How to get the best out of bookshop systems and e-commerce

A Simple Guide

December 2010

This guide is intended to provide information to booksellers about the products and services which they can use to make their supply chain more efficient

Introduction

As a bookseller you are spoiled for choice when it comes to e-commerce services. Not only are there many of them available but also many are free to use (or low-cost or, in the case of wholesaler systems, subsidized). All of them contribute to the efficiency of running your business: eliminating re-keying of data, reducing errors, speeding up the process of placing orders or managing invoices and payments. However, only the very biggest chains have the resources to install fully integrated systems which combine product information, stock control, point-of-sale, ordering, invoices and broader financial management. The challenge for smaller businesses is to configure the systems you operate so that they deliver the optimum efficiency for your business and to integrate as many of your business functions as possible. This guide is intended to provide some pointers to how this can be done.

The first thing to do is to analyse how you conduct your business and how the processes you use could be improved. When you examine your business processes you should try to identify which functions are causing particular problems, or costing you a disproportionate amount of time, effort or direct cost.

Most of the services described below are internet-based or depend on the internet for at least part of their functionality. Before you start, therefore, you must have reliable broadband internet access, which is also essential for trading in ebooks. Reputable internet services suppliers will be members of ISPA UK and for the latest on the best deals around for broadband you can go to the Broadband Help web site. If you are worried about security online, check out the Government's Get Safe Online website for advice on protecting your business.

To enable you to trade electronically, you will also need a Global Location Number (GLN) to identify your business. This can be obtained from the GLN/SAN Agency. All BA members should be registered, so please contact them for your number.
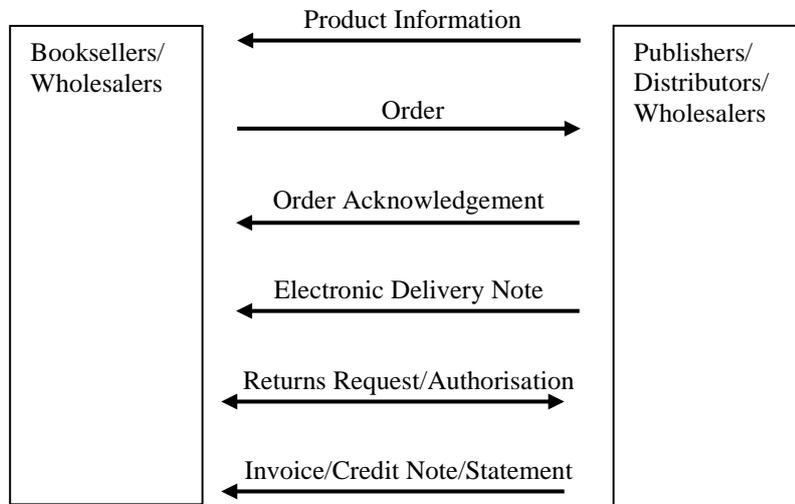
(Note: See **Resources** at the end of this guide for links to websites for all the services and systems providers mentioned in the text).

Business processes

The transactions which you need to manage to run a successful bookselling supply chain are shown in the diagram on the next page. In summary, you need (among other things) to manage the following activities efficiently:

- Access to title information
- Access to sales information
- Ordering and stock control
- Order chasing/acknowledgements from suppliers
- Goods in/receipt of stock
- Invoice payment
- Returns management
- Updating financial systems

All these can be assisted or managed by computer systems and e-commerce connections with trading partners. In effect there are a number of messages which flow between you and your suppliers e.g. orders and invoices and these can be made much more efficient by using e-commerce. The following diagram shows the range of messages that your business should use:

Booksellers/ Wholesalers	← Product Information	Publishers/ Distributors/ Wholesalers
	Order →	
	← Order Acknowledgement	
	← Electronic Delivery Note	
	↔ Returns Request/Authorisation	
	← Invoice/Credit Note/Statement	

Bookshop Management Systems (EPOS)

Bookshop management systems come in different types covering different business functions. Some systems are modular so you can choose which functionality you need and which you won't use and therefore don't need to pay for. Most systems divide into a) an ordering system, b) ordering and stock management and c) EPOS (electronic point of sale). The easiest way to differentiate these three types is that the ordering system enables you to place orders on your suppliers, ordering and stock management also records stock and sales and "knows" what books you have in stock and EPOS has a cash till, connects to ordering and stock management and can print the title and ISBN of a purchased book on the till receipt. Traditionally, these systems have usually been called EPOS systems, which this document uses from now on.

