

# Press Distribution Forum



## Quarterly report covering period October- December 2010

- 1) The PDF was inaugurated on 9th September 2010 a new constitution has been agreed with the following objectives:

### Objectives

- i) To bring together on a voluntary self regulatory basis key stakeholders of the Press supply chain in a Forum that focuses on:
  - a. Serving consumers in the most efficient manner to ensure the widespread availability of newspapers and magazines.
  - b. The high level issues facing the sector to best ensure its ability to continue to provide the required level of service to all stakeholders in the supply chain in the most efficient manner.
  - c. Current and future service performance including monitoring and complaints resolution.
  - d. Environmental issues, changes in legislation and developments in technology.
  - e. Measures aimed at improving the total supply chain efficiency of newspaper and magazine distribution in the United Kingdom.
  - f. Communications designed to inform government and stakeholders of developments in the Press supply chain.
- ii) It is recognised that publishers, distributors, wholesalers and retailers may have individual bilateral relationships and the PDF will not impact on these relationships.
- iii) The PDF is intended to function as a collaborative coalition or "council of the willing".

- 2) The PDF have met on a regular basis during the period at board meetings on

- 9th September 2010
- 30th September 2010 - Conference Call
- 28th October 2010
- 18th November 2010 - Conference Call
- 30th November 2010

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3) The PDF board members are :

•	Adrian Smith	-	Chairman
•	Mike Mirams	-	PPA
•	Nicola Rowe	-	PPA
•	Nigel Lomas	-	NPA
•	Mike Newman	-	NPA
•	Lucy Ukoumunne	-	NPA
•	Mark Charlton	-	Smiths News
•	David Morton	-	Menzies Distribution

4) Call-On-Us were engaged in July to assist plan the launch of the PDF & PDC. Dorothy King as the principle of COU provides expert administration and call center facilities as well as web site hosting which has been successfully developed during the period.

The next phase of the website administration is to provide all board members with a unique log-on to the members area where documents such as meeting agenda, minutes, reports etc can be viewed and printed. COU will ensure that all members will receive their log-on details and instructions during w/c 24.01.11. COU will then discuss with the relevant members the construction of a database to facilitate the collation and reporting of statistical information.

One other key task that COU has achieved is the setting up of a new bank account and the development of a 18 month cash flow statement in line with the PDF's annual budget.

- 5) Contact with DBIS: Members of the PDF have been keeping in touch with Michel Woodman & Chris Marshall from DBIS to ensure they are kept up to date on PDF progress. We are also pleased that Chris is able to attend most PDF meeting as an observer and provides useful insight and advice on regulatory best practice including suggestions regarding the recruitment of retailers to the PDF & PDC and keeping all retail associations informed of PDF activities.
- 6) A press day was held on 28th October 2010 to launch the new Press Distribution Charter which was made available to every newsagent in the UK during the first week in November. The PDC provides every UK retailer with a minimum standard of service they can expect from wholesalers and publishers and a clear resolution process in case of service failure.
- 7) Following the launch COU has received numerous contact from retailers and a call log process has been established. Over this period 136 calls have been taken from the COU call center. Appendix 1 provides more detail.

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- 8) A key component of the PDC is an independent panel to review retail complaints, The Press Distribution Review Panel (PDRP). Neil Robinson was appointed Chairman in September, the panel also comprises of nominated wholesalers and publishers and the following have been elected:

Neil Robinson	-	Chair Person
Darren Barker	-	NPA
Jonathon Denton	-	SN
David Shedden	-	MD
Carrie Rooks	-	PPA

The retail representation is currently being selected and the panel will be in place during February.

- 9) Two sub groups have been formed to pursue the PDF's objectives:

- i) Transparency and Performance:

Nigel Lomas	-	Chair Person
Simon Gage	-	SN
Mark Cassie	-	MD
Steve Cripwell	-	PPA

A group comprising of the above proposed that an early priority for the PDF is to develop a suite of transparency and performance measures which:

1. Provide a simple and comprehensive measure of performance across the supply chain.
2. Highlight areas of under performance by individual participants or more general 'pinch points' that can be investigated / reviewed as needed.
3. Act as 'early warning' for developing issues and concerns.
4. Give assurance that agreed standards are being met and processes adhered to.

