

Yorkshire Books: an independent bookseller case study

Yorkshire Books comprises two independent bookshops in Richmond and Northallerton, North Yorkshire acquired by Philip Wicks in April 2003. The two bookshops serve different markets: Richmond is a market town with a large rural catchment while Northallerton is the county town of North Yorkshire and is the centre for North Yorkshire libraries. Prior to the acquisition the two shops were typical independent bookshops with fairly basic technology, dedicated staff and loyal customers. They were running DOS versions of Bertline and stock replenishment was primarily supplied by wholesalers (roughly 50% Bertrams, 25% Gardners and 25% THE).

Customer Orders

Customer orders and library supply orders were placed with publishers via TeleOrdering, but the cost of the TeleOrdering subscription relative to the size of this business meant that it was only cost-effective to have a single subscription. Consequently the Northallerton shop did all customer ordering for both shops and books were delivered to Northallerton and transferred to Richmond in the owner's car.

Recording stock and customer enquiries

The business did not record stock by line on the Bertline system and used record cards in the books to prompt re-ordering. Customer enquiries on stockholding had to be answered by staff knowledge of particular sections or a quick look on the shelf. There was also no analysis of sales by category and so no possibility of using this information to improve the management of the shops, for example by laying out the shops to maximise sales of successful categories.

Bertline 301

When Philip took over he reviewed the technology in the shops and realised that the computers were getting very old. There was no broadband in Richmond at the time. When Broadband came to Richmond a few months later, Philip decided to take advantage and to update the computers and the EPOS system. After a review of the available EPOS systems he decided on Bertline 301.

Philip visited an independent bookshop, Barnsley BookWorm, which was already using Bertline 301, and spent some time observing the system at work. Bertline suited Philip because at the time it had been going for over three years, had over 200 users, and was stable. Also Bertrams were already Philip's major wholesaler.

Wholesaler terms

Philip put his business out to tender to get the best deal from the major wholesalers. This was important because Philip realised that when trading with the wholesalers he needed to consider all elements of the package:

- EPOS system
- standard discount

- extra discounts and special offers
- order by deadline (the time of the day up to when orders can be received and delivered next day)
- returns allowance (moving from say 5% to 10% could make a huge difference in managing returns and minimising waste)

TeleOrder or fax

So Philip updated the computers, installed broadband access to the Internet and implemented Bertline 301, but in terms of e-commerce his business actually took a small backward step. Philip had been using TeleOrdering and could therefore send orders to all UK publishers electronically. Most major publishers could then receive and process these orders automatically. When he took on Bertline 301, Bertrams recommended that he should stop using TeleOrdering and instead use the Bertline fax facility that enables Bertline to send orders by fax to publishers. This saved Philip a TeleOrdering subscription but faxing is not e-commerce because the receiver has to process the fax by re-keying the orders.

Comment

Philip's decision was completely understandable at the time. Now, however, there are new ways of ordering on publishers using web services technology. These are currently in development but very soon we should see a range of these services being implemented. Orders will be sent from Bertline 301 to PubEasy or Nielsen or direct to distributors which can be processed automatically, possibly even in real time.

Bertline invoicing facility for bookshop institutional business

Bertline 301 has an invoicing facility that enables Philip to improve the way in which he invoices his library and institutional business. He has restructured the business to make Richmond handle the educational side and Northallerton the library business. When he started, the Richmond store did the invoicing and quality control for the Northallerton shop. This meant a lot of moving of stock between shops. Now, Northallerton does its own quality control for the library business so books are no longer routinely shipped to Richmond for checking and invoicing. The invoicing facility on Bertline enables Philip to customise his invoices to suit his institutional customers and, for example, cope with servicing charges on library business either at invoice level or by line.

Implementing Bertline 301

Installing Bertline 301 was very straightforward. Martin Beach from Bertrams visited Philip's shops over a weekend and the new system was installed. The staff were also trained in the new system. Stock was read into the system by wanding the barcodes of all the books.

Improved management

These changes also served to settle Philip into his business whereas before he was something of an outsider while his expert staff got on with their jobs of running the bookshops and serving their customers without much input from him. Once Bertline 301 was in place, Philip became a

source of expertise and this helped him to take direct control of his business.

