

# UBC Bookstore 2012/13 Budget

## 2011/12 Successes and Challenges

- Installed Verba Collect to improve online course material ordering by faculty.
- Offered more than 3,000 textbook titles for rent in-store and online; 8,000 units were rented; saving students more than \$400K
- Developed a strategy to enable the ongoing production of custom course packs utilizing Xerox as an Access Copyright licensee.
- Launched rebranded and updated website in May enabling online coursebook sales.
- Opened Sauder Store in August and completed renovations in the computer department to increase sales in hardware, accessories and gaming products.
- Expanded store hours for the Fall and Winter terms to close at 5:30 pm instead of 5 pm, M-F, to support evening students and UPass distribution.
- Partnered with student recruitment to communicate full range of products & services to incoming students as many make purchasing decisions prior to arrival on campus resulting to \$18k sales through coupons and no drop in course materials unit sales.
- Continued increase in social media friends to more than 5,000 thru Facebook/Twitter
- Received the National Association of College Stores (NACS) Innovation Achievement Award for the student ambassador program.

### Challenges:

- Continued decline in tradebook and medical book sales.
- Sales at the Robson Square store do not cover the location's operational costs.

## 2012/13 Priorities

- Expand store to street level to support planned growth in general merchandise.
- Launch another campaign to promote the textbook rental program to students to increase the number of rental units to more than 10,000.
- Install Verba Compare software to provide transparent course material price comparison for students to maintain/regain market share.
- Further enhance the features, functionality and product selection on the website to continue to increase web sales.
- Enable mobile commerce for the website.
- Continue to reach out to all consumer groups to get feedback for products and services that best serve customer needs and increase sales.
- Setup a Convenience Store within the Bookstore to provide students with varied fast food choices and other supplies especially during expanded operating hours.
- Continue to follow "No Net New" staff plan by moving staff to growth areas and by eliminating or reducing costs in declining product/service areas.
- Continue to seek new business partners for "pop up store opportunities" to provide a wider range of products and services.

## Financial highlights from 2011/12 Forecast and 2012/13 Plan

### 2011/12 Forecast

- Over-all sales with textbook rental calculated at retail value increased by 3% (\$977K) versus last year.
- Achieved gross margin of 24.57%.
- Increased webstore sales to more than 6% of overall sales; PY was 1.8%.
- Departmental sales increased by more than 20% (\$400K); more than \$140K HST savings given out to departments.
- Dividend contribution to the University of \$500K.
- Reduced shrinkage as a percentage of revenue from 0.9% to 0.75%

### 2012/13 Plan

- Over-all sales with textbook rental calculated at retail increased by 6% (\$1.9M).
- Plan to reduce over-all gross margin down by 1% to be competitive in course books.
- Provided for 2% across the board salary increase starting April 2012.
- Reduced hourly salaries by 2% (20K)
- Capital budget of \$2.6M for expansion of retail space to grade level at University Blvd. and East Mall, computer, software and equipment update.

## Risks and Opportunities

### Risks

- Ongoing competition for course materials sales.
- Impact to sales and operations of the abolishment of the HST.

### Opportunities

- Execute a faculty communications and outreach program to engage faculty in supporting and enhancing the store's products and services.
- Expand the Bookstore's partnership with the Alumni Association.
- Continue to work on the re-branding of the store including a new logo.
- Engage student groups to support the development of faculty specific clothing and merchandise to build "school" spirit.
- Provide staff with targeted training to enhance retail skills (selling, merchandise management, web sales).



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**Budget Review Template - Ancillary (cash basis)\_COS**

Fund -UBC Consolidated  
Department - D328100 - Bookstore

	2010/11	2011/12	2012/13
	Actuals	Forecast	Plan
	Approved	Working	Working
GRANTS AND INCOME	30,741,298	30,761,596	32,691,624
<b>REVENUES</b>	<b>30,741,298</b>	<b>30,761,596</b>	<b>32,691,624</b>
COST OF SALES	22,741,779	22,704,094	24,428,984
<b>GROSS MARGIN</b>	<b>7,999,519</b>	<b>8,057,502</b>	<b>8,262,640</b>
SALARIES	4,760,622	4,746,553	4,804,483
BENEFITS	1,044,631	1,035,574	1,067,641
TRAVEL EXPENSES	49,544	50,026	49,555
PROFESSIONAL FEES	21,162	24,336	26,949
INTEREST	192,428	188,984	192,427
DEBT REPAYMENT	8,808	8,808	8,808
UTILITIES	189,228	168,684	177,066
CAPITAL EXPENDITURES	249,288	565,406	2,670,000
OTHER EXPENSES	1,244,441	1,324,442	1,334,765
<b>EXPENSES</b>	<b>7,760,154</b>	<b>8,112,812</b>	<b>10,331,694</b>
INTERFUND TRANSFERS	0	0	0
<b>SURPLUS (DEFICIT)</b>	<b>239,365</b>	<b>(55,310)</b>	<b>(2,069,054)</b>
CONTRIBUTION	834,419	500,000	118,500
<b>SURPLUS (DEFICIT) after CONTRIBUTION</b>	<b>(595,054)</b>	<b>(555,310)</b>	<b>(2,187,554)</b>
UNRESTRICTED OPERATING OPENING	2,723,932	2,128,878	1,573,568
UNRESTRICTED OPERATING CLOSING (calculated)	2,128,878	1,573,568	(613,986)

<u>FOR INFORMATION ONLY</u>	Actuals	Forecast	Plan
<u>OPENING BALANCE</u>	Approved	Working	Working
UNRESTRICTED OPERATING	2,723,932	2,128,878	

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