



MICHAEL CADER CALL

OPERATOR: All (inaudible) please stand by and today's conference is about to begin. Hello and welcome to today's Beyond the Brook conference call with Michael Cader of publishersmarketplace.com. At this time all participants are in a listen-only mode. After the presentation, we will have a question and answer session. To ask a question, please press \*1. With the request of the company, this call is being recorded. And now, I will turn the call over to your host, Mr. Chris Kenneally, from Copyright Clearance Center. Sir, you may begin.

KENNEALLY: Well, thank you, operator, and welcome, everyone. My name, as you heard, is Chris Kenneally, I'm director of author relations at the non-profit Copyright Clearance Center here in Boston. We're delighted to have you with us. This is an opportunity for Beyond the Book and Copyright Clearance Center to mark Small Press Month, which is now in it's 11<sup>th</sup> year, and it's a special nationwide effort to highlight the valuable work produced by independent publishers across the country. It showcases the diverse, unique, and often significant voices that are being published by independent publishers across the United States.

Tell you briefly about Beyond the Book and Copyright Clearance Center – Copyright Clearance Center, known to the world as CCC, is the largest provider of copyright compliance solutions, and can be found at [www.copyright.com](http://www.copyright.com). Beyond the Book is an ongoing conference series that's an educational program of the author relations team, and we work with experts on all of the various facts of the media and publishing industry, to discuss with them the real pressing questions about changes in the business that we all face, whether we are authors or publishers. And I'll tell you briefly how the program itself will work. I plan to have a chat with Michael Cader, our special guest, and then we will take questions from the audience. We recognize that your time is valuable and everyone has a very busy schedule, so our commitment to you is that the program will be just an hour.

We will be podcasting the program as part of our Beyond the Book podcast series, and it's tentatively scheduled for release on Monday, April 16<sup>th</sup>. You can get information on that at [www.beyondthebookcast.com](http://www.beyondthebookcast.com), and you can subscribe to the whole program. We especially want to acknowledge the help and support that we've received in pulling this program together from a variety of really important independent trade associations for small and independent publishers. Thanks to Karin Taylor of The Small Press Center, Scott Flora of Small Publishers Association of North America, Terry Nathan of PMA, the Independent Book Publishers Association, and Jeffrey Lependorf from the Council of Literary Magazines and Presses. Thanks to their efforts and support, we've been able to



attract a tremendous audience of participants for the calls – publishers, publishing consultants, association executives, and authors.

And it's a pleasure to say we're welcoming people from Manhattan to Hawaii on this call, and I really think that's a tremendous opportunity to bring a whole country together in this wonderful way. You've participated, many of you, in a survey that we made available to you to tell us a bit about your work and some of the questions you have, we're going to get to as many of those questions that you've already written and, as well, you can ask questions live. Just to tell you briefly, this is a seasoned crowd, 68% of you said that you've been publishing for more than 10 years. The range of businesses involved go from start-ups to those with multi-million dollar revenues, so it really covers the waterfront there. And, of course, digital strategies, which is going to be the topic of greatest import I think today, we found out that 80% of you are selling books on your own Website or through Amazon, and about half are either participating in or plan to, in the Google Book Search program.

And now let me welcome Michael Cader. Michael, welcome to the call.

CADER: Thank you, glad to be here.

KENNEALLY: Briefly, Michael is the editor of *Publishers Marketplace* and *Publishers Lunch*, and they are widely considered the most informed electronic daily sources of information on the world of book publishing, all of that is at [publishersmarketplace.com](http://publishersmarketplace.com). *Publishers Lunch*, which is how I came to know Michael, is published daily, except when it's not. And it is the industry's essential read shared with more than 35,000 people in publishing and other industries everyday. The reports gather stories from all over the Web and print of interest to the professional trade book community. There's always some perspective and even an occasional wisecrack. *Publishers Lunch* is available as a free subscription, if you don't already have one, I strongly urge you to get one at [publishersmarketplace.com](http://publishersmarketplace.com).

Of interest to the publishers in the audience, Michael himself was a publisher. He was founder and president of Cader Books, which packaged best-selling books for prestigious companies such as Simon & Schuster, Penguin, Random House, Warner, and Harper, and some of the titles, *Who Wants to be a Millionaire*, and there was a *Saturday Night Live* commemorative book. He's worked with Major League Baseball, and with People Magazine. And so again, welcome, Michael, to this Beyond the Book call. Let's start with where I think people want us to start, and that's a single word – Google. It's a word I think that's a conversation stopper for many publishers and authors today. As most of us know, the AAP and the



Author's Guild are suing Google over their Book Search and library programs. So I want to start by asking you, what do you think? Do you think Google is a pirate or a partner or maybe a little bit of both? And, if you can, can you compare Google and the Microsoft live search program, and tell us whether you think one or the other is more attractive to publishers?

CADER: Sure. The trick is, I think when anyone in our business discusses or even argues about Google today, they have a lot of different things in mind. So it's important to try to parse out the different elements of the Google proposition, or the Google argument, so we all know what we're talking about. When I look at it, I try to break it into the legal argument, the philosophical argument, and the practical argument. The legal argument, it essentially resides with the courts or with the litigators to arrive at some form of settlement, and anyone with any expertise I think can come away telling you that it's basically gray. Google may have good reason or support to do what they're doing, publishers and authors certainly have some measure of good reason and principle to protect their rights. I try not to deal with the legal argument too much because I don't find it a productive argument for those of us outside of the courtroom to be having at this point.

