

# What Authors Need to Know About the Publishing Business



June 10, 2020 ♦ Writers League of Texas

## Presented by Leila Sales

- Author of seven YA and MG novels published by Chronicle, Simon & Schuster, Abrams, and Macmillan
- Editor at Viking Children's Books for ten years
- Book marketer at Penguin for two years
- Freelance book developer

Email: [leila@thebookengineer.com](mailto:leila@thebookengineer.com)

Twitter/Instagram: [@LeilaSalesBooks](https://twitter.com/LeilaSalesBooks)

Author website: [leilasales.com](http://leilasales.com)

Editor website: [thebookengineer.com](http://thebookengineer.com)



# Syllabus

1. The submission process
2. The life cycle of a manuscript, from acquisition through publication
3. Sales and marketing
4. Working relationships with agents, editors, and publicists
5. Interpreting sales figures
6. How you make money: advances, royalties, and subsidiary rights
7. Profitability
8. Option clauses, multi-book deals, and out-of-print

You are both an artist *and* a professional. You deserve to understand how your industry works.

# How to select an agent

- Look at their list on their websites and on Publisher's Marketplace. If they're new, look at their agency's list.
- Talk to them, to other authors they represent, to other industry professionals who have worked with them.
- What is their vision for this specific book? For your career as a whole? Do they represent all the formats you plan to write in?
- Some agents use a formal written contract; others don't.

Remember, your agent works for you. Ask for what you need.

# Common questions about submissions

- What's timeline can I expect?
- Does word get out if many editors have passed?
- What is a “pass and revise” (and does it ever turn into an offer)?
- How do agents decide which editors to submit to?

# How to select a publisher

- Consider all aspects of the offer: advance, payout schedule, territory, royalty rates and escalations, bonuses, schedule
- Get a clear understanding of the editorial vision and positioning (while understanding that these may change)
- Pros and cons of big vs. small publishers
  - The Big Five have more resources and more competition
  - Smaller houses may have less reach but may give more individualized attention
- Trust your agent

# Syllabus

1. The submission process
2. **The life cycle of a manuscript, from acquisition through publication**
3. Sales and marketing
4. Working relationships with agents, editors, and publicists
5. Interpreting sales figures
6. How you make money: advances, royalties, and subsidiary rights
7. Profitability
8. Option clauses, multi-book deals, and out-of-print

# The life stages of a manuscript: editorial

1st draft

Edit letter

2<sup>nd</sup> (3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>) drafts

Line edit

Final draft into copyediting (1 year pre-pub)

# The life stages of a manuscript: production

Copyedited manuscript to author

Final, copyedited manuscript to typesetter/design

1<sup>st</sup> pass pages to copyediting (and out for BOMs)

1<sup>st</sup> pass pages with copyedits to author

1<sup>st</sup> pass pages back to design

# The life stages of a manuscript: production

2<sup>nd</sup> pass pages to copyediting



2<sup>nd</sup> pass pages to editor, queries to author



2<sup>nd</sup> pass pages back to design



Repeat as needed until you have a clean pass



Final pass to the printer

# The life stages of a manuscript: production



Proofs/blues in from printer



Proofread of blues



Printer makes changes and goes to press



Final copies shipped



Books in warehouse roughly 4 weeks pre-pub

# Pub dates

- Tuesdays
- Why the first week on sale matters (pre-orders)
- NYT list comes out the Wednesday after pub (includes first full week of sales)
- Benefits and drawbacks of different pub dates/seasons

# Syllabus

1. The submission process
2. The life cycle of a manuscript, from acquisition through publication
3. **Sales and marketing**
4. Working relationships with agents, editors, and publicists
5. Interpreting sales figures
6. How you make money: advances, royalties, and subsidiary rights
7. Profitability
8. Option clauses, multi-book deals, and out-of-print

# Meanwhile, in sales and marketing...

- Launch (1 yr pre-pub)
- Brainstorm marketing campaigns; set goals and print runs
- Pre-sales and sales conference (6-10 mths pre-pub)
- Positioning
  - Who is the reader?
  - What else do they enjoy? (Comps)
  - What are our expectations for this book and this author's career?

