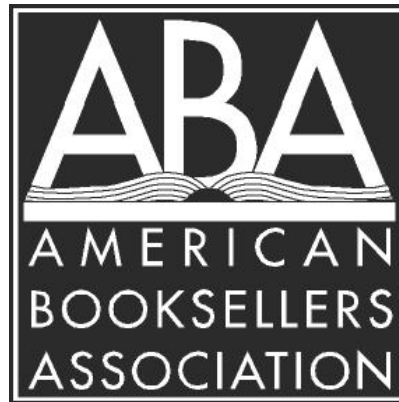


RESULTS FROM THE NEW ABACUS



Easy Web-Based Form

ABA ABACUS Data Form - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Media Print Mail

Address http://www.bookweb.org/docs/abacusform/ Go Links Norton AntiVirus

Company Information			
A1	Company Name	<input type="text"/>	Help
A2	Main location state (Two letter abbreviation)	AL <input type="text"/>	Help
A3	Number of locations	1 <input type="text"/>	Help
A4	Total square footage in your store(s)	<input type="text"/>	Help
A5	Selling square footage in your store(s)	<input type="text"/>	Help
A6	More than 50% of new book sales are general or a specialty	General <input type="text"/>	Help
A7	Percent of Total Net Sales that are used book sales (0-100, no decimal places)	0 <input type="text"/> %	Help
A8	Book Sense Member?	<input type="radio"/> Yes <input type="radio"/> No	Help
A9	End date of last fiscal year	Jan <input type="text"/> 2001 <input type="text"/>	Help
A10	Market Area / Community Type	Large City <input type="text"/>	Help
A11	Years in Business	<input type="text"/> Years	Help
A12	% Sales of Non-book Items (Sidelines)	<input type="text"/> %	Help

Profit and Loss Statement - CONFIDENTIAL			
Sales and COGS			
B1	Total Net Sales	\$ 0 <input type="text"/>	Help
B2	Cost of Goods Sold	\$ 0 <input type="text"/>	Help
B3	Gross Profit (line B1 minus line B2)	\$ 0 <input type="text"/>	Help
Operating Expenses			

start | Internet | 3:18 PM

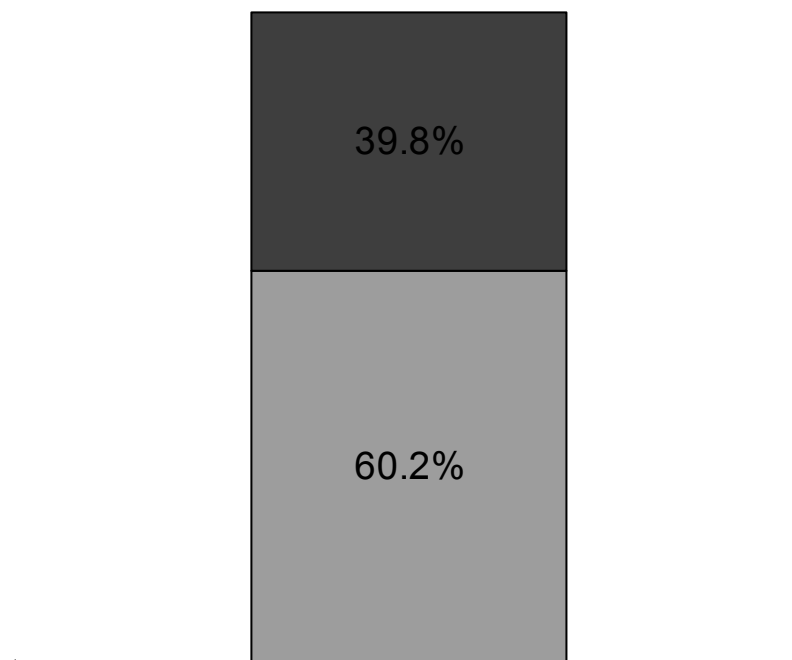
- A new simplified web-based survey with pop-up “Help” for every field
- Print the PDF, work offline, go to the form online, enter data and click submit

New vs Old ABACUS

Topic	New ABACUS	Old ABACUS
Time between data and publication	4-6 months	2 years
Membership participation	11.0%	6.4%
Annual time to complete	45-60 minutes	120-180 minutes
Coverage	Major topics, many cuts	Major and minor topics

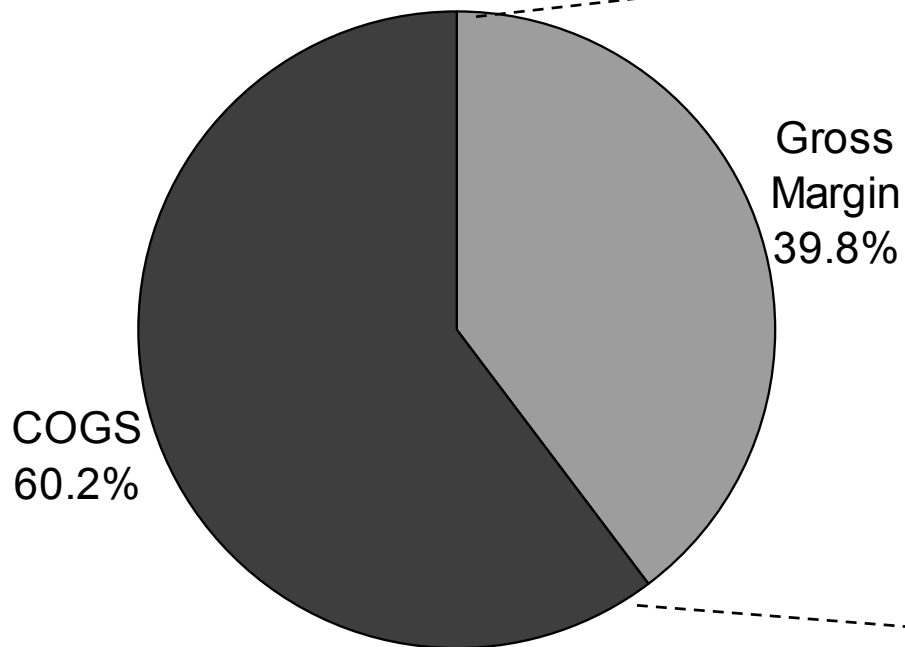
Average Store COGS vs. Gross Margin

- The Cost of Goods and Gross Margin are the average of all 197 reporting companies
- 100% equals Total Sales

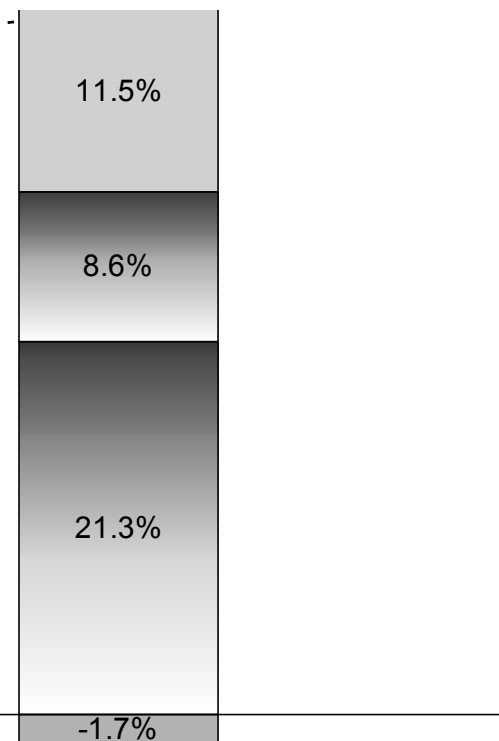


Average Store Uses of Gross Margin

COGS vs. Gross Margin

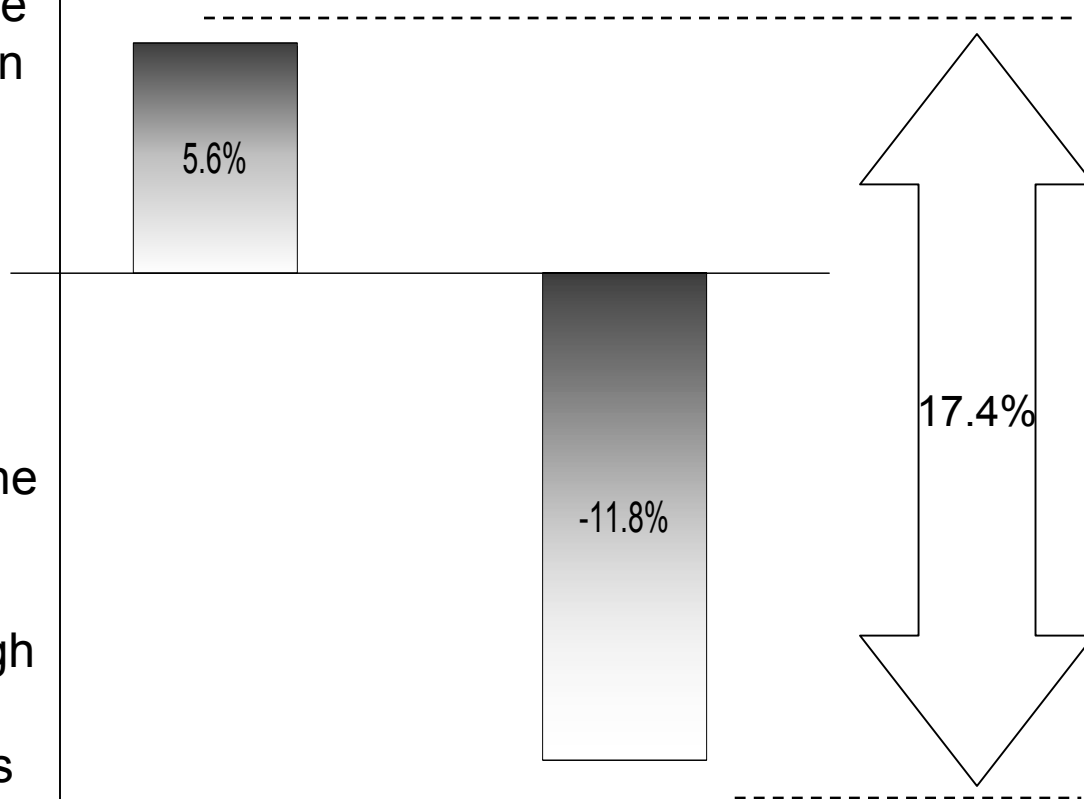


Uses of Gross Margin



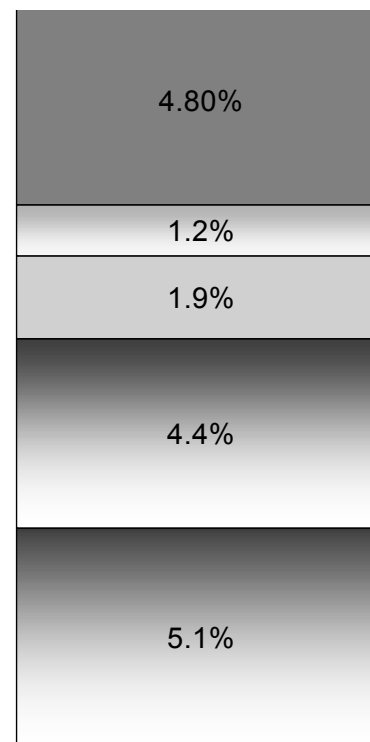
Higher-Profit vs. Lower-Profit Net Income