KENNEALLY: Right, but just to summarize for people, I would say, on a bumper sticker, Google says this is a form of fair use – essentially, that they are creating a kind of library catalogue by scanning these various books in the libraries that they've had agreements with, such as Michigan and Harvard and so forth. And on the other side, both the publishers and the authors are saying, wait, no, you can't do that, you can't make that work available online without our permission.

CADER: Correct, the legal argument is primarily this is or is not fair use, and is or is not what the courts would call a transformative work. I think publishers have additional, more subtle concerns, that I find more significant, and that actually haven't been aired so much in the top line debate. Things like, even if what Google is doing is fair use and they have the right to do it, where's the legal basis for then giving a copy of everything they do to these library institutions that are participating? That there are subsidiary questions that are not as clear, but are also a whole lot more nuanced. But yes, that's – the top line argument is certainly over fair use and transformative work.

KENNEALLY: Right, and you said that's the legal piece, but there are two others that you wanted to discuss, there was a philosophical and a practical.

CADER: There's the philosophical argument that extends somewhat beyond – you could even argue that it incorporates the legal argument. But it extends to this larger notion of orphan works in particular that, at the moment, incalculable body of



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works that may still be under copyright but for which we don't know who the copyright holders are and whether they're still active and whether they're even in a position to enforce their rights. And the larger philosophical or literary concern of preserving printed works for the future, and will these works – where we don't even know who owns them, what company they belong to anymore, whom the rights are reverted to – survive into another period if some form of archiving like this doesn't happen. And can this happen as an opt-in system, can't it only happen as an opt-out system because of the grayness involved both legally and procedurally.

And there are complementary questions of, even if one has legal or business reservations about what Google's doing is, is the great good for the culture, for the society, for readers at large, served anyway, and should accommodations be made. And again, it's the stuff of which bloggers, pundits, observers and others can wax and debate for long periods of time. I think, again – I'm a practically focused person. And to me, it mostly winds up being interesting, to the extent that it helps companies and the courts and Congress and the Copyright Office actually focus on issues like the orphan works issue to see if there are practical solutions, if there are legal solutions. We still don't even know – and along the way, there are a lot of gray areas and a lot of exaggeration about what we're even talking about.

There was a OCLC that came up with, in a rudimentary way, a number that put the number orphan book works in the tens of millions. Which seemed like a staggering number. Recently, I liked to a blog entry compiled by Andrew Grabis, who used to be an executive at Bowker, and spent a lot of work on their annual analysis of ISBN counts, and Andrew did some digging into those figures and came up with a postulation that the number of orphans works might be much more in the range of 1,000,000 works rather than 20,000,000 or 30,000,000. And he's continuing to do some work in that field, actually, and says he'll be posting on it more shortly.

So there's a big argument over a gray area that we can't even get our hands on. We know it's an issue, but I don't think we have a clear, statistically-driven sense, yet, of how pressing an issue it is. And whether these orphans have been cast aside because they were unlovable children who outlived their time or because there's something much more important at stake that's to the neglect and deficit of our culture for not having reckoned with.

Given the way we track the publication of works, it's not even clear how many of these so-called orphan works have been re-published, re-issued, published in revised editions – it's a tremendously complex issue, and I'm not here to say that it isn't compelling. But I think for the folks listening who are operating publishing businesses and trying to make money and stay in business to keep publishing more



works and nurture the ones already on their lists, I don't find it a particularly compelling one to spend too much time on.

**KENNEALLY:** Well, and certainly, what we know about the court system is that this is likely to go on for sometime, regardless of how the first decision comes out. Many cases like this, I'm thinking of the Tasini case and others that involves rights and reuse, can go on for ten years or perhaps longer.

**CADER:** Correct. If this is adjudicated and not settled, it will take forever. And as I often like to tell people, whatever the First District Court rules will almost surely be overturned, because that often seems to be the pattern in cases like this.

**KENNEALLY:** Right. But so that leaves us with the practical aspect, and the need for, as you say, publishers with a business to run, to make some decisions about making or not making their works available. Talk about that.

**CADER:** Exactly. The practical one is the one that I like to focus on, and I also think it's much clearer. Personally, I can't see any reason why any publishing company should not at least experiment with, and participate in, not just the Google program but the Microsoft program as well. There is virtually little or no downside, and if anyone were to experiment and feel that for some reason the small amount of works that get displayed is cannibalizing their sales, causing them problems, or directing traffic in places they don't want it to go because that is a formal contractual opt-in partner process, it is truly easy to then take your material down and have it removed from the system.

**KENNEALLY:** And that opt-on is available both for Google and for Microsoft, who are in a kind of competitive situation with this, right?

**CADER:** Correct. And in this sense, it's purely an opportunity in which the places where people now turn first for information and to look for sources and to answer questions, whether we in our business like it or not, are standing here saying we'd like to include your material, we'd like let people know that the source of facts and information in the world isn't limited to Web pages and electronic sources. We'd like to make sure that the print world is represented here as well. And I believe they both come up with relatively reasonable controls and limitations that ensure that not too much of any particular work gets read on line.

