

# The Beautiful Plan

~ Publishing Strategies from Patron Saint Productions ~

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## Why Authors Hate You

*Heavily Edited by  
Steve O'Keefe*

Authors really don't like publishers. They don't like us because we change their work — or force *them* to. We reject their titles. We dress their books in jackets they hate. We take custody of their manuscripts and refuse visitation rights. We don't let them see or comment on marketing plans. We spend very little money or time promoting their books. Our royalty statements might as well be Aramaic. We don't return their voicemail or e-mail. We don't communicate and we don't care.

Sure, that's an over-generalization, but it's too close to the truth for comfort. It should concern us that so many authors feel this way about their publishers. And it's our fault, really, for not communicating better about exactly what we do, and why. This year, *The Beautiful Plan* will have a special focus on authors — improving our relationships with them, educating them, motivating them, putting them to work. Let's start by *listening to them*.

The following conversation took place over a 3-month span beginning in November, 2000. It concerns the formation of an authors' publishing co-op. The discussion was initiated by Steve Roth — author, editor, and producer of dozens of books. Roth, who earned a Masters in Publishing from New York University, had just completed a 9-year run as CEO of Thunder Lizard Productions. The other 18 participants included many of the most prolific tech writers in America — the folks who write all those books and

manuals that help us use computers well. What they say about publishers isn't pretty or even fair. But it's important. Let's eavesdrop.

### STEVE ROTH

You've all heard me talk about the idea of an authors' coop publishing company — an idea Glenn Fleishman came up with about 18 months ago, and that I've been noodling on, researching, and talking to folks about ever since.

The best question I've been asked on this came from Steve O'Keefe. He wondered why there was anything special about this idea, why it's not just another publishing house. What's really there for authors that traditional publishers don't provide? A "Focus on the author" is a nice tagline, but does it really mean anything?

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*"The author has to do more than fill out a marketing information sheet and the publisher has to do more than ignore it."*

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The key issue I think we should try to overcome: the misalignment of incentives between authors and publishers. It arises because publishers amortize their risk over multiple titles. Authors, who spend 4 to 24 months (+) writing, don't have that luxury.

Publishers don't have the incentive to target-market specific titles. They don't have people who know each micromarket. It only matters that *some* of the titles sell well — not that they all do. So they throw them against the wall and see which ones

stick. Few titles get the specialized, targeted marketing that's required to rise above the clutter. This is especially an issue for nonfiction, where targeted marketing can really work well.

If we're going to put together an organization that truly serves authors, it must do one thing more than anything else: provide an excellent vehicle for authors to bring their specialized market knowledge to bear on selling their books.

Authors love to complain, but are they ready to put their time and money up to take a chance on their books? The author will have to do more than fill out a marketing information sheet, and the publisher will have to do more than ignore it.

*Editor's Note:* Roth provided a list of goals for the co-op. Reading it backwards, it contains a laundry list of gripes authors have against publishing companies:

- ◆ Provide a vehicle for authors to get the publisher's share of the profits from their works (or a significantly larger share)
- ◆ Enable authors to bring their market knowledge to bear on marketing, PR, and other promotion.
- ◆ Give authors control over the editorial and production values of their books without having to coordinate the whole editorial team.
- ◆ Publish smaller, high-value works that don't make economic sense in the traditional publishing model.

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- ◆ Enable authors to access the variety of sales/marketing/distribution channels that exist (e- and real) without learning it all themselves.
- ◆ Provide a web site where authors can sell their books without building an ecommerce site from scratch for one or two titles.

### STEVE O'KEEFE

Publishers serve the interests of their stakeholders — management and investors — not authors. An author-centric organization will serve the interests of its stakeholders: the authors.

Publishers are devoted to their brands. They do not own the authors, and are not interested in heavily promoting authors, because their investment can walk out the door and sign with a competing publisher. Publishers own a mechanism for publishing, distributing, and marketing “product,” and their interest is in promoting the mechanism, not the authors. That’s why publishers force authors into series, force title changes on them, control design of the product, and control the marketing. Publishers want their brand to survive even if their talent leaves. Authors are viewed as fairly interchangeable.

