

# *LDS Booksellers Association*

## Retail Certification

Objective: Increase the professionalism, knowledge and expertise of retailing within the LDS Booksellers industry. (A similar concept is being implemented for wholesalers/distributors of the LDS Booksellers industry.)

Concept: *Participation in the Certification Program is completely voluntary and self-paced, with no time requirements.*

All LDS Bookstore retailers including owners, managers and employees are eligible to participate and encouraged to do so. Involvement in the certification program is completely voluntary and is available as of August, 2007. There is no time restriction to complete any requirements.

The certification is implemented through two approaches: 1) theory and 2) practical application. The theory will be taught at the Booksellers University through 15 core classes referred to as modules, focusing on all aspects of retailing. Two or three such classes will be taught each year. To demonstrate proficiency in each core class a test will be required, administered by correspondence after the convention. Retailers have the option of registering for the test to fulfill requirements for their certification or simply attending core classes for the sake of learning only. Testing will be required of all modules to demonstrate an appropriate understanding of the module and proficiency therein. No test will be administered at the convention during the University. It is not necessary to attend the core class to take the test but an individual must have an intimate knowledge of the module to successfully pass the test. No more than 8 tests may be administered within one year. In the event a test is not successfully passed, it may be retaken after sixty (60) days.

The practical application will involve the exact same modules and a retailer will apply the concepts and principles to their particular retail business. This aspect will be completed by correspondence. Mentors or consultants who have practical business experience will oversee the 15 modules, providing their insight and expertise. These mentors will have no affiliation with the LDS Booksellers Association so that confidentiality of proprietary information can be maintained. They will be approved by the Professional Advancement Committee and a nominal cost will be required to compensate mentors per module. Modules will receive a pass or fail grade and may be taken in any order.

Course of Instruction: The following is a brief synopsis of each module.

- 1) Strategic Planning: (Before you begin this module, decide who within your organization should participate in strategic planning: owners only, key managers, corporate structure.) Create a mission statement, developing a 1, 2, 5 and 10 year plan, including proper planning to accomplish your plan. Analyze your business, its future, your vision, etc. Develop short term goals for the coming year in harmony with budget considerations and long term financing. Include contingency plans in the event of death or other tragic circumstance regarding an owner or key employee that may alter the business operation, anticipate major competition entering your market and plan for a natural disaster business continuation plan. Create a SWOT (strengths, weaknesses, opportunities, threats) analysis. Consider an exit strategy to sell, terminate or pass on your business.
- 2) Market Analysis: Determine the demographics of your store, analyzing your customers age, income, gender, education, frequency of store visits and average purchase. Define your trading area, determining an immediate, intermediate and distant trading area including the customer population located within each sphere. Analyze the economic factors that would directly and indirectly impact your business such as layoffs at the largest employer in the area, cyclical economic trends relating to your community, etc. Determine the number of stakes required to be successful. Determine a viable location for a store using the above information, completing internal and external surveys and their purpose. Determine what demographic buys what product, how much, how often. What product mix equates to your demographics?
- 3) Finances: List all business debt incurred, including equipment and property lease arrangements. Determine your monthly obligation in the event your business was shut down. Analyze credit as it relates to your store's operation including lease options, factoring and what are the tax ramifications of each. Analyze wholesaler financial arrangements: 2%/10net30, late charge rates, usury, determine your stores quick ratio, etc. How do you obtain a loan and what are the best sources of business loans. What are secured and unsecured loans, recourse and non-recourse loans? What is the time value of money? What is the difference between fixed and variable costs? Review your insurance and update coverage as needed.
- 4) Store Operation and Management: Opening and closing procedures, dealing with returned checks, policies and regulations, security, managing employees, scheduling, handling cash including security procedures. Maintaining excess cash. Determine your utility costs and any available conservation programs. Mailing lists, obtaining mailing or emailing addresses. Handling emergency situations like shoplifting, leaky roofs, backed-up plumbing, emergency phone numbers/contact information. Meeting municipal requirements for posting notices and regulations. Besides a business license, what benefits does your city offer to your business, the chamber of commerce or other municipal and governmental agencies.