It's a natural thing to make any copyright holder or protector of copyrighted works nervous, but all of the evidence, both anecdotal and statistical, so far, is that nobody loses sales because a small portion of something was read online for free. And we have numerous examples in which nobody lost sales when an entire work was



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easily accessible online for free. Quite to the contrary. Most of the actual case studies that exist show that people don't equate reading words on a screen with the permanence of a book, and that being able to sample, experience, and develop a relationship with printed works online can only increase interest in ownership of that printed work, if it's relevant to the person. So I strongly believe that anybody who's not at least experimenting is missing out on an opportunity, and threatening themselves with less relevance for the books that they're working so hard to publish going forward.

KENNEALLY: Right, and you know, it's interesting to me that Google is really very much the proverbial 800 pound gorilla, and it attracts media attention in a way that, despite it's size, is perhaps even disproportional. Everyone loves talking about Google. But I think for those of us on the call right now, it's a way to begin to think about a digital strategy. And I think that we have heard that a lot of small publishers will say I don't need a digital strategy right now, the time for that will come later when I'm such and such a size, or I have so many titles in the catalogue or whatever it is. And I wonder what you think of that – can a digital strategy wait?

CADER: Of course not. Everyone should have had a digital strategy six or eight or ten years ago, although when I speak about digital, I still speak mostly about the Internet rather than digital as some discrete other, or new business line, or something that pertains particularly to the e-book that's not going to happen or the digital audiobook that's finally starting to happen, at least a little bit. I think one of the first essays I wrote when I started Publishers Lunch over six years ago was titled *Forget the Friggin' E-book, it's All About the Web*. And it's a mantra that I've repeated all the time, ever since then.

KENNEALLY: Well, give us the reason why? I mean, why is the e-book just not going to get anywhere?

CADER: I don't even want to talk about e-books.

KENNEALLY: OK. (laughter)

CADER: It's truly a waste of time. I think the point is, people need to focus on the opportunities that are available now, and the Internet – if publishers had sat down 10 years ago and tried to figure out something that could connect them to their customers, share their information, allow them to develop deep, targeted, meaningful, individual relationships, and sell product with less friction all at the same time, they couldn't have invented anything better than the Internet, which gave birth as a reading medium, has given rise to an epistolary culture that we never could have imagined, and despite – it's only within the last year or so that



streaming video has become a major element. And although that sucks up the bulk of Internet traffic now, it's still not occupying the bulk of page views.

The Internet was designed for us. We couldn't have made something any better, and I think precious few publishers have taken aggressive advantage of all the ways in which a good Internet strategy can spread the word about their products, bring them closer to their customers, and help them drive sales, whether it's through third-party e-commerce retailers, their own site, physical retailers, who tell us all the time – people research their book for purchases online, people find out about what they want to read online. So I think every publisher should be thinking of their digital strategy as really beginning with the Internet, and branching out from there.

And certainly I always encourage experimentation. There are new digital opportunities all the time, and the other thing may I advise people on strategies is, there's a notion, whether it's with the Internet or e-books or any other digital element, that you have a strategy. That you do some research, you come up with an idea, and you stick with it. That's not the way the electronic Internet culture works now. The only operating rule of doing something electronically is that you change all the time. You can't come up with one strategy and stay fixed, because the nature of the medium and the nature of those using the medium changes all the time. The technologies change all the time. It's designed for experimentation.

And the other good thing it's designed for is tracking. You get more statistics, and more measurable, observable real-time information than you can get anywhere else. So I also feel strongly that to take most advantage of a proper digital/Web strategy is to be open to experimentation and to watch carefully, to use it as a way of trying different things, and understanding that you need to be flexible and you need to keep changing.

**KENNEALLY:** So what are you thinking about specifically besides making sure that your Website is up to date and that you're connected to some of the new social networking, is there anything else out there that you see as being particularly promising as opportunities?

**CADER:** Everything's promising all the time. Different opportunities are suited to different situations. For some people, e-mail marketing is a great tool, for some people, blogs are a great tool, for something people, developing widgets and other kinds of content that moves around are great tools. I think one of the most common mistakes is most people I know grew up and are still in that Internet world in which it's all about a site. We have a site. We have URL. And they just keep stuffing more and more stuff into that one place.



A particular site is less important in the so-called Web 2.0 world. Content moves around now. It uses XML and RSS so that feeds go all over the place, it uses things like widgets so that content is transportable, it let's you embed and spread things like video and audio very easily. So it's a lot less about a single destination, and more about content of interest that can either reside in one place or can reside in multiple places and move around, but with a strategy behind it that directs it towards the people you want it to reach, or brings those people back towards the goal you're trying to accomplish with them.

**KENNEALLY:** Right, and in that Web 2.0 world, which is starting to be an over-worked phrase of course, like so many on the Web, but it's making it available to your customers so that he or she can use it in ways they want to, right?

**CADER:** Exactly. Today's Websurfers don't generally want to be passive visitors. They often want an opportunity to interact, to comment, to respond, to take further action, to be a viral engine and spread and share what they like with someone else. The expectation of the visitor has gone up, and it's good that they have this desire to participate. But it also means that if you don't welcome them in that fashion, they understand that you don't understand them very well anymore. And if we think people have – if we think it's hard to capture someone's attention in a bookstore, or anywhere else, the Web is ever more fleeting.

The ability to hit a Webpage and then leave it is about as friction-free as things get. So if your site's too confusing or it's got too many navigational bars, or if it's trying to sell me a bunch of stuff I'm not interested in, or is packed with irrelevant content or anything else that I find unappealing, or if I have to click down five layers to get to the thing that I really wanted, those are all very easy things to make me leave extremely quickly and go to Amazon or who knows where else. Somewhere else that I know and I trust, where they've developed a better a content relationship with me then to battle against trying to figure out what I want to get out of you.

