

TITLE MANAGEMENT AND SELECTION

Our Recommended Model Inventory (RMI) Program

Opening a new store can be overwhelming. With more than 1,000 suppliers and more than 140,000 products, it's difficult to know what products you need to carry, where to get it, when to order it, where to put it, how to process it, and, finally, when to reorder it. Not to mention paying for the product, which could result in reconciling hundreds of invoices!

Spring Arbor Distributors, Inc. has been serving Christian retailers for more than 30 years. We carry Christian products from over 1,000 publishers and suppliers, so you can OPEN ONE ACCOUNT and PLACE ONE ORDER for the majority of your book, Bible, music, video, communionware, Bible accessories, and gift product for your opening store inventory. All product comes stickered and packed by category for easy receiving and shelving.

Spring Arbor's RMI program:

- Eliminates guess work on what products you need to order
- Saves you time and money by consolidating your order through one supplier
- Provides you the opportunity to earn higher discounts and extend payment terms
- Allows you additional time to make product returns

Additionally, we'll assign you your very own New Account Representative, who will also assist you in locating the other resources you need, such as:

- Store Design & Layout
- Store Fixtures & Supplies
- Point-of-Sale Systems

INGRAM



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Consider the benefits of placing an RMI order with Spring Arbor:

1. Spring Arbor has the most comprehensive inventory in the industry.

Not only do we offer the largest selection of Christian product, but because we're a division of Ingram Content Group, you also have access to thousands of appropriate general market titles, such as cookbooks, travel books, dictionaries, craft and hobby books, and much, much more.

2. Spring Arbor recommends titles based on actual sales information.

Because we serve over 3,000 Christian retailers, we know what's selling in the marketplace. We take that data and let you know which products have strong, consistent sell-through, plus we'll let you know what new titles have the potential for strong sell-through, based on our industry knowledge.

3. Spring Arbor has the best backlist information available.

We know that your store is unique and has specific product needs. That's why we will work closely with you to customize your selections of product categories and quantities to ensure that you have the right inventory for your customers.

4. Spring Arbor offers additional discounts and free shipping.

Depending on the volume of your order, you may qualify for higher discounts on your RMI order. We also give discounts for early payments. Plus, any shipment of 15 units from your primary distribution center OR 15 units from your secondary distribution center will qualify for free freight.

5. Spring Arbor gives you FREE inventory stickers.

Each item in your RMI order comes pre-stickered with its own inventory label. These labels, designed for easy removal at the point-of-sale, provide you with important information for receiving product, tracking sales, and keeping your inventory clean.

6. Spring Arbor boxes your RMI order by category.

Your RMI order is easy to receive and shelve because we sort it by category before we ship it to you!

7. Spring Arbor helps you reduce your paperwork.

By opening only one account for the majority of your product needs, your paperwork is significantly reduced. An average RMI order represents over 250 suppliers!

Spring Arbor's program and services booklet is located in your new account service guide. Please look through it carefully as many of these programs will be extremely helpful in making your store a success from the start.

RMI Policies

Terms

Qualifying opening store orders of at least \$25,000 may be eligible to receive extended payment terms. Orders require pre-approval from Spring Arbor's credit department. Orders not qualifying for extended terms must be prepaid in whole, prior to the order entry and shipment. These orders receive a 1% cash discount if paid by check or wired funds. Orders must be paid via certified funds. This includes certified check from bank, cashier's check, credit card, or wired funds.

Exceptions/Restrictions:

Free freight is available to certain areas of Alaska through the Spring Arbor delivery program. All other areas of Alaska have free freight available if standard shipping instructions are book post insured. Qualifying orders from customers in Hawaii and U.S. territories (Guam, Virgin Islands and Puerto Rico) will receive a credit of 3.31% off invoice value. Free freight does not apply to Canadian or international orders.

Returns

Spring Arbor recognizes the risk during your first year in business and allows a more liberal return policy for RMI orders. You have 12 months from the invoice date to return any "returns eligible" Bibles, books, or audio purchased from Spring Arbor up to the dollar amount of your original RMI order of at least \$1,000. Simply state on your packing list that this is an RMI return. You will be assessed a restocking fee equal to 5% of suggested retail price. If during the first 12 months of business, you decide to close your store and request that we use returns to offset any monies due Spring Arbor, said returns will be credited at a penalty rate of 65%.

Any product sent to you damaged, defective, or in error may be returned using the hassle-free form located on the back of the packing list. Spring Arbor Customer Service can provide you with a form if you do not have access to one. Return a completed form to the distribution center of origin within 30 days of the date your RMI order was shipped. Products with publisher defects (missing pages, etc.) may be returned at any time. Please specify the defect. Shipment discrepancies (shortages, etc.) are not automatically reordered for you, so you should add these to your next Spring Arbor order.

