

## The New Economics of Self-Publishing



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## The state of computer trade book publishing

- Break-even point around 15,000 copies
- Author provides content
- Publisher provides editorial, printing, and distribution
- Publishers try to avoid "marginal" books
- Marketing mostly by series ("Dummies," "Teach Yourself...", "Black Book")

## A new niche for self-publishing?

- Traditional barrier to self-publishing is distribution
- New options for distribution, such as:
  - Electronic publishing (eMatter)
  - Print-on-demand and distribution (iUniverse)
  - amazon.com as distribution channel

## Self-publishing vs. traditional publishing numbers

	Traditional	Self-publish
Advance	ca. \$10K	\$0
Royalty	10%	50% (or higher)
Author costs	Writing	Writing, editing, production, distribution, marketing

## Income projections

- \$50 retail price; \$25 wholesale price

	Self-publish (50% royalty on retail)	Traditional (10% royalty on wholesale)
500	\$12,500	\$1,250
1000	\$25,000	\$2,500
5000	\$125,000	\$12,500

*Looks wonderful, but what are the costs?*

## Cost estimate for a 300-page book

Editing	\$ 2,100
Indexing	\$ 1,400
Production	\$ 1,050
<b>TOTAL</b>	<b>\$4,550</b>

### **Bottom line for ePublishing**

Traditional publishing	ePublishing			
	Income	Profit	Expense	Income
100	\$ 250	(2,050.00)	\$4,550.00	\$ 2,500
200	\$ 500	450.00	\$4,550.00	\$ 5,000
500	\$ 1,250	7,950.00	\$4,550.00	\$ 12,500
1,000	\$ 2,500	20,450.00	\$4,550.00	\$ 25,000
2,000	\$ 5,000	45,450.00	\$4,550.00	\$ 50,000
5,000	\$ 12,500	120,450.00	\$4,550.00	\$125,000
10,000	\$ 25,000	245,450.00	\$4,550.00	\$250,000
15,000	\$ 37,500	370,450.00	\$4,550.00	\$375,000
20,000	\$ 50,000	495,450.00	\$4,550.00	\$500,000

### **Hey, aren't you leaving out some stuff???**

- **Marketing costs**
- **Printing and distribution costs**

### **What do I need to make this work?**

- **Specialized topic that doesn't appeal to publishers**
- **Knowledge of target audience**
- **Understanding of how to reach target audience**
- **Very technical audience that is comfortable with electronic information**
- **Editorial support**

### **A threat to complacent publishers?**

- **Editorial standards are minimal**
- **Marketing support is non-existent**
- **Does a technical author with access to the target audience need a publisher?**

### **Conclusion**

- **Technology has eliminated barriers**
- **No publisher means no advance (or maybe not: iUniverse)**
- **Traditional publishing carries prestige**
- **Self-publishing could be very lucrative**

### **Who needs a publisher, anyway?**

- **Do you know your audience?**
- **Can you reach your audience?**
- **Is your audience motivated to buy?**
- **Is your topic specific enough to have great value?**
- **Does your topic occur a niche that makes traditional publishers uncomfortable?**

### **Contact information**

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### **Questions & Answers**