If you have an EPOS system then you should try to base all your activities around it so that there is one repository of your information on all your books, customers, invoices and purchases etc. You may also have a separate accounts package which will be used to manage the financial side of the business and to produce accounts.

The most commonly used EPOS systems in the book trade are those supplied by wholesalers (Gardlink from Gardners, Bertline from Bertrams and Synergi from STL Distribution). Wholesalers may sometimes provide free hardware, software, training and support to get new customers up and running and computerised quickly. This free offer may be dependent on the bookseller placing a certain amount of business through the wholesaler. If this business target is not met then the costs of the EPOS system may well become payable. Other systems suppliers to the book trade include Aztec Retail, Booksolve, Sweetens Computer Services and the Trilogy Group. As bookshop systems are a relatively small

business niche for systems suppliers you should try to gauge each possible supplier's degree of commitment to the book sector and only buy a system from a supplier which looks to be fully committed for the long term. You don't want to be changing your system again in a year or two. The Book Partnership (TBP) is also a useful provider of various bookshop management services. This includes a website service for booksellers and EPOS.

Many of these systems are fully e-enabled (i.e. they can communicate over the Internet). You should ask your supplier how "interoperable" their system is with other systems and how well it can be made to work with e-commerce services. The idea is to pass information from one system to another without having to print out and re-key any information at all. This is only possible if systems are compatible and can communicate with each other. Examples of interoperability would include the e-commerce services PubEasy and Batch working together (see below) and the link from Bertline through to distributors via PubEasy.

Before choosing an EPOS system it is advisable to visit a bookseller who is actually using the system in a live environment, preferably one similar to your own. It is easy to be impressed by system demonstrations at bookfairs but a system's actual efficiency and value can only really be judged by using it. Most booksellers are happy to share information on their systems and to help colleagues to come to the right decision. One question you should ask your systems supplier is how their system communicates with your suppliers, such as publishers' distributors, wholesalers, bibliographic suppliers etc. Your system should be able to send your orders electronically, receive back important acknowledgement information and automatically "cascade" orders on to another wholesaler or to the publisher.

Assuming that you have purchased your EPOS system you now need to look at linking the system with other sources of information and of course your suppliers.

Obtaining title information and ordering

Using book information from the internet
Internet resources such as Amazon.co.uk, Waterstones.com, The British Library, Google and publisher/author websites are free and can be easily accessed from an internet capable PC in store. If you use either Gardners or Bertrams, you can use their websites which offer basic product information and up to date stock availability. Websites tend not to have size constraints in the way that local physical media do, e.g. CD-ROMs. Therefore websites may have jacket images of hundreds of thousands of books and can also often be more up to date.

If you have an internet-enabled EPOS system, you can use these services to search for required titles, highlight and copy an ISBN to your Windows clipboard, paste it into the purchase order ISBN field and then place your order. Don't forget to use your EPOS system's scanner. This can scan a barcode into any field on any web page. This can be useful when looking up bibliographic or availability information or when reporting a book as damaged etc.

Pros: Very cheap, good reliable information (possibly the same as used by your customers). Wholesaler websites are full of functionality such as ordering, backorders, returns etc.
Cons: Laborious if placing many orders.

Bibliographic data on EPOS or CD-ROM

Most EPOS systems link to bibliographic data from Nielsen BookData, Bowker or wholesalers, either online or on CD-ROMs, so that you can have the choice of placing orders on wholesalers or via Nielsen TeleOrdering. EPOS systems can often produce a whole list of orders, e.g. for replenishment, and sending the whole file to the wholesaler or to TeleOrdering in one go is a highly efficient method of ordering.