- The 5.6% in the Higher Profit range and the -11.8% in the Lower Profit range are the average of the 39 companies included in each sample
- What makes up the 17.4% difference between the average of the high and the low profitability groups is where our focus should be directed



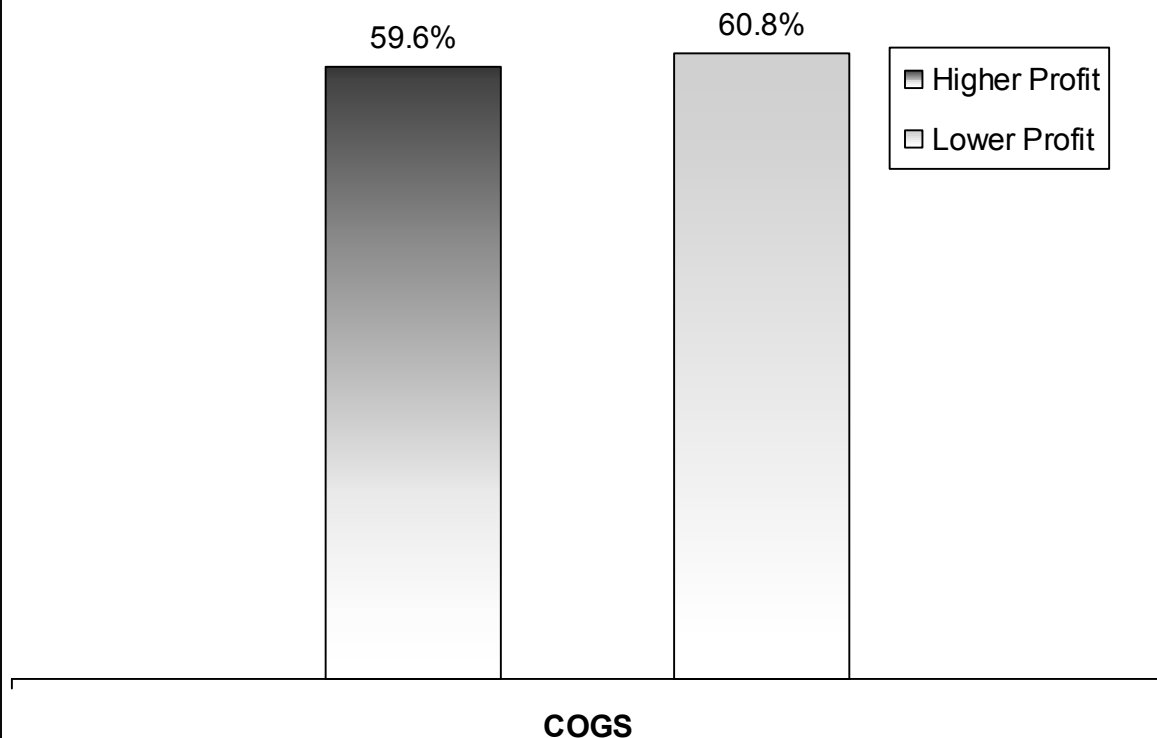
Source of Profit Differences

- The total difference between the average of the high and low profitability groups is 17.4%
- 9.5% (more than half) of the difference is in the combination of Compensation and Occupancy
- When you add Advertising and Cost of Goods you have isolated 12.6% of the 17.4% difference
- Only 4.8% of the difference between high and low profitability is to be found in all other expense categories
- Work on Payroll and Occupancy first

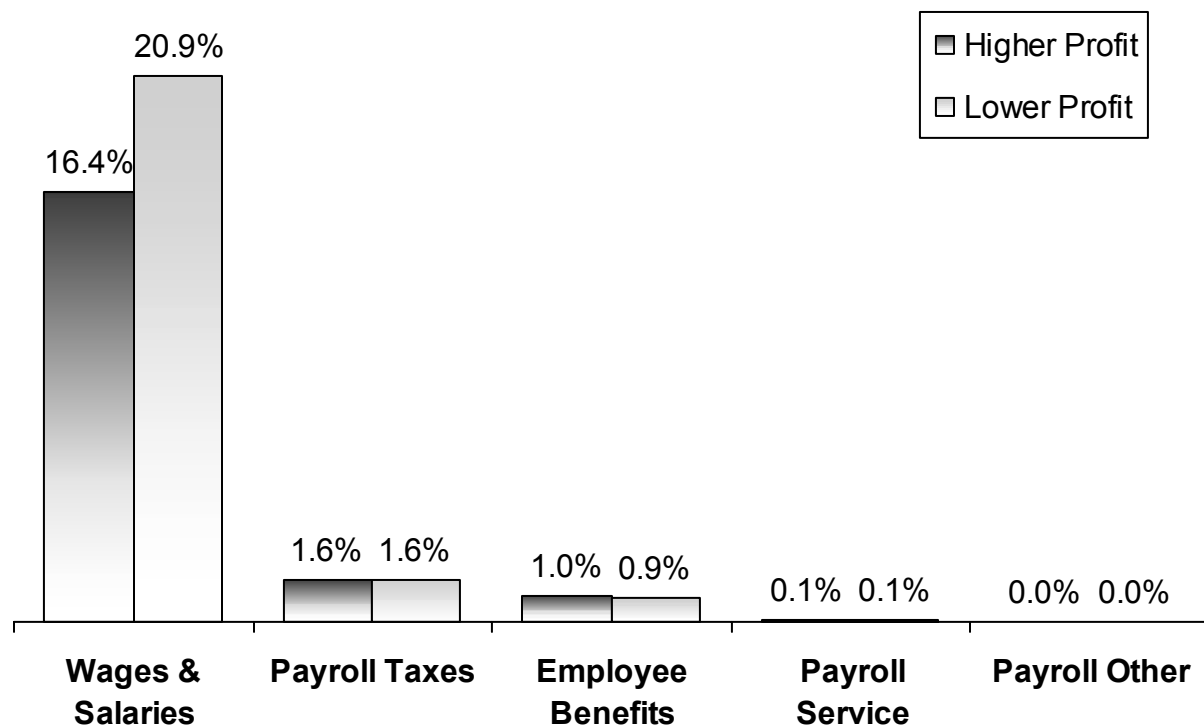


COGS Comparison

- This is a surprisingly result with only a 1.2% difference in Cost of Goods
- The flattening discount schedules, free freight, and other issues raised in the antitrust efforts of ABA are clearly part of the reason for the small gap
- Buying patterns, product mix and discounting policies all affect Cost of Goods

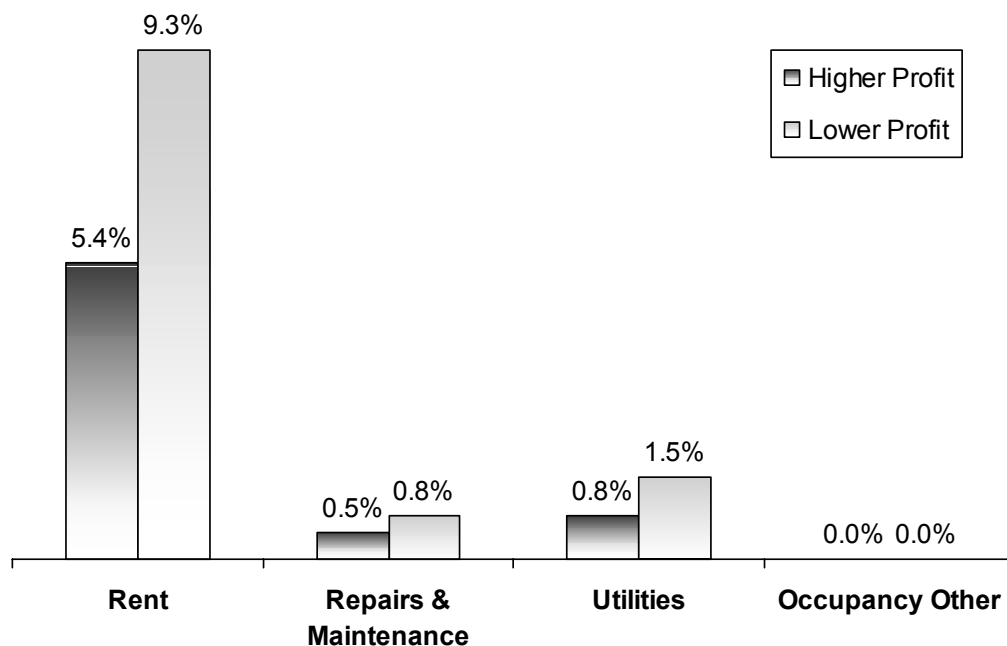


Payroll Expense Comparison



- Since the difference is in the wages paid and not in the sub categories one must think of issues such as productivity
- Also employees whose wages exceed the market value of the function because they have worked in the bookshop for so long are an issue

