



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

A Simple Guide

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*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*

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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. All of them contribute to the efficiency of running your business: eliminating the 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 money.

Most of the services described below are internet-based or depend on the internet for at least part of their functionality. You need reliable broadband internet access, which is also essential for trading in digital products such as ebooks. Reputable internet service providers will be members of ISPA UK. Be aware of cybersecurity concerns. If you are worried about security online, check out the Government's Get Safe Online website for advice on protecting your business.

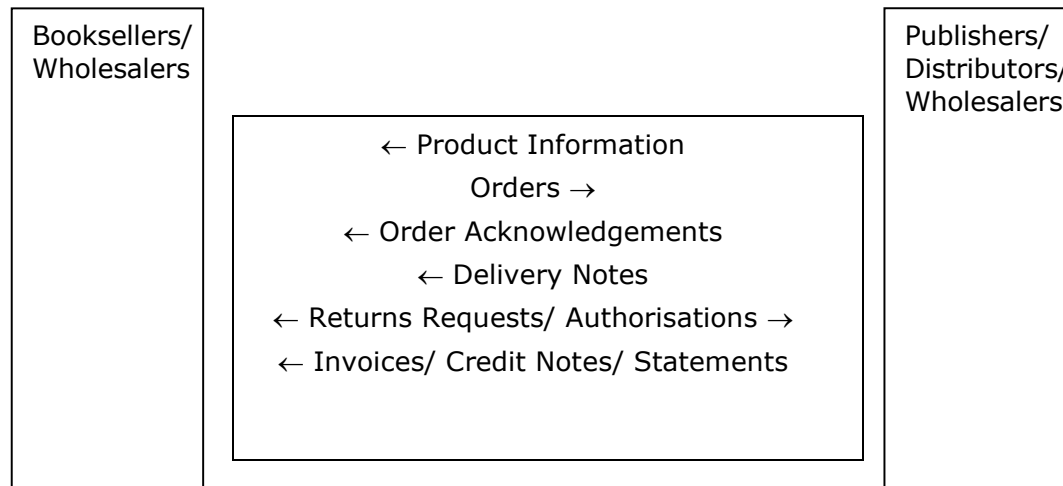
To enable you to trade electronically, you will also need a Global Location Number (GLN) to identify your business. This can be obtained from the UK and Ireland GLN/SAN Agency. All Booksellers Association members should be registered, so please contact the BA for your number.

Business processes

The transactions which you need to run a successful bookselling business 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 management (chasing/acknowledgements)
- 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:



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 with 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, all these systems have been called EPOS systems, which this document refers to 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 for the 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 the wholesalers (including Gardlink from Gardners) as well as BatchLine from the Booksellers Association. EPOS providers may offer 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 provider. If this business target is not met, then the costs of the EPOS system may well become payable. There are other systems suppliers in the book trade. 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.

Many of these systems are fully internet enabled. 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 data at all. This is only possible if systems are compatible and can communicate with each other. Examples of interoperability would include TeleOrdering integration with Gardlink or the management of returns requests and authorisations via BatchLine integration with various publishers and distributors.

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 providers 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 if required.

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 computer in store. If you use a wholesaler, you can use their websites or EPOS systems which should offer product information and up to date stock availability.

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 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/ EPOS systems are full of functionality such as ordering, backorders, returns etc.

Cons: Laborious if placing many orders.

Bibliographic data on EPOS

Most EPOS systems link to bibliographic data from a data aggregator such as Nielsen BookData or Bibliographic Data Services, or from wholesalers. You may have the choice of placing orders via wholesalers or direct with distributors using systems such as TeleOrdering or PubEasy. EPOS systems can often produce a whole list of orders, e.g., for replenishment. Sending the whole file to a 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 vary and are subject to a number of business criteria. Subscriptions to ordering services may require an additional charge.

Online services

To access these services, you only need a computer with a browser connected to the internet. Depending on the service, these may have more or less extensive

links to publishers, distributors and wholesalers in the UK and Ireland.