Authors are devoted to building their brands. Authors own intellectual property. This property is usually tied into various personal and professional goals. Most authors make little money from book sales. Many use books as a marketing tool for services and products they sell. Many authors just want to build a big enough following so that they can make a living doing work they enjoy: research and writing. For the most part, authors do not want to be publishers — they will research and write, and they’ll participate in marketing because they have a financial incentive to do so, but they would rather not design, print, store, distribute, and sell their works — or do all the related chores of managing a business.

The thing that always upsets me about conventional publishers is that they insist on controlling rights they have no intention of — or mechanism

for — marketing. If they want the foreign language rights, then they’d better have a plan to show the book to foreign language agents or publishers. If they want the screenplay rights, they’d better know how to sell screenplays. Publishers are just plain lousy at marketing rights for anyone except star authors. Their slowness to market non-fiction rights often results in those rights losing their time-sensitive value. And they refuse to let authors cut deals themselves.

### RICHARD HOY

The trick isn’t going to be producing the co-op’s books. With a \$99 investment, you can build an publishing model that starts realizing profits with a handful of sales. The trick will be making the books rise above the other equally good titles on the exact same subject that are in the marketplace at the exact same time.

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*“What dissatisfies authors most is that their books don’t receive persistent, intelligent marketing.”*

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### STEVE O'KEEFE

Selling books isn’t job one; making authors happy is. And that means providing lots of things publishers don’t, such as helping authors use their books to grow profitable careers and businesses.

The more I look at this co-op deal, the more it looks like it should be an agency co-op, not a publishing co-op. The co-op helps authors advance *their* goals, which are multifaceted, and helps market their product in all formats to all markets. The co-op cuts a deal with an e-publisher first, perhaps, but then also specializes in niche-marketing intellectual property into books, foreign languages, audio, video, screenplay, streaming palm products, anthologies, online syndication, offline syndication, merchandise, promotional tie-ins, software, games, consulting gigs, speaking engagements, expert witness testimony, etc.

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### TED NACE

I’m thinking about all those trade books that sell between 10,000 and 30,000 copies. Assuming a 60 percent discount off a \$20 list price (the coop gets \$8 per book), the coop grosses \$80,000 to \$240,000 prior to print costs. Assuming \$1/book for printing, \$10,000 in editing and production costs, that’s \$60,000 to \$200,000 net.

Now suppose the coop is attuned to its authors and really good at direct marketing books at full price. Say another 2000 copies sold at full price resulting from a smart expenditure of \$10,000. That raises the net to \$88,000 to \$228,000.

If the coop publishes 10 - 20 such books per year, it can easily afford the staff overhead and also give authors more control and a bigger share of the profits than they would get from a for-profit publisher. I would guess that royalties in the range of 30 percent would be totally feasible.

With a 30 percent royalty, the above scenarios yield \$36,000 to the author for a book that sells 10,000 copies, and \$84,000 to the author for a book that sells 30,000 copies. That’s two to three times as much as a for-profit publisher paying 10 to 15 percent royalties. And the co-op still has plenty of money to pay its staff, rent, etc.

### KATHARINE HARMON

What seems to be emerging is an entity elastic enough to exploit all aspects of a property (rights), explore the various marketing channels for it, and deliver it in various formats. Hallelujah! How wonderful it would be to make this a reality.

I would posit that what dissatisfies authors most about their relationships with traditional publishers is that their books don’t receive consistent, persistent, intelligent marketing. What will make the co-op’s staff members any more motivated to promote and sell each title than any other publishing house’s employees?

Outsourcing some of the marketing work to those who know it and have established contacts is a good idea. That would enable the co-op — if it so desires — to have an eclectic nonfiction list with a few central peo-

ple to hire and oversee the subcontracts, and develop a marketing plan for each title that exploits the markets that make the most sense.

### RESULTS OF GROUP POLL

1. Would you invite other (successful) authors to join this discussion?

Yes - 87.5%

No - 12.5%

2. Would you devote the time to create and/or revise good, saleable material and pay to publish it yourself via the co-op?

