

BOOK *smarts*

A quarterly newsletter from Nebraska Book Company, Inc.

www.nebook.com

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Two Warehouses, One Way of Operating

COLLEGE BOOK COMPANY (CBC) has been a part of Nebraska Book Company since its inception in the 1940s. Since that time, CBC has become a West Coast extension of the corporate office in Lincoln, Nebraska. From management philosophy, to the emphasis on customer service, and most recently to operations, CBC is as close to a duplicate of the Lincoln facility as possible. According to Dale Clark, General Manager at CBC, "About 15 years ago we began making changes in our processes and operations to mirror the Nebraska Book Company textbook warehouse in Lincoln. We're an extension of that facility. We carry the same inventory. The only difference is we're not in Nebraska, and we obviously reflect the West Coast culture," Clark adds. "Our goal is to make sure customers receive the same product and the same service from CBC that they get when their orders come from the Lincoln warehouse."

Clark has been with College Book Company for close to 30 years. He has seen a great many changes at CBC since the 1970s, most of them the result of computerization. Clark remembers when the equipment required for recording and fulfilling an order amounted to a pencil and a clipboard. Now all phases of the process are automated.

Upgrading the facility in Cypress has been a gradual process. "First we automated the billing process. Then

came online inventory sales, and that changed everything. Remodeling the warehouse and automating the shipping process are our latest upgrades. As a result, CBC and Nebraska Book Company have the same shipping system. Computerizing that end of the business means we can fill a customer's order in much less time and with greater accuracy," says Clark.



"Our goal is to make sure customers receive the same product and the same service from CBC that they get when their orders come from the Lincoln warehouse."

~ Dale Clark, General Manager, CBC

Beyond Operations

CBC and Nebraska Book Company are known as progressive companies and industry leaders. Not only do they share this reputation, but they also share industry challenges. Both are facing the impact of increased competition brought about when students began ordering used textbooks online. And they share staffing challenges during high-activity times of the year. But these are "good problems to have," says Clark.

"We're always looking for good, qualified people to help out during the summer and holidays, which are our busiest times of the year," Clark says.

Another common challenge is the way publishers package some of their books. "The trend is "bundling" and it's causing a problem for bookstores, which makes it a problem for us," says Clark. "For example, a student may buy a new biology textbook that's shrink-wrapped with another



2003 National Sales Meeting

July passed more quietly at Nebraska Book Company this year than in the past. Typically, the annual national sales meeting is a July event. This year, however, the meeting was moved to September to give more people an opportunity to attend.

Thirty sales reps and five regional sales managers, as well as a number of operational personnel, attended the two-day meeting, September 8-10, in Lincoln, Nebraska. Jerry Hiller, National Sales Manager, says this was the first year Nebraska Book Company included staff other than the sales force. "We usually have the annual meeting in July, but we wanted operational people to attend; we felt it was a good way to foster unity, camaraderie and teamwork."

New Products, New Opportunities

The annual sales meeting has always been a forum for introducing new products. This year was no exception. One such product is WinPRISM TEXT. WinPRISM TEXT is a small-store, multi-user textbook management system featuring point-and-click commands, as well as drop-down menus typical of Windows®-based products. WinPRISM TEXT's debut has been enthusiastically welcomed by bookstore staffs.

New marketing tools were also presented. Traditionally, reps work from a binder that has information on all products and services. Nebraska Book Company converted the binder to a CD. Hiller believes reps should have a choice of sales tools. "By providing as many options as possible, we're helping reps formulate effective sales presentations that complement their individual strengths."

Performance Recognition

An appreciation dinner was held on Tuesday night to honor some of the people who led Nebraska Book Company during its formative years: George "Cully" Culwell, Boyd MacDougall, Wilmer Schmidt, Hank Baum and Dick Egger. It was an opportunity for the newer reps to meet some of the "legends" and for the veteran reps to reminisce about old times.



"We all want what's best for our customers. Our people are honest and genuine, and we all work with the customer's welfare in mind."