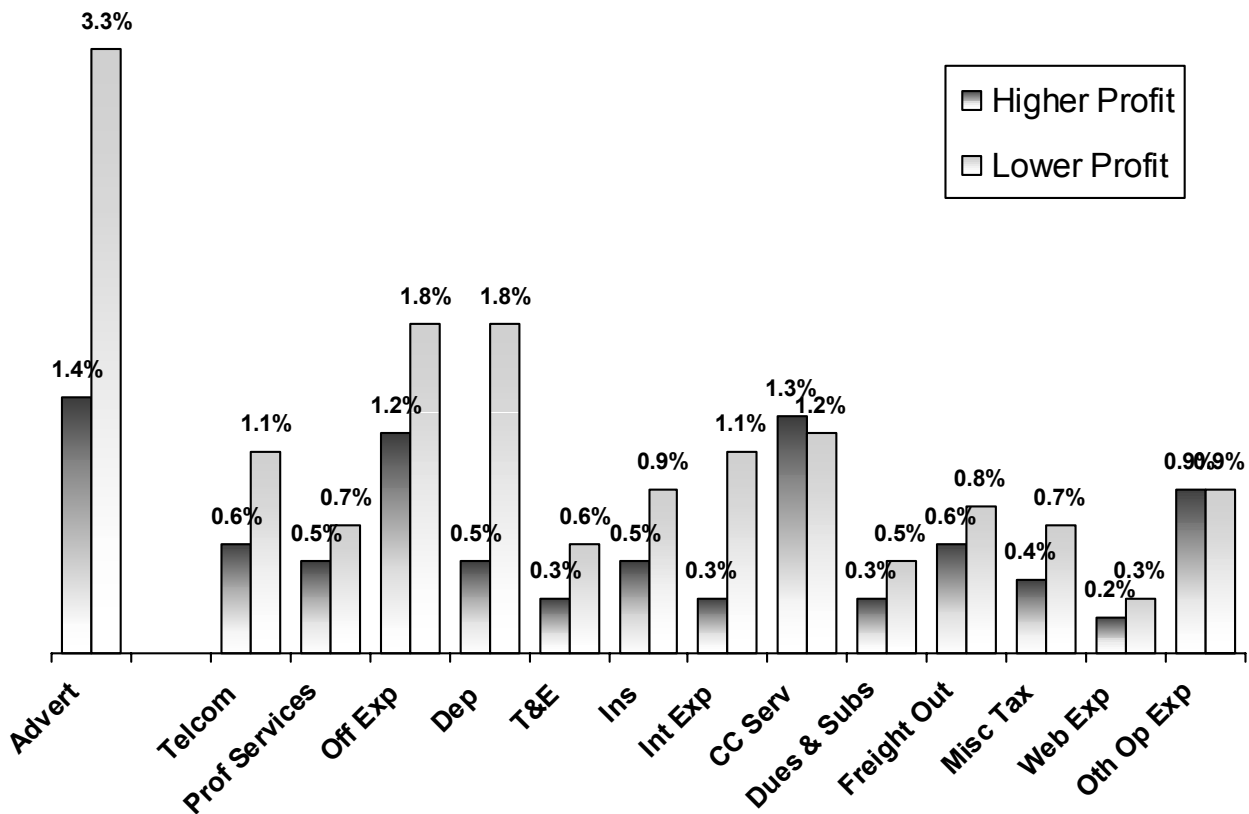
Occupancy Expense Comparison



- Huge difference
- Sometimes you can't sell enough books to occupy a certain location
- Rent keeps going up, but sales don't keep pace
- Everything is re-negotiable

