



An Author's Guide to Publishing Options

Jennifer Tribe & Ross Slater



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Congratulations!

You've written a book. Or you have a great idea for a book you want to write. Now you want to get published and you face a big question: Do you look for a publisher or publish on your own?

In this report, we examine the three main publishing models, looking at the pros and cons of each.

- Royalty publishing
- Self-publishing
- Subsidy publishing

Choosing the model that's right for you depends entirely on your goals for your book. This report will help you decide which publishing method is the best one for you based on your book, your personality, and what you want your book to do for you.

Your Publishing Profile

To start learning more about the publishing model that meets your needs, take the quiz on the following page. After you've read about the model that matches your current profile, you can always go back and read about the other models to compare and contrast what the others have to offer.

What's Your Publishing Profile?

Take this quiz to reveal what publishing option suits you best. Choose one answer for each question.

1. How important is it for you to earn revenue from your book?

- a) I'd like to do more than break even but it doesn't have to be huge dollar amounts.
- b) I want the possibility of earning substantial revenue.
- c) Revenue from book sales isn't all that important. I'd be happy to break even or earn a tiny profit.

2. How much money do you have to invest in your book?

- a) I have little or no money to contribute to the project.
- b) I have at least \$20,000 and could get more if necessary.
- c) I have a few thousand.

3. How much time can you devote to your book project?

- a) I don't have a lot of extra time for the book project.
- b) I'll invest whatever time it takes to get the book done, even if that means making some sacrifices in other areas of my life or business.
- c) I've got some time but I'd have to work around other tasks.

4. How much control do you want or need over the production and marketing of your book?

- a) I'd be okay with someone guiding me or making decisions on my behalf.
- b) I want the freedom to make all of the decisions.
- c) I want to make most of the decisions.

5. Do you want to use your book primarily as a promotional or positioning item that you give away for free?

- a) No, I'm serious about my book being seen as part of the mainstream book trade. I want it to be a product that people would buy.
- b) I might give away some copies but mostly I would want to sell it.
- c) Yes, I see my book as something of a business card rather than something I would spend a lot of time selling.

6. How quickly do you want or need to get your book on the market?

- a) The timing of the book release isn't that important to me.
- b) Due to the timeliness of the topic, I want to get the book out fairly quickly.
- c) Based on the timelines of other business goals, I want to get the book out fairly quickly.

7. How willing and able are you to deal with financial and administrative tasks relating to your book? (accounting, distribution, shipping and handling, inventory, setting and negotiating terms, securing ISBNs and bar codes, etc)

- a) I can't be bothered with the business side of things.
- b) I have the time and skills, am willing to get the skills, or am willing to hire someone to handle all the financial and administrative aspects of publishing a book.
- c) I don't really like it but I'll do it if I have to.

8. How important is it to you that your book appear in bricks-and-mortar bookstores?

- a) It's very important to me. Seeing my book in a bookstore would make me feel successful as an author.
- b) I'd be happy to see my book in a bookstore, but if it wasn't there I wouldn't be heartbroken.
- c) It's not at all important to me. My focus is on other sales channels or distribution methods.

9. How important is it to you that your book be reviewed by mainstream book reviewers at magazines, newspapers and other media outlets?

- a) It's very important to me. I want that mainstream recognition.
- b) It's important to me and I am willing to work hard to get reviews. I'd be happy with small media outlets reviewing my book.
- c) It's not that important to me. Reviews outside of my niche market aren't key to my marketing plan.

10. How willing are you to educate yourself about the task of book publishing as well as the book publishing industry?

- a) I'm busy with my business. I don't have a great deal of time to spend learning about book publishing.
- b) I'm very willing to educate myself about book publishing by a variety of means, including reading, seminars, and discussion groups.
- c) I'm very willing to educate myself about book publishing by a variety of means, including reading, seminars, and discussion groups.

(Yes, b and c are supposed to be the same.)

Scoring

Number of As _____

Number of Bs _____

Number of Cs _____

What Your Score Means

If you have mostly As, traditional royalty publishing might be your best route.

If you scored mostly Bs, you should take a serious look at self-publishing.

If you scored mostly Cs, subsidy publishing is something you could consider.

