



Nebraska Book Company's *Knowledge is Power* Educational Series

Promoting the Value of Self-Operational Bookstores

Today's Presenter

. Mark Palmore, Executive Director, Connect2One

INVIGORATE YOUR BOOKSTORE.



Nebraska Book Company



THE BOOKSTORE

Bookstores Can Survive
Decades of Change
but...

*Only a Few Years if Your
Administration Doesn't Know
About Your Success*

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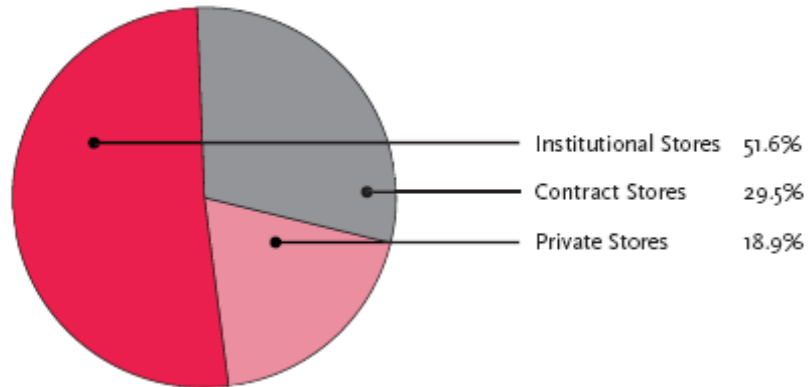
Campus Store Ownership



THE BOOKSTORE

More than half of the 4,650 college bookstores are run by the institution

Campus Store Ownership/Operations



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Institutional Bookstores



The Value of Institutional Bookstores

- . The Window of the School
- . Exists to Serve the Needs of the Campus
- . Offers a Balance of Service & Revenue
- . Listens to the Needs of Customers
- . Vital Part of the Positive Image of the Institution

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“The first place I visit, when on a strange campus, is the bookstore. It tells me all I need to know about the quality and commitment of the institution.”

*Daniel J. Boorstin
Former Librarian of Congress*

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THE BOOKSTORE

The Importance of Staying Institutional

You Control What Happens In Your Store

- Service Levels
- Merchandise & Product Mix
- Pricing & Returns
- Textbook Buyback Policy & Volume of Used Textbooks
- Marketing & Advertising
- Staff Training & Morale



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Know How Your Bookstore Stacks Up

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Bookstore Comparison Data



Overall Bookstore Industry – Key Facts

- Total Sales from US College Stores
 - \$11.172 Billion – Up 2.7%
- Total Student Enrollment
 - Up 4.4% – 15.9 million to 16.6 million students
- Average Sales Per Student
 - \$673 – Down 1.6%

Sources: NACS 2006 College Store Industry Financial Report & Chronicle of Higher Education

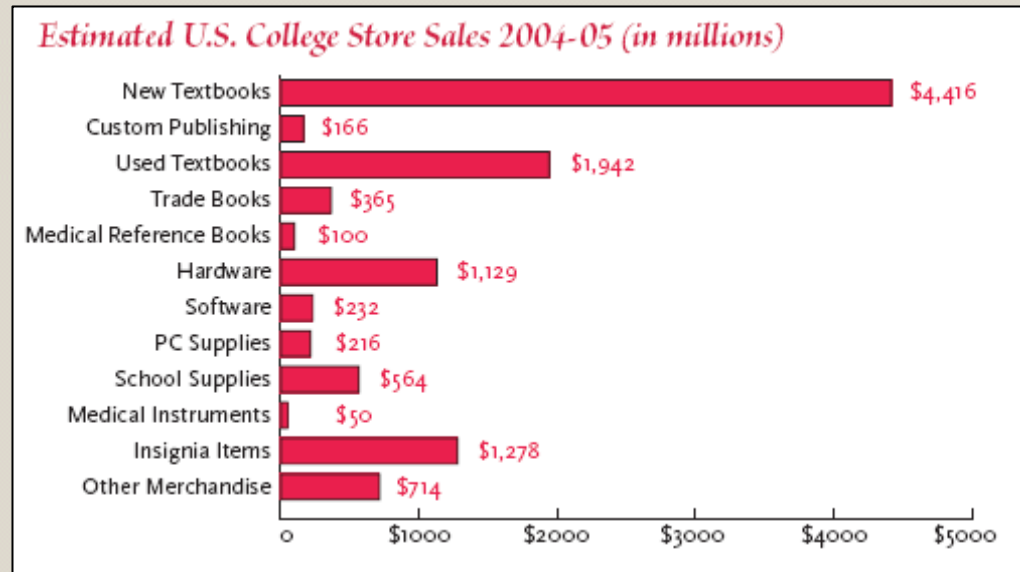
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Bookstore Comparison Data

