website, **ABE**, **Amazon.com**, **Half.com**, **eBay** and other sites. Others use some variety of **Alibris Services** to manage larger lists themselves or use **Alibris' Library Services** staff — some even extract files from their library system monthly and transmit in **EDIFACT**. Others use partnerships that **Blackwell's**, **YBP Library Services**, **Ingram Library Services**, **Baker & Taylor**, **Ambassador Books and Media**, **Franklin Books Company**, and **Eastern Book Company** among others have developed with **Alibris** to fulfill their needs. Typically, these tradeoffs are made on the basis of availability of staff and desire to minimize systems costs of acquisition (costs such as product, shipping, receiving, processing, invoicing, accounting, and vendor management) versus individual copy costs.

I would invite an activity-based cost approach on an independent basis to the assessment of these alternatives — it would be instructive for all involved.

Column Editor's Note: Comments and feedback (and corrections!) are always welcome. Feel free to reach Brian at (510) 594-4530 or via email at <briane@alibris.com>. —JM

Talk of the Trade

by **Barry Fast** (Deltabooks, 186 Crooss Street, City Island, NY 10464; Phone: 718-885-9563)
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LITERARY WORLD SHOCKED, SHOCKED, AS PUBLISHING CEO TELLS THE TRUTH

When **Bertlesmann's Peter Olson**, head of American book publishing (**Random House**, **Knopf**, **Ballantine** and more) fired **Ann Godorf**, chief of **Random House**, he did not say she left the company to "pursue other interests" or "spend more time with her family." Instead, he explained that she had a profit goal of \$6 million for 2002, but only made \$2 million. The furies descended on **Olson**, criticizing him for being too obsessive about profits and for taking only a few minutes with **Godorf** to tell her the bad news. Most strange was the *New York Times* column by **Verlyn Klinkenborg**. He writes a charming weekly profile of the comings and goings at his upstate New York farm, his daily chores, the weather, the flora and fauna, the delights and hardships of rural life. In a bizarre departure from his usual country life musings, **Klinkenborg** lamented the driving force of profitability in commercial publishing, the ruthless pursuit of money over art, the big bucks paid big time authors, and the consolidation in the publishing industry. He portrayed **Godorf** as a victim of a greedy system that is spinning out of control. However, the business pages of the *Times* provided actual facts and

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