~ Jerry Hiller, National Sales Manager

In addition to two days of presentations, breakout sessions and team building, the most important part of the meeting was recognizing people for exemplary performance. At the awards banquet on Wednesday night, many strong performances by individual reps for 2003 were recognized, culminating in the announcement of Jay Bachenberg as the Janet Mounce Sales Rep of the Year Award winner. In addition, a Special Recognition Award was presented to Bob Fagundes for career achievements and contributions to Nebraska Book Company. Fagundes is retiring in June 2004.

In looking back over the two-day meeting, Hiller says, "Hopefully, with information gained at the sales meeting and with new products and tools, everyone will bring new energy and motivation to their jobs. We all want what's best for our customers. We've never been a flashy company, but our people are honest and genuine, and we all work with the customer's welfare in mind."

The 2003 Annual Sales Meeting Provided a Forum for Employee Recognition, Education and Team Building



The highlight of the appreciation dinner was to honor key employees. Those recognized were (left to right) George "Cully" Culwell, Boyd MacDougall, Hank Baum, Wilmer Schmidt and Dick Egger.



Mark Palmore, Connect2One Executive Director, presents an overview of new Connect2One vendors. Connect2One is the largest buying and marketing services company in the industry. Paula Haerr (sitting) is the Program Director.



Jay Bachenberg receives the Janet Mounce Sales Rep of the Year Award from Bill Allen.

Sales Reps Learned About New Products and Sales Tools Options



Kevin Gish (standing), Sales Director of CampustHub, shares information with sales reps on support staff, financials, new features and new vendor offerings.

Radio Frequency ID Tags

It's the size of a flake of pepper, but it's causing a grand scale controversy. The "it" is radio frequency identification, RFID for short. Retailers hope RFID technology is on its way to replacing bar codes as an aid in inventory management. Privacy groups, on the other hand, fear it will be used as a consumer-monitoring device.

RFID components include a miniscule wireless transmitter, antenna and receiver. The sand-sized transmitter and antenna are embedded in merchandise, where the transmitter emits signals that are picked up by the receiver.

These components work together in a couple of ways. By waving a handheld computer in front of the transmitter (attached to the label in clothing, for example) a sales clerk could immediately call up critical information such as price and stock status.

Another application of RFID is product tracking. Via receivers located throughout a store, a merchant could track an item as a customer carries it from shelf to checkout to car and beyond, depending on reception range.

In addition to the many operational advantages, advocates are optimistic about RFID's impact on shoplifting, a national epidemic that costs retailers billions of dollars a year. Shelves, dressing rooms and doors would be equipped with RFID receivers, so clerks could monitor a product's movement through a store by way of the imbedded transmitter. Once a transmitter is deactivated at the checkout counter, the monitoring capability would end.

But, the point of deactivation is also a point of controversy. If the transmitter is rendered inactive as soon as a customer leaves the store, the chance for abuse is minimized. However, privacy watchdogs are suspicious that the chip will remain active, allowing companies to gather lifestyle data on their customers. Imagine carrying a book or wearing a sweater that automatically transmits your whereabouts to the store from which you bought it.

While companies such as Benetton and Proctor & Gamble are testing the concept, leaders in RFID technology include The Gillette Co. and Wal-Mart. Gillette will launch its program this year. Shelves with built-in receivers will read signals emitted by transmitters encased in Gillette razor blades, shavers and other

Simple Inventory Management Tool Or Consumer-Tracking Device?

products. Wal-Mart is phasing in radio frequency identification technology with a requirement that its top 100 suppliers include RFID tags in all cases and pallets by 2005. Out with bar codes. In with RFID tags.

The more conservative proponents of RFID see it as a supply chain tool only, a tracking device for manufacturers, warehouses and outlets, not the consumer market. RFID technology would allow a store to upload inventory information to its tracking system more quickly and easily than with a bar code scanner. But that's not the only improvement over UPC technology. RFID would give store personnel the ability to scan entire boxes of merchandise from a distance of several feet rather than one item at a time at arm's length. A retail outlet would also be able to track a box of mixed merchandise—different styles, sizes and colors—without the laborious process of checking it one piece at a time.