**KENNEALLY:** Well, before we talk about something I think which is interesting, which is that a digital strategy, however you want to define it, really is actually part of an overall marketing strategy. You used a term that I think it may be necessary to define for people, and that is a widget. Sounds like something from the Jetsons. What's a widget in the publishing world?

**CADER:** Well, a widget in the Internet world – people call them badges, they call them all kinds of things. Think of it as a small content module that moves around. It actually uses Javascript so it can be popped in on people's blogs, on people's sites, and gives Web users the ability to take content they like and move it around.



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Whether they're sending it to them or putting it on their own sites. And it gives people who produce Websites the ability to have continuously refreshed content on their site. So for some people the world widget first came to mind in the book world when HarperCollins and Random House recently introduced their Flash-based technology that lets people read their own books online in little pop-up boxes, which is really similar to how the Google reader and the Amazon reader have worked for awhile, at least the Flash technology. What the widget does is make it portable.

So if there's a HarperCollins book or a Random House book that I like, I can put it on my site without a lot of programming experience, or if I'm blogging about it, I can stick it in somewhere. That same basic idea works for all kinds of things. Case in point, in the last two days, my Webmasters developed a Publisher's Lunch job board widget. So we'll have a little object that people can take and post on their sites that will continuously grab new job listings at our board. So if you're running a site and you run some industry resource pages or whatever it may be, you can put this little badge on your site, it looks nice, it has our little branding on it, it's continuously updated, and if people are interested, it clicks back through our job board listings. It's just a service.

At the same time, I was playing around – I was at this site called widgetbox.com, which helps you build widgets for free, very quickly. You know, they've got one that let's you build a Yahoo finance widget that pulls together as many as 10 different stock quotes with charts, and/or with headlines if you want. So in 10 minutes, I built a little box that automatically tracks the stocks of some of the largest publicly traded companies in the publishing business. We may put that on the site, because it's an easy way of having information that's constantly updated without our having to do anything to it. There are thousands and thousands of these things all over the place, that do everything from display site statistics, to songs that you're listening to on your digital music. They're as elastic as you can imagine, but they're very fun. And in that constant quest to make content viral, to make it something that spreads, that's appealing, that people want to share, a lot of different companies and entities have realized this is a great way of doing that and letting their branding travel a long way.

**KENNEALLY:** Well it does sound exciting, and let me just say, Michael, I think I can hear pens scratching across paper all around the country and, just to reassure people, as I believe I mentioned at the top of the program, we will make this program available as a podcast, so you can go back and listen again, along with every podcast we have a transcript, and of course if you do have a specific question about anything that Michael is talking about, you're welcome to email us at [beyondthebook@copyright.com](mailto:beyondthebook@copyright.com).



CADER: And just to add on one thing, if you don't mind –

KENNEALLY: Sure.

CADER: The larger thing that I think is interesting and publishers should keep in mind here, whether the manifestation is the widget, or the code that we call XML or the process that we call RSS, today's Internet structure is designed to let you automatically grab content from all kinds of places – filter it, select it the way you would like, and direct it to your page. So what it means is if you're clever, you can use programming to make your Webpage or your Website refresh itself all the time and stay current, whether it's with headlines from Google news or bookmarks that people have clipped in del.icio.us or news items about a particular author, there are all kinds of simple ways now of gathering lots of relevant information without having to physically grab it everyday. So you can construct an author page or a page about a book that's always bringing new reviews, new mentions of that author in the press, new mentions of that author in blogs, podcasts that might mention the author. There are all kinds of thing you can do that let your site and your presence be part of this process of continuous updates. And I urge people to (inaudible) relevant ways that they can put that into action.

KENNEALLY: And what's exciting about that, particularly for our audience today, Michael, it seems to me is that if you're, relatively speaking, smaller or I guess the preferred word is independent, as a publisher, keeping your Website refreshed and up to date has been a challenge, and what you're saying is that these particular technologies make it possible to do that, and kind of level the playing field.

CADER: Precisely. Technology is working in the favor of the small guy everyday. Once upon a time, it felt like Amazon, just to quote one example, had such an advantage in aggregating information about books and authors what how can anyone ever possibly keep up. Well, first of all, you can use something called Web Services to suck most of the information that Amazon posts about a book back out of Amazon to post it on your own site and manipulate in whatever way you want. But that plus these other technologies have now made it much easier to do something similar or even better without the hundreds of millions of dollars in investment capital and technology investment. And that's increasing literally every single day.

KENNEALLY: There was moment last year when the long tail, which is a kind of bumper sticker or a catch phrase for something that we could also spend an afternoon talking about really became very much the buzz, and I guess we do need to define it quickly, but we've got some specific questions from the audience here,



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and I guess the question first for me is, it seemed as if, when I first heard about the long tail, that it was kind of a post-publishing opportunity, but it may well be that the long tail is something that publishers, particularly small publishers, can leverage to their advantage. Can you talk about that?

CADER: Sure. And I'm happy to, because I think the application of the idea, long tail, is widely misunderstood. As you said, there was a brief moment where it made everyone feel better that slow-moving backlists now had a name that made it seem important. And in that respect, long tail is really an economic theory. And one of the things that Chris Anderson demonstrated is that in a world of unlimited shelf space, on the Internet where you're not constrained by the physical costs of carrying another 2,000,000 units of inventory, there is some demand. Demand travels with supply. So rather than the demands curve dropping to zero at some point, it extends much further out than traditional analyses would have shown. But it's very small. So if you add 1,000,000 books to your inventory, basically he's saying, you're probably going to sell a couple copies of at least each of those units.