# Meanwhile, in sales and marketing...

- **Sales calls** (2-8 mths pre-pub)
  - National accounts (B&N, Amazon, BAM)
  - Regional reps
  - Institutional wholesalers (Follett, Ingram)
  - Gift/special sales
  - Mass merch (CostCo, Target, Walmart)
- **Marketing campaigns**
  - School & Library (conferences, review copies, etc.)
  - Retail (bookseller mailings, trade ads, swag, etc.)
  - Digital (social media, book trailers, etc.)
  - Publicity (events, interviews, etc.)

# Some hard truths about sales & marketing

- Marketing and publicity teams are small.
- Shelf space, review space, and budgets are limited.
- A small percentage of titles make up the majority of sales (and many of those are backlist).
- Not every title is a lead title.

# What can you do if your book isn't a lead?

- Have your agent go to your editor with specific asks
- Set up events
- Build a social media following
- Create content for the publisher to amplify
- Set up a blog tour
- Connect with other authors
- Establish personal relationships with booksellers
- Focus on the next book and on building your career

# Syllabus

1. The submission process
2. The life cycle of a manuscript, from acquisition through publication
3. Sales and marketing
4. **Working relationships with agents, editors, and publicists**
5. Interpreting sales figures
6. How you make money: advances, royalties, and subsidiary rights
7. Profitability
8. Option clauses, multi-book deals, and out-of-print

# What you can expect from...

- **Your publicist**
  - Info about publicity opportunities that are offered to you
  - Pitching and sending your book to appropriate outlets
  - Books for sale available at your events
- **Your editor**
  - Helpful editorial notes
  - In-house advocacy for your book
  - Responses to specific requests for sales figs or marketing plans
- **Your agent**
  - Timely responses to your emails and phone calls
  - Updates on the submission process
  - Career-building advice and opportunities

# What to do if you have a problem with...

- **Your publicist**
  - Talk to your agent first
  - Are your expectations for your publicist reasonable?
- **Your editor**
  - Talk to your agent first
  - Worst-case scenario, you and your agent will talk to the publisher
- **Your agent**
  - Talk to your agent about it!
  - If you can't, talk to the head of the agency
  - Worst-case scenario, you may switch agents

# Syllabus

1. The submission process
2. The life cycle of a manuscript, from acquisition through publication
3. Sales and marketing
4. Working relationships with agents, editors, and publicists
5. **Interpreting sales figures**
6. How you make money: advances, royalties, and subsidiary rights
7. Profitability
8. Option clauses, multi-book deals, and out-of-print

# Sales

Types of sales figures, and who has access to them

- Print run
- Initials
- POS
- Net sales
- Gross sales

# Syllabus

1. The submission process
2. The life cycle of a manuscript, from acquisition through publication
3. Sales and marketing
4. Working relationships with agents, editors, and publicists
5. Interpreting sales figures
6. **How you make money: advances, royalties, and subsidiary rights**
7. Profitability
8. Option clauses, multi-book deals, and out-of-print

# Advances and royalties

- An advance against royalties is paid in installments. Let's imagine you're getting an advance of \$20,000. This may be paid out \$10,000 on-signing and \$10,000 on d&a. Or 1/3 on-signing, 1/3 on d&a, and 1/3 on pub.
- 15% of the advance goes to your agent, so you receive two payments of \$8,500 each.
- You don't receive any more money **from your publisher** until you've earned out.

# Advances and royalties

- Imagine you get a 10% royalty per copy sold, and imagine the cover price is \$20. So for each copy sold, you get \$2 applied to earning out your advance.
- $\$20,000 \div \$2 = 10,000$  copies must sell before you start receiving royalty checks.
- Royalty statements are typically sent twice a year, usually 90 days after the close of the royalty period.

