

January 17, 2014

To: The PNBA Board of Directors

From: Thom Chambliss

Re: Action Plan annual update

Dear Board Members:

According to the Governance Policy revised by the Board on January 26, 2002, item 2.2a requires that “[The Executive Director will submit the following required periodic reports:] An Executive Director’s Report outlining the progress toward achieving the Association’s ends and any significant shortcomings, presented at each regularly-scheduled board meeting.” In addition, item 2.2c requires that the Executive Director present “A preliminary budget, for review and discussion, at the January meeting, and a final budget at the spring meeting.”

It seems fairly obvious from Larry’s report that we will end 2013 in the black, and healthily so. This is two years in a row, after we suffered several years of substantial red ink. This is the good news, and it’s great. I caution you, however, that the things that are happening to permit us to achieve this financial balance may not be sustainable. For instance, we are no longer contributing to the Executive Director’s retirement plan, which you may NEED to do with any future executive director. Further savings have come from lower costs to print and distribute to our members the holiday catalog, which are attributable to the fact that fewer stores are ordering the catalog, and those that do are ordering fewer copies. As our store members continue to decline, we will lose more and more publisher support, which is what pays for the catalog.

My hope is that in 2014 we will effect enough changes in our show schedule and in our operations/rewards for Committee work that we will increase both the subsidized bookseller attendance and the paid author attendance at the shows, in such a way that our show income will actually increase substantially. That seems to be the one operational area of our budget that most publishers are still willing and able to support. If we cannot find a better way to convert that interest into increased income, we will continue to see the shows decline in attendance, which would also eventually result in lower publisher support.

Here then is my report on the progress we have made during the last year in achieving the Association’s ends, in the order last updated by the Board in January 2010:

1. Provide marketing programs via

a) promotional opportunities

Our holiday catalog for 2013 was another success. Publisher purchases of space were \$6,500 less than we budgeted, some of which will be made up by lower printing and reimbursement costs. Luckily, our other, more modest, income programs also came in slightly above budget, so that our end of the year results look very good. As a promo tool for our bookstores, the holiday catalog continues to be extremely popular with the stores that use and insert it into their local papers. Many stores have told us that without the holiday catalog, their December income would undoubtedly be 15 - 25% lower than it is with the catalog.

1. Provide marketing programs via

b) a public blog

In 2013, we substantially lowered our costs for production of *Northwest Book Lovers* (NWBL), while we continued to see small but steady increases in our advertising income. The blog is still not where we would like it to be, neither in income for the Association, nor in additional sales in our member stores, but it continues to be our only current program that provides hope that both areas might improve. Before we consider abandoning NWBL, we should be sure that we have a new program, at least on the drawing board, with hopes of increasing our revenue and bringing more customers into our member stores.

1. Provide marketing programs via

c) bestseller lists

We are still producing the only regional bestseller list that provides our members with promo-ready pages to use in their stores or on their websites. In the office, we are curious as to how many of our member stores actually use the PNBA Bestseller List each week. It would be interesting to poll our Board members, as a start to determining the Lists usefulness to our members.

1. Provide marketing programs via

d) book awards

The Committee completed another excellent year of work by providing staff with both their Short List and their Winners List before the end of November. The Committee then complicated the process by asking if they, the Committee members, might call the authors on the Short List, to enhance the perceived “value” of the Short List and perhaps improve the value of the Winners list in January. I always prefer NOT to start my discussions with committee members by saying “No,” so I allowed the conversation about their making the calls to continue. Unfortunately, that was a mistake and the Committee eventually petitioned me directly to allow them to make the calls. When I explained my perspective that allowing them to do so would delay announcement of the Short List while we sought out the necessary phone numbers, and that I would want to provide each of the callers with a written list of things OK to say and things NOT OK to say, they backed off and agreed to petition the Board with their ideas early in January. Whether or not they actually do that is yet to be seen.

Like our support for the Bestsellers List, our bookstore members support of the Awards is spotty, short-lived, and probably unsuccessful in increasing bookstore sales of the winning titles. The Awards now seem primarily a “feel good” program for the authors, with little real effect on a book’s long-range success. If the Board disagrees with me, you may want to suggest ways in which we could encourage our stores to provide more support for the Award-winning titles. The single best change in our Awards program in the last five years has been our switch to giving the Award presentations in a store of the author’s choosing. The only problem with that approach is that it gives (undue?) support for a small group of stores, mostly in the greater Seattle and greater Portland areas, that are the favorites of our winning authors.

1. Provide marketing programs via

e) literacy organizations

This is so far down on the Board's list of priorities that I have discontinued donations to literacy groups, and do not intend to re-start them without the Board's specific instructions to do so.

1. Provide marketing programs via

f) public book events

This is so far down on the Board's list of priorities that I have discontinued donations to public book shows, and do not intend to re-start them without the Board's specific instructions to do so.

2. Encourage interactions with the book industry via

a) tradeshows

The Board has identified this as one of the two top priorities for the Association, and I have pursued improvements to the shows as best I could. In 2013, we were offered more than 160 authors for the (income-producing) featured spots at our show, but we only had, at most 95 spots in which to accommodate those authors. We turned away a LOT of decent NW authors. Despite that fact, we offer more authors at our shows than all but one other regional book show, the Southeastern, which covers three times as many states as we do, and which puts a lot of authors into their "educational" sessions, which pumps up the number of authors they can accommodate. My approach is to produce as many events in which (especially local) authors mingle with and meet newer authors as possible, because I am told by our booksellers that those are the authors who they NEED to see, to find out if they might work well at an in-store event. That connection with newer regional authors hungry for publicity has become the number one most productive aspect of the shows for many of our booksellers. I intend to increase our efforts to provide those connections at the shows, to increase the number of published authors meeting the booksellers at the shows, and to increase the Association's income from those meetings.