In the natural evolution of technology, it is inevitable that bar codes will disappear to be replaced by more efficient, more adroit RFID tags. What is not readily evident is how far the new technology will be allowed to infringe upon the private sector. While manufacturers and retailers are eager to unleash RFID's full potential, there are privacy groups doing their best to rein in "Big Brother."

From Bookstore Manager to Author



William (Bill) Hatfield
Florida Bookstore Volume II Manager

MAYBE IT'S ONLY NATURAL. If you spend your days surrounded by books, you'll eventually write one. At least that's what happened with Bill Hatfield. Hatfield manages Florida Bookstore Volume II, one of two independent bookstores owned by Nebraska Book Company in Gainesville, Florida. He's also the author of a soon-to-be published science fiction novel.

Hatfield's career with bookstores began when he was a freshman at Western Michigan University in the early 1970s. This was only slightly before he started the first draft of his novel. Since then, he has made bookstores his life's work. He even owned a small shop called Novel Ideas that featured sci-fi, fantasy and comic books. Hatfield came to Volume II more than six years ago as manager. He appreciates the differences between Volume II and other bookstores in which he has worked.

Florida Bookstore Volume II — A Unique Profile

"Volume II may be the only independent bookstore in the country that carries comics and games. We're unique in that regard," says Hatfield. "Between comics, games and our Gator (University of Florida Gators) merchandise, we generate a constant traffic flow. And because of this unique product mix, the store has a different look than other textbook stores."

Hatfield believes that the specialized product line, as well as the more typical textbook store merchandise,

attracts a broad mix of clientele. "Volume II has a very interesting personality and customers, so it's rare that I, or any of my staff, get bored," he says.

"We have about 4,000 square feet, so it takes two of us to cover the floor. Because most of the textbook traffic happens in the afternoon, we have the mornings to take care of other business, like the comic subscription service. With close to 250 members, it's pretty labor-intensive work for us."

Hatfield and his staff have theme days during traditionally busy times, such as rush and buyback. These promotional efforts not only help move product,

but help keep morale high among employees. Good morale could account for the average tenure of the students who work at Volume II. Employees tend to be there for two to three years, which is why the bookstore has a family feel about it. When talking about his relationship with his employees, Hatfield says, "By the time someone leaves, we've grown close enough that I know we'll keep in touch in the future."

Bookstore Manager as Author

Hatfield didn't quit the bookstore business to write his science fiction novel. He did it in his off-hours. "I wrote *Captive Audience* in about a year," Hatfield says. The novel evolved from work he did as a member of a writers' group. "I would write a chapter or a chapter and a half for weekly meetings. At the end of the year, I had a complete novel to show for it."

Captive Audience isn't the end of Hatfield's career as a novelist. He's already written the first draft of the

sequel. Whether he's writing a book or selling them, books are a big part of Hatfield's life, and he wouldn't have it any other way.



"I would write a chapter...for weekly meetings. At the end of the year, I had a complete novel to show for it."

~ Bill Hatfield



College Book Company in Cypress, California, is a 65,000 square-foot facility with approximately 70 year-round employees.

► **College Book Company cont'd.**

book and related material. Because we can't put a bundle together as a used package, we'll buy just parts of the original purchase, leaving the bookstore with the ancillary pieces that a student may or may not want."

Whether publishers modify the way they market their products, or students rely on non-traditional ways to buy

books, they create challenges for textbook warehouses like CBC and Nebraska Book Company. But, no matter what happens in the industry, Clark knows they'll be able to stay ahead of it. "Adjusting the way we do business is an ongoing process. We'll never reach the end of it. But that's a good thing."

WE WANT YOUR BUSINESS—NOT YOUR CUSTOMERS

- **We believe the student is your customer.**
- **We believe the bookstore is our customer.**
- **We believe in integrity in business dealings.**
- **We believe college bookstores should be independent.**
- **We believe in providing solutions to keep your business independent.**



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