The Royalty or Traditional Publishing Model

When most people think of book publishing, they picture the traditional model: a publishing house signs you to a contract, gives you a nice author advance, takes your manuscript, turns it into a finished book and puts it in bookstores.

This is the royalty publishing model, so-called because the publishing house pays you royalties on each copy of the book that sells.

Royalty Publisher

A royalty publisher buys the rights—often with an advance against future royalties—to produce a book from a provided manuscript. The publisher edits, design, prints, and distributes the book at its own expense, and pays the author royalties as the book sells.

An article in a December 2008 issue of the National Post indicated the advances you might expect from a royalty publisher:

- \$10,000 to \$30,000 from bigger players, such as Random House or HarperCollins
- \$5,000 to \$15,000 from mid-sized houses, such as Thomas Allen & Son or Douglas & McIntyre
- \$1,500 to \$5,000 from smaller presses, such as Cormorant or Coach House

Advances are just that—an advance against future royalties. If your book does not sell enough copies to earn out the advance, the advance will be the only money you receive from your publisher.

Pros and Cons of Royalty Publishing

For the prospective author, there are many factors to consider before choosing the royalty model. Each aspect of the process has its pros and cons. Let's look at each one in greater detail.

- Money
- Creative control
- Timing
- Sales and marketing support
- Credibility
- Chances of getting published
- Working with agents

Money

With royalty publishing, your financial investment—and therefore your risk in the project—is practically nil. Your publisher foots the bill for professional editing of your manuscript, cover design and interior layout, printing, shipping, warehousing, and other miscellaneous expenses.

But as an author, your earnings with a royalty publisher are low. Typically, a publisher pays royalties

of anywhere from 7 to 10% on the book's retail price. An agent, if you have one, will take 15 to 20% of the royalty. On a \$20 book, for example, you'd earn \$1.60 per copy sold. Let's say you sold 10,000 copies, which in the book industry is considered strong sales. Most books never reach this level. Your total financial pay-off for these 10,000 books would be just \$16,000.

Creative Control

When you sign with a royalty publisher, they buy your print rights. As the owner of your book, your publisher has the final say in a lot of major decisions such as the title, the slant of the material, and the cover art. You may never be consulted or asked for input on any of these issues.

Your publisher also decides how long your book stays on the market and when it goes out of print. You may or may not agree with your publisher's decisions but you'll have to live with them.

Timing

Royalty publishing is not a quick process. From pitching your book to a publisher through to launching it in stores could easily take two years or more. Timing a book release to coincide with another event, such as the launch of your new business venture, a new product, or a speaking tour, is not always possible. If you want to get your book out as quickly as possible, the royalty model may not be for you.

Sales and Marketing Support

Under the royalty publishing model, the publisher secures distributors and gets your book into bookstores. The publisher also sets pricing and discount schedules, and negotiates with suppliers. The publisher issues invoices and processes returns. In short, the business side of publishing your book is entirely taken care of. If you don't have time for, or can't be bothered with, such business details, a traditional publisher may be a good fit for you.

However, first-time authors are often shocked to discover that their publisher doesn't provide much in the way of marketing support. The bulk of most marketing budgets are reserved for the house's well-known and bestselling authors. The dilemma of how to become a bestselling author without marketing support is up to the author to resolve. In the end, marketing the book usually becomes the author's job.

Credibility

Royalty publishing is a vetted art. Long before a book becomes a book, a team of highly specialized reader-editors has judged it worthy of being committed to print.

Your publisher's name doesn't typically factor into a consumer's decision to buy or read a book. As Dan Poynter notes, no one ever breathlessly enquires whether you've read the latest Random House. However, there are some people who do care who your publisher is and they are people it pays to know—distributors, wholesalers, booksellers, and reviewers among them. Most of these people have long and healthy relationships with publishing houses. They already know which editors' lines they are interested in, they know what kind of sales support they will get from which publisher, and they already know the processes—from product placement agreements to supply chain policies—that the publishing houses follow.

Fair or not, self-publishing carries something of a stigma with many members of the traditional book trade. Being published by an established house will eliminate that particular hurdle.

Chances of Getting Published

Getting signed with a royalty publisher has become more difficult than ever. Budgets and staff are being slashed nearly everywhere.