Yes - 62.5%

No - 37.5%

3. How many meetings (3-8 hours) in Seattle would you be willing to attend?

0 - 12.5%

1 - 25.0%

2 - 25.0%

3 - 12.5%

>3 - 25.0%

4. How many hours would you devote to developing the co-op over the next 6 months?

Less than 20 - 12.5%

20-40 - 37.5%

60 or more - 50.0%

### ADAM ENGST

I'd like to see the co-op help prevent the destruction of a successful book for reasons specific to the publisher and unrelated to the author or the market.

### GLENN FLEISHMAN

I've gathered many stories about publisher neglect and stupidity that combined to cripple or kill a title. When Jeff Carlson and I put out our *Real World Adobe GoLive* books, we really bulldogged Peachpit and they us. Because of this, we've had the first big book out both years, and our royalty statements make it clear that our interaction has meant thousands of dollars in difference in our royalties.

Every book should get the attention that these books of ours have gotten. It's a lack of focus and an attitude of aggregation (many books = lots of money for a publisher) that screw us authors again and again.

### STEVE O'KEEFE

Let's look at the conventional publishing process and see where it goes awry. The author is expected to turn in a manuscript, complete an author questionnaire, then go away. That's pretty much the formula.

The biggest problem I see is that publishers don't act like they're in a partnership with authors, which is de facto what a royalty contract means. Publishers should *use* authors more than they do because authors are unpaid staff members.

I'd like to see a specific publishing plan that says, "These are the rights related to this bit of intellectual property, and this is when and how we intend to market them."

### NICK USBORNE

I think Authorscoop will live or die by the way in which it markets itself and its authors. And by how it differentiates itself from the competition. That makes Authorscoop a marketing company above all else.

I think a key differentiator, and marketing tool, will be the voices of authors. Traditional publishers either stifle or ignore the voices of all but their star authors. Authorscoop will have a unique choir of voices; rich, varied, and direct from its authors to their audience.

In a previous, pre-Net life, I actually ran a farmers' co-op in British Columbia. Here's what happens:

- ◆ Out of 50 people, five do 99 percent of the work.
- ◆ When the five make decisions, the 45 complain.
- ◆ When the co-op needs money, nobody wants to pay.
- ◆ The five get fed up and walk away.

This, in a way, is exactly what I fear for Authorscoop. Which is why my 2 cents worth says build a much more proactive marketing organization to lead the charge.

### STEVE O'KEEFE

A B-list book represents an investment of about \$100,000 for a mainstream publisher. That's another

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reason why I just don't see quality authors paying the co-op to publish their books; it's too much, too risky.

### STEVE NELSON

It may be that a co-op isn't precisely the right model. Maybe what you guys really want to do is something more along the lines of a professional partnership. Like a small law firm, public accounting firm, investment banking firm, or medical practice. In that sort of model, you'd need 3 - 4 partners to start the practice.

You could construct a very cheap book and publicity factory. Once the original partners got the model figured out, you could bring new partners in the same way a professional practice does. You might also want to have a "career track" for people who wanted to be a partner someday but weren't yet ready to do everything a partner does.

In April, I'm going to speak at the Waterside Conference on the subject of starting your own publishing house. Here's a preview of what I'm going to say:

1. Successful authors shouldn't publish. The authoring gig is just way too good. You can make great money with very little business risk and much more freedom.

2. Starting a publishing house, even a small one, requires a lot of money. There's more to success than simply doing an interesting book. To build a publishing house, you're really going to need several modestly successful books.

3. You can succeed at this if you fill a niche. If you get into an empty space that people want filled, the model works and is pretty low risk. But finding a true empty niche is a pretty puzzle.

### STEVE ROTH

I don't feel we have the collective "life force" to push this thing through to reality. I'm sorry if I've wasted folks' time already, but I don't feel my time was wasted. I think there's something here — something that could fundamentally alter the publishing power equation — and it may come to life one day.