

# Opening a New Christian Bookstore Checklist

The following checkpoints are simply step-by-step procedures that you might find helpful when planning to open a new Christian bookstore.

## Step 1: YOUR VISION AND MISSION STATEMENT

- (a) Clearly state in one sentence your vision for your bookstore.
- (b) In simple sentences identify WHAT your vision means, WHO is your customer, and HOW you plan to engage in this mission or ministry.

## Step 2: STORE LOCATION AND CUSTOMER PROFILE

Undertake a GEOGRAPHIC (location) and DEMOGRAPHIC (your customers' profile) analysis which will determine principally your merchandise range and type. Assess local competition.

## Step 3: LEGAL REQUIREMENTS & CAPITAL OUTLAYS

Established your legal and capital outlays which will consist of:

- ◆ *Legal requirements for running a business and their cost*
- ◆ *Building or refurbishing the building*
- ◆ *Outfitting the store, fixture and fittings and so on*
- ◆ *Supply of technology items*
- ◆ *Purchasing of opening stock*
- ◆ *The value of goodwill (hardly a factor in retail today)*
- ◆ *Sufficient working capital for three years of the operation of the business*

## **Step 4: FINANCIAL ANALYSIS**

Complete a financial analysis of the business

- ◆ *Have an accountant complete a R.O.I. (Return on Capital Invested) bottomline assessment of the business*
- ◆ *Do a "break even" profit or loss analysis (what is the minimum annual sales amount needed to remain viable).*
- ◆ *Look carefully at the cost of borrowed funds (if any), the repayment contract and your ability to repay.*
- ◆ *Establish a viable three-year financial plan.*
- ◆ *Provision for taxation*

## **Step 5: STRATEGIC BUSINESS PLAN**

Establish your strategic business plan

Assemble together the factors that are necessary for you to operate a successful business, being:

(a) Vision/Mission Statement

(b) Business Synopsis

Geography (location)

Demographics (socio-economic environment)

Positioning and customer profile

Merchandise range and stock services

(c) Financial Plan

Sales and Net Contribution budget

Break-even analysis

(d) Promotions and Marketing Plan

Strategies for growth

(e) Staffing Plan

Staffing establishment and salary plan

Staffing accountability, Occupational Health and Safety, and training

(f) Principal initiatives

No more than five in each year

(g) Strategic Business Plan Control Plan

**Notes:**

The previous steps are relevant to both the opening of a new bookstore and contemplating buying an existing one.

However, if you are proposing to buy an existing bookstore, then you must consider the following guidelines. These include the current value of the assets (principally existing stock), three years of accounting records and tax returns, the level of goodwill (hardly a value factor in retailing today), and any outstanding debts, liabilities or unresolved legal matters.

***Designed to be used in conjunction with a consultant. Contact the CBAA National Office for consultant details.***

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