- 5) Margin: Define and understand the concept of margin, mark-up, keystone. Categorize departments by margin. Determine freight costs. Analyze discounting and its effect on profit. Review costs involved in mail order and determining costs associated therewith. Determine margin on product from mail order and internet sales. Does the same profit margin apply? How does added attention increase/decrease profit margin such as gift wrapping, etc. Buying close out merchandise. Consider margin in light of turnover.
- 6) Buying/Inventory Controls: Determine which departments within your store have the greatest turnover, forecast sales for the coming year and inventory. Analyze retail payment cycle. Determine a realistic budget based on forecasted sales. Review depth and breadth concepts. Tax consequences of increasing/decreasing inventory levels. Determine life of inventory and when to discount merchandise after how long. Buying large quantities versus consistent frequent buying. Define opportunity costs and how it relates to retail buying.
- 7) Sales/Promotions: Review all possible means of advertising, such as direct mail newspaper, radio, television, in-store flyers, etc. Review 5 other promotional concepts to promote your business such as business cards, give-away gift items, merchandising bags w/logo, etc. Review the purpose and objective of a sale and analyze how and why it is successful. Evaluate the professional services of a graphic artist to design your store's logo and create a coordinated advertising and promotional campaign. Create a new sale, from start to finish, developing an idea, plan and promote and involve your employees in the event. Analyze the results of your sale. Review author/artist signings, evaluating their effectiveness and profitability.
- 8) Human Resources: What are your employees legal rights regarding pay, overtime, breaks, vacation time, etc. How do you hire and fire. Do you perform periodic employee reviews. What mandatory signage does your state require at the work place such as emergency phone numbers, employee legal rights, etc.? What employee incentives, bonuses, 401K plans might you offer and what are their benefits and drawbacks. What resources does your city, county or state offer you in relation to employees? Understand unemployment insurance, employee compensation insurance. What obligations and liability do you as an employer have when employees run errands?
- 9) Selling and Customer Service: What training programs do you have for your employees to become better sales people? What selling techniques does your store have? Create a list of 10 "Do's" of salesmanship and 10 don'ts of salesmanship. Describe impulse buying, 2<sup>nd</sup> selling or add-on selling. Analyze impulse buying. Develop an approach to measure and improve customer satisfaction. Provide examples of excellent and poor customer service. Analyze the attitudes of "the customer is always right" and "how can I make you happy". Analyze why customers shop, develop a customer survey and the value of customer service. What are you sales per square foot? Sales per selling square footage?

- 10) Merchandising & Display: Visit other stores and analyze their layout and design. Consider lighting techniques, space utilization, and display techniques. What is the most effective way to merchandise? Describe how lighting, space utilization, placement and height affect sales. How to effectively use display windows, shelf talkers, posters, flyers at the counter. Review display fixtures for their adequacy. Define your store layout as A, B, C. Find the least productive area of your store and transform it into a productive area by proper merchandising techniques. How does the Americans with Disability Act impact your layout and store operation?
- 11) Technology: Draft a list of all machines, computers, etc. that allow you to increase your business productivity, including credit card machines, computer systems, fax machines, internet, telephones. Discuss each type and value they bring to your business. Review a cost analysis for each machine/computer. Analyze gift cards; develop email lists and the inherent dangers (viruses, Trojan horses, etc.) and limitations on emailing. Analyze owning versus leasing tax ramifications.
- 12) Profit & Loss Statements/Balance Sheets: Describe the difference and purpose between a profit and loss statement and a balance sheet. Analyze your store's balance sheet and profit and loss statements. Determine the percentage of expense categories, making expenses a percentage of sales and compare it to industry averages. Understand each and every category. Determine your ability to increase/decrease expenses. Discuss your ability to borrow against your business. How does a bank or other financial institution review your financial statements? What other financial analysis comes from your financial statements? What value would an SBA (Small Business Administration) loan be and how do you obtain it. Discuss the pros and cons of debt.
- 13) Turnover/merchandise: Define turnover and how it impacts your business. Analyze each department within your store to determine turnover, listing from the quickest turnover to the slowest turnover. Does merchandising and location affect turnover. Describe just in time ordering and analyze the cost of a large purchase as opposed to small monthly ordering. Explain the life cycle of turnover (\$, merchandise, sales, \$). Explain the terms *front list*, *back list*, *out of stock*, *out of print*, *print run*. What are ISBN and SKU, Library of congress, Patent, Trademark, Intellectual property rights? What are sources for finding out of print titles? Outside the LDS marketplace what important distributors are there?
- 14) *Why We Buy*, Paco Underhill: Read and review this book. Analyze each chapter as it relates to your business operation. What are the most profound concepts presented in this study. Find and read two other books dealing with retail that have a profound and positive effect on your business. Identify 5 concepts from each book that will benefit your business. In the event you need suggestions for this concept, your mentor will provide several alternatives. Some suggested reading is:
  - 1) *E-myth Revisited: Why Most Small Businesses Don't Work and What to do About It*, Michael Gerber