2. Encourage interactions with the book industry via

b) staff outreach and membership recruitment

If our territory were less wide-spread, and if our budget were fatter, and if I were twenty years younger, I would love to spend more time visiting stores during the year. I believe that, at this stage in my career and in the development of the Association, my time is much better spent keeping our base programs current and effective (with such things as website updates and changes to our few remaining show programs) than traveling around the territory visiting member stores. My most recent history of visiting stores with Kurtis Lowe proved ineffective in signing new members that stayed with us for more than one year.

2. Encourage interactions with the book industry via

c) networking

Our shows are our primary tool in this effort, and will remain so until and unless the Board instructs me otherwise.

2. Encourage interactions with the book industry via

d) website

In early December, Larry produced for me an outline explaining the problems that we are currently facing with our older model Macs in the office, the costs of upgrading to make them work well with new computer technology, and the costs of our NOT upgrading our equipment and software in the next few years. After considerable discussion, Larry went back to the drawing board and discovered that there already exists at least one software program that is very financially accessible which may allow us a long-term reprieve from having to buy new hardware. As part of our on-going efforts to improve the website for our members and publisher partners, Larry is currently working to transfer our website (pnba.org) to this new (to us) program. If he is successful, and if our members like the changes (or don't notice any difference, which may be just as good), we will have avoided the need for a costly commuter upgrade for another five years or more.

We have received NO complaints from anyone about our website in the last year, and have received several thanks (mostly from publishers) for the ease with which they use the site, especially the fall show pages, to use our programs. Some have told me that we provide the easiest to use, most complete site for those interested in sending authors to our show of all the regional associations. We try to do that for both our booksellers and our publisher partners.

If the Board has any suggestions for how we might improve the website and how we might better use it to communicate with our members, we would love to hear your ideas.

2. Encourage interactions with the book industry via

e) handbook

The handbook is Larry's responsibility. He tells me that it takes him, on average, about one hour a week to keep it up to date, with the biggest chunk of time necessary in late February and early March each year, when we lose members, and when we most often hear from our sales reps about changes in the lines they represent and the moves that the reps have made to their territories, etc. Since moving to an on-line-only Handbook eight years ago, we have heard NO complaints from our members about the Handbook. Occasionally, a member will email us asking for the current access code to the Handbook, but we no longer get the frantic calls from members asking who is now representing this specific publisher with whom they are having a problem. The on-line Handbook seems to have improved our services to our bookstore members.

3. Produce educational opportunities via

a) educational programs

PNBA continues to innovate and improve our educational offerings to our members. At the 2013 show, we offered a workshop by Robert Sindelar about Edelweiss Best Practices for both booksellers and reps, and that session is now being promoted by ABA for Winter Institute and probably for the ABA education at BEA as well. The number of education sessions that we produce, that are aimed at providing specific usable info for booksellers in their stores, continues to be the most provided by any of the regional booksellers associations. (Some associations produce "educational sessions" made up completely of authors talking about their new books, which our Education Committee does not consider "education.")

3. Produce educational opportunities via

b) regular communication

Footnotes remains our primary means of providing industry communication. We now use the “classified ads” on NWBL for booksellers to advertise their special equipment or store sales, or to advertise for a job opportunities, but not many of our booksellers take advantage of these. Most seem to prefer advertising in their local areas, for whatever reason. We occasionally hear from members who tell us that they have liked what they saw in *Footnotes*. We assume that “no news is good news,” regarding complaints about *Footnotes*, or most of our other offerings, and we rarely receive complaints. In fact, I heard no complaints at all in 2013 about our communications.

3. Produce educational opportunities via

c) scholarships

As I have mentioned regularly over the last three years, budget cuts dictated our cutting back on most of our scholarships. We now primarily provide scholarships to our own shows (not to BEA or Winter Institute) for those employees or owners of member stores who are actively helping with the production of education at the shows and who could not attend the shows without some sort of financial support. We have increased such scholarships in the last two years, and I expect to continue to increase that support, as long as our budget will justify it.

3. Produce educational opportunities via

d) BookPros

We have effectively discontinued this program, as it provided the lowest value to the fewest of our members when it was operating. No one has complained about the program’s demise.

4. Support public literacy via

a) literacy organizations

Only five bookstores took advantage of the Matching Literacy Grant program in 2013, down from six in 2011, and the same as in 2012. Three stores run by PNBA Board members participated, and one store whose owner is on the Literacy Committee. The fifth participant was Terry Dallas at Armchair Books in Pendleton, Oregon, who has participated in the program regularly for the passed 10-12 years. (Terry usually does not attend the fall show, because it typically occurs at the same time as the Pendleton Roundup, which she cannot miss.) If we cannot come up with a better way to distribute literacy funds to local literacy groups, we should consider canceling the program. My concept of requiring the literacy groups to come back into the stores to make their purchases with the awarded funds has not caught on with our member stores.

4. Support public literacy via

b) libraries

This is not a high priority, beyond our continuing efforts to attract more librarians to the shows. Too many libraries continue to buy their books from Amazon, and to encourage their patrons to do the same, sometimes because of the kick-backs that the library is offered by Amazon.

4. Support public literacy via

c) schools

Schools are included in our efforts to provide Literacy grants to local organizations, but almost none of our stores is offering to support them, for whatever reasons. PNBA does not have the financial capability to offer direct grants to schools within our current budgets.

5. Promote Free Speech via

a) advocacy

This is an on-going activity, with no new efforts at this time.

5. Promote Free Speech via

b) monitoring of censorship issues

This is an on-going activity, with most of our efforts being directed towards our members, via *Footnotes* and *Northwest Book Lovers*.