

MISSION IMPOSSIBLE

Almost



Selling Rights to U.S. Publishers

Hjalmar d'Haese's experiences provide valuable lessons for those seeking to enter U.S. markets.

Twenty years ago in Brazil, Christian publishing houses imported everything: text, authors, stories, and translated them into Portuguese. Most editions were subsidized. Foreign products have made a valuable contribution to Brazilian culture. They enrich the vision of Brazilian Christians and help them to better understand people and life in general. Brazilians see American films, watch American television programs, and listen to American music. In the Brazilian Christian book market, 41 percent of new releases have been translated from English. Only 25 percent of new releases are original works written in Portuguese.

Just as foreign products have benefited Brazil, so Brazilian products can bless other cultures. But selling rights to the United States has proven to be an almost impossible mission.

The concept

Arvicris, now a defunct Christian company, was founded 20 years ago in Brazil by a group of volunteers who wanted to use technology to communicate original, creative, and culturally authentic Christian content. Their vision was that Christians should use modern media and technology to build the Kingdom of God to effectively communicate and reach many people. The

name of the group came from Artes Visuais Cristãos [Christian Visual Arts].

The group included writers, artists, photographers, musicians—in short, a capable and talented staff headed by Hjalmar and Marcia d'Haese. Arvicris decided to start producing cartoon parables featuring a little ant designed by Marcia d'Haese. The first audiovisual product Arvicris put together was the story of Jonah transformed into an ant that was swallowed by an anteater. The second product retold the story of Daniel in the lion's den showing the ant in the lizard valley.

The story and the illustrations were ready, and the church had applauded Arvicris' presentations, so a dummy for a book was developed. Arvicris sought to sell the book rights for these stories and commissioned Hjalmar d'Haese to take the lead in these efforts. He visited a denominational book publisher who promptly said: "Don't you think depicting Daniel as an ant is ridiculous?" Ridiculous . . .

D'Haese visited another editor, who explained the proposal did not fit into their editorial line. D'Haese went near and far, meeting with seven different publishers. The last meeting was with the president of the biggest Brazilian evangelical publishing house at that time, a thousand kilometers away. The

president explained pricing constraints required a book to have a sevenfold mark-up over production costs, and thus a four-color book for children might be unsuitable for the market.

After unsuccessfully seeking outside funding, d'Haese and several partners emulated a Japanese business model of mutual financing. Employees, from a single company, pool a portion of their salaries, then raffle the money. The person who wins receives the whole amount to invest as he or she likes. On the third month d'Haese was able to finance the printing of the first book.

The need for a sales support structure, telephones, stock warehousing, tax control, etc., soon led the d'Haeses and the other volunteers to transform Arvicris into a company. Personnel changed. Growth demanded higher quality and professionalism. After ten years, Arvicris started its own animated cartoon, with eight people devoted to video production. After 15 years, the company employed 21 artists and worked with a larger publishing house that took care of production and sales. Projects were bigger. Hundreds of products featured Smilingüido (the little ant). Some products, like animated cartoons, needed a bigger market in order to pay off. Arvicris had experienced a 50 percent sales increase every year.

Suddenly, it made sense to conquer new markets and new countries.

Must conquer new markets

Arvicris sent d’Haese to two annual publishing events in the United States: Expolit, featuring Christian products for the Spanish-speaking Latin American market, and the Christian Booksellers Association (CBA) convention, the largest gathering for evangelical products in the world. Both were natural choices for growth, one because of the similarity of the language and neighborhood, and the other because of the similarity of culture and the size of the market. The following graph provides comparisons based on the language:

	Portuguese	English	Spanish
Population	208 million	692 million	338 million
Countries	7	41	19
GDP (US\$)	890 billion	10.5 trillion	1.66 trillion

Thirty-five percent of the countries in the world speak one of these three languages, comprising 20 percent of the earth’s population and owning 46 percent of the world’s economy.

At CBA, d’Haese reveled in the size and variety of the Christian evangelical product market. At a party for Brazilians attending CBA, he discovered all but one of the 48 Brazilians present came to purchase rights. Only d’Haese sought to sell them. He recalls, “I was there to sell our rights, our idea, our concept. The disparity did not intimidate me. It made me remember the story of two salesmen that were sent to Australia to sell shoes to the natives. The first sent back a telegram: “Mission impossible. Everyone is barefoot.” The second salesman wrote: “Marvelous! I see a great market: everyone is barefoot.”

The next table compares the “marvelous” evangelical markets:

	BRAZIL	USA
Christian products	65 million USD/year	2 billion USD/year
Christian books	3,017 titles available 350 new titles/year	64,246 titles available 5,000 new titles/year
Bibles	250 versions	4,000 versions
Income per Capita	4,802 USD/year	29,080 USD/year

In summary, the American market is almost 30 times bigger than the Brazilian market.