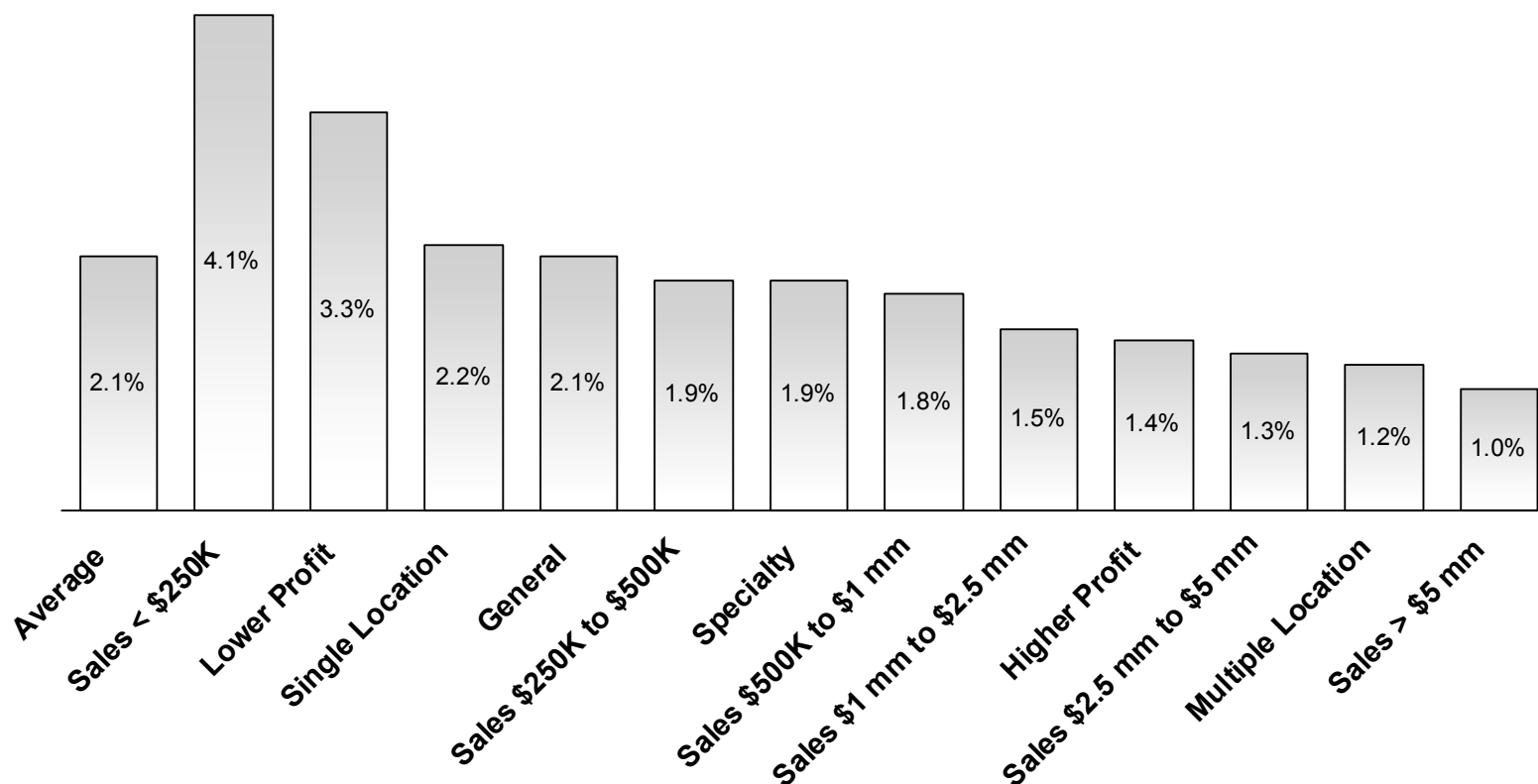
Other Expense Comparison

- Shows how minor the differences in all other expense categories are

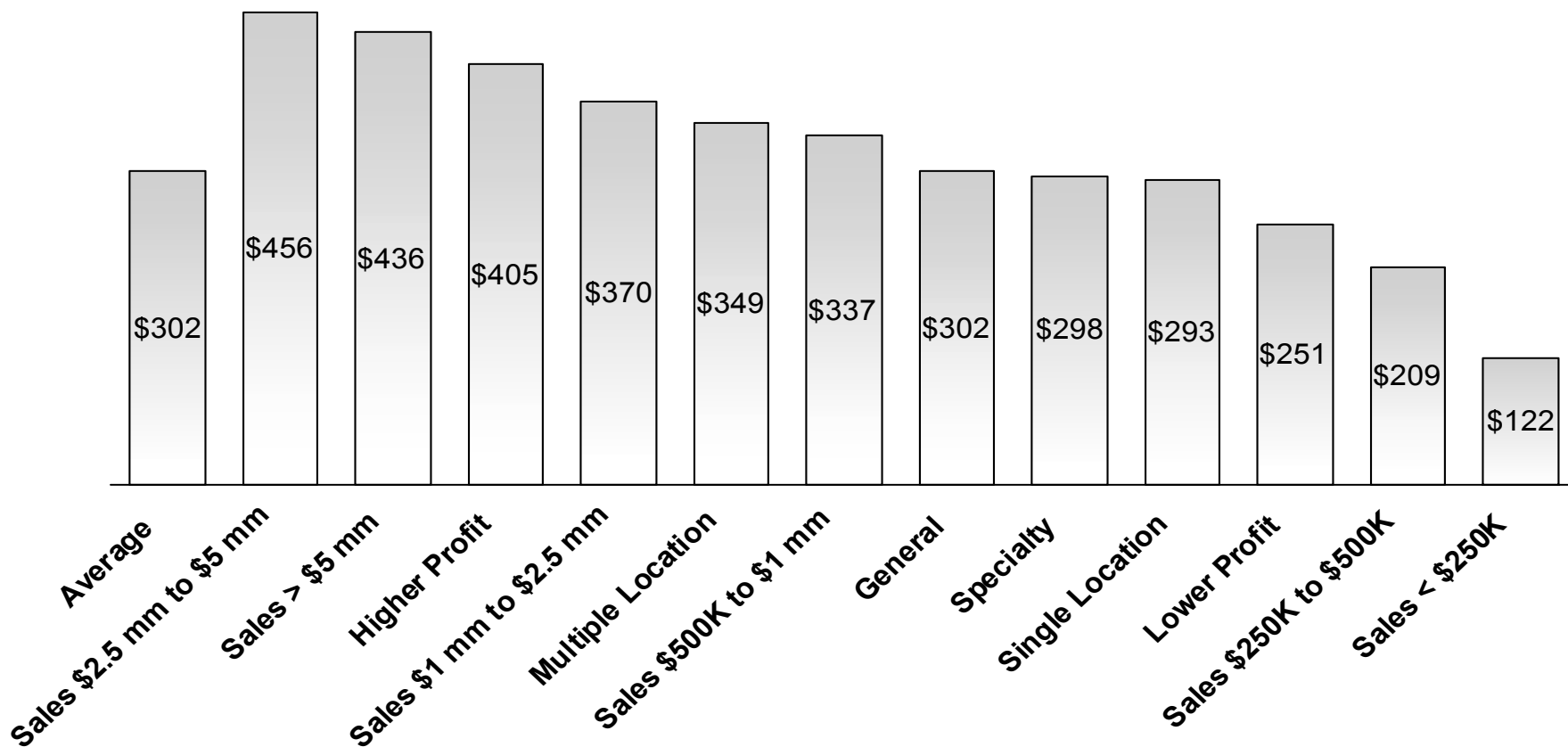


Advertising Expense Comparison

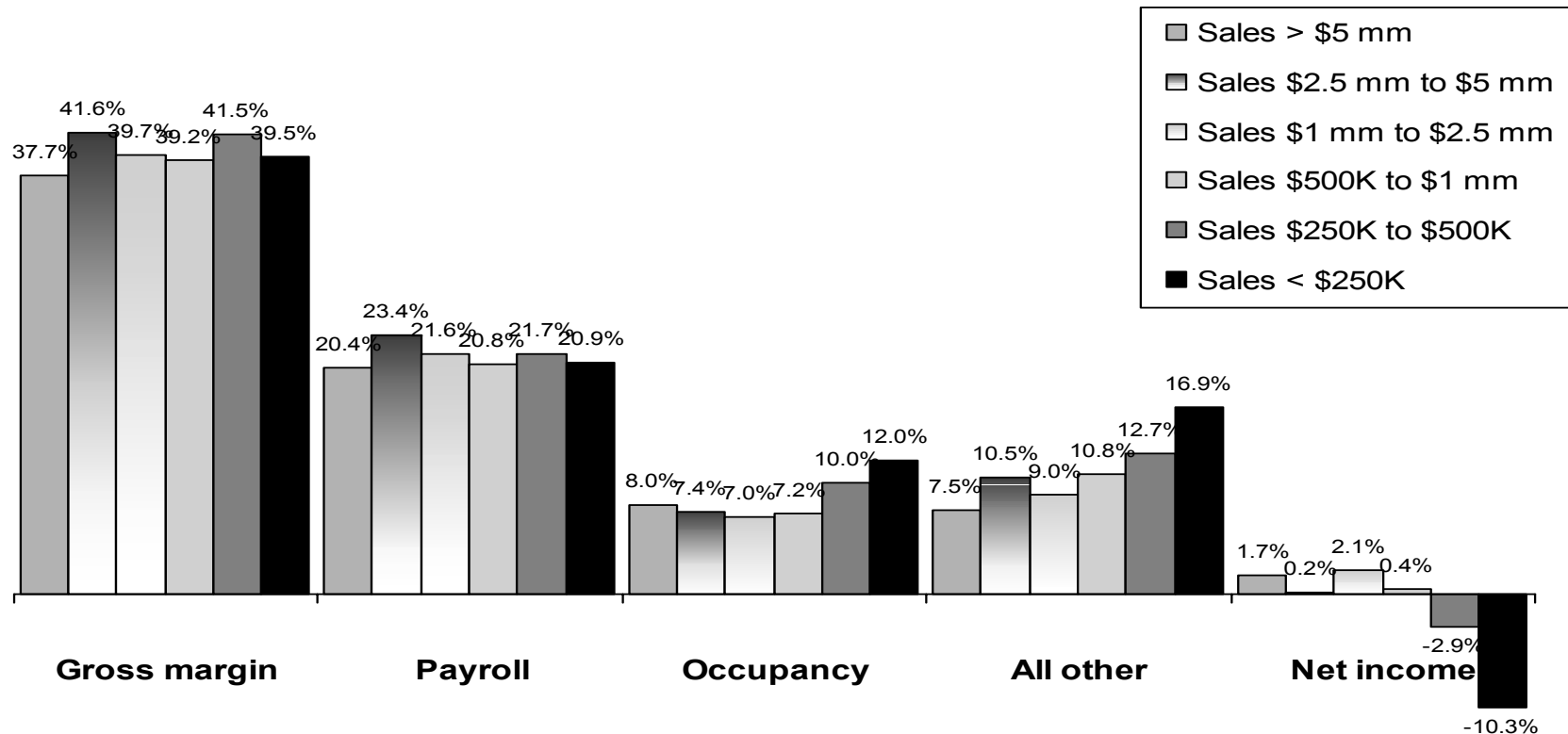
- Collecting co-op is a Huge factor here



Sales Per Selling Square Foot Comparison

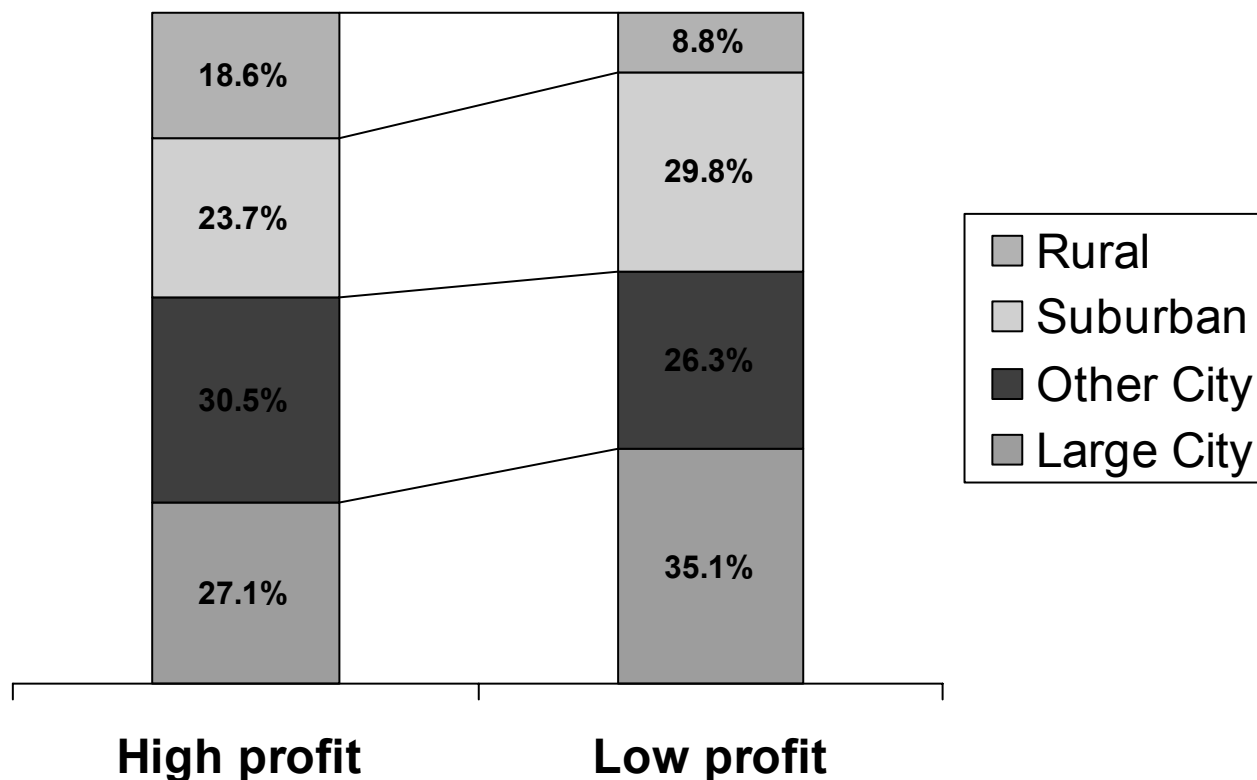


Finances By Sales Volume



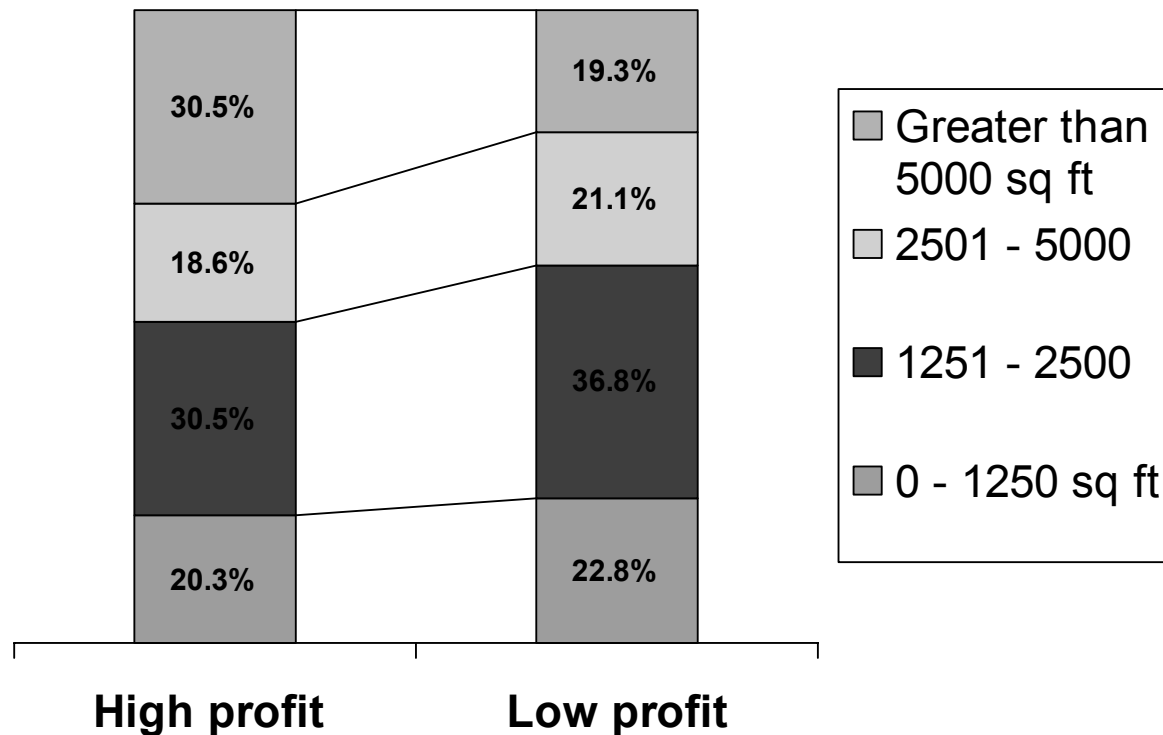
- The average of all reporting companies with sales below \$500,000 is negative. Although small stores can be and are profitable, size makes the task much easier