Pros: Up to date information, low-cost systems required (just an Internet capable computer), easy ordering and additional services.

Cons: Some services are 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 rather laborious.

Booksolve and other EPOS systems

Booksolve offers a sophisticated EPOS system for larger book businesses with integrated links to industry wholesalers and service providers such as Nielsen, Batch and PubEasy. Other systems have varying levels of integration with these services. Ask your EPOS supplier for further information. Sometimes facilities have been developed for one customer but not promoted more widely. Wholesaler EPOS systems offer access to product information with integrated ordering and other facilities. If you use these EPOS systems or you buy from these wholesalers you should talk to them and find out about the full range of information, ordering and e-commerce facilities.

Pros: High levels of functionality and good connectivity with data providers and wholesalers.

Cons: Top of the range EPOS systems are more suited to larger businesses.

Which books to stock

Part of the ordering process is to identify the books that the bookseller wishes to stock. This can be helped by using Nielsen BookScan sales information. To use BookScan, booksellers should also contribute their sales information to the BookScan TCM panel (Total Consumer Market). Many EPOS systems, including wholesalers, can supply 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: The cost for small bookshops

If you use a wholesaler, then it may be able to provide daily best seller lists by subject category. This could be useful for 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 accept order acknowledgments from suppliers, partly because they are depending instead on the accuracy of the product information available when they place orders. Look out for price and availability (P&A) information to establish a product's current status. However, booksellers can obtain order acknowledgments from most major suppliers and sometimes via their EPOS or ordering system providers.

Consider EPOS and other system reporting options for supplying a list of all dues currently held at distributors. Dues are unfulfilled order lines. These can then be

checked, and unwanted orders can be cancelled. Some wholesalers offer a similar service via their systems.

Receipt of goods

Proof of Delivery

When shopping on the internet it is common practice to track your order on its delivery journey. Something similar is possible with deliveries to your shop. For instance, if you order with 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 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 transparent. Some wholesalers provide information on the deliveries which are on their way to bookshops. You can click on parcel tracking links with carriers to see where your delivery has got to.

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 stock management/EPOS systems. This enables you to know the total value of stock in the shop and, because the system knows the stock at line level, enables you to answer customer queries with confidence. 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 be 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 of 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 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 widely used by major suppliers and retailers.

Pros: Provides online copies of invoices, credits and statements, with reduced bank charges, an electronic remittance to suppliers and a claims facility that enables the withholding of the value of an amount in dispute. It is free to bookseller members of the BA. Batch is used by businesses of all sizes to reduce the time taken to manually input data.

Cons: Does not facilitate early payments or terms not divisible by 30 days. Some distributors are not yet signed up.

BACS

Where suppliers are not on Batch, payments via online banking using the BACS system are the norm. This enables electronic payments 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 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, 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 to enable the supplier to take note of the payment and reconcile this to the paid invoices.

Accounts updating

Most booksellers have to input invoice information into an accounts package in order to produce accounts. Batch.co.uk has an integration options service called BIS which enables booksellers to download their invoice data from Batch to specific accounts packages such as Sage Line50, one of the most widely used in the UK book trade. There is a cost. 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.

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 if the books are taken off sale, but the authorisation is not prompt. Returns often await a future 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.

Pros: Free to booksellers with BA membership; authorisation obtained within 2-4 hours of request; web-based service needing only a computer and Internet access.

Cons: Not all suppliers are on Batch Returns.

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. 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. 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 switch from one system to another, and to copy and paste data such as ISBNs from one service to another.

National Book Tokens

The Electronic Gift Card can be integrated with store systems or operated over the internet.

Conclusion

You can see what a wealth of systems and services is available to meet all your business needs. Taking advantage of them will contribute to running your business more efficiently. Configuring them in such a way 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 costs. 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

Bear in mind that if you do most of your ordering electronically and you handle your invoices and returns in a similar way, you are almost certainly eligible for BIC's Supply Chain Excellence Awards scheme. Award accreditation shows the industry that yours is a modern, technologically advanced business. Visit the BIC website for more information.