- 2) *Good to Great: Why Some Companies Make the Leap...And Others Don't*, Jim Collins
  - 3) *Who Moved My Cheese?*, Spencer Johnson and Kenneth Blanchard
  - 4) *Guerrilla Marketing Success Secrets: 52 Weeks of Marketing & Management Wisdom*, Levinson & Hernandez
  - 5) *Positioning: The Battle for Your Mind*, Al Ries and Jack Trout
- 15) The LDS Marketplace and the value of LDSBA Survey: Review our LDS Booksellers Association and the benefits of membership by contacting the executive director. Attend at least one board meeting and participate in the annual membership meeting. Voluntarily serve on a committee and/or write an article for the association's publication. Contact the Church of Jesus Christ of Latter-day Saints copyright and patents office to understand their influence within our industry, specifically with copyrights and intellectual property rights of the Church. What other legal responsibilities and concerns must an LDS bookstore consider? Accurately complete the LDS Booksellers Association survey.

## Official Honorary Designations offered by the LDS Booksellers Association

The four new levels of merit are:

1<sup>st</sup>: *Accredited Level*: 5 years minimum experience within LDSBA industry,

Individual must be involved full time within our industry (Minimum of 30 hours per week for this 5 year period. Years of experience do not need to be consecutive.)

Successfully pass at least 8 core classes offered at the LDSBA University.

Two or three core classes will be offered annually at the Booksellers University. Note: Individuals may request the test for each course without attending the LDS Booksellers University core classes. Successfully passing the test substitutes for university classroom attendance.

Provide meaningful service to the association as approved by the Professional Advancement Committee by serving on the board or a committee, writing substantive articles for the publication, teaching classes at the university/wholesalers seminar or other appropriate activities.

Honorary Designation : AR - *Accredited Retailer (Accredited: to consider or recognize as outstanding; maintaining standards that qualify for admission to more specialized learning)*

2<sup>nd</sup>: *Banner Level*: 10 years minimum experience within LDSBA industry,

Individual must be involved full time within our industry (Minimum of 30 hours per week for this 10 year period. Years of experience need not be consecutive.)

Attend and complete all 15 core classes offered at the LDSBA University.

Three core classes will be offered annually at the Booksellers University. Note: Individuals may request the test for each course without attending the LDS Booksellers University. Successfully passing the test substitutes for university classroom attendance.

Pass a test to insure adequate understanding of core classes.

Provide meaningful service to the association as approved by the Professional Advancement Committee, by serving on the board or a committee, writing substantive articles for the publication, teaching classes at the university/wholesalers seminar or other appropriate activities.

Honorary Designation : BR - *Banner Retailer (Banner: distinguished from all others in excellence.)*

3<sup>rd</sup>: *Certified Level*: 10 years minimum experience within LDSBA industry.

Individual completes all 15 modules of the Certification Program (same as the core classes taught at the University). These modules involve practical application of one's own retail operation, and are completed as a correspondence course with a college level mentor. The association need only monitor those completing this certification concept by noting when the

individual finishes each module. No time frame is required to complete all the modules but it would be highly unlikely for an individual to finish in less than one year.

Provide meaningful service to the association as approved by the Professional Advancement Committee, by serving on the board or a committee, writing substantive articles for the publication, teaching classes at the university/wholesalers seminar or other appropriate activities.

Honorary Designation: CR - Certified Retailer (*Certified: attest, witness and vouch as a competent authority or a reliable person.*)

4<sup>th</sup>: *Certified LDS Bookstore Professional* This coveted recognition, the highest and ultimate honorary designation, is awarded to an individual who through academic achievement demonstrates knowledge and understanding of our industry and through practical application and experience demonstrates successful implementation and diligence. This designation recognizes an individual as meeting the highest standards of excellence and expertise within the LDS Booksellers Association and is entitled to the designation only after accomplishing the following:

1. Successfully pass all 15 core class tests
2. Successfully complete the 15 correspondence course modules.
3. Be employed full time in the LDS Booksellers Industry for a minimum of 10 years. (Minimum of 30 hours a week for this 10 year period. Years of experience do not need to be consecutive.)
4. Provide meaningful service to the association as approved by the Professional Advancement Committee.
5. Meet before an interviewing committee convened by the professional Advancement Committee verifying and confirming this designation is proper and deserving.