All Store Community Type



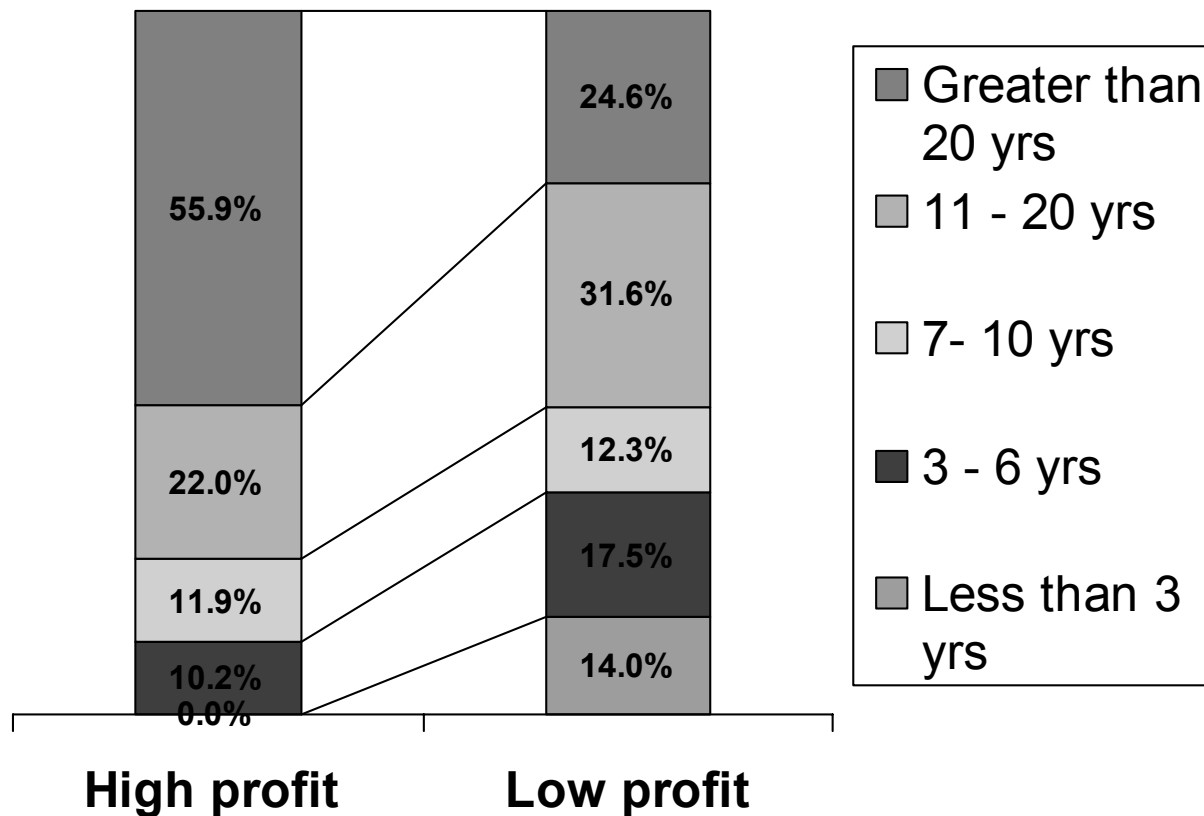
- Not very instructive, but the percentage of profitable rural stores is refreshing

All Store Size



- Although 30.5% of the high profit companies are larger than 5000 Sq. Ft.(selling space) physical size is clearly not the determining factor of profitability

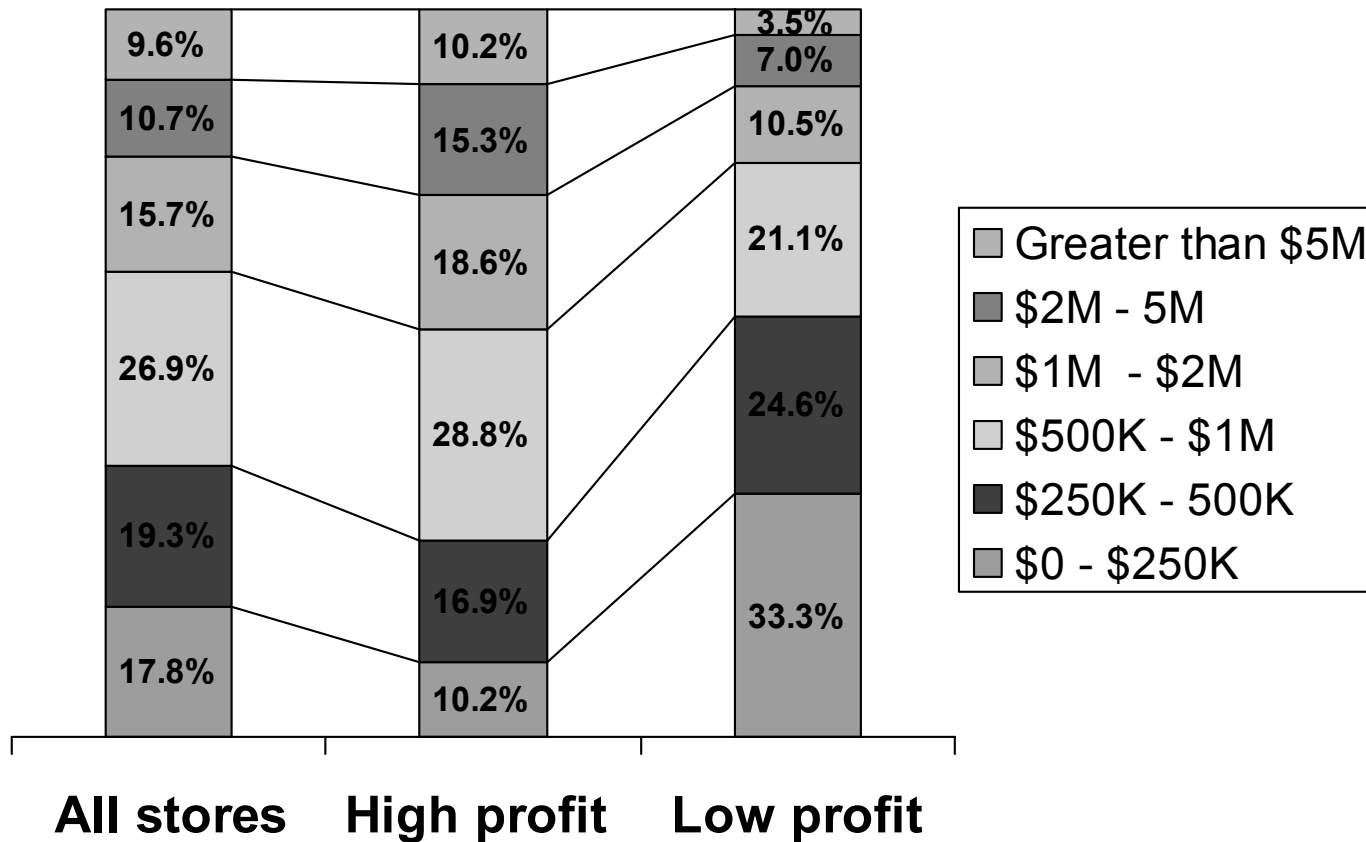
All Store Years In Business



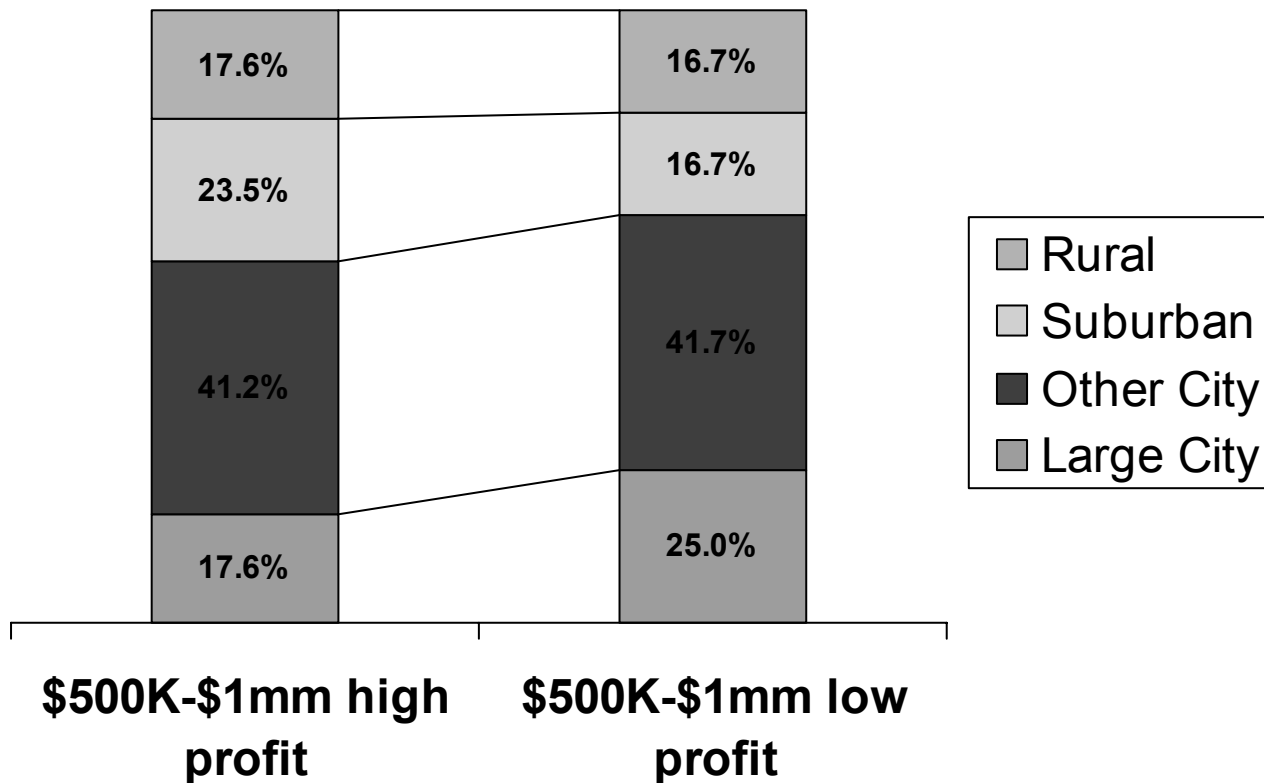
- Are stores profitable because they have been in business for more than 20 years, or, have they been in business more than 20 years because they are profitable?