Pros: Designed for trade use; integrated with ordering systems.
Cons: Subscriptions to bibliographic services are not cheap at £600 to £1200 per annum (TeleOrdering service extra). CD-ROM data can get out of date but online updates can help.

Online services: Nielsen BookNet Web and PubEasy

To access these impressive online services you only need a PC with a browser connected to the internet. Nielsen BookNet Web links to all publishers, distributors and wholesalers via TeleOrdering, and PubEasy ordering reaches most major distributors plus Bertrams and Gardners. Nielsen BookData has an online bibliographic service called BookData Online (BDOL) which is superior to their CD-ROM service as it is always more up to date.

Pros: Up to date information, low cost systems required (just an Internet capable PC), easy ordering and additional services. PubEasy is free to booksellers.
Cons: BookNet Web is chargeable. . You will need to update your EPOS purchase order database to control stock, purchase budget etc. Some downloading using a .csv customisable file format is possible and this can be uploaded to EPOS but this is still rather laborious.

The Book Partnership

Excellent online ordering tool offering comparison prices from the major wholesalers, discount and stock availability.

Pros: Easy to use, excellent way to control ordering margins.
Cons: You still have to update your EPOS system manually (unless you use TBP's online EPOS system).

Booksolve and other EPOS systems

Booksolve offers a sophisticated EPOS system for larger book businesses with integrated links to Nielsen, Batch, PubEasy and wholesalers. Other systems have varying levels of integration with these services: you should ask your EPOS supplier if they have developed this or have plans to do so in the near future. Sometimes this facility has been developed for one customer but is not promoted more widely. Both of the major wholesaler EPOS systems, Bertline from Bertrams and Gardlink from Gardners offer access to product information with integrated ordering and other facilities. For instance, Bertline has full integration with Batch and Batch Returns. If you use these EPOS systems or you buy from these wholesalers you should talk to them and find out the full range of information, ordering and e-commerce facilities.

Pros: Full functionality and good connectivity with data providers and wholesalers, if available.
Cons: Top of the range EPOS systems are more suited to larger businesses.

Which books to stock

Part of the ordering process is identifying the books that the bookseller wishes to stock. This can be helped by using Nielsen BookScan sales information which is available online. In order to use BookScan information, booksellers should also contribute their sales information to the BookScan TCM panel (Total Consumer Market). Many EPOS systems, including those from the major wholesalers, are capable of supplying this information automatically to Nielsen BookScan. In return booksellers can see top level chart information and they can subscribe to the BookScan BOSS service which provides information by genre, author, and publisher and shows average price thus giving useful input on deciding on price points and discounting. It is quite possible to identify a bestselling book which you may not have in stock and you could then copy the ISBN straight into your EPOS ordering screen.

Pros: Nielsen BookScan provides sales information online as high level charts or for detailed analysis.
Cons: Quite pricey for small bookshops

If you use a major wholesaler then they may be able to provide daily best seller lists by subject category which could be useful in making decisions.

Order chasing and acknowledgments

The ability to track orders and act on order acknowledgments is important for booksellers who wish to provide excellent customer service. Some large chains do not even accept order acknowledgments from suppliers, partly because they are depending instead on the accuracy of the product information available when they place orders. However, smaller booksellers can obtain order acknowledgments from most major suppliers or from PubEasy using email.

Nielsen BookNet Web can be used to look up previous Teleordering routing for a particular order: if an order is sent via Teleordering, the bookseller can log into BookNet Web and see where the order was sent and the phone number of the distributor. This is useful for chasing overdue or urgent orders.

Nielsen BookNet can also be used to look up order acknowledgments from major distributors as well as order confirmations from many thousands of smaller self distributing publishers which now receive their TeleOrders via Nielsen's BookNet Web service.