If you talk to editors, many will say they're looking for fresh new voices and that they like to take chances on books. They will also say they have to be realistic. Publishing is a risky, low-margin business for the royalty houses. They might be able to take a flyer on publishing three or four unknowns ever year, but that's three or four out of the thousands and thousands of manuscripts they see every year. If you pursue a royalty publisher, be prepared for rejection slips.

Working with an Agent

Most of the big publishing houses have closed their doors to unsolicited manuscripts due to the incredibly high volumes they receive—according to one estimate, between 3,000 and 5,000 manuscripts per week. That means if you want to be published by one of the bigger publishing houses, you'll definitely need an agent.

Reliable agents who have established relationships within the publishing industry generally have well-documented careers. Usually, they have worked as editors or held other senior positions in the industry before setting up their agencies. They should have a stable of published authors whom they have represented through the release of several titles. These agents will never ask an author for money upfront in exchange for representation.

While some smaller publishing houses will accept manuscripts directly from the author, a good agent's expertise can be invaluable when it comes to negotiating a contract.

For a great resource on finding and working with an agent, look to *The Publishing Game: Find an Agent in 30 Days* by Fern Reiss.

Royalty Publishing: Summary

Upside	Downside
<ul style="list-style-type: none">✓ Requires little to no financial capital✓ Requires little administrative attention✓ Avoids stigma often attached to self-published books	<ul style="list-style-type: none">✗ Earning potential is much lower than with self-publishing✗ Can take a long time✗ Publisher controls the details✗ Manuscript may be rejected

The Self-Publishing Model

Self-publishing has become an increasingly viable way to get your book into print. Previously, you had to shop your manuscript around to publishing houses and hope that someone would take an interest. Now you can guarantee yourself a finished book.

Successful self-publishing, though, is not an easy route to take. A finished book you can hold in your hand is not the same thing as a book that will sell. It will take real effort, dedication, time, and money to create a marketable product and tell the world about it.

Self-publisher

A self-publisher is an author who finances, produces, markets, and sells her own book. It does not necessarily mean that all the work is done by the author but does mean that the author contracts directly with editors, printers, and other specialty service providers for the pieces she cannot complete on her own. In essence, the author becomes the project manager for the self-publishing project.

Pros and Cons of Self-Publishing

Below are some of the main points to consider when determining whether self-publishing is right for your book.

- Money
- Creative control
- Timing
- Sales and marketing support
- Credibility
- Chances of getting published
- Working with a project manager

Money

Self-publishing a book requires a substantial cash investment. You will be footing the bill for editing, cover design, layout, and printing, as well as marketing and administrative costs such as shipping, inventory storage, legal filings, flyers, press releases, and so on.

In addition, to manage the risk of your investment, you have to ensure the professionals you hire have highly developed skills. Normally, this means they have worked to create superior products in the past. Be sure to inform yourself, or get good advice about editing, layout, and design issues if judging these skill sets is outside your area of expertise.

Be realistic about the expense of self-publishing. Do careful research and crunch the numbers before you begin the process.

Despite the money required, when properly managed, self-publishing can yield a greater return on investment than the royalty model. Profits can amount to much more than the 7 to 10% royalties you would make from a traditional publisher.

Remember, however, that your profit does not equal 100% of the retail price. You need to find ways to keep your expenses down, and to prevent expensive mistakes, so there is a healthy profit margin left.

Creative Control

As a self-publisher you get to make all the decisions and retain complete control over your intellectual property. You choose the title, content, style, cover art, paper stock, and everything else that goes into making your book.

With such decision-making power also comes responsibility. If you're going to self-publish, you need to do your homework, familiarize yourself with the industry conventions, conduct your own competitive analysis, and learn what printed product, at what price, has a chance of succeeding in the marketplace.

You probably can't acquire the skills to perform all of these tasks on your own, but it's essential that you learn enough to judge the skills of those doing the job on your behalf. If you don't feel comfortable making those judgment calls, find a source of experienced advice.

Timing

Self-publishing can be a good option for authors with a very timely topic that needs to be released to the market quickly, or for people who are just anxious to see their book in print as soon as possible. The timeline is under your control so if you want to push from raw manuscript through to finished book in less than a year, you can.

