

# The Adventure of Starting Publishing Business

*Carlo Carrenho, an economist and a Radcliffe Publishing Course graduate, recently started his own publishing adventure by launching Carrenho Editorial in São Paulo, Brazil.*

Entrepreneurs who decide to start a publishing business should be congratulated. Perhaps they came to their decisions because they are book lovers and enjoy literature. Perhaps they truly believe the written word is an efficient way to bring the Good News to the people. Regardless of their motive, all publishers have to face some good and some bad news.

The good news is, publishing is fun! Publishing allows interaction with hundreds of subjects and many different people, continuous learning, travel and fun. The bad news is, publishing is very time-consuming and demands lots of persistence. Establishing a successful publishing business takes time.

In addition, publishing is not very financially attractive unless the business is geared to certain niches, such as textbooks. This does not mean losses are automatic, but rather that publishing, especially Christian publishing, is not a good investment option.

However, if a publisher is still interested in having fun without making lots of money, there are a few things to consider before starting the publishing adventure.

## *Afraid or Optimistic?*

There are two kinds of dangerous entrepreneurs: the one who is *Afraid of Everything* and the one who is *Super Optimistic*. Mr. or Ms. Afraid is the kind of person who

has very good ideas and is well qualified, but focuses only on the problems and difficulties of a project. This kind of person spends lots of time “planning” just to come to the conclusion that the project is impossible and will never work. This person aborts the project before it has a chance to succeed.

In contrast, Mr. or Ms. Super always believes that everything is going to work out. This person does not plan and only sees the bright side. Worse, he or she ignores the difficulties, and refuses to think of and to acknowledge the risks.

These two kinds of entrepreneurs fail most of the time. The problem is publishers tend to drift to one of these two extremes.

A Super Optimistic publisher must work on a detailed business plan, must focus on potential difficulties, refrain from spending too much capital and temper optimistic expectations. An important word for such publishers is RISK.

Mr. or Ms. Afraid should focus on the competitive advantages he or she expects to have. A business plan will only show difficulties, challenges and risks, not solutions. However, a new enterprise will benefit from the publisher’s personal business skills, network, experience and the support of family and friends. There is no perfect business plan with all solutions in place. It may be necessary—even likely—to start a publishing project without

knowing how to overcome each and every difficulty that may arise.

## *Setting up the infrastructure*

To start a publishing business, or any business, an infrastructure is necessary, and it must be acquired and installed in advance. Setting up an infrastructure takes time, but when the business is operating at full speed, time will be too valuable a resource to waste. The publisher will be busy selling books, visiting printers, talking to authors and writing checks all at once. Therefore, a publishing office should be set up efficiently for success.

Take advantage of the fact that it will take some time before the first titles are published. Use the free time available to obtain and install needed telephone lines. Get a computer that will facilitate desktop publishing. More important, get the best management software possible. Have a good Internet connection and set up a basic home page. And, please, have a working e-mail address! Design the logo and print business cards. Find warehouse space. Contact distributors.

## *Publishing knowledge*

Knowledge is another important matter when launching a publishing business. Publishing is not an easy task. It requires experience. Know how to publish a book. Learn how to calculate the spine width. Find the best paper-saving formats



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in that market, what a good cover design is, etc. Seek knowledge from courses, internships and publishing professionals. The more learned before the first book goes to press, the better.

Get involved in the publishing community. If there is a national publishing association, start there. Publishers tend to be very nice and helpful to each other because their books usually do not compete directly with one another. The internet is also a fantastic source of information. Publishing newsgroups, even secular ones like the Pub-Forum at YahooGroups, come in very handy. There are also good publishing courses and seminars, particularly in the United States

and the United Kingdom, as well as lots of books on the subject (*The Chicago Manual of Style*, from the University of Chicago Press, is a must). And last, but not least, there are the events promoted by Cook Communications Ministries International and other organizations.

### *The business plan*

The business plan is the single most important tool for starting any business. It shows how the company will be profitable and how much investment it will demand. A business plan may consist of several graphics, tables and texts, but a long-term cash flow chart is probably the most important element. It will show how

much money will be spent and received each month and, consequently, how much investment will be needed or how much profit will be earned. A good cash flow chart should show at least three years of operations and have two alternative scenarios: an optimistic one and a pessimistic one.