Here's the thing about the long tail that most people don't understand. On an economic basis, on a practical basis, the only people who really win are the aggregators. They're the only ones who currently have a meaningful economic opportunity. If you're the guy selling book number 1,700,324, the good news is you probably can sell five or ten copies like clockwork every year. Now you get to decide if that's worth the ROI of doing whatever you need to do to make it available so that Amazon, with no further investment, or Barnes & Noble with no further investment can capture the real return of selling that book for you.

The interesting opportunity, I think, which Chris and I have discussed some and in fact he just kind of wrote again recently on his blog – which he maintains still at [thelongtail.com](http://thelongtail.com) and is in fact an interesting place to go if you're looking for the continuing evolution of this theory – is that there's a lot room for what he calls micro-aggregators. So there is a long tail curve in every given field. So whether it's Italian shoes or baseball, there exists a whole market within each of these subslices. And there's a long tail there too, the 80/20 power law rules, and the biggest stuff sells the most, and once again, there's demand way further down the tail than anyone would have thought.

Right now, we've come out of what he sort of calls the age of the big aggregators. So Amazon, Netflix, Rhapsody, iTunes, people have taken on the big swaths and done a pretty good job of aggregating them. But being pretty good at everything doesn't necessarily mean you're very good at small focused things. So one of the examples Chris was using the other day is, iTunes is really bad at classical music and jazz, because the way classical music and jazz are organized and the things that



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people are looking for are different from popular music. Where breaking apart the album and having everything organized by its song title or artist is a great way of getting at what you want. So he was arguing that Amazon was very clever in coming up with a special focus on classical music, realizing that there's still lots of people with real dollars to spend there who hadn't been won over by something like iTunes.

So the analog is that in the book world, Amazon and Barnes & Noble are great at giving you some kind of access to just about everything. But publishers know better than most that these are often very bad systems, when you drill down into particular subject areas, or when you want to sort among different editions of the same book, they apply the same approach to everything. So the opportunity, conceivably, is to take your expertise in a particular type of publishing and stop thinking about just your own list. Think about micro-aggregating, think about whether you can capture – think about whether you can profit by even selling other people's books in the same area, or organizing information in that area that's not just about your books, but makes you the destination player in whatever area it is that your expertise resides.

Which, if nothing else, develops better customer relationships. And conceivably presents economic opportunities that we're not used to thinking of in terms of publish. We so carefully cull what's available to produce our own lists and leave behind a lot of the expertise that brings us to publishing what we publish and keep that secret from the public. And in today's transparent I-want-to-know-everything-about-the-thing-that-obsesses-me world, the stuff we're leaving behind is a very valuable asset, and again, the Internet provides an almost no-cost way of taking all that you know, all that your staff knows about your field and the things you chose not to publish and the things you wish you published, but you lost at the auction or you didn't want to pay so much, or whatever rationale was, and use that expertise, which readers are interested. And use that to develop relationships and trust with the readers who you depend on and whose attention you want on an ongoing basis.

**KENNEALLY:** Well I think that's a fascinating idea, if it was speaking about, say, somebody who's publishing books on baseball. You're suggesting that there might be places on your Website to go to – and you may know this subject, you've published on baseball, right? There's Major League Baseball Websites and some video feeds and a baseball card trading site, and that kind of thing.

**CADER:** Sure, there's all kind of information you can aggregate, and theoretically your editors know this field very well, your sales people know this field very well, your marketing people, your publicity people, they all have to know a lot more than they get to show, currently, about these particular fields, and a fan, the people you'd like



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to sell your product to, will recognize that. They will understand that, and they will appreciate the generosity of your figuring out a way to talk about your field as a whole, and you can still highlight the things that you're doing and profit directly from. You can even make a better case – your acquisitions editors bought certain books for your baseball list for a reason, and passed on other baseball books for a reason, and still admire other things for yet different sets of reasons but didn't find them right for their lists.

We think that's all explained by putting a Caltron (sp?) on the spine and sticking it on bookstore shelves. It's not anymore. And we think that's a process of selection. It used to be, when there wasn't that much product and there wasn't that much choice, the fact that Kenneally Books decided these are the three baseball books we're going with this year could, among a certain audience, be considered an important statement. It's not an important statement anymore. Nobody notices the fact that you've just put your name on a product doesn't mean anything, unless you've gone to extraordinary lengths to remind and explain to your readers why it does. And unless you're doing that everyday.

**KENNEALLY:** It's remarkable. And thinking in these new ways really does take some effort. Let me ask you one more question that came in to us on the survey and then we will go to questions from the audience. Print on demand technology and what opportunities that affords a small publisher – the question came from somebody who's going to be publishing high end fine art books, and what she's trying to understand is what's the way to determine sort of the optimal press run – it's a large question, I realize, but to you have any help on that that you could offer? You know, in order to be able to have books on hand, is it 500, 2500, what's a good press run for someone like that?

**CADER:** You know what, setting press runs for particular books isn't my expertise, and so I don't like to speak about things where I'm just making it up. Again, what I would say on print on demand in general, is I think for the most part, people haven't taken advantage of the true opportunities that it presents. Print on demand means that you should be able to sample your books and test your books before you had to commit to a print run without the kind of cost – it solves that problem. But people aren't using it for that.