Customer enquiries

Because the Bertline 301 system holds stock information at line level, customer enquiries could now be answered by looking up stock availability on the system. If it was shown as in stock then the member of staff could more easily and confidently find the book on the shelf. Stock range and quality had been improved as a result of having a higher returns allowance (part of his negotiation with the wholesalers), and order chasing could be handled better using the Open Purchase Order Report from Bertline 301.

The Book Partnership

A year later, The Book Partnership offered Philip their transactional website service. The website contains Nielsen's product information and enables Philip's customers to place orders via the website. Customers can either pay in advance and have the books sent by post or they can elect to collect the books from the shop. The Book Partnership also supplied Philip with the ideal book ordering tool. This not only shows the stock availability of a particular title at the three main wholesalers but also the bookseller's discount. Whilst many books are supplied at the wholesaler's standard terms, for other books, especially educational books, Philip could see at a glance which wholesaler could offer his business the best margin for any book.

Using The Book Partnership, Philip can select a book, place an order on a wholesaler at 4pm and pretty much be able to guarantee a delivery of that book the following morning. For demanding customers this is an excellent service whilst for the independent bookseller margins are tightly controlled.

Batch

When Philip took over the business, it was already using batch.co.uk to pay suppliers. At the time, THE were the only wholesaler on Batch so it was only used for a fairly small proportion of the business. Now all three major wholesalers and almost all major suppliers have also joined so the service has become fundamental to the way in which Philip manages his business. Philip is very keen on Batch and the service he receives. His only gripe is that there are still one or two major suppliers who are not yet signed up. He hopes through e4books and by encouraging booksellers to put pressure on these suppliers that they can be persuaded to join the Batch community.

Batch Returns

Philip believes that Batch Returns is an excellent service and he is very happy to receive a returns authorisation within around two hours of requesting it. This compares very favourably with the weeks or months before the rep next visits and authorisation can then be given. When Philip took over the business there was not much ordering on publishers except for customer special orders/library orders and these generated almost no returns. Last Christmas, Penguin and Orion started to offer

independent booksellers some innovative special deals. This meant that in the post-Christmas period the ability to obtain credit efficiently for returns was very important, and both Penguin and Littlehampton (Orion) are on the Batch Returns service. Batch Returns was an ideal way in which to request and receive returns authorisation. Philip hopes that many more publishers will embrace the Industry Returns Initiative and implement Batch Returns. The Batch Returns service is very easy to use: when an independent colleague asked Philip if there was a manual for Batch Returns he replied that the service was so intuitive that a manual wasn't necessary. You just go into the service, choose a supplier, input an ISBN and quantity and send it. When the authorisation is received you confirm the number of books you are returning, print off the barcode, attach it to the parcel of books and send them back. (For more details on The Industry Returns Initiative - IRI - and Batch returns visit www.bic.org.uk/returns and www.batch.co.uk). Importantly, Batch Returns is free to booksellers who are members of the Booksellers Association.

BIS

One facility that Philip is very keen on, given his business setup with two shops and an accountant located elsewhere, is the Batch Integration Service (BIS). This is ideal for the many users of the Sage Line50 accounting package. The idea is to be able to post invoices to Sage Line50 with just one click. This saves a lot of keying in of invoices by Philip's bookkeeper but the fact that the bookkeeper is on the other side of town and BIS is available over the Internet means that Philip's accountant can log in and download the invoices, saving the regular journey by car across town from bookshop to accountant. Philip believes that BIS saves him at least £1000 a year in bookkeeping costs, let alone petrol and time, whilst the BIS service only costs Philip £150 a year. (For more information on BIS visit www.batch.co.uk)

Conclusion

Overall, Philip believes that implementing an e-commerce and business review focusing on his business processes, especially in the areas of buying, stock-holding, returns and accounting procedures with the upgrade of the relevant technology, has significantly improved his business in terms of sales and profits. It is important to note that it is not just a matter of buying a computer or subscribing to an e-commerce service, it is necessary to take a more holistic approach to the business and see how the technology can be exploited to maximise business benefit.