All Store Sales

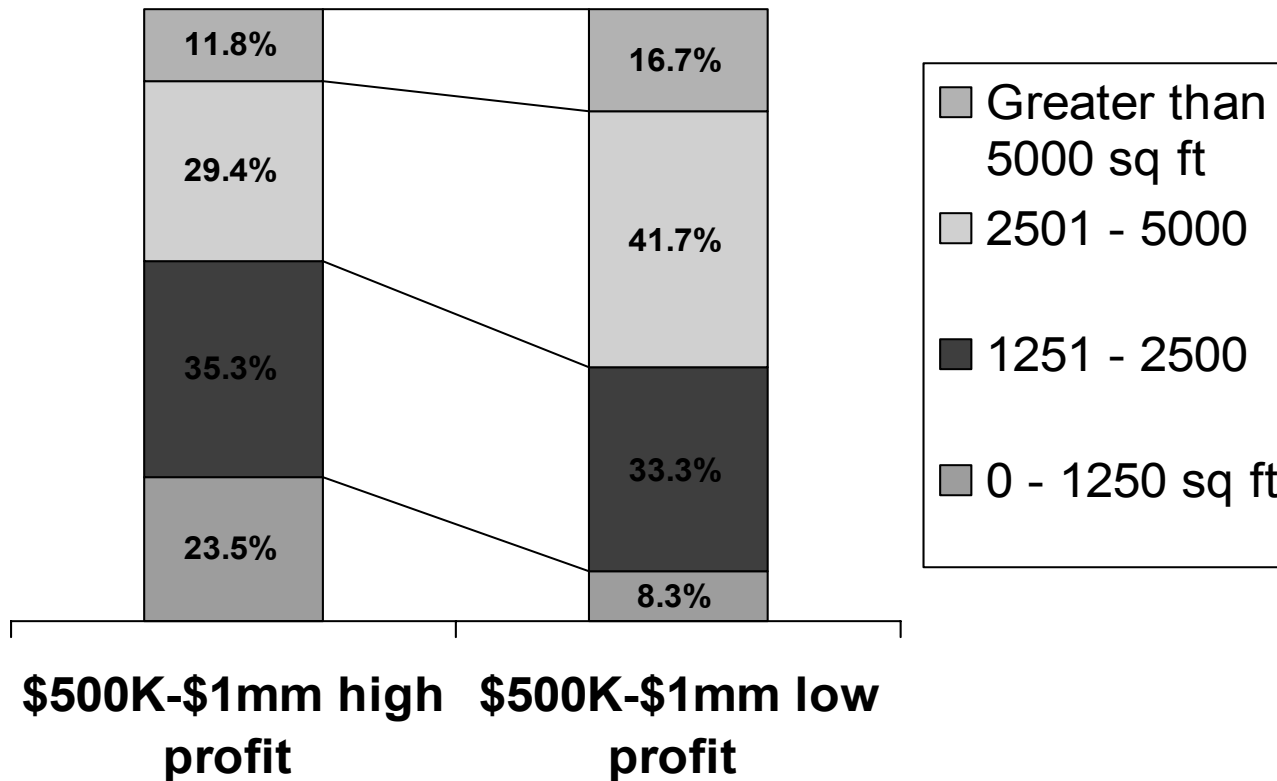
- The All Stores column shows the distribution of all reporting companies (197) by sales
- Again low sales organizations are over represented in the low profit group