PubEasy sends order acknowledgments by email. This can be a convenient method of informing a buyer that a book cannot be supplied, but you should ensure that PubEasy has the right email address so that the order acknowledgments reach the right person in your organisation.

PubEasy is also very good for supplying a list of all dues currently held at major distributors. This can then be checked and unwanted orders can also be cancelled for some of PubEasy's affiliated distributors. You will therefore be able to check dues recorded at distributors and cancel any unwanted dues within the same online service. Some wholesalers offer a similar service via their systems.

Developments in some of these areas have been held up because bookshops are not insisting on this functionality. If this is of interest to you why not discuss this with your current EPOS supplier and e-commerce service provider and tell them

exactly what would best suit your business. If enough booksellers push for what they want, it will help to prioritise development work at suppliers and systems providers; eventually this will improve the functionality available to everyone in the supply chain.

Receipt of goods

Proof of Delivery
When shopping on the internet it is now quite common practice to be able to track your order on its delivery journey to your home. Something similar is possible with deliveries to your shop. For instance, if you order on Macmillan Distribution via PubEasy you can click on the carrier's website and see where your parcel has got to. When you sign for the parcel your signature information goes to MDL and then to PubEasy so you can log in and see who signed for a parcel. This impressive functionality is not available from all distributors on PubEasy, but it does show the way in which e-commerce can make the supply chain more responsive and even transparent. Some wholesalers provide information on the deliveries which are on their way to bookshops and you can click on parcel tracking links with carriers such as TNT or DHL and see where your delivery has got to. This information could be used to enable you to plan when you need to have staff resource available to receive a large delivery.

Goods-In & EDNs (Electronic Delivery Notes)
It is good practice for booksellers to receive stock into their shops and log the stock movements on their shop management/EPOS systems. This enables you to know the total value of stock in the shop and also, because the system knows the stock at line level, enables you to answer a customer query with confidence as to whether the book is in stock or not. Wholesaler systems hold customer orders separate from stock orders and when receiving a large delivery it is very helpful to be prompted that a book is to held for a customer to collect rather than to be put straight onto the shelf. This can be done by an audible tone or the printing of a slip of paper with the customer's name and contact details on. This slip can then be put in the book and the book can be reserved pending the customer's next visit. Phone calls can also be made to alert the customer to the book's arrival or non-availability in the event that the slip details show an out of stock etc. Some systems have automated email so when taking a customer order an email address can be loaded into the system and when the order is received in goods-in an email is automatically sent to the customer to say that the book is in.

To make the goods receiving process easier, many distributors can supply an EDN (electronic delivery note). This looks very similar to an invoice but without some of the invoice's financial information. The EDN's job is to provide the EPOS system with the details of the delivery. Many booksellers use the electronic invoice for this purpose instead of using an EDN. Instead of keying in information about the received book you can wand the bar code on the book and the EPOS system can bring up all the information contained in the electronic delivery note (price, quantity, title, ISBN etc). Alternatively a delivery can be checked and then updated into stock all in one go instead line by line.

The Batch.co.uk system (see below) also enables booksellers to view invoices before delivery, and so report issues and make claims online for such things as damages, shortages and incorrect prices/discounts.

Invoice processing and payments

Invoice processing can be an expensive task for all booksellers. Writing cheques, checking documentation, querying details and so on all cost time and money. Smaller booksellers in particular can benefit from using the e-commerce service available from Batch.co.uk to improve invoice processing and to reduce these costs. Batch enables booksellers to view and authorise outstanding invoices and to make an automatic payment by direct debit. The system is tried, tested, reliable and secure. It is also widely used and approved by major suppliers and major retailers.

Pros: Provides online copies of invoices, credits and statements, reduced bank charges, electronic remittance to suppliers and a claims facility that enables withholding of the value of an amount in dispute. Free to bookseller members of the BA. Batch is used by all sizes of business to reduce the time taken manually to input data and the risk of error.
Cons: Does not facilitate early payments or terms not divisible by 30 days. Some distributors are not yet signed up (contact Batch to find out progress and how you can help to pressure your suppliers to join so that you can receive their invoices via this service).