Print on demand means that you can overcome temporary mismatches between supply and demand. Ingram has a great program for that, where they – and Amazon is trying to persuade people to participate in a similar program, where – if they have an order for a book, but the physical book isn't there, rather than letting the order go away, they have the option to print on demand to fulfill that order until you can get them more inventory. It is subject to abuse, but from what I've heard, both



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parties are quite scrupulous about the way they're executing it for now. And in a world in which demand comes and goes extremely quickly, particularly online, it can be an interesting opportunity.

There are all kinds of interesting ways that I think people should be thinking about how can they use the ability to create inventory, and only pay for the inventory that they're creating to accelerate their business in other ways or to overcome problems in the present system. With this particular publisher, I mean, mostly they're just going to have to look at the color options on print on demand versus digital short run. And the digital short run technology has gotten a lot better, too. So what constitutes a short run I know has gotten much smaller. I think those are the issues more than anything else.

The other thing, again, that people aren't used to doing is actively soliciting preorders and sharing with customers what they have before it's "published," so that you've prepared the market and have a better sense of true demand rather than how much store space you can temporarily rent. But that's a marketing issue, that eventually helps you refine your print run stretch.

**KENNEALLY:** Actually, I think it's very attractive the idea of allowing people to sample books, that seems like something that would be a real opportunity for efficiency for a small publisher, because the commitment that they make in print runs is so extraordinary and cash flow being so important, to be able to test market. And I suppose that then requires some knowledge of the audience and some way to reach the people who you think are most likely to buy. And if they're going to take you up on the offer, you've got the kind of information to give you the confidence to go with a significant press run.

**CADER:** Well, and there are interesting things starting to happen with customized books and personalized books, and then again, I haven't seen anyone be clever about – the other thing that print on demand let's you do is publish the same book three ways, 10 ways, 20 ways. So with the same title, you can offer a regular edition, a book club edition, and book club edition for women, a book club edition for men, an edition for the workplace, an edition for the school. It makes the idea of what goes in the "same book" much more elastic. So that you don't have to print a one size fits all, gosh we're going to spend the effort to give everyone 50 pages of extra supplementary materials that they may or may not want, and create targeted editions of the same book that you can market to different people and make them feel as if you actually came up with something that's for them, rather than something that was the economic solution for you.



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So again, to me that's what's exciting and not really being pursued, is the way that the technology helps us begin to rethink the medium. And again, as you can see, I'm a fan of experimentation. And targeting, because I think we're in a world where people want things that are more relevant to them. And anything you can do, anywhere along the line of your publishing process or your publicity process or your marketing process that helps you develop that relationship and helps reader to understand that you may actually have them in mind rather than you in mind, when you embark on your program, is a key to surviving and prospering.

KENNEALLY: Well I don't know if anyone can tell, but I'm a fan of Michael Cader, however, I don't want to monopolize –

CADER: Yeah, we're going to run out the clock.

KENNEALLY: – so I think what we ought to do is go to the operator and see if we have any questions from our audience.

OPERATOR: Thank you. If you'd like to ask a question at this time, simply press \*1 on your phone. And to cancel your question or comment, please press \*2. Once again, it's \*1 if you have a question and \*2 to cancel. One moment please. And once again, that's star one if you have a question or comment. One moment. Thank you, our first question is from David Wick. Your line is open.

KENNEALLY: Hello David, welcome to Beyond the Book with Michael Cader. Can you tell us where you're calling from and what company?

WICK: Yes, Ashland, Oregon, and our company is Silver Light Publications. And my question has to do with – I've gotten a lot of feedback around – is it really important to get involved with MySpace and YouTube as a marketing area and also connecting authors with potential readers and interested parties. How do you see that?

CADER: I think that's completely accurate. As I was I saying before, there's lots of opportunities all across the Web, and to think that you're going to get someone at your site is generally ambitious, because there are so many sites out there. So you need to go where the people are and where viral things are happening. The MySpace opportunity is a very particular one, it is mostly a younger demographic, and it's a community that's adjusting all the time. But the good news is, it's free. YouTube, it's the same thing. There's no charge to post anything there, just like with Google and Microsoft Book Search, there's no charge to participate.



There are lots of other communities – there's something called squidoo.com that's a fast-growing community of experts posting pages about particular things where, once again, you can post for free.

What I encourage both publishers and authors to do is to take advantage of all the opportunities out there to communicate their message and engage with different audiences for free – gather.com is yet another one that's trying to be MySpace for an older group. Amazon, as you know, let's authors establish a blog there. You never know where it is that your author or your book is going to encounter the person that you're looking for. So if it were me, I'd try a comprehensive program of looking for all the opportunities where I can put the word about my authors or my books somewhere else. And, as I said before, test it, see – you'll know pretty quickly if you're getting MySpace referrals or friends or if posting page there is a waste of time. You'll know quickly if you threw something up on YouTube, then it becomes viral or anybody watches it, or it was a waste of time.

KENNEALLY: Right, I mean YouTube literally will tell you how many views you've got of your particular clip. So if it's 300 or 300,000,000, you'll know right away.

CADER: And the other key, which sounds simple but people often overlook, is the things like this that work are the ones that are fun or interesting or offer something to the visitor, rather than being routed around the message that the poster wants to impart. Self-interest kills you. You need an author with something interesting to say. You need an excerpt or something about your book that's interesting or that I want to share, or that I didn't know, or that's relevant in my life. If you're just trying to sell something, people will figure it out very quickly and ignore you resoundingly.