College Store Sales



Source: NACS 2006 College Store Industry Financial Report

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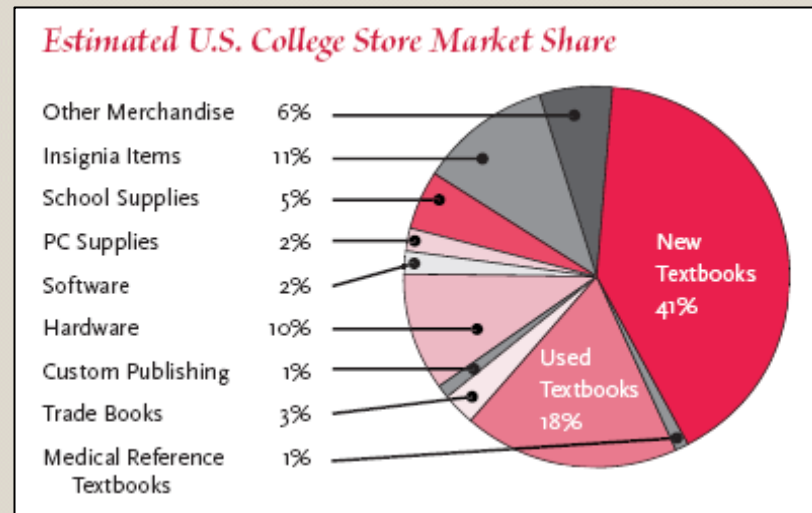


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Bookstore Comparison Data



Market Share



Source: NACS 2006 College Store Industry Financial Report

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Bookstore Comparison Data



- . Gross Margin
 - . Average – 27.2%
 - . New Textbooks – 22.3%
 - . Used Textbooks – 35.1%

Source: NACS 2006 College Store Industry Financial Report

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Bookstore Comparison Data

Stock Turnover



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	Average	25th Percentile	Median	75th Percentile
New Texts	6.2	4.2	5.4	7.4
Custom Publishing	13.9		7.0	
Used Texts	6.7	4.1	5.6	7.9
Total Course Materials	6.5	4.3	5.7	7.6
Trade Books	1.7	0.9	1.4	1.9
Medical Ref. Books				
Total Trade Books	1.6	1.0	1.4	1.9
Total Books	5.4	3.7	4.7	6.5
Hardware	19.3		9.6	
Software	6.1	2.9	5.2	7.5
PC Supplies	4.0	2.0	2.8	5.5
Total PC Supplies	7.3	2.8	5.2	8.8
School Supplies	2.6	1.6	2.4	3.0
Medical Instruments				
Total Supplies	2.6	1.6	2.4	3.2
Insignia Items	2.3	1.4	2.1	2.9
Other Merchandise	6.0	1.9	3.1	6.0
Total Non Book	3.4	2.0	2.8	4.2
Total Sales	4.7	3.2	4.2	5.7

Source: NACS 2006 College Store Industry Financial Report

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Bookstore Comparison Data



. Sales Per Square Foot

	Average	Median
. Total Space	\$654	\$548
. Selling Space	\$842	\$693
. Ratio of Selling Space to Storage Space	6:6:1	4:6:1