Sales and Marketing Support

With self-publishing, you'll be handling the entire business end of publishing. While many authors are good at writing, some are less confident when it comes to the administrative side of the business. Successfully selling your book will demand you undertake the following tasks: securing distributors and sales channels, setting rates and terms, issuing invoices and collecting payments, bookkeeping, and packing and sending shipments.

Marketing your book will be entirely up to you, too. Since you won't have a million-dollar budget, you'll need to get creative and think of ways to tell interested people about your book. Will that include speaking to community or business groups? Will it include promotional events or contests on your web site or blog? If you really hate selling or promoting yourself, you might think twice about self-publishing a book.

Credibility

There's a reason you must do your homework before embarking on self-publishing. Self-publishing carries something of a stigma with many members of the traditional book trade. As a result, you'll have to work twice as hard to prove yourself with reviewers, distributors, and booksellers. It isn't enough to produce a book. You have to publish a superior product.

Chances of Getting Published

Chance doesn't factor into it. If you decide to make it happen, it will happen.

Working with a Publishing Consultant

Choosing to self-publish doesn't mean you have to complete the work all on your own.

In the same way that authors who publish under the royalty model may find they need agents to help them negotiate contracts, rights, and other issues outside their expertise, self-publishers can hire publishing consultants to act on their behalf.

Publishing consultants with experience in hiring and working with editors, designers, printers, publicists, and marketers can supervise the production of your book. This person (or company) can take care of hiring the production team, setting and following the schedule, filing legal registrations, and so on.

Like publishing house employees, publishing consultants are specialists and can offer quality assurance. Their pre-existing relationships in the industry can take the risk out of hiring qualified specialist team members. Hiring an inexpensive copyeditor or fact-checker, for example, isn't a savings if that person misses errors that will embarrass you when the book is released.

Publishing Consultant

A publishing consultant is a person or company who is knowledgeable about self-publishing and who helps authors produce their books. The consultant helps the author establish a publishing entity and register books in the author's own name. A publishing consultant might also be called a book coach, book project manager, book shepherd, or book packager.

Be careful not to confuse a publishing consultant with a subsidy publisher. We discuss subsidy publishers in the next section.

Self-Publishing: Summary

Upside

- ✓ Greater earning potential
- ✓ Complete control over the project
- ✓ Can publish quickly
- ✓ Guaranteed to be published
- ✓ A project manager can make things easy

Downside

- ✗ More expensive than royalty publishing
- ✗ Business and administrative tasks are all yours
- ✗ Gaining credibility with traditional book trade can be an uphill battle

The Subsidy Publishing Model

Between royalty publishing and self-publishing lies a third option called subsidy publishing. Subsidy publishing can be a minefield for the unsuspecting author who either confuses subsidy publishing with royalty publishing, or who thinks that using a subsidy publisher is still self-publishing. It is neither.

Many subsidy publishers will play up this confusion by calling themselves a self-publishing company or a publisher, hoping you will assume that the latter means royalty publisher.

Subsidy Publisher

A publisher that makes money both from charging authors for production costs and from keeping a portion of sales revenue. Typically, a subsidy publisher has no screening process and will publish any author who pays the requisite fees.

Some further characteristics that identify a subsidy publisher are:

- Authors are issued an ISBN that identifies the subsidy publisher—not the author—as the publisher of record.
- Authors are asked to pay for some or all of the layout, design, and printing costs. Typically, a limited range of design templates is offered.
- Authors may also be asked to pay fees for marketing, advertising, or other expenses.
- Authors are paid royalties, rather than earning full sales revenue.
- Sometimes the subsidy publisher retains the rights to the material. Under such a contract, they own your book, not you.
- Most subsidy publishers will publish anyone who pays them. There is no screening process so the quality of their books can be poor, and their reputation in the industry suffers accordingly.

Important! Print On Demand Is Not a Publishing Model

Another term that subsidy publishers sometimes apply to themselves is POD publisher. POD stands for Print On Demand. It's a digital printing technology that allows you to produce a single book at a time. It's an alternative to a full press run where many copies need to be printed at once to make the print run cost-effective.

POD is not a publishing model, but simply a method of printing. Some royalty publishers use POD on occasion. Self-publishers can use POD and still be truly self-published. If a company tells you they are a POD publisher, they have told you what technology will be used to print your book, but nothing about their publishing model. However, it's likely they are a subsidy publisher because royalty publishers do not call themselves POD publishers.