KENNEALLY: Right, you really need to be making some kind of an offer it seems. Operator, do we have any other questions from our audience?

OPERATOR: Yes, our next question is from Ardys Reverman of BT Consultant (sp?).

REVERMAN: Hi, Michael, thank you so much, this was just terrific.

CADER: Great. My pleasure.

REVERMAN: I really appreciate you bringing your big brain in this connection. I've been a speaker and a teacher of NLP and learning styles for a long time so, we've moved in this evolution from stand-up and many hours in front of people to (inaudible) time and distance learning. And what I'm doing is just so laborious – do you know any software that you can really purchase to make this a more



seamless operation? Because I think the whole approach with the Internet is really the best way to deliver service, too. I like what you said, I want to know everything about thing that (inaudible) world –

CADER: You're asking about software that –

REVERMAN: (multiple conversations; inaudible) how hot-heads learn.

CADER: You're asking about software that facilitates distant learning in particular?

REVERMAN: Yes, so that I can just put onto my Website so that people can go into a template and literally that content can get changed or it can have an interactive aspect to it, maybe a blogging aspect. Or maybe you just know someone you can recommend that already has that.

CADER: It's hard to say without having a more concrete sense of what you're trying to achieve. There's all kinds of great, free software that lets you do different things. There's a site formed by – a company formed by Mark Andreessen, who was one of the first founders of Netscape that's sort of social networking and wikis that you can put your own complete twist on.

REVERMAN: How can I get ahold of him?

CADER: Well, that is called – I'm trying to remember the name – it's called ning.com, N-I-N-G dot com. It's really flexible stuff, see if that is the kind of thing you're talking about. Or if not, search for stuff that's like that but a little different.

REVERMAN: Well what –

KENNEALLY: And you mentioned –

REVERMAN: (multiple conversations; inaudible) that we can build in components to it?

CADER: Yeah, it's a plug and play thing that's extremely flexible. And they a couple hundred examples of the different things people are doing for it and, like most things, I think it comes with a totally free version and a \$20 a month version. But it's very powerful stuff for what it does, if you're interested somehow in this sort of interactive wiki-based –

REVERMAN: Well I –

CADER: – social networking idea.



REVERMAN: – I think from what you're saying and everyone else, it's imperative, because today's audience wants involvement, or else you (multiple conversations; inaudible) –

CADER: Exactly.

REVERMAN: – onto static, old models, which is what I'm doing right now.

CADER: And the other thing is, a service like that or some – almost anything you want to try, you can find some service that will let you do it for virtually free. And you may find, as you test it, that you need something more robust. But all of my enterprises online began with free services or virtually free services. And as they grew up, we figured out where we actually needed to invest money in, but we already knew, at that point, gosh, we need a better message board, so it's worth spending this amount of money, because we see how much people want to use it, we've heard them ask us for this feature set that we can't provide unless we put in this much money for programming or for a better system. And we never did that until we had some understanding, or at least played around a little bit. It's like this widget. We'll put up some free widgets and we'll see how they work, and then maybe we'll invest in bigger ones.

REVERMAN: (multiple conversations; inaudible)

KENNEALLY: Well, thank you for your question, Dr. Reverman, I think just to give some other people a chance to get in –

REVERMAN: (inaudible) one question I had was –

KENNEALLY: Dr.

REVERMAN: – how can I find a business partner that already knows this stuff?

KENNEALLY: Well, that's probably something you'd have to kind of –

CADER: Not my expertise, unfortunately.

KENNEALLY: – network on. But again, thank you for your question.

REVERMAN: Thank you.

KENNEALLY: Operator, do we have another question?



OPERATOR: Yes, we do. We have a question from Brian from Copyright Clearance Center.

KENNEALLY: Brian?

O'BRIEN: Hi this, is actually Bill O'Brien (sp?), full disclosure –

KENNEALLY: Bill O'Brien, OK.

O'BRIEN: I am in technology product sales here at Copyright Clearance Center, but thank you Michael, for covering so many elements that impacting our industry today. Can you give us your opinion briefly on what you see is the impact, positive or negative, of DRM in the conversation that we're having today, digital rights management.

CADER: I've always been with the school to which the pendulum now seems to be swinging, which – I think the best expression is, if DRM didn't work for software and they're the guys who invented, why do we think it's going to work for anyone else? It's simplistic, obviously DRM gets more sophisticated and well-executed, I understand it can help track and unlock specific permissions. I think the experience so far has been DRM gets in the way, and the last thing you can do in today's electronic world is get in the way, because the customer will go away. And it's like placing a 10 pound lock on a \$5 toy. It's so far been disproportionate in the minds of the users in terms of what it's trying to achieve and the value of the products to which it's attached. So there may be a time in which DRM is good and makes some sense – so far, I think it's only gotten in the way and been a problem.

And I understand it's counter intuitive for people to let their stuff go free and unprotected, but again, all the examples – people who want to steal stuff are going to steal stuff. People who like your stuff and have been given permission to share it and spread it and want to do so are really your best friends. And you shouldn't treat them like the bad guys, because then they'll turn on you.

KENNEALLY: Thank you for the question there Bill, and any others from our audience, operator?

OPERATOR: Yes, our next question is from Michael Lennie of Lennie Literary Agency.