Source: NACS 2006 College Store Industry Financial Report

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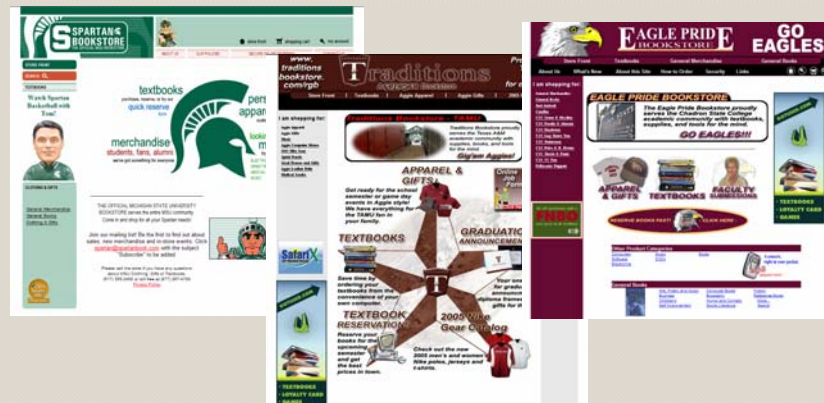
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Bookstore Comparison Data



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- Online Sales
 - Up 4.0% Compared to 3.4% in 03-04



Source: NACS 2006 College Store Industry Financial Report

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Using the Data – Example



- . Are you really growing?
 - . Enrollment up 7%
 - . Store revenue grew from \$5,000,000 to \$5,500,000
 - . With 10% growth in revenue, did you really grow? Did you gain or lose market share?
 - . What about textbook prices?

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Using the Data – Example

. Are you really growing?

	FY04	Growth	FY05	Growth
Store A	\$5,000,000		\$5,500,000	10.0%
Store B	\$5,000,000			
Total Market	\$10,000,000		???	???
Enrollment	20,000		21,4000	7%
Textbook Prices	\$500		???	???

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Using the Data – Example

. Are you really growing?

	FY04	Growth	FY05	Growth
Store A	\$5,000,000 (Market Share 50%)		\$5,500,000 (Market Share 48.5%)	10.0%
Store B	\$5,000,000		\$5,842,000	16.8%
Total Market	\$10,000,000		\$11,342,000	13.4%
Enrollment	20,000		21,4000	7%
Textbook Prices	\$500		\$530	6%

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2006 College Store Industry Financial Report

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Charting the Course of Your Self-Operational Bookstore

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Charting Your Course



It's as easy as one, two, three ...

- . Set Measurable Goals
- . Measure Your Success
- . Showcase Your Accomplishments & Contribution to Your Institution

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THE BOOKSTORE

Charting Your Course *Setting Measurable Goals*

First ... Develop a Bookstore Mission

- . What is the purpose of the bookstore?
- . How does the purpose of the bookstore connect to the overall institution?

Example: Providing un-named College students the resources required to successfully enhance their educational experience and gain a variety of global perspectives.

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THE BOOKSTORE

Charting Your Course *Setting Measurable Goals*

Second... Develop Bookstore Goals

- . Know the Expectations for Your Bookstore
- . Base Your Goals on Achieving Expectations

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Charting Your Course

Setting Measurable Goals

Goal Setting ... Remember the Basics

- Step One: Identify the Goal

Example: Grow Sales.

- Step Two: Add Specific Criteria to Measure Success of the Goal

Example: Grow Sales at un-named bookstore by 25% during fall RUSH.

- Step Three: Incorporate a Strategy to Accomplish the Goal

Example: Grow Sales at un-named bookstore by 25% during fall RUSH by offering students a chance to win various prizes and discounts on textbooks and advertising this promotion through the campus newspaper.

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*Setting 5-7 specific, measurable goals,
will help you chart your course for
growth and clearly measure the results
along the way.*

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Measuring Success and Showcasing Your Results

You are the best advocate for your bookstore.