After this quick explanation, a business plan may seem an easy task, but it is not. Why? The business plan summarizes all the ideas, risks and expectations behind the new enterprise. Moreover, in order to build a good cash flow chart a lot of research is necessary. This may include, for instance, publishing costs, average book prices, typical terms of payments for distributors

and printers, quantity of titles to be published per year, overhead, etc. The business plan is a summary of all the information, expectations and risks of the new business.

### *Capital*

Most businesses fail due to insufficient capital, and a key to raising needed funds is a well thought-out business plan. Unfortunately, there is no magical formula for raising capital.

If the publishing house is in a country still considered a Christian missionary field, it may be worthwhile to register it as a non-profit organization. Though there can be some disadvantages in doing so, this will increase the chances of obtaining donations and loans from missionary organizations and wealthy Christians abroad.

Another way to raise capital that may work for new publishers is to seek money on a project-by-project basis instead of asking people or banks to invest in the company as a whole. Create investment opportunities for every single publication, and offer returns based on that sponsored project's success.

Besides raising capital, saving capital is also important, especially for a new enterprise. Look for opportunities of co-editions and partnerships. Maybe a local Christian organization is interested in the publication of a book and will buy a large amount of copies in advance to see the title published. Another way to save capital is to pay professionals involved in the production of a book according to its success. A business that lacks capital can pay translators and illustrators royalties based on book sales rather than a flat fee. Similarly, negotiate in the area of foreign rights. Offer publishers higher royalty rates in exchange for smaller advance payments.

### *The right people*

It is very hard to find good professionals to work in the Christian book industry. The problem is more acute if the new business needs to hire experienced personnel for editing and production.

Do not rely only on Christian professionals, but look for the best professionals available. For the best cover design, hire the best cover designer possible. For the best translation, employ the best translator. A business does not need a Christian accountant to take care of the books, only an honest and accurate accountant. Of course there are some sensitive areas where a Christian enterprise requires an employee with similar Christian values, but there is no such thing as Christian typesetting or cover design. To honor God, hire the best people available and, if they are not Christian, be a good testimony to them.

### *Publishing focus*

What is the editorial line of the new publishing house? A publisher should have a good idea of the kinds of books he or she wants to publish. The editorial line should be flexible enough to accommodate the opportunities and new trends that may show up on the way.

Most publishers with editorial experience make the mistake of focusing only on the editorial line and forget to focus on the market. However, a market focus makes more sense and is naturally more flexible than an editorial one. New publishers, in particular, need to select an editorial line based on their target audience. A publishing house can focus on serving pastors, young women, new converts etc. This focus allows some flexibility with respect to the editorial line and, at the same time, firmly ties the company to its market.

### *Translations and Original Works*

Publishing translations and original works are two entirely different tasks. Translations demand more capital due to translation costs, but are a lot easier to publish. They do not require a relationship with the author. Publishing original works may be cheaper (an author may choose to accept only a symbolic advance), but original works demand much more editing and maintenance of the author/editor relationship.

Concentrating only on translations is very tempting for beginning publishers. However, it is strongly recommended that a new publisher balance his or her list with both translations and original works. There are two reasons for such a suggestion.

First, real publishing is about discovering new works and authors, polishing them and bringing them to the readers. Translations, though very important, are not publishing in that sense.

Second, a publishing house that becomes a translation factory risks miseducating its employees. When it finally decides to publish an original work, its workers may not want to accept the extra work that raw manuscripts entail. They may be lazy. They may not understand when the authors start calling every other day to complain, or when the author's mother is upset that she did not find her son's "best-seller" in the local bookstore. Start publishing local authors right away.

### *The rewards*

Publishing is hard work, but the harvest season arrives quickly. Few professional pleasures in the world compare to the feeling of opening, for the very first time, a box with the company's first titles, just in from the printer. Take a deep breath. Enjoy the ink and paper scent. Leaf through the pages. Admire the cover. It is a grand moment. Of course, distribution of the titles will require hard work too, but that is another story.

In starting the publishing house, dream of that meaningful occasion when the first books will arrive. Then, take another deep breath, dive into work, and start feeling the pleasure and pain of the publishing adventure.❖