

The purchase of periodicals

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No medical librarian needs to be told how periodicals constantly erode the book fund. At the same time most medical librarians have difficulty in convincing finance/purchasing officers of the singular nature of this expenditure.

It must first be understood that the terms of trade are very unusual when compared with normal practice, which involves the establishment of a firm price, placing the order, receipt of the goods together with invoice, and arranging for payment to be made to the supplier.

- 1 Subscriptions usually cover a twelve-month period and are payable in advance.
- 2 The publishers will not begin the supply until the correct payment is received.
- 3 They fix their prices for the following year, usually in the late summer or early autumn.
- 4 They sometimes decide to produce supplements or extra volumes for which additional payment is required during the year.
- 5 For journals published overseas it is virtually impossible to quote a firm price because of currency exchange rate fluctuations.
- 6 Some publishers fail to announce their new prices until the end of the year, and they receive payment at the old rate. An extra payment is then demanded and this means the agent has to send an additional bill to the customer.
- 7 Unlike many suppliers – office machinery for example – subscription agents work on very small margins. The publishers argue that the agents do not hold stock or handle the publications, and the publisher does all the work. Therefore trade discount is either non-existent or very modest by normal commercial standards.

The average discount worldwide works out at 8%. No supplier could provide a service on this. Therefore the agent has to add a handling charge which is usually about 2-3% overall. It is unrealistic in these circumstances for the librarian to ask for discount or go out to tender and accept the lowest bid. Cut prices will almost certainly lead to a cut price service from a small firm totally lacking in technology and expertise. The waste of staff time and the high costs of dealing with problems make this a very expensive solution at the end of the day for the librarian.

- 8 The cost of journals rarely reflects the current inflation rate because:
 - (a) The prices are fixed well ahead and are unchanged for twelve months.
 - (b) Pay awards in the printing industry take some time to filter through.
 - (c) Prices for overseas journals are subjected to the ebb and flow of the exchange rates.

- (d) They are in a narrow sector of expenditure and things like the mortgage rate and food prices which directly affect the inflation rate have only a marginal effect.

Agents must be judged by the quality of their service, which in general implies a heavy investment in technology and skilled staff. The librarian is in the best position to evaluate this, and also to understand why books and periodicals are different. Important factors when evaluating an agent are size, stability, capability and reputation. The contracts officer who ignores the advice of the librarian and awards the contract to the lowest bidder may in fact be doing his institution a grave disservice.