Cultural differences

D’Haese expected success. All the elements were present: good market, good product, good feedback from potential users (mothers and children), an optimistic outlook, a professionally-done seven-minute video presentation in English, some samples in Portuguese, and an introduction from an editor known in both American and Brazilian circles. Reality, however, always differs from one’s expectations. New elements came into the picture. Step by step d’Haese faced cultural differences.

The first was that American editors were used to selling, not buying. In d’Haese’s first six interviews, as soon as the subject was understood, it took less than a minute to receive evasive looks. A minute more and the case was closed. “It isn’t exactly our editorial line,” was the standard answer.

A second cultural difference: American publishing firms are very specialized, whereas Brazilian publishers are more generalists. A firm that publishes tracts in the United States only publishes tracts. The same is true with bookmarks, book, booklets, and magazines. For Brazilian firms, though, it is very common to have a single company publish and produce books, greeting cards, and even music and gifts.

A third difference: in contrast to American culture, the Brazilian culture is more visual and has less disposable income. Brazilian books are thinner than American books and need more illustrations. Everyone likes nice design and colors, but suddenly products that worked well in Brazil have too much color and too little text.

Cultural differences also applied to colors. Several times d’Haese was told the samples could include more colors, but when prompted for an example, Americans pointed to samples that seemed to have fewer colors than the original. A Brazilian designer, employed by a firm that manufactures ornamental

tiles for bedrooms, once explained to d’Haese how cultural differences concerning colors influence his design work. The designer’s company divides tile production according to three destinations: Brazil, America and Europe. The catalog for the three regions is completely different, not only in language usage and presentation, but also in the product itself. Brazilians like stronger colors and exotic tropical designs; for Europe, the catalog is a softer, somber version, with lots of gray and white; the American catalog falls somewhere in between.

Another approach

The CBA and Expolit appointments were not a total loss. At his last interview, d’Haese received advice making the entire trip worthwhile. A Christian who had reserved 15 minutes for the appointment, graciously spent double



Mig and Meg, Arco’s new characters, smile on Smilinguido.

that time with d’Haese, sharing his experiences from more than 40 years of working with co-editions. He suggested a three-step strategy for selling foreign rights.

First, he stated the Christian editorial market in the United States, and throughout the world, is very conservative. Most of the evangelical publishers are used to copying and/or translating materials from English, so he suggested Arvicris invest some time and money to begin translating their material into

good English. The translation should be done by someone whose native language is English, who is used to writing in English, and whose work is revised and corrected for style to meet editorial standards of Christian publishers in the United States. Moreover, the final sample of the English work should be easy to handle. It should be a good graphic presentation instead of a video. A non-video format is much more friendly to editors and can be used without special equipment. A dummy book can be very useful, since it can stay on an editor's desk and continually jog their memory.



Marcia d'Haese's characters teach Biblical values.

The second step is to find an American partner, and sell him or her only the American rights for the product. The partner's success will serve as a catalyst to attract international business. The English-language product he or she is handling—and not the Portuguese original—is what will be seen and evaluated by rights-purchasing publishers around the world. It will be much more widely read.

Finally, the gentleman recommended d'Haese work with people experienced in the sales and acquisition of foreign rights. A visit to the Frankfurt International Book Convention may be very helpful. Another avenue would be to work with a co-editions specialist.

Globalization

The world is changing drastically. The Internet has brought about greater opportunities, lower barriers, and no distances. Despite this, one side effect of globalization has been the concentration

of riches. Only 25 percent of all investment monies go to developing countries. Analysts say this is because rich investors avoid the fragile economies and poor infrastructures of developing countries. The poor therefore have less access to technology and training.

Even as publishing firms have the freedom to sell and produce books for the whole world, competitors on the other side of the globe can sell to one's traditional and (until now) captive market. Should the Christian market reflect similar realities? What can Christian publishers in developed nations do to offer opportunities and dignified partnership to their peers in developing countries?

D'Haese's new venture has given him a new perspective on this issue. He and Marcia d'Haese no longer work with Arvicris. The company's direction changed, and the d'Haeses left. For a short time, Arvicris operated under different ownership, but it is no longer in business. Marcia and Hjalmar d'Haese started their own company, ARCO—Arte e Comunicação Ltda.—in 1997.

D'Haese says, "I'm responsible for my small area of influence. I have a very young and very little company, investing in local talent, with high quality products. Profits have exceeded a break-even level within the local market and export income is not a necessity." However, d'Haese wants "to do something to equalize the balance" of cultural exchange between US and Brazil. He

Opportunities to sell foreign rights exist for those who are prepared and willing to take risks.

wants to export a little of Brazil's "visual culture" to Christians around the world. Opportunities for foreign rights sales are easier, he says, for "those who are prepared and are willing to take the risk." The Lord will open the necessary doors. In the meantime, d'Haese's focus is his mission as publisher: to "find talented people and open new doors and possibilities for them to reach others—no matter where they are." ♦