KENNEALLY: Michael, welcome to the program.

LENNEY: Thank you, Chris.



KENNEALLY: What's your question?

LENNEY: Quickly, Michael, the Publisher's Marketplace has had a feature by either an author individually or an agent, such as I am, would post sort of their list of books that they have available, and I wanted to ask you whether that's still going, whether it's had some success, your comments on it.

CADER: It is still going, we call it the Rights and Proposals Board, and as far as we can tell, it continues to be a vibrant place. Like many things that we've done, we don't push it, because we understand for some book publishing traditionalists, it's not something they're ever going to want to use. Just as we understand a lot of agents and houses and rights people have come to it on their own or through colleagues and found that, in fact, it works, and have come up with interesting ways of using to get some extra attention or reach – let's say editors who they wouldn't have thought would be interested. And along the way, people often find they get collateral interest from film licensees, foreign licensees, that kind of thing, by putting some information in the right part of the population.

So it still exists, it's vibrant, I'm trying to look – I think we currently have 462 rights offerings active. We never track or publicize statistics about it, because to me, that's cheesy and it's trying too hard and it's trying to get you to do something that you may or may not want to do. But we hear informally all the time from people, and I see deals coming through our deal stream that I know I noticed at one point on the Rights and Proposals Board.

KENNEALLY: Great –

LENNEY: But from an agent's standpoint, the mode of operation of the agents is to contact the publisher one by one by one.

CADER: Right.

LENNEY: And this certainly offers a promise of being more efficient than that.

CADER: Yeah, well I think, as agents know, selectivity is important with some projects, and with a lot of others, you always wind up sending – you often wind up selling it to the person you didn't expect to. And this can certainly help further that process. It's also an interesting way just of transmitting information. I know one agent, a couple of agents, who basically post almost all of their submissions and send the links to editors and use it as a low-key way of letting editors at large



know what they're working on and request things that they're interested in, or use it as an opening to a discussion.

KENNEALLY: Well, thank you for that question Michael. Perhaps, operator, we can do one more, and then we'll wrap up the program to keep to that commitment to make this an hour long show. We really do appreciate everybody being board, thank you for joining us, there will be opportunity to do some follow up questions with Copyright Clearance Center and we can send you some more materials and even if you want to request a transcript, so we'll get all that information to you. But perhaps, then, one more question operator?

OPERATOR: Thank you. And our last question is from Marian Raney of Allured Publishing.

KENNEALLY: Marian, where you are calling from? Hello?

OPERATOR: Miss RANEY, and your line open.

RANEY: Hello?

KENNEALLY: Yes, hi, welcome to the program.

RANEY: Hi, I'm sorry, I had you on speaker phone. My question has to do with print on demand. I've been doing some research on it, and you give a lot of good recommendations and suggestions for how to use it. But isn't it more costly? Won't our ROI go through the roof using that print on demand for things such as trying out different editions and for the sake of press runs, checking out the preorders and just doing print on demand from those and then doing a print run?

CADER: It depends on the potential audiences. Again, there's obviously no question that traditional offset printing is still cheaper on a per quantity basis. I think what you have to look at is total cost. Are you reaching a special market that you'd pay more to reach –

RANEY: Yes –

CADER: – through other means –

RANEY: – this would be the (multiple conversations; inaudible)

CADER: – and so can you save – maybe your unit cost is going up, but maybe your total P&L is neutral or improving because you've changed the content, so you've made



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the marketing easier, or made it easier to get the attention of specialized markets. And again, maybe if you're doing customized editions, you get to test enough different options that then you know which can sustain a digital short run or a traditional offset run. I don't have knowledge based experience to tell you the ROI is always going to work, I mostly have the creative vision to tell you that I think that it opens up opportunities while minimizing investment so that people can learn what those customized or special market opportunities might be. I think we know very little about what we publish, often.

RANEY: You're right, yes.

CADER: And we've got to figure out how to learn, because the specialized, the customized, the niche focus is, for a lot of people, where the heart and soul of their business is. And we all humbly think that the book itself is the test market. But it's a bad – it's a rigid test market. And we now have the ability to have a more elastic test market.

KENNEALLY: Michael, when we talked about the program, you said that publishing shouldn't be a treasure hunt – publishing a book shouldn't be a treasure hunt. And I think that that's the point – clearly, a little bit of research before you make that decision to choose between POD or offset can give you the confidence at least to feel good about which way you go.

RANEY: Yes, thank you very much.

KENNEALLY: Thank you. Thank you. We have more questions than we have time for, I'm sorry about that, but it's been a pleasure having you on the program, Michael. Thank you very much indeed for joining us, Michael Cader.

CADER: Thanks for having me.

KENNEALLY: Thank you to all the members of our audience. Each one of you will receive a follow-up email with some surveys, and we would like to ask you about your thoughts on the program itself today, as well as suggestions for programs in the future. Again, the podcast for this program today should be released on April 16<sup>th</sup>, more information about that at [beyondthebookcast.com](http://beyondthebookcast.com). You can email me, Chris Kenneally, with any follow-up questions at [chrisk@copyright.com](mailto:chrisk@copyright.com). And we look forward to having you join us for another Beyond the Book program online, on the phone, or in person. Thank you all, and have a great day.

OPERATOR: I thank you for joining this conference call, and have a great day.



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END OF CALL

A Big Event for "Small Press Month"  
free program with Michael Cader & Copyright Clearance Center, March 22, 2007