

## Buying for Your Bookstore

by Russ Lawrence of Chapter One Book Store in Hamilton, MT

I'm not the expert on buying for your store – you are. The size of your store, geographic location, and characteristics of your local market will all influence how you buy, but for me, it's all about the balance between margin and turns.

First, think about your objectives in buying: mine is to have enough books in the store, in enough categories, to give our customers the impression that they don't need to go anywhere else for their books, while providing them with dazzling special order service when we don't have what they want. I also want to achieve a minimum of 3.5 inventory turns annually to keep our cash flow healthy. Keeping too much money needlessly tied up in inventory can be financially crippling to a store.

Only after those two considerations do I start to look at discount and freight.

My frontlist strategy is simple: I buy direct from publishers that offer free freight and reasonable terms. Otherwise, I go to the wholesalers, with very few exceptions. You'll want to make your own judgment on this—larger stores can consolidate shipments to save freight, for instance, or you might order from publishers that ship FOB the West Coast with good discounts—but eating freight kills margins. Reps won't like hearing that, but the good ones know that keeping the store healthy is more important than shipping books direct. Some of the best buying advice I ever got (and hardest to observe) is, “buy for the store, not for the rep.”

For backlist, I am getting a bit more sophisticated. In order to improve my margins I am placing more backlist orders direct to publishers, but carefully: I only deal with those who offer free freight and a good discount. ABA members can check publishers' terms via the ABA's online Book Buyer's Handbook. I order only those books that I don't need right away, too, since for PNBA stores it's usually about 10 days between order placed and books received from publisher.

The balance of my backlist orders go to the wholesalers. Overall, front- and backlist combined, I find that I do about 2/3 of my business with wholesalers, and 1/3 directly with publishers.

I schedule my ordering so that I always have enough books to qualify for free freight on my wholesale orders as well. Do you see a trend, here? For me, that means that I order about three times a week from my wholesalers, (and daily during December), which also contributes to the speed with which we can fulfill those special orders.

Lastly, when I'm ordering, I look at what section of the store the books come from, and think about how many turns I expect that section to contribute. Obviously, I expect much better turns from our regional, fiction, and mystery sections than I do from art, poetry, and cookbooks. The decision whether to reorder at all, and in what quantity, is the decision that will come back to haunt you when it's time for returns.

I live by the acronym SMOWS: Sell More Of What's Selling. For me, that means buying in smaller quantities, more often, and that means a greater dependence on wholesalers, for better or for worse.

I once read a dense monograph on the mathematics of bookselling, but I'll give you the short version, and it's exactly what Chuck Robinson said in his recent “expert” piece: turns beat discount. By judiciously balancing the use of wholesalers and publishers to achieve your objectives, you can play to the strengths of both, to the benefit of your store.

*Russ Lawrence co-owns Chapter One Book Store in Hamilton, MT and is your buying book pro for small to mid-sized stores. Reach him at 406-363-5220 or russ@chapter1bookstore.com*