

Subject: BookManager 2016 and Beyond - Price Changes Are Coming
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BookManager 2016 and Beyond

BookManager Price Changes Are Coming

Hey gang,

We know how busy it is at most stores right now, but we wanted to give you time to absorb that there will be price changes moving forward. About ten years back BookManager peaked at 425 stores. We currently have just over 300. The good news is that our user base is nicely growing again. In recent years, our data, support and programming team has grown to ten people to keep BookManager current with information and technology. Back in the day (when your internet browser was Netscape Navigator and Windows 3.2 was the pre-eminent operating system,) there was just one programmer (me); we are now four, and busier than ever. The under-the-hood complexity continues to expand and we also have the responsibility of ensuring the skills needed to keep things up to snuff are not in the hands of any one person. To support the continued quality of our services, we have realized that our pricing structure needs to evolve.

What this all boils down to is ensuring we have the right amount of revenue to employ and reward the people who are devoted to BookManager and the independents they serve.

Below are the changes we hashed out:

The \$65 backup service (that also feeds your inventory data for your online use) has been rolled into the annual renewal fee. Most stores are already set up with this invaluable service, so we felt it was time to make it a standard part of BookManager's annual support. *(For anyone with current support who is not already subscribing to the backup,*

please contact us to enable.)

The support and updates renewal base fee is now \$550 (and now includes the backup service, as explained above). Each station in your setup is an additional \$70. For example, a one-user system will be \$620 (\$550 + \$70 for the one station), two stations are \$690 (\$550 + \$70 + \$70) and so on.

Charges for Gift Card loading was [announced earlier this year](#). The first cycle for billing will be for activity from November 1st to December 31 2015 and will include a one-time credit based on the number of cards your purchased at the old (higher) prices. In a nutshell, we have reduced the cost to purchase cards (or you obtain them from a third party), and we have introduced a \$0.40 card loading fee so that the use, maintenance and monitoring of this service is proportionate to those using the service.

PubStock is increasing from \$210 per year to \$350 (but offset with TitleLink).

TitleLink is decreasing (effectively making the PubStock increase negligible). Assuming you are receiving the \$500 discount for sending us sales and onhand statistics, the price for stores using 1-4 stations is now \$895 (was \$1025), 5-10 stations is \$1095 (was \$1230), and 11+ stations is \$1395 (was \$1550).

Adding additional stations is decreasing from \$275 per station to \$200.

The WebStore for your customer's use will now have a base price of \$249 per year (formerly free). As before, you must also have current support and be subscribed to TitleLink and PubStock in order to provide your customers online access to your site. The new annual charge (about \$21/month) is needed to help fund the important ongoing development in this area.

Note: Whether or not your website is enabled for your customers to access, you will always have access to the tools your WebStore provides when you are logged in. This includes access to Catalogues and Browse and the very powerful Analytics.

Rather than assume everyone is willing to pay the \$249 to have a consumer website through BookManager, we are making this service optional. If your renewal is paid without the Webstore option, we will let you know in advance that the site will be disabled for consumers. For those stores who want to continue to have a consumer Webstore, remember that we have the experience and talent to pretty things up. Some basic changes can be done at no charge and we can certainly help you do a more comprehensive makeover for a reasonable cost based on the time involved. Please contact us for help! Whatever your online direction, it is important to make sure you have a basic presence that looks clean, current and professional.

The \$249 Webstore base price increases by using four tiers of order volumes (to keep development and maintenance costs proportionate). Your first \$10,000 of consumer orders placed through the Webstore will be covered in the basic \$249 fee. The next \$10,000 will be billed at 2%. Beyond \$20,000 and up to \$100,000 will be billed at 1%. Volume that exceeds \$100,000 will be billed at .5%.

For example, a store grossing \$110,000 in online sales will hit all four tiers. The total annual cost for their Webstore would be \$1,299 --> \$249 (on the 1st \$10,000) + \$200 (2% of the next \$10,000) + \$800 (1% of the next \$80,000) and \$50 (.5% of the last \$10,000). A store grossing \$30,000 in orders would pay \$549 --> \$249 (on the 1st \$10,000) + \$200 (2% of next \$10,000) + \$100 (1% of the last \$10,000).

Finally, and although comparisons can be misleading unless put into context, many stores in the US use a similar templated website that runs around \$175US per month (about \$2,800CAD annually). Our new fee structure is well below this so that everyone can afford a decent online presence (let us help you make it pretty!).

So now that the nitty gritty details are laid out, let's break all this down:

A three-station system with all the goodies (TitleLink, PubStock, renewal, backup and consumer WebStore) will increase by \$377 from \$1,877 to \$2,254 ---> \$550 renewal + \$70 x 3 stations + \$350 PubStock + \$895 TitleLink + \$249 consumer WebStore. A two station store setup with a backup, but no TitleLink or PubStock will go from \$616 to \$690 ---> \$550 + \$70 X 2 stations.

Looking ahead, part of our goal is to increase the BookManager user base. This will lessen the need for further increases by spreading costs over a larger group. The good news is that a number of stores in the US appear to be looking for something better. We have been mostly an unknown in the US and our recent additions are quickly changing that.

The new pricing structure is effective immediately as soon as your current services expire. The new Webstores fees will be effective as of January 31st , 2016 regardless of when your other services are renewed.

We find immense joy in our daily efforts, whether it be sharing tips and success stories or simply lending an ear to hear your gripes about damaged shipments and difficult suppliers - and we of course hope you feel the same.

Stay tune for a recap of 2015 and what we have in the works for 2016. Sales appear to be up at most stores, so I hope you are busy as heck for the next few weeks!

- Michael (*and the Keyboard Wizards at BookManager*)