

News for Authors: POD Isn't Quite Carte Blanche

BY GARY MICHAEL SMITH

“We have exciting news!” That cheery announcement was the opening line of a doomsday letter I received in the mail from Amazon.com recently. Doomsday, that is, for independent publishers like me who have been using print-on-demand (POD) technology to sell our books through the “Special Order Book” business [sales directly by publishers, with or without a discount, to online resellers]. I’ve been making 100 percent on all my books

because I didn’t pay Amazon a commission or offer any discount. Those days are over.

It’s still quite true that “anyone can be a publisher,” but that’s not a guarantee of access to the distribution channels. The efficiencies of POD (from the small publisher’s point of view) don’t change the fact that online bookstores are up against many of the same costs as traditional bookstores and distributors. Thus, Amazon has determined that it can no longer afford to carry—merely as a courtesy to its customers—a

backlist of titles on which it makes no money.

As of May 2002, Amazon decided to stop selling books that are not carried by major wholesalers. Publishers can either sell their books (at large required discounts) through major wholesalers or—and this is the Amazon compromise position—join its Marketplace Program.

Amazon says it “will continue to purchase titles directly from major wholesalers, so it may be possible for us to procure some of your books through that channel,” but there’s little chance

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words as they do.” She is careful not to insert her own words into the writing and often goes back for clarifications. “People began to understand that I wasn’t getting rid of the personality in their writing,” she says.

Sullivan believes that she and her assistant have the same goal as the writers: to enable investment counselors to communicate their message so that readers can make investment decisions. “People don’t seem to understand that there’s a difference between publications, public relations, and marketing,” she says. “It’s my responsibility to ensure that we don’t devalue the financial advisors’ intellectual capital.” Sullivan sees one of her most important roles as defending the integrity of what advisors and strategists write against being watered down for public relations or marketing consumption.

Fortunately, Sullivan has a boss who appreciates the value of a good editor who is willing to stand up for her clients.

Kleintop, says Sullivan, has “a refreshingly thorough understanding of what editing does for print communications.”

Protecting ‘a thing of beauty’

When Sullivan joined PNC in 1986 as the organization’s first editor, she immediately developed a style guide. Now she shows it to advisors when they join. “We don’t expect you to memorize this,” she tells them, “but when we make changes, it’s because this is the way we’ve decided to do it.” Following PNC practice, she exchanges her resume with new advisors as a way of saying, “Editors are professionals, too.”

Sullivan has developed preformatted document templates that are available through an icon on each advisor’s desktop. To write an analysis, a report, or an alert, the advisor selects a document style and a company from pull-down menus. The company’s earnings model is pulled into an Excel spreadsheet. When the advisor is finished

editing the numerical information, the document is saved in a Word template, where the advisor can add a written analysis. The Word template, says Sullivan, turns the document into “a protected thing of beauty.” The template includes all the necessary formatting, to safeguard the numerical information from accidental changes. The document is sent to the appropriate editor. Following a round of reviews, the final product is posted on the Web in PDF.

Sullivan, who decided at age five to become an editor because her favorite uncle was one, finds collaborative relationships essential for producing the best possible publications. Because she respects and defends the advisors’ work, they respect her, too. “I feel sort of like E. F. Hutton,” she says, wryly. When she talks to them, the financial writers she edits listen. ♦

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of that for books published and printed on demand, in small quantities. If I don't use wholesalers (and that's not just up to me—they have to agree to carry my books), I'm encouraged to list my titles on Amazon.com Marketplace.

Here's a synopsis of Marketplace terms from the "How It Works" link on the site:

- Books must be sold to Amazon at a 15 percent commission, which is subtracted from the retail price; the publisher gets the remainder.
- Another \$0.99 commission is also subtracted.
- The selling price of the book, minus commissions, is directly deposited into the publisher's account every 14 days via Amazon Payments.
- An Amazon Marketplace listing is good for only 60 days, then must be renewed.

Book suppliers (like my small press) can determine the price of the book appearing on the Web site (so I can raise the price if I choose to) and will receive shipping credits to help defray that expense. The amount of the credit depends on the product, but, according to the Shipping Credits page, the basic credit is \$2.26 per book. Keep in mind that USPS Priority Mail is now \$3.85 for the first pound (www.usps.com/ratecase/priority.htm)—but still, it's a concession to the tight bottom line of small publishers. Other major distributors, such as Barnes&Noble.com, require books to be shipped for sale entirely at the publisher's expense.

Here's what I learned when I tried to find my books on Amazon.com: Books like mine that currently are listed with Amazon will remain on the site. However, when I search for one of my titles, I'm directed to a page displaying "No matches for <book title>.

Below are matches for <something other than my book>." This is followed by categories for "Cell Phones, Wireless Accessories, Outdoor Living, Classical Music, Books, Arts & Hobbies, Industrial Supplies." Wait! There it is—listed in the fifth category, Books! This effectively means that potential buyers of my books won't come across them in the course of a normal, cursory keyword search.

Here's what I learned from a phone call to Amazon:

- Books that are grandfathered in will eventually appear after a cumbersome search, but they are not available for sale. A link displays "Order this item used now," which takes you to a page where Amazon will try to locate a used copy for you.
- New titles by authors of grandfathered titles will not be posted unless a major wholesaler carries them.
- Borders.com, which has teamed with Amazon, joins Amazon.com and Barnes&Noble.com in these policies.

Although I'm disappointed, I knew it was just a matter of time before something like this happened. When the three biggest online booksellers—Amazon.com, Borders.com, and Barnes&Noble.com—did not require that booksellers provide discounts (as traditional brick-and-mortar bookstores do), presses like mine were subsidized by the majority of publishers who gave a standard 55 percent discount through major wholesalers. But evidently that was not enough to keep the virtual sellers in business, even though I'm sure there are many

"POD people"—holdouts like me—who mark up books so minimally that they simply can't afford standard discounts except for bulk purchases.

So what have I done to keep my titles visible and available for sale online?

I've had to remove links on my Web site from Amazon.com, which still at least displays my cover images. I've also revised all promotions (online and

printed) to indicate that all titles are available "from Chatgris Press" rather than "from online booksellers."

Amazon.com offers another option: the Advantage program, which buys books on consignment (no money up front), stocks them in a distribution center, and pays the publisher 45 percent of the retail price in monthly direct deposits. Remember, though, that selling on consignment means you become the retailer's banker; your own book-keeping becomes more complicated.

For better or worse, this new policy is forcing POD publishers and small presses to conduct business as mainstream publishers always have. If we want to sell books, we will have to print in large enough quantities to entice wholesalers like Baker and Taylor to carry our books into stores across the country. Consequently, POD may once again be relegated to university professors and seminar presenters who only need a few books at a time, instead of the visionary prediction of on-demand books changing the traditional distribution paradigm. ♦

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POD and small publishers must conduct business the way mainstream publishers always have