

# Bookselling Savvy Teams with Retailing Strategy

*Retail consultant Kevin Graff coaches booksellers on how to step up their game to compete—and thrive—among the heavy hitters of retailing*

By Emily Sinkins

Booksellers I've met over the years tend to identify themselves as booksellers first and foremost and retailers secondarily. This makes sense; 'bookseller' connotes an artistic enterprise—a field of cultural and creative significance—while 'retailer' has a more generic 'salesperson' feel about it. While every type of retail operation exists to sell, booksellers perhaps don't take as much pride in their merchandising savvy, for instance, as they do their literary contribution. What struck me most about retail consultant Kevin Graff's session at CBA's National Conference, *Avoiding the Errors ... and Making the Winning Decisions Needed to Thrive*, is how dynamic and creative today's retail industry is; how much pride there is to be had in the 'retailer' moniker if you fully embrace it. As Graff says, "Retail is now as sophisticated as—if not more

Manage your discounts; be aware of how much more you have to sell in volume to make up for the margin lost through discounting. Also, keep a tight rein—and a close eye on—your cash flow, so that the periods of larger sales volume fuel those times of great expenditures. Graff advises that "Your best tool for managing your cash flow out of the backend is an 'Open to Buy Budget,'" which will, "tell you how much you can spend and when." His handout from the session offers this Open to Buy equation: "Change in Planned Inventory Level + Planned Sales + Markdowns - Product Ordered." He offers a layman's example: If a person begins the day with \$20 dollars in his pocket and knows he needs \$100 to go out that night, the Open to Buy budget is the money needed to make that happen, taking into consideration the losses and gains that will occur throughout the day (a coffee bought here, a dollar found there, etc.).

Graff also insists you have a proper markdown strategy to ensure a 3.0 Inventory Turnover—meaning no item sits on your shelf for more than 150 days (should sell before 120). Otherwise that non-selling merchandise is costing you money. If you sell it at a discount, you can reinvest that money in new product

which might turn a couple times in the same time that the less enticing product would linger on the shelf, or, in Graff's words, "the same length of time you let the 'dog' sit on your floor." At some point you've got to face reality. As Graff explains, you're unlikely to have a customer who walks into the store thinking, "I've seen this product here for eight months in a row and it's still here now. It must be great. Maybe I should buy it."

Ultimately, you can't improve your sales without understanding the numbers, "the

metrics," behind them. You have to acquaint yourself with your store's sales equation: your traffic x your conversion rate (i.e., how many of those who came in made a purchase) x your average sale. That way you can figure out what area needs work. Basically, if your conversion rate is the problem, there's no point in figuring out how to draw more traffic into your store. Fix the sales/staff problem first. Once you identify your weaknesses, you have to concede that they *are* weakness and accept accountability (no placing all the blame on outside forces).

It is equally important that you develop your "people" (continuing staff training and encouragement) as it is that you develop yourself (educating yourself about the industry and looking to the greater world of retail for inspiration). Then, there is the matter of maintaining "standards," a word that Graff believes many misconstrue as some ideal level to shoot for, when it actually refers to the bare minimum acceptable. Anything other than the defined standard when it comes to staff performance is, of course, sub-standard and should not be tolerated. You have to enforce your standards—whether in regards to punctuality, appearance, service or sales performance. You can't tacitly or openly condone incompetence, says Graff. In addition to compromising your store's image, "accepting poor performance is unfair to your staff." Failure to meet standards, says Graff, "that's the death of retail." "As a business owner, you have the right to run your business the right way."

You also have a responsibility to keep your store evolving. "Your store can't look the way it does now two years from now," insists Graff. "Because we've always done it this way" is not a reason to keep doing it. That's the way to store stagnation. Particularly important is developing the area in which you already excel. Independent booksellers are rarely able to gain an advantage over big-box stores when it comes to size of inventory or



than—any other sector in our economy." The days of "mom and pop shop" are long gone, and booksellers need to apply the same level of enthusiasm and care to their finances, staff management and sales environment as they do they do their author events, promotions and book displays.

In terms of what most retailers are doing wrong—Graff's starting point—a lot of the shortcomings amount to a lack of oversight, consistency and innovation. Addressing these pitfalls begins with paying closer attention to your finances.

price. Your strengths are in selection (carrying the most interesting, unique and appealing product) and in experience (your environment and your events). Think of how you can improve these areas: new merchandise, more creative in-store activities, more motivated staff—an unexpected delight of any kind you can introduce to the shopping experience to make the customer glad they came into your store that day.

Having—with no sugar coating—told booksellers what they're doing wrong, Graff offers some "easy to adopt" ideas for improvement. You'll find the full list in the sidebar, but a lot of the focus was on motivating staff. This means mixing it up a bit—i.e. in addition to setting overall sales goals, injecting some fun via daily challenges through a "product of the day" sales competition or daily contests based on who can sell the most of a particular front- or backlist title or category in a predetermined time period.

Communication—via "shift-starter" meetings and ongoing training—is key to keeping everyone in the loop, ensuring they feel invested in what's going on and

place (your community) by virtue of providing a marvelous literary oasis in which customers get what they're looking for while delighting in new discoveries, chatting with friendly, well-read and engaging staff—all in an atmosphere that makes them feel that they've lucked upon a special find. You must do this, in fact, for as Graff reminds us, "Your customers have been in all these stores ... they know what it [the retail experience] could be."

One final note—related to inspiring that sense of "glad I came here today" in store visitors: While some booksellers eschew the notion of the "hard sell" or even the "up-sell" for fear it might put customers off, Graff asserts "Customers are typically happier when they leave the store with three or four products rather than just one ... It's a better experience." So, wear that retailer hat proudly. Improve your skills and those of your staff. Create not only the kind of bookstore that attracts book-lovers seeking a new release they've read reviewed in the *Globe* or a signed copy from a visiting author; but a store that draws people from all walks of life interested in fun shopping-related

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primed to sell.

You must keep an eye on your competitors, then borrow and improve upon some of their great ideas. The retail experience has grown in leaps and bounds in the past few years in terms of service, convenience, merchandising and also sheer entertainment value. Graff cites examples of outstanding retailers who've succeeded in cementing their brand or simply offering a one-of-a-kind shopping experience: Shoppers Drug Mart, lululemon, American Girl, Whole Foods Market and Outdoor World. Sure, these are huge chains with massive marketing budgets and resources, but there's no reason you can't establish yourself in your market-

activities (a cooking demo, children's storytime, knitting class) who leave with something even more prized than the book they purchased as a result. **CBA**

*Recognized internationally as an authority on retail and one of the top speakers in this sector, Kevin Graff has spent the past 20 years working with retailers to drive revenue "over the top." He is an expert on squeezing more sales out of each and every store by developing and implementing integrated training solutions for retailers. Kevin is the author of *Winning Retail and Selling with Passion* and writes the monthly retail newsletter *The Graff Retail Report*. He is also the star of *Graff Retail TV*. Find out more at [www.graffretail.com](http://www.graffretail.com).*

## KEVIN GRAFF'S BUSINESS-DRIVING LESSONS

- Set Goals & Make Sure Everyone Stays Focused
- Track and Coach Individual Performance
- Conduct Shift Starter Meetings
- PK Training ... Every Day
- 1-Minute Sales Training
- Organize Daily Contests
- Offer a Product of the Day
- Encourage Gift Card Purchases
- Get on the Sales Floor
- Shop the Competition
- Nail Down Your Bestsellers
- Challenge Every Expense
- Clamp Down on Shrinkage
- Make Work Fun