# Advances and royalties

In practice, this gets much more complicated because:

- **Royalty rates aren't consistent.**
  - HC vs. PBK vs. e-book
  - Author/illustrator splits
  - Escalations
  - High-discount sales
- **There are other ways to make money off a book.**
  - Licensing
  - Sub rights

# Subsidiary rights

- Includes book club, translation, UK and Schedule A countries, film and TV, greeting cards, first serial, toys—anything based off the book that's not the book itself.
- Some sub rights will be controlled by you/your agent, others by the publisher, and who controls the rights changes the finances.
- Some of this is established by the territory that the publisher acquires: World vs. World English vs. North American.

# Subsidiary rights

	Publisher's Share	Author's Share
First Serial	10%	90%
Second Serial	50%	50%
Book Club	50%	50%
Permissions	50%	50%
British Commonwealth	20%	80%
Translation	25%	75%
Audio Recording	50%	50%
Paper Products	50%	50%
Commercial and Merchandising games)	50%	50%
Performance	50%	50%

# Subsidiary rights

Imagine a \$20,000 advance, \$20 price point, with 5,000 copies sold at a 10% royalty rate. You've earned out \$10,000; have \$10,000 left to go.

You sell German rights for \$5,000. How much money do you make?

**If your publisher controls the rights:** With a 75/25 split, you'd get \$3,750 applied to earning out your advance. (Only \$6,250 to go!)

**If you/your agent controls the rights:** You get the full \$5,000, minus 20% going to your agent and foreign co-agent.

# Miscellaneous financial info

- Sales bonuses and awards bonuses
- Flat fees

# Syllabus

1. The submission process
2. The life cycle of a manuscript, from acquisition through publication
3. Sales and marketing
4. Working relationships with agents, editors, and publicists
5. Interpreting sales figures
6. How you make money: advances, royalties, and subsidiary rights
7. **Profitability**
8. Option clauses, multi-book deals, and out-of-print

# What makes a book profitable?

Earning out an advance doesn't necessarily make a book profitable for the publisher. For example, imagine the following:

Advance: \$20,000

Price point (\$20) x copies sold (20,000) = \$400,000

\$400,000 x royalty rate (10%) = \$40,000 to author

\$400,000 - \$40,000 = \$360,000 for everything else

\$360,000 - retailers' share (\$180,000) = \$180,000 to publisher

\$180,000 - manufacturing & freight (\$30,000) = \$150,000

\$150,000 - marketing costs (\$250,000) = -\$100,000

A publisher may downspec a book or cut marketing costs to ensure a profit.

# Syllabus

1. The submission process
2. The life cycle of a manuscript, from acquisition through publication
3. Sales and marketing
4. Working relationships with agents, editors, and publicists
5. Interpreting sales figures
6. How you make money: advances, royalties, and subsidiary rights
7. Profitability
8. **Option clauses, multi-book deals, and out-of-print**

# Option clauses

- Option clauses will specify
  - Which work is included (e.g. next book, a sequel)
  - How soon after d&a/pub you can submit
  - How soon after submission the editor must respond
  - What materials need to be included in submission

# Multi-book deals

- **Pros:**

- More money upfront
- Publisher may be more invested in building your career
- May lock in a higher advance

## **Cons**

- Looming deadlines (especially during Book #1 promotion)
- Publisher may not be interested in Book #2
- May lock in a lower advance

**What is joint accounting?**

# Going out of print

What happens when my book stops selling?

- Partial or full remainder
- Rights reversion
- Does an e-book count as “in-print”?

# Recommended resources

- Kate McKean's Agents and Books newsletter:  
<https://katemckean.substack.com/>
- Nathan Bransford's blog:  
<https://blog.nathanbransford.com/>
- *The Hero is You*, by Kendra Levin
- Industry newsletters: Publishers Weekly, Shelf Awareness, Publishers Lunch

# Questions?

Thanks for attending “What Authors Need to Know About the Publishing Business.” Keep in touch!

- **Email:** [leila@thebookengineer.com](mailto:leila@thebookengineer.com)
- **Twitter/Instagram:** [@LeilaSalesBooks](https://twitter.com/LeilaSalesBooks)
- **Author website:** [leilasales.com](http://leilasales.com)
- **Editor website:** [thebookengineer.com](http://thebookengineer.com)