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Measuring Success



Profit & Loss Statement

- Clear picture of bookstore's financial performance
- Tracks key financial indicators
 - Textbook sales
 - General merchandise
 - Gross margin
 - Personnel costs
- Tracks bookstore expense and profitability

FINANCIAL STATEMENT	MARCH	
Four College Store	FF 08	FF 08
School	ACTUAL	ACTUAL
City, State		
Books-Fast Flow	0,717	0,311
Books-Fixed Cost	12,348	14,565
TEXT	22,063	14,876
General Books	1,000	1,100
Text/Text/Ref	947	1,400
Periodicals	23	12
Remainder	290	311
Trade Software	200	153
GENERAL BOOKS	2,519	3,282
Clothing/Access	0,198	0,513
Electronics	125	114
Food/Snacks	143	200
Gifts/Stationery/Cards	25	20
School/Classroom/Eng	1,071	1,000
GENERAL MERCHANDISE	0,868	0,066
Total Services	588	1
TOTAL SALES	31,620	73,663

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Measuring Success



Quarterly Report

- Couple your financial results with your goals
- Track your progress
- Easy-to-read report
- Proactive communications tool
- Showcases to administrators your value & accomplishments

1Q06 Bookstore Name Progress Report

Annual Goals

Goal #1 - Sales Growth
(Bookstore) - Increase sales by 25% compared to 05. By offering students a choice of set textbooks and directly ordering books and ordering the process through the online marketplace.

Actual	Target	Variance
1000000	1250000	-250000

Goal #2 - Student Satisfaction
- Increase student satisfaction score by 10% in 2006.
- Launch new Bookstore portal.
- Increase student response rate to 80%.

Actual	Target	Variance
80%	90%	-10%

Key Business Indicators (CFO: Growth numbers are compared to the same period of 05)

	1Q06 Actual	1Q06 Budget	1Q06 Actual vs Budget	1Q06 Growth
Total Sales	0	0	0	%
In-Site Sales	0	0	0	%
On-Line Sales	0	0	0	%

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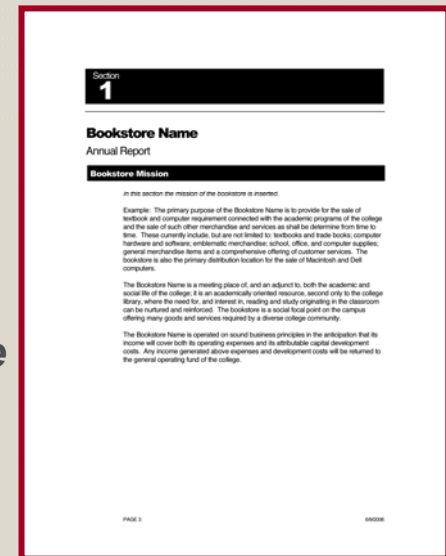
Measuring Success



Annual Report

- Expands on quarterly report
- Reaches wide audience
- Showcases specific results

An annual report is a positive opportunity to provide more detailed information and further promote the success and contribution of the bookstore.



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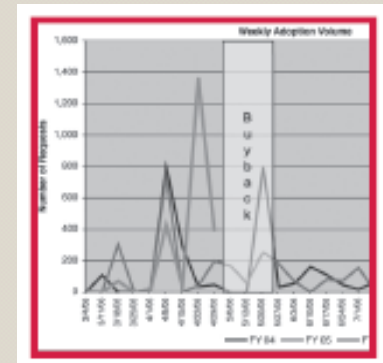
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Measuring Success



Adoption Tracking

- Strong buyback programs are critical
- Working with faculty to improve early adoption rates
- Track your progress to showcase your success in this critical area





Showcasing Your Success

Don't forget the most important piece is sharing your success ...

Meet quarterly with your supervisor to walk through your goals and the progress you are making.

You are your bookstore's best advocate. It's up to you to proactively share your progress and success.

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NBC – An Added Resource

Be Book Smart

Use Resources to Improve Your Bottom Line

- . NBC Textbooks
- . CampusHub
- . Connect2One
- . Marketing Services
- . College Store Design
- . NBCPRISM
- . Specialty Books

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NBC – An Added Resource

Independent College Bookstores Can
Thrive in a World of Increasing Competition
BUT,

Your Future Rests In Your Hands

*To receive a copy of the slides used in today's presentation go the
Knowledge is Power section on nebook.com.*

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