BACS
Where suppliers are not on Batch they may be able to accept payments via online banking using the BACS system, which enables electronic payments system to be made from your bank account to your supplier's bank account. All you need to know is the supplier's bank account details. The one drawback of this method is that the payment can appear in the supplier's bank but with minimal referencing. The supplier may not know where a payment has come from and so it is possible to have made a BACS payment but still to be put on stop by that supplier.

To get around this a standard email template can be set up into which the bookseller types in the payment amount and the invoice numbers being paid and the supplier's email address. The template email will say something like "This email is to confirm a payment made today by BACS for the following amount in payment for the following invoices." This can then be sent to the supplier's credit control department and this will enable the supplier to take note of the payment and reconcile this to the paid invoices.

Accounts updating
Most booksellers of any size have to input invoice information into an accounting package in order to produce accounts. Batch.co.uk has an integration service called BIS which enables booksellers to download their invoice data from Batch to the Sage Line50 accounts package, which is one of the most widely used in the UK book trade. This is an Internet-based service, which costs an initial £250 for the software plus around £100 per annum. You can log in and press a button and the system posts the invoices to the right ledgers on the accounts package. This is a great example of integration and it saves booksellers the cost of an external accountant or bookkeeper having to key in these invoices. The BIS solution enables the accountant to be located anywhere in the world so long as they can access the BIS service over the Internet. This can save a lot of time and cost in moving paperwork around between the bookshop and the accountant or bookkeeper: implementing BIS has saved one independent bookseller over £1500 per annum in bookkeeping costs alone – see the Batch website for details.

A similar integration solution has been developed by Atlas Products International, an accredited Sage developer.

Returns management

Efficient handling of returns is a crucial area of business for booksellers. If books are returned too late for credit (especially as most are now governed by the Industry Returns Initiative) then the business takes an unnecessary hit. Money can be tied up in returns stock if the books are taken off sale but the authorisation is not prompt. Returns can often await a future uncertain visit by a publisher's representative.

The Batch returns system is another BA service that enables you to make a simple request for returns authorisation from most of the major distributors.

Your EPOS system should be capable of producing a slow sellers or overstocks report, ideally sorted by supplier, so that you can wand the bar codes on books you want to return and feed the ISBNs into Batch Returns. A request sent by this means can expect to receive a response within a very short time, usually just a few hours. When you receive the authorisation there is a barcode to print out to attach to the returns cartons to enable the books to be received efficiently into the distributor's warehouse. Credits can then be raised.

Batch Returns is also available through the PubEasy web site and links through from Bertline.

Pros: Free to booksellers in BA membership; authorisation obtained within 2-4 hours of request; web-based service needing only a PC and Internet access.
Cons: So far not all the major suppliers are on Batch Returns (booksellers should urge suppliers to join).

Where a book cannot be returned for credit, it might be better to try to sell it at a discount on an Internet site such as Amazon Marketplace. Many booksellers now offer surplus stock on these sites and Bertline 301 now has a facility to enable booksellers to upload these books to Amazon Market Place.

General advice on e-commerce use

Other Services
Booksellers have a number of resources available via the Internet: some are subscription services with password protection and some are freely available to all. To control these websites efficiently, you can use the "favourites" or "bookmark" facilities in your web browser. Another way is to set up a simple home page in HTML with all your favourite websites perhaps classified into different types and to set your browser to point to this page as your home page on your browser. Then, when any member of staff opens the browser, they will see a list of these websites and can click on these items to visit these sites. This simple idea could be very helpful in organising these different services. Also don't forget that modern browsers can hold several home pages and so you can set up your wholesaler home page, your bibliographic supplier, e-commerce service provider, a book price comparison site, Google, Amazon etc. all as home pages so when you load your browser they will all load and be available as easily accessible tabs. This enables you to click from one system to another, and to copy and paste data such as ISBNs from one service to another.