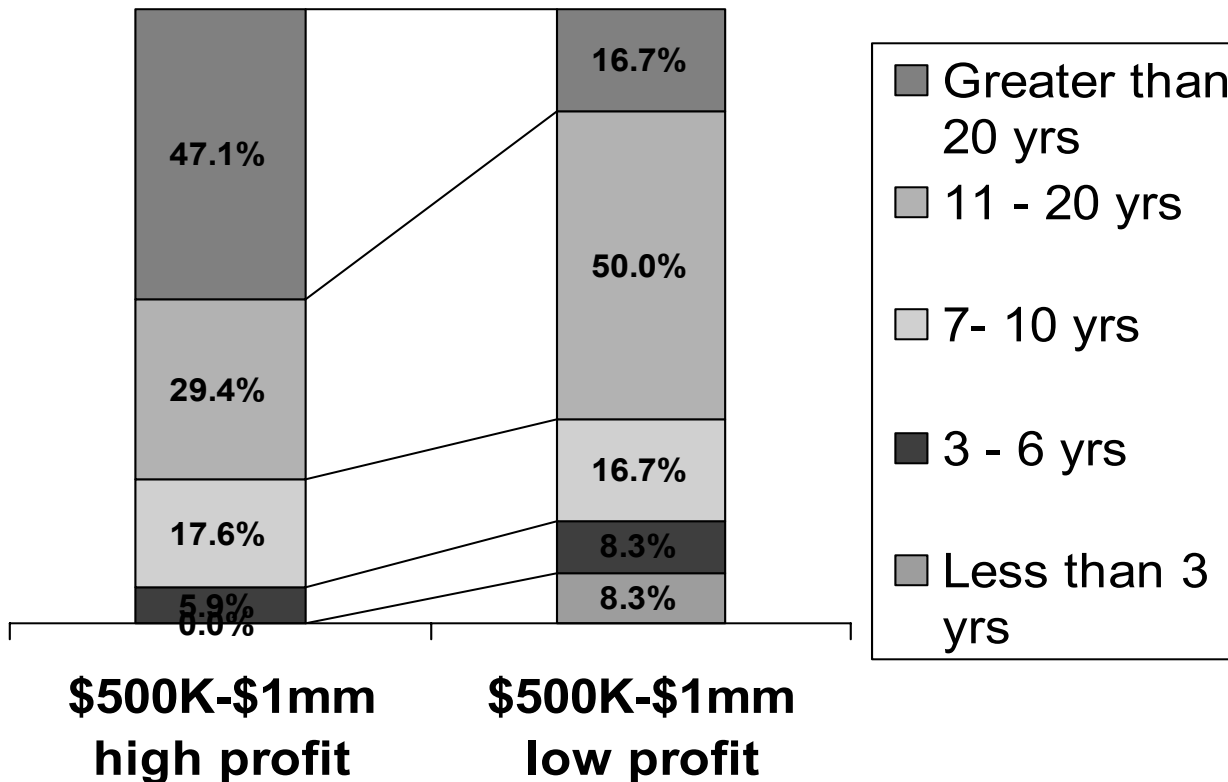
\$500K-\$1mm Store Community Type



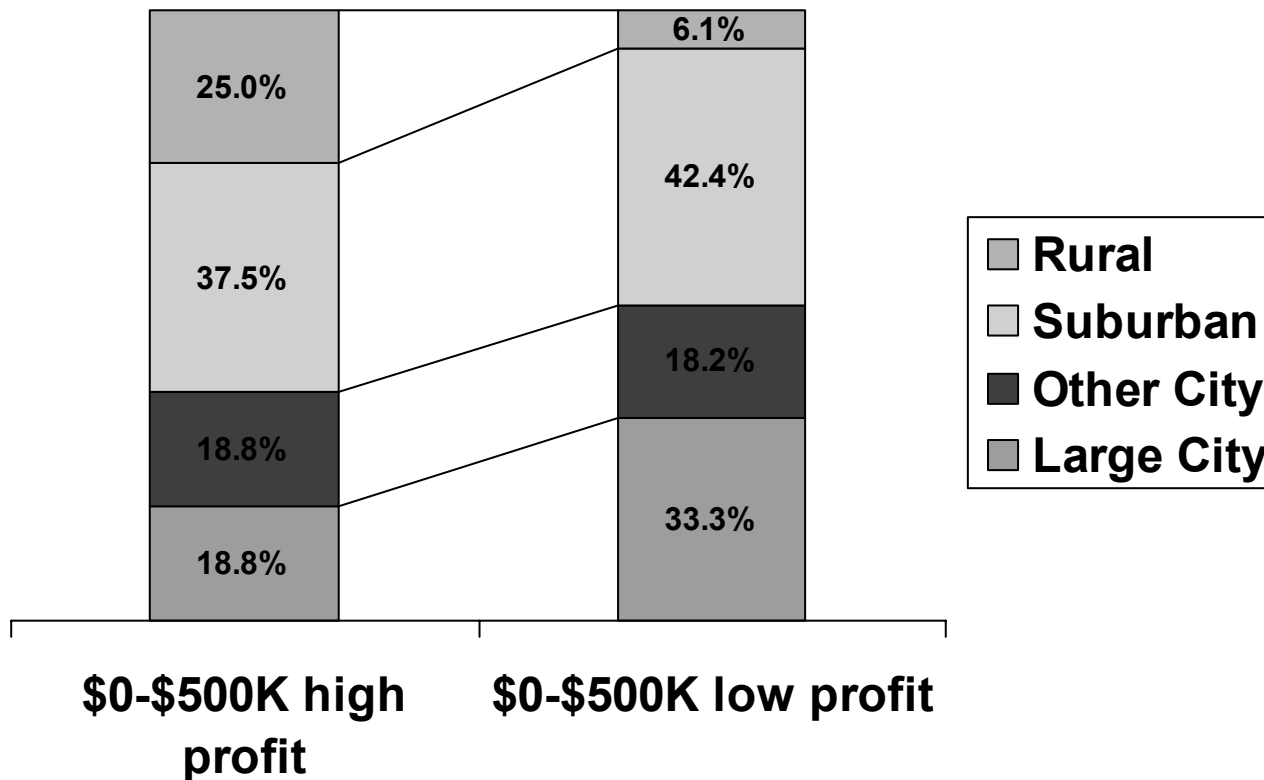
\$500K-\$1mm Store Size



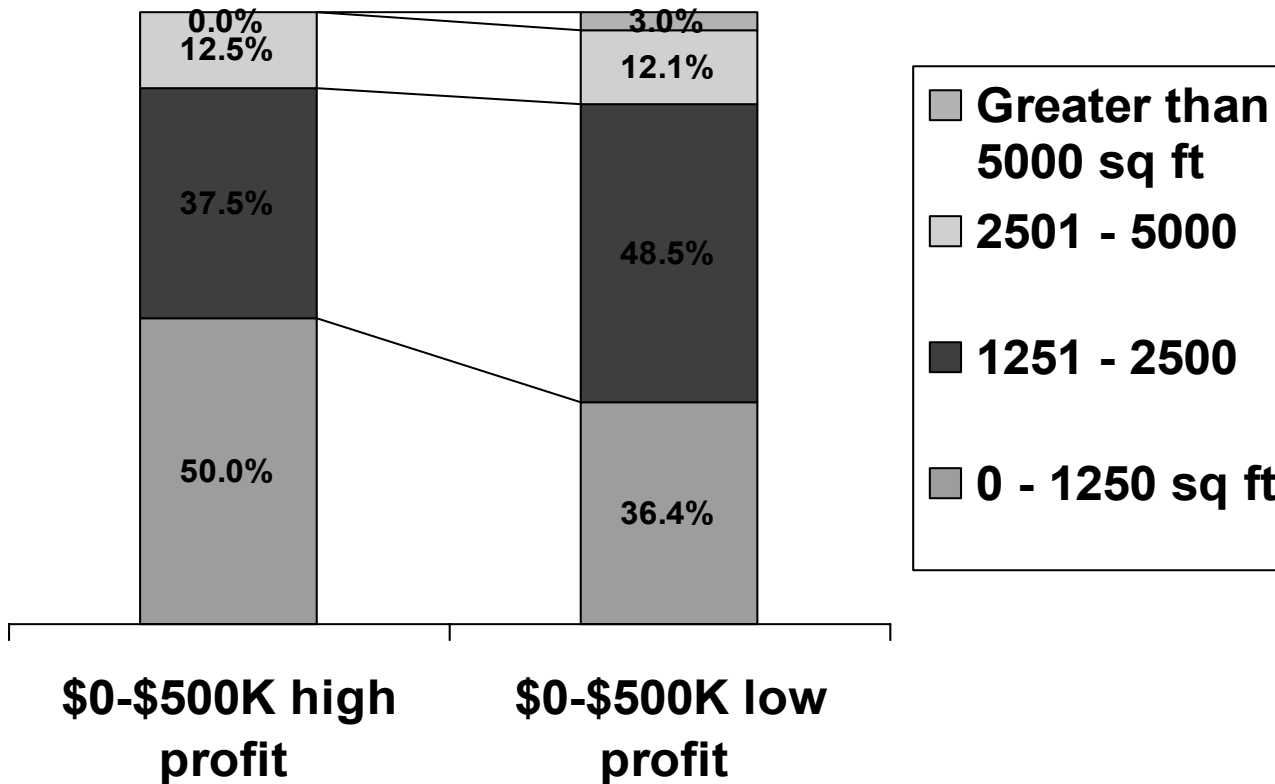
\$500K-\$1mm Store Years In Business



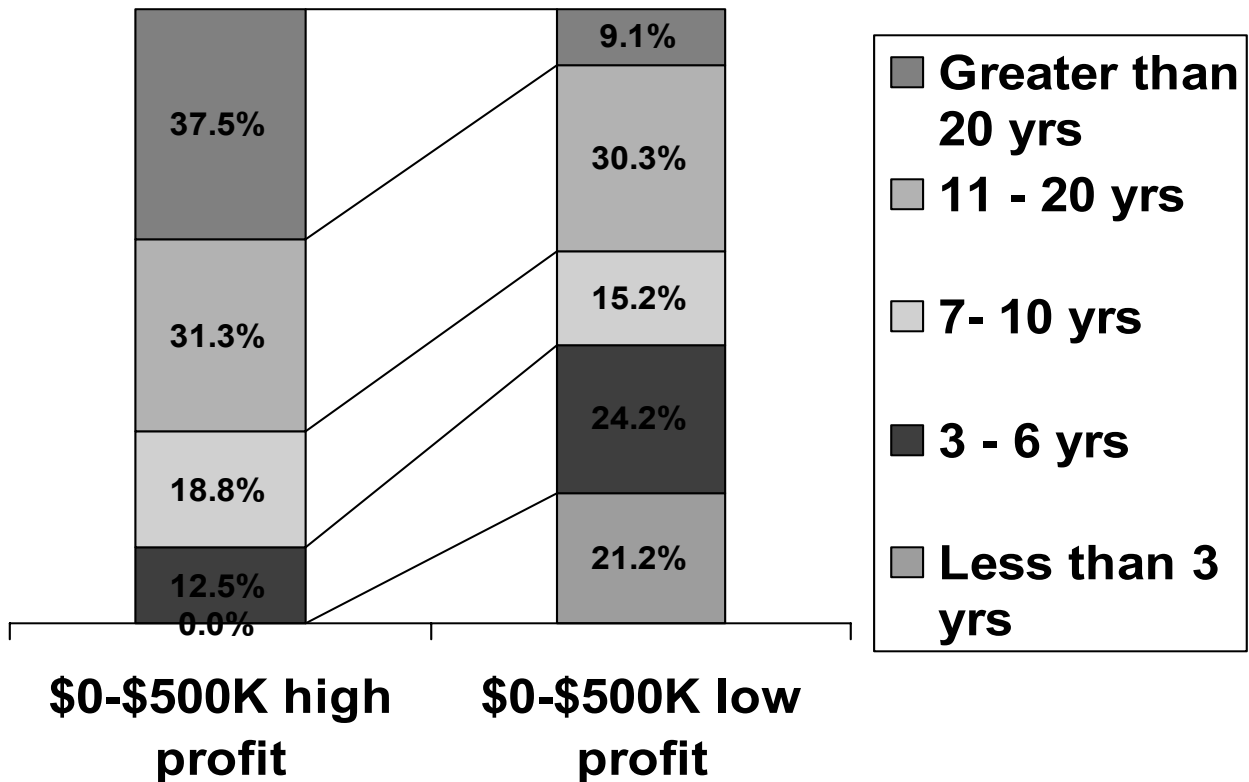
\$0-\$500K Store Community Type



\$0-\$500K Store Size



\$0-\$500K Store Years In Business



What Participating Stores Get Back - Sample

All Respondents (197 Respondents)

This analysis is based upon 197 responding businesses representing 301 of locations and represents approximately \$451 Million in Sales

	Your Data	Mean	Median	Range		Variation from Mean	Your Comparison	
				Low	High		Above the Avg	Below the Avg
				Net Sales	100.00%			
Cost of Goods Sold	73.96%	60.23%	60.85%	11.47%	80.38%	13.73%	XX	
Gross Profit Percentage	26.04%	39.79%	39.25%	19.62%	88.49%	-13.75%		XX
Total Compensation	21.26%	21.29%	20.66%	6.66%	51.97%	-0.03%		XX
<i>Wages & Salaries</i>	100.00%	87.34%	87.92%	64.88%	100.00%	12.66%		
<i>Payroll Taxes</i>	0.00%	7.54%	7.37%	0.00%	28.19%	-7.54%		
<i>Employee Benefits</i>	0.00%	4.71%	3.58%	0.00%	24.41%	-4.71%		
<i>Payroll Service</i>	0.00%	0.31%	0.00%	0.00%	4.43%	-0.31%		
<i>Total Other Payroll Exp</i>	0.00%	0.11%	0.00%	0.00%	11.35%	-0.11%		
Total Occupancy Expense	10.42%	8.64%	7.70%	1.55%	44.84%	1.79%	XX	
<i>Rent</i>	77.26%	80.14%	82.58%	18.83%	100.00%	-2.86%		
<i>Repair & Maintenance</i>	0.57%	7.34%	5.58%	0.00%	33.58%	-6.77%		
<i>Utilities</i>	22.15%	11.67%	10.09%	0.00%	57.24%	10.48%		
<i>Total Other Occupancy Exp</i>	0.00%	0.11%	0.00%	0.00%	10.23%	-0.11%		
Advertising/Marketing	2.08%	2.08%	1.54%	-0.02%	14.26%	0.01%	XX	
Telcommunications	1.89%	0.76%	0.58%	0.00%	2.68%	1.13%	XX	
Professional Services	0.57%	0.54%	0.37%	0.00%	3.52%	0.03%	XX	
Office Expenses	0.73%	1.44%	1.22%	0.00%	4.94%	-0.71%		XX
Depreciation	0.00%	0.97%	0.53%	0.00%	9.93%	-0.97%		XX
Travel & Entertainment	0.30%	0.40%	0.25%	0.00%	4.80%	-0.10%		XX
Insurance	0.72%	0.62%	0.52%	0.00%	3.73%	0.10%	XX	
Interest Expense	0.00%	0.65%	0.13%	0.00%	7.53%	-0.65%		XX
Credit Card Services	1.76%	1.30%	1.35%	0.00%	3.70%	0.46%	XX	
Dues & Subscriptions	0.33%	0.41%	0.28%	0.00%	2.33%	-0.08%		XX
Freight Out	0.44%	0.70%	0.49%	0.00%	6.50%	-0.26%		XX
Miscellaneous Taxes	0.00%	0.44%	0.12%	0.00%	7.89%	-0.44%		XX
Web Expenses	0.00%	0.25%	0.10%	0.00%	3.99%	-0.25%		XX
Other Operating Expenses	0.95%	0.93%	0.47%	-4.11%	11.38%	0.01%	XX	
Total Operating Expenses	41.46%	41.44%	39.23%	17.53%	90.45%	0.02%	XX	
Net Income before Tax	-15.42%	-1.67%	0.55%	-51.41%	18.69%	-13.75%		XX

Personalized Comparisons of Operational Expenses

Sales Level III - \$500,001 to \$1,000,000 (53 Respondents)

This analysis is based upon 197 responding businesses representing 301 of locations and represents approximately \$451 Million in Sales

	Your Data	Mean	Median	Range		Variation from Mean	Your Comparison	
				Low	High		Above the Avg	Below the Avg
Net Sales	100.00%							
Cost of Goods Sold	73.96%	60.97%	60.93%	30.00%	76.39%	12.99%	XX	
Gross Profit Percentage	26.04%	39.19%	39.15%	23.61%	70.00%	-13.15%		XX
Total Compensation	21.26%	20.83%	20.75%	12.09%	29.59%	0.42%	XX	
<i>Wages & Salaries</i>	100.00%	85.46%	86.99%	64.88%	96.71%	14.54%		
<i>Payroll Taxes</i>	0.00%	6.79%	7.49%	0.00%	24.73%	-8.79%		
<i>Employee Benefits</i>	0.00%	5.38%	4.77%	0.00%	19.01%	-5.38%		
<i>Payroll Service</i>	0.00%	0.30%	0.00%	0.00%	1.98%	-0.30%		
<i>Total Other Payroll Exp</i>	0.00%	0.06%	0.00%	0.00%	2.40%	-0.06%		
Total Occupancy Expense	10.42%	7.16%	6.76%	3.01%	15.35%	3.27%	XX	
<i>Rent</i>	77.26%	80.65%	84.06%	18.83%	93.96%	-3.38%		
<i>Repair & Maintenance</i>	0.57%	6.37%	4.69%	0.00%	23.20%	-5.80%		
<i>Utilities</i>	22.15%	12.45%	10.14%	0.00%	57.24%	9.70%		
<i>Total Other Occupancy Exp</i>	0.00%	0.04%	0.00%	0.00%	0.60%	-0.04%		
Advertising/Marketing	2.08%	1.82%	1.65%	0.03%	8.27%	0.26%	XX	
Telcommunications	1.89%	0.61%	0.53%	0.19%	2.13%	1.28%	XX	
Professional Services	0.57%	0.56%	0.45%	0.00%	2.63%	0.02%	XX	
Office Expenses	0.73%	1.29%	1.07%	0.00%	4.94%	-0.56%		XX
Depreciation	0.00%	0.70%	0.49%	0.00%	5.72%	-0.70%		XX
Travel & Entertainment	0.30%	0.41%	0.33%	0.00%	1.47%	-0.11%		XX
Insurance	0.72%	0.67%	0.48%	0.00%	3.73%	0.05%	XX	
Interest Expense	0.00%	0.56%	0.18%	0.00%	3.46%	-0.56%		XX
Credit Card Services	1.76%	1.27%	1.30%	0.10%	2.38%	0.49%	XX	
Dues & Subscriptions	0.33%	0.31%	0.27%	0.00%	0.99%	0.02%	XX	
Freight Out	0.44%	0.68%	0.52%	0.00%	2.25%	-0.24%		XX
Miscellaneous Taxes	0.00%	0.35%	0.07%	0.00%	5.71%	-0.35%		XX
Web Expenses	0.00%	0.16%	0.09%	0.00%	1.07%	-0.16%		XX
Other Operating Expenses	0.95%	1.27%	0.56%	-0.59%	9.61%	-0.33%		XX
Total Operating Expenses	41.46%	38.66%	37.79%	28.91%	52.54%	2.80%	XX	
Net Income before Tax	-15.42%	0.35%	0.91%	-19.73%	18.69%	-15.77%		XX