The term POD is not interchangeable with self-publishing or subsidy publishing.

- Royalty publishers can print on a press or with POD.
- Self-publishers can print on a press or with POD.
- Subsidy publishers can print on a press or with POD (though usually choose POD).

Pros and Cons of Subsidy Publishing

If you have a book you want to publish just for the sake of saying you're a published author, and you aren't worried about credibility in the general market or selling through bookstores, subsidy publishing can be a fine choice. For example, if you have a family cookbook you'd like to print up for 50 of your closest relatives, a subsidy publisher would be a great fit. However, if you are serious about selling a lot of books through traditional channels, getting mainstream reviews, or building credibility in the publishing world, consider another route.

Below are some of the main points to consider when evaluating subsidy publishing.

- Money
- Creative control
- Credibility
- Chances of getting published

Money

You pay a fee to a subsidy publisher and in exchange, they lay out your book and design a cover. These services are generally packaged and sold for a price that looks a lot lower than the average cost of self-publishing. However, you are usually offered a limited selection of templates that every other author is also choosing from. You're not getting a custom design that helps you stand out from the crowd.

As the author, you are usually responsible for completing all the copyediting and proofreading of your text. Some subsidy publishers will offer editing packages for an additional fee.

Royalty payments are typically 25% to 50% of the full retail price of the book when sold through internet sales channels. If a customer buys through one of these stores, you receive your royalty payment.

The catch comes when you try to sell your book to other outlets, such as bricks-and-mortar bookstores. You first have to buy the copies from your subsidy publisher, and these books generally have high unit costs.

It could easily cost you \$7 or \$8 per copy to buy your soft cover books from the subsidy publisher. Let's say your retail price is \$14.95. Bookstores usually want a 40% discount on the retail price to stock your book. A distributor or wholesaler will take another 10 or 15%. That means you need to sell your books to the distributor at a cost of \$6.73 each—but you can't because it costs more than that for you to acquire them.

With subsidy publishing, you can't give the bookstores and distributors the discounts they need, so you effectively lock yourself out of those markets. And you can forget about book clubs, catalogs, corporate sales and other bulk selling opportunities too, because the discounts they receive are typically even higher than those for the book trade.

Creative Control

Subsidy publishers, like royalty publishers, often acquire the print rights to your work. That means you cannot self-publish or submit the book to a royalty publisher until the contract is finished or broken.

Credibility

Remember that a subsidy publisher is the publisher of record for your book. That might not be such a problem except that many subsidy publishers have a horrible reputation with the mainstream book trade—people such as royalty publishers, book reviewers, distributors, and book retailers. Come out with a book under the label of a well-known subsidy publisher, and many of those people won't touch your book with a ten-foot pole. They know there's been no screening or selection process for manuscripts. While there are gems printed through subsidy publishers, there's also a lot of dreck. Reviewers and other book trade professionals simply don't have time to dig through the dump for a treasure, so they ignore everything.

Chances of Getting Published

As with self-publishing, chance doesn't factor into it. If you pay the fees, you'll get a book.

Subsidy Publishing: Summary

Upside

- ✓ Good for limited run books that won't be sold through traditional channels
- ✓ Guaranteed to be published

Downside

- ✗ Poor credibility in the industry
- ✗ Poor pricing model locks you out of many sales channels
- ✗ You are not the publisher of record
- ✗ You may sign away ownership of your own material
- ✗ Limited design and layout options

What's Next?

Now that you've learned more about the publishing models available, you might want to take the quiz again, just to see how your impressions have changed about each model and the commitments each one requires of its authors.

Once you know the basics, it's time to conduct more research, prioritize your goals, consider your investment of time and money, and start getting advice about how to proceed with publishing your book.

Good luck and happy publishing!

About Highspot Inc.

Highspot helps successful business owners package, brand, and sell the intellectual capital related to their business expertise.

Helping business authors self-publish their non-fiction books in both print and e-book formats is our specialty. Process flow mapping, audio products, video products, and seminars are some of the other packages available.

For more information on Highspot can help bring Your Ideas to Market™, visit www.highspotinc.com or call 1-888-973-3597