Upon successfully completing the above requirements, the retailer shall have the honorary designation of CPB (Certified LDS Bookstore Professional) bestowed upon him.

*Retail Certification Registration Form*  
*LDS Booksellers Association*

Please complete and return to Dot Hamer, Executive Director

Name: \_\_\_\_\_

Bookstore: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

Contact Phones: (\_\_\_\_\_) \_\_\_\_\_ Work Home Cell (circle one)

(\_\_\_\_\_) \_\_\_\_\_ Work Home Cell (circle one)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Disclaimer:** This course is newly implemented and is subject to change and improvement. Though not anticipated the LDS Booksellers Association reserves the right to alter and modify both course curriculum and requirements for the honorary designations in the event such changes would improve the certification program.

(Retain for your own records)

Progress to obtaining *Certified LDS Bookstore Professional* (CBP)  
Core Class Completion: (Theory)

Class	Test Requested	Test Completed
1) Strategic Planning		
2) Market Analysis		
3) Finances		
4) Store Operation & Man		
5) Margin		
6) Buying/Inventory Controls		
7) Sales/Promotions		
8) Human Resources		
9) Selling & Customer Service		
10) Merchandising & Display		
11) Technology		
12) Profit & Loss Statements Balance Sheets		
13) Turnover/Merchandise		
14) <i>Why We Buy</i> Book Review		
15) LDS Marketplace		

Correspondence Course Completion: (Practical Application)

Module	Initiated	Completed
1) Strategic Planning		
2) Market Analysis		
3) Finances		
4) Store Operation & Man		
5) Margin		
6) Buying/Inventory Controls		
7) Sales/Promotions		
8) Human Resources		
9) Selling & Customer Service		
10) Merchandising & Display		
11) Technology		
12) Profit & Loss Statements Balance Sheets		
13) Turnover/Merchandise		
14) <i>Why We Buy</i> Book Review		
15) LDS Marketplace		

# Request for Core Class Test

Return to: Dot Hamer  
 LDS Booksellers Association  
 P.O. Box 27793  
 Salt Lake City, Utah 84127-0793

Name: \_\_\_\_\_

Bookstore: \_\_\_\_\_

Signature: \_\_\_\_\_

Please send the following tests to me: I understand that I may receive no more than two (2) tests at one time and must successfully pass at least one test before requesting any additional tests. I may not have more than two tests at any time. I may request no more than 8 tests in any 12 month period. In the event I do not receive a passing grade on the test, I may retake it 60 days after the test is officially graded.

Class	Taught at University	Check here for test
1) Strategic Planning	2007	
2) Market Analysis		
3) Finances		
4) Store Operation & Man		
5) Margin		
6) Buying/Inventory Controls	2007	
7) Sales/Promotions		
8) Human Resources		
9) Selling & Customer Service		
10) Merchandising & Display		
11) Technology		
12) Profit & Loss Statements Balance Sheets		
13) Turnover/Merchandise		
14) <i>Why We Buy</i> Book Review		
15) LDS Marketplace		

(Be advised that not all tests have been created and you will be sent tests as soon as completed.)

# Request for Correspondence Modules

Return to:           Dot Hamer  
                  LDS Booksellers Association  
                  P.O. Box 27793  
                  Salt Lake City, Utah 84127-0793

Name: \_\_\_\_\_

Bookstore: \_\_\_\_\_

I understand that I will be assigned a mentor, approved by the Professional Advancement Committee, who is not involved in the LDS Booksellers Association but because of business experience is qualified to counsel and oversee my correspondence courses. Further, I understand that I will need to provide this mentor confidential and proprietary information regarding my business which the mentor likewise has agreed to keep confidential and not disclose to any other party or individual.

The first correspondence module must be Strategic Planning. Thereafter I may select any module in any order. I must complete one module and receive a passing grade before I can commence a new module. The LDS Booksellers Association will be notified of every passing grade, but will have no involvement otherwise.

There will be a nominal charge for each module – approximately \$30. To complete all modules the cost will be approximately \$450.

Date: \_\_\_\_\_

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Signature