View Your Expenses to Similar and Different Communities

Community Type (197 Respondents)

This analysis is based upon 197 responding businesses representing 301 of locations and represents approximately \$451 Million In Sales

Your Data	Community Type				Variation	
	Other City	Large City	Other City	Suburban		Rural
Respondents	60	52	35	50		
Net Sales	100%					
Cost of Goods Sold	54.57%	60.45%	60.13%	58.39%	61.34%	-5.56%
Gross Profit Percentage	45.43%	39.56%	39.83%	41.59%	38.77%	5.60%
Total Compensation	20.88%	21.47%	21.70%	21.36%	20.59%	-0.83%
<i>Wages & Salaries</i>	100.00%	85.64%	88.24%	86.54%	89.02%	11.76%
<i>Payroll Taxes</i>	0.00%	7.51%	6.97%	7.83%	7.95%	-6.97%
<i>Employee Benefits</i>	0.00%	6.26%	4.52%	4.99%	2.84%	-4.52%
<i>Payroll Service</i>	0.00%	0.36%	0.27%	0.42%	0.20%	-0.27%
<i>Total Other Payroll Exp</i>	0.00%	0.23%	0.00%	0.22%	0.00%	0.00%
Total Occupancy Expense	8.81%	8.52%	8.49%	8.63%	8.92%	0.32%
<i>Rent</i>	100.00%	80.54%	79.32%	81.87%	79.29%	20.68%
<i>Repair & Maintenance</i>	0.00%	6.69%	7.85%	6.94%	7.87%	-7.85%
<i>Utilities</i>	0.00%	11.47%	11.80%	10.78%	12.39%	-11.80%
<i>Total Other Occupancy Exp</i>	0.00%	0.22%	0.11%	0.03%	0.05%	-0.11%
Advertising/Marketing	1.15%	1.52%	2.27%	2.00%	2.60%	-1.11%
Telcommunications	2.68%	0.71%	0.77%	0.63%	0.92%	1.92%
Professional Services	1.10%	0.50%	0.51%	0.64%	0.56%	0.59%
Office Expenses	2.90%	1.24%	1.25%	1.35%	1.94%	1.64%
Depreciation	1.45%	0.78%	1.12%	1.03%	1.01%	0.33%
Travel & Entertainment	1.32%	0.34%	0.33%	0.38%	0.57%	0.99%
Insurance	0.61%	0.68%	0.54%	0.58%	0.67%	0.07%
Interest Expense	0.00%	0.30%	0.59%	0.56%	1.22%	-0.59%
Credit Card Services	0.00%	1.46%	1.24%	1.32%	1.16%	-1.24%
Dues & Subscriptions	1.03%	0.27%	0.44%	0.32%	0.60%	0.58%
Freight Out	1.51%	0.83%	0.58%	0.86%	0.54%	0.92%
Miscellaneous Taxes	0.00%	0.54%	0.37%	0.30%	0.52%	-0.37%
Web Expenses	1.15%	0.30%	0.16%	0.30%	0.26%	0.99%
Other Operating Expenses	0.00%	1.33%	0.83%	0.57%	0.83%	-0.83%
Total Operating Expenses	44.59%	40.79%	41.21%	40.82%	42.90%	3.38%
Net Income before Tax	0.84%	-1.23%	-1.34%	0.74%	-4.25%	2.18%

To Summarize

- **Detailed and Customized report**
- **Tailored to your business**
- **26 pages of comparisons**
- **Executive Summary**
- **Ability to participate in ancillary studies**
 - **Inventory Turns**
 - **Monthly Retail Sales**
 - **Balance Sheet Analysis**
- **Get your data ready and be prepared to participate**

Inventory Turn

	Average Turn
All Respondents (36)	3.22
Profitable Stores (22)	3.37
UnProfitable Stores (14)	2.68
Stores with Sales greater than \$1Million (17)	3.26
Stores with Sales Less or Equal to \$1Million (19)	2.83

Questions

- Increased Turns is an indicator of efficiency but what it really is is a Return on Investment (ROI)
- Even though it is not directly linked to profitability, Inventory Turn is truly a measure of ROI.
- How would this investment compare to any other investment?
- It would be interesting to look at some different scenarios based on Sales Volume and Inventory Turns to see how they impact ROI.

Return on Investment (ROI)

		2 Turns	3 Turns
Sales Volume			
\$300,000		4.51%	5.82%
\$750,000		5.10%	6.92%
\$1.5 million		5.25%	7.11%
\$3 million		5.50%	7.52%

Return on Investment Calculation (ROI)

Sales/square foot figures are as follows:	
\$250k - \$500k = \$209	
\$500k - \$1 mill. = \$337	
\$1 mill. - \$2.5 mill. = \$370	
\$2.5 mill. - \$5 mill. = \$456	
Sales = \$300,000 divided by \$209	sales/sqft
1435 sq.ft.	
X	
\$30	Sq. ft. Cost Build-out
\$43,062	Cost of Physical Assets
+ \$90,000	At Cost With 2 Turns
133,062	Investment
NIBT=2% or 6,000	
ROI= \$6000/\$133,052 = 4.51%	

Monthly Retail Sales

Your Data			
	<u>% Monthly Sales</u>		<u>% Quarterly Sales</u>
Jan	9.28%		
Feb	7.89%		
March	8.12%	Quarter 1	25.29%
April	7.66%		
May	7.60%		
June	7.79%	Quarter 2	23.05%
July	6.59%		
August	6.27%		
Sept.	7.09%	Quarter 3	19.96%
Oct.	8.74%		
Nov	9.63%		
Dec	13.33%	Quarter 4	31.70%

Sample Set = 67 Respondents

Prepared for : Bookstore Name

General Bookstores				
	<u>% Monthly Sales</u>		<u>% Quarterly Sales</u>	
	<u>Your Data</u>	<u>All</u>	<u>Your Data</u>	<u>All</u>
Jan	9.28%	7.54%		
Feb	7.89%	7.25%		
Mar	8.12%	7.57%	25.29%	22.37%
Apr	7.66%	6.87%		
May	7.60%	7.68%		
Jun	7.79%	8.81%	23.05%	23.36%
Jul	6.59%	7.64%		
Aug	6.27%	7.79%		
Sep	7.09%	8.05%	19.96%	23.49%
Oct	8.74%	7.57%		
Nov	9.63%	8.63%		
Dec	13.33%	14.58%	31.70%	30.78%

Specialty Bookstores				
	<u>% Monthly Sales</u>		<u>% Quarterly Sales</u>	
	<u>Your Data</u>	<u>All</u>	<u>Your Data</u>	<u>All</u>
Jan	9.28%	12.98%		
Feb	7.89%	4.65%		
Mar	8.12%	9.92%	25.29%	27.55%
Apr	7.66%	7.70%		
May	7.60%	5.02%		
Jun	7.79%	7.34%	23.05%	20.06%
Jul	6.59%	5.18%		
Aug	6.27%	7.15%		
Sep	7.09%	14.42%	19.96%	26.75%
Oct	8.74%	8.94%		
Nov	9.63%	5.53%		
Dec	13.33%	11.17%	31.70%	25.63%

Monthly Retail Sales

	Sales Less Than 1 Million			
	% Monthly Sales		% Quarterly Sales	
	Your Data	All	Your Data	All
Jan	9.28%	6.58%		
Feb	7.89%	6.47%		
Mar	8.12%	6.83%	25.29%	19.9%
Apr	7.66%	7.25%		
May	7.60%	7.62%		
Jun	7.79%	9.05%	23.05%	23.9%
Jul	6.59%	9.12%		
Aug	6.27%	9.06%		
Sep	7.09%	7.91%	19.96%	26.1%
Oct	8.74%	7.66%		
Nov	9.63%	8.51%		
Dec	13.33%	13.94%	31.70%	30.1%

	Single Location			
	% Monthly Sales		% Quarterly Sales	
	Your Data	All	Your Data	All
Jan	0.00%	7.50%		
Feb	0.00%	7.31%		
Mar	0.00%	7.24%	0.00%	22.04%
Apr	0.00%	6.94%		
May	0.00%	7.93%		
Jun	0.00%	8.87%	0.00%	23.75%
Jul	0.00%	7.69%		
Aug	0.00%	8.02%		
Sep	0.00%	8.07%	0.00%	23.78%
Oct	0.00%	7.77%		
Nov	0.00%	9.21%		
Dec	0.00%	13.44%	0.00%	30.43%

	Sales Greater Than 1 Million			
	% Monthly Sales		% Quarterly Sales	
	Your Data	All	Your Data	All
Jan	9.28%	6.58%		
Feb	7.89%	6.65%		
Mar	8.12%	8.23%	25.29%	21.5%
Apr	7.66%	7.05%		
May	7.60%	7.01%		
Jun	7.79%	8.41%	23.05%	22.5%
Jul	6.59%	6.90%		
Aug	6.27%	7.53%		
Sep	7.09%	9.69%	19.96%	24.1%
Oct	8.74%	7.91%		
Nov	9.63%	7.85%		
Dec	13.33%	13.76%	31.70%	29.5%

	Multiple Location			
	% Monthly Sales		% Quarterly Sales	
	Your Data	All	Your Data	All
Jan	0.00%	9.32%		
Feb	0.00%	6.39%		
Mar	0.00%	8.45%	0.00%	24.16%
Apr	0.00%	7.11%		
May	0.00%	6.73%		
Jun	0.00%	8.31%	0.00%	22.15%
Jul	0.00%	6.83%		
Aug	0.00%	7.50%		
Sep	0.00%	10.11%	0.00%	24.44%
Oct	0.00%	7.93%		
Nov	0.00%	7.42%		
Dec	0.00%	13.89%	0.00%	29.24%