National Book Tokens

Over £30 million of National Book Tokens are sold each year through members of the Booksellers Association of the UK and Ireland. With an average selling price of £16 (22 Euros) the brand creates 3.75 million store visits each year, that's over 10,000 store visits every day of the year. The new Electronic Gift Card can be integrated with store systems or operated over the internet.

batchconnect

Batch Connect, a BA service free to BA members, enables booksellers to be kept informed about relevant publisher promotions and special deals. Other facilities enable bookshops to search for authors and invite them to attend bookshop events.

BA/PA Environmental Action Group

There is much which can be done by individual publishers and booksellers to help reduce carbon emissions. The green4books website has a supply chain section providing information and suggestions which can be used to devise and implement more ecologically friendly business practices. In addition to helping the environment, many of these suggestions may also help you reduce costs and save money.

Conclusion

You will have seen what a wealth of systems and services is available to meet all your possible business needs; and taking advantage of them will contribute to running your business more efficiently. However, configuring them in such a way as to deliver maximum benefit should be a priority task for you. This is probably best done by evaluating all the business processes you operate and identifying where there are inefficiencies or delays or avoidable cost. If you have a relatively small business, you are unlikely to have the resources to invest in a single bookshop system that does everything, so you will almost certainly have to implement a variety of systems to realise the benefits of e-commerce. However, you will have seen that there is a growing level of interoperability between the available internet-based systems and services which enable you to move swiftly from one to another.

BIC accreditation

It is worth bearing in mind that if you do most of your ordering electronically, via your EPOS system or Teleordering or PubEasy, and you handle your invoices and returns using the Batch financial or returns systems (or you use wholesalers and their electronic systems) you are almost certainly eligible for BIC's Supply Chain Excellence Awards scheme and able to gain accreditation for your business. Accreditation shows trading partners and customers that yours is a modern technologically advanced business and that this will make your business easier to trade with. To gain accreditation you simply visit the BIC website, download a form, fill it in giving details of your technical proficiency. There is no cost.

Resources

General

ISPA UK
www.ispa.org.uk

Broadband Help
www.broadband-help.com

Get Safe Online
www.getsafeonline.org

GLN/SAN Agency
www.san.nielsenbookdata.co.uk

Book Industry Communication
Peter Kilborn - peter@bic.org.uk
020 7607 9021
www.bic.org.uk

Simon Edwards – e4books consultant
simon.edwards@dial.pipex.com
07742 988391

Booksellers Association

Booksellers Association
Sydney Davies - sydney.davies@booksellers.org.uk
020 7802 0802
www.booksellers.org.uk

National Book Tokens
www.booktokens.co.uk

batchconnect
www.batchconnect.com

BA/PA Environmental Action Group
www.green4books.org.uk

Service Providers

Nielsen BookNet (TeleOrdering, BookNet Web)
www.nielsenbooknet.co.uk
sales.booknet@nielsen.com
0870 777 8710

Nielsen BookData
www.nielsenbookdata.co.uk
sales.bookdata@nielsen.com
0870 777 8710

Nielsen BookScan
www.nielsenbookscan.co.uk
sales.bookscan@nielsen.com
0870 777 8710

Bowker
www.bowker.co.uk
020 7832 1770

PubEasy
www.pubeasy.com
help@pubeasy.com
020 7832 1780 (UK Helpdesk)

Batch.co.uk
www.batch.co.uk
help@batch.co.uk
020 7802 0802

Atlas Products
www.atlasproducts.com

Systems Suppliers

The Book Partnership
www.bookpartnership.com

Booksolve
www.booksolve.com

Aztec Retail
www.aedata.co.uk

Sweetens Computer Services
www.sweetens.co.uk

Trilogy Group
www.trilogypublishing.com

Wholesalers

Bertrams
www.bertrams.com

Gardners
www.gardners.com

STL Distribution
www.stldistribution.co.uk