Calculating your RMI Order

First, compute your start-up inventory costs.

To calculate your initial investment for wholesale product:

1. Determine the amount of space you have available for retail sales. Do not include **office, receiving, cash wrap, restrooms, or seating areas**. Leave 6 - 8 feet of clear space for your entrance.
2. Multiply this square footage by \$35 to calculate your wholesale investment.

The formula we use to estimate the cost of a general-inventory bookstore is **8 books per linear/shelf foot at approximately \$72.00/foot**. This would be if you included all bindings and children's books. Example: a store with 1000 linear feet for books would need 8,000 books at an estimated cost of \$72,000. Or if you would like to estimate your funding needs by actual selling square footage (you may not know your linear feet of shelving yet) multiply \$35 per actual selling square footage. Start with your beginning sq. ft. and then deduct your office, receiving area, cash wrap, seating area or rest rooms and the ending sq. ft. number is what you want to multiply by \$35.

8 books per linear ft. (approx)

5 Bibles per linear ft. (approx)

Example:

4Ft wide Book Shelf

4 Shelves

8 (approx. books per ft.) X 4 Lft. = 32 Books (4-5 of these books are face out so you can see the cover)

32 Books X 4 Shelves = 128 Books for "4" shelves on a "4" Ft. wide Bookshelf

128 Books X 2 (if a two sided fixture) = 256 Books for one double sided Fixture

256 Books X \$9 (average cost of book) = \$2304 cost to fill one doubled sided fixture.

OR

This fixture has 32 linear ft. (4ft. shelves X 8 shelves = 32 linear ft)

32 X \$72.00 = \$2304



We would recommend the RMI program to anyone starting out. It really takes the pressure off of trying to figure out what books, Bibles, and music to bring in [to the store] initially. Mary Lou was extremely helpful in working with the dollar amount we had available and distributing it according to sales figures in the industry. We would have been lost without her and Spring Arbor.

Having Mary Lou come out to our store to help us get set up and organized was like an angel from God!

Her expertise and years of knowledge in the industry as well as her calming voice helped us have a successful beginning.



--Warren Mayhew (owner of three stores)

Hope Christian Stores

Bakersfield, CA

Now that you have an idea of your wholesale cost, simply complete this form to initiate your RMI order.

RMI Product Mix Worksheet

Copy: _____

Account # _____ Store Name: _____

Contact: _____ Phone: _____

Fax: _____ E-mail: _____

Address: _____

City: _____ State: _____ Zip: _____

Store Opening Date: _____ Total Dollar Amount: \$ _____ Square Footage: _____

All stores do not take all product types. Please choose only those you wish to stock in your store. The industry standard percentages are provided as a guideline. Please fill in your percentages based on your store's needs and interests.

Category		Industry Standard	Your Desired Percentage	or	Dollar Amount
ABK	Adult Books	36%	_____		_____
ACC	Accompaniment Tapes	1%	_____		_____
AUC	Audio for Children	1%	_____		_____
AUD	Audio Books & Bibles	1%	_____		_____
BIB	Bibles	12%	_____		_____
CBK	Children's Books	6%	_____		_____
EDU	Educational Materials	1%	_____		_____
GFT	Gifts	25%	_____		_____
MUS	Music	10%	_____		_____
SBK	Songbooks	1%	_____		_____
SFT	Software	1%	_____		_____
SPL	Church Supplies	1%	_____		_____
VID	Video	4%	_____		_____

Additional information

Do you want Large Print titles? _____

Do you want Spanish language titles? _____

Do you want Catholic titles? _____

Do you want non-returnable titles? (an example is a Beth Moore Bible Study) _____

Do you want short discount titles (less than 35%)? (an example is a Beth Moore Bible Study) _____

Do you want Charismatic titles? (an example would be 23 Minutes in Hell by Bill Wiese) _____

What is the specific dollar amount you want to invest with Spring Arbor? _____

Do you want all bindings (hardcover, quality/trade paperback, mass-market paperback, audio)? _____

What is the linear/shelf feet (this is more accurate than square footage) of space given to books?

(If you know the linear/shelf feet per category you can enter that into the spreadsheet for the corresponding category).

What pertinent demographic information (age, economy, tourist area, ethnicity, etc.) can you provide?

What is your store's Mission, who are you wanting to serve (i.e., university students, churches, denominations)?

Will you need your opening order data sent to your POS (point-of-sale) vendor? If so, which POS vendor?

Signature: _____ Date: _____

Please mail or fax completed form to:

Spring Arbor Distributors

M/S 671 • Attn: RMI Coordinator

14 Ingram Boulevard • La Vergne, TN 37086

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