They established that the proposed guiding principles to our approach should be:

1. The measures should be suitable for wider publication within the industry (i.e. not market sensitive).
2. Publication should be timely so that action can be taken to quickly address issues and improve performance.
3. Information should be taken from existing systems, ideally measuring like-for-like; and where this is not possible it ought to be made clear.
4. The measures should relate to standards (which may go beyond those in the Charter) and supporting data ought to be objectively verifiable, rather than 'self reported'.

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5. Measures should be:
  - a. Sustainable and accurate
  - b. Clear and transparent
  - c. Relevant to improvement
  - d. Robust and consistently applied
  - e. A guide to improvement action
  - f. Maintained only where potential benefit outweighs cost
  - g. At an adequate (necessary and sufficient) level of objective detail
  - h. Established to encourage positive as opposed to counter productive behaviour
6. There should be a balance of measures across the supply chain, focusing on the most important service and performance issues.
7. Careful consideration should be given to the setting of norms and standards to ensure challenging but realistic targets are set
8. We should consider qualitative as well as quantitative measures and associated areas such as complaints under the Charter, retailer feedback etc.
9. We should avoid crude 'name and shame' without context or background.
10. A summary of industry performance should be published (and made publicly available) on at least an annual basis
11. At all times to be conscious of anti-competitive legislation.

### ii) Pre Notification : The 2<sup>nd</sup> group comprising

Steve Cripwell	-	PPA
Simon Gage	-	SN
Andy Poskitt	-	MD

During summer 2010 agreement was reached as part of the PDF charter discussions to create a matrix of future pre notification options that enabled retailers to be offered a choice as to what is advised on their allocation advice note.

For a number of reasons the matrix was not included in the PDF charter, however it remains a major opportunity to enhance retailer communication in light of the OFT's planned autumn 2011 review. Therefore it has been deemed a development project by the PDF steering group.

A conference call was convened in order to

- Validate original matrix
- Establish current status
- Review timescale's
- Identify any issues or opportunities

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The suggested next steps are as follows:-

- Review original introduction to pre-notification in light of the now published PDF Industry Charter.
  - Group to further discuss development priorities.
  - PPA/wholesale to review consistency of publisher / distributor sales messages and feasibility of automating information flow
  - PDF to define communications plan
- 10) A further PDF objective revolves around communication to the industry and other associations that are not yet members of the PDF and the following meetings have been held;
- i) NFRN, 9th August 2010; 9th September 2010
- ii) ANR, 24th November 2010, 18th January 2011
- 11) In addition letters have been written to OFT, Rural Stores Alliance, BRC, Newspaper Society , Express Newspapers to offer engagement and to make aware of the formation of the PDF and its objectives. The PDF members have been keeping all national newspaper & magazine publishers and wholesalers aware of their activities.
- 12) Conclusion: The PDF has launched with a clear mandate for effective self-regulation, it has launched the PDC and will shortly be holding the inaugural meeting of the PDRP.

Two key working groups are making good progress and in our next quarterly report we anticipate publishing significant developments on both these key areas.

COU have been engaged to provide a professional support mechanism for the Forum and the PDRP.

During the 1st quarter of 2011 we will continue to engage with all supply chain partners to ensure they either consider membership of the of the PDF or have an effective two way communication process in place.

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Appendix

1) Telephone Call Log Summary

<b>Period</b>	<b>PDF</b>	<b>PDRP</b>	<b>No of Calls</b>	<b>Total Duration</b>
Oct 2010	35	08	43	01:35:03
Nov 2010	36	19	55	05:25:41
Dec 2010	14	03	17	01:15:13
Jan 2011	17	04	21	02:00:42
<b>Totals</b>	<b>102</b>	<b>34</b>	<b>136</b>	<b>10:16:39</b>