



Dominique Raccah, CEO & Publisher, Sourcebooks
“On the partnership of authors & publishers”
December 28, 2009

- Q: Welcome to Beyond the Book. Today, we’re in Tucson, Arizona, attending the 2009 PubWest Conference and joining me is the keynote speaker for today’s session on Friday, November 13th, an auspicious date. Dominique Raccah is CEO and publisher of Sourcebooks and we’re very happy to have you on Beyond the Book, Dominique.
- A: Chris, I’m really pleased to join you.
- Q: It’s a pleasure to chat with you because I’ve seen you speak at a number of industry gatherings. You’re the co-chair of the Book Industry Study Group and you’ve been getting around the country, talking about your views of publishing and the future we’re all facing and particularly, your interest in making authors your partners and I wonder if we could chat a bit more about that. What does that mean to you as a publisher? To make an author a partner.
- A: Well, I think you’re going to be spending a great deal – as I mentioned in the keynote, I think that publishers are going to be investing more heavily in authors. You’re going to be choosing fewer authors to publish and you’re going to be having deeper kinds of relationships because not only are you going to be providing books for those authors or ebooks for those authors, but you’re going to be serving their content in lots of other ways, through other kinds of media and so you’re going to have a much broader relationship, a much deeper relationship – both a broader and a deeper relationship I would say and that’s going to change the financial picture between authors and book publishers and I think it’s also going to change the risk that we each have in the venture.
- Q: Well, let’s talk about that, but first, does it mean if you’re publishing fewer authors and working in this different way, that it’s going to be more difficult for first time authors to find a publisher? When we’re speaking about you, I mean the industry as much as Sourcebooks itself.
- A: No, I assumed that’s what you meant. That would be my assumption, that it’s going to be more difficult for new authors to find a – I would say a vibrant, marketing oriented, sales oriented publishing organization. It’s going to be much easier to self publish. Self publishing is going to – we’re going to get content like you wouldn’t believe, but in terms of having people who are really dedicated to



Beyond the Book®



creating a platform and creating a future for a particular author, yes, I think it's going to be harder to get published.

- Q: On the self publishing note, do you think that it might be a good way for a new author to start out by self publishing? Does it kind of give them an opportunity to explore what it is they want to write about and to create a platform that might be a kind of minor league way of establishing reputation and then being able to step up to the big show?
- A: No question. You're seeing that quite a bit already. You've seen – we've published, we've bought many titles that were originally self published and taken them into sort of broader platforms. In fact, that's one of the ways that we know that this is going to work and usually when we add our marketing muscle, you're talking about like a ten fold increase in the sales results that the author – ten fold plus increases in sales results that the author gets. So I think that self publishing is a good way to start and I think that really working on the book is a good way to start because self publishing can also be the end of your career if the book isn't good enough. I think people rush to print, thinking that somehow print is a magical solution and as I've pointed out for many years, publishers are not printers, that's not the job we do. We actually are marketing and sales engines and editorial engines, so to make sure that an author spends adequate time creating a book that is worthy of being read and bought.
- Q: That speaks back to the partnership piece. I mean the author's job remains to provide the content and then the publisher's job becomes selling it and marketing it to the most efficient and effective way possible. You mentioned there a change in the financial relationships and there's been a lot of talk recently about changing contracts and the way that royalties will be paid in the future, not only for ebooks, but for other formats and probably it's going to be under review even in the print side. Talk about that just a bit. What are some expectations that authors ought to have moving forward about their financial relationship with publishers?
- A: Well, I think there's no question that we are going to all be moving to – and this is controversially obviously – but we're going to all be moving to net as a model for royalties.
- Q: I'm going to have to ask you to define that for people in the audience who might not know all of the inside baseball.
- A: Sure, and in fact, I had planned to, but up to now, royalties were paid typically on the list price of a book, that is what publishers determine as the suggested retail price and you can turn a book over and see what the suggested retail price is and



Beyond the Book[®]



that actually has been shifting for a very long time because independent publishers like ourselves, like Sourcebooks, have for a long time been paying on the net receipts, which are what the publisher actually receives for the book because obviously discounts vary and I think that you're going to see much, much more movement in that direction. The list price is now I think an official fiction. We can all say to one another, yes, it exists, but I mean in digital, it is a complete fiction and we're going to get movement to the – for royalties to be paid on the net price. Now what's interesting is, at the same time, I think it's very – it behooves publishers to make sure that in their relationships with retailers, they get paid on that suggested list price to simply help to manage the discount issues that we are all seeing.

- Q: It's a pretty complicated matter, but I wonder whether – with this changing financial picture and this notion that you present, that experimenting is the way to move forward, that authors are going to need to be a bit more flexible.
- A: There's no question, Chris, and that's probably the heart of the argument, that the relationship's going to be deeper, we're going to create things. Publishers are going to take more risks. Authors are going to take that risk with them, but authors and agents are going to need to be a whole lot more flexible in thinking about models because we're not going to know what the right revenue model is for any author going forward. It may be that, for example, in some areas, there's a model that is app based for that particular project, that is an iPhone app or a Google Android app or one of those. On the other hand, it may be that you're really looking at software for another set of projects and you really have enormous range of experimentation that you've got to consider for each project, for each author, and that's why you're going to be essentially, as a publisher, expending tremendously more resources against a particular author than you ever have before and that's why we at Sourcebooks right now are, for example, being very clear.

We publish authors, not books. We're publishing – we're not interested in a one book deal with a specific author. That just doesn't interest us. We're interested in what's four books look like? If right now you're putting out this particular book about this particular period, what's next? What's your vision for your future? And we'll create that with you, but we've got to have a clear game plan of success before we go forward.

- Q: I wonder whether you can tell us about how authors and their agents are responding to that because in the past, they would have signed a contract to publish a book. Now, what kind of a contract are they signing onto when they begin to work with Sourcebooks, because you're publishing, say, an iPhone app related to the book, you're publishing the book, you're publishing the ebook, you're publishing



Beyond the Book[®]



software. What's the contract look like and how hard is it for agents particularly to accept the fact that rather than slicing it into five, six different contracts, there's a single contract for a single author?

A: Well, great question again. I think we're having great success with this because for both agents and authors, what they're interested in is getting their author out there and the amount of marketing muscle you're expending as well as, by the way, financial muscle to get these things done because as you know, they're not free. None of these revenue streams are free and by the way, there's not much revenue there, as you know as well, right? So I think that we're having enormous success with that approach because it shows a commitment to the author that's very real and the authors are getting really excited about this level of partnership and the conversations have never been more exciting. The conversations are about, OK, this year we're going to go and create this book this way and then next year we're going to create this other book plus these two software products and then we're going to add – you know, you're doing sort of strategic planning at the author level and you're doing it in conjunction with the agent and conjunction with the author. The authors feel very loved, let me just tell you.

Q: Every author wants to feel loved.

A: Yes, authors feel very loved. Now, what's interesting is that the authors you're not doing that with – I mean the authors that really want you to publish just this one book and want to hold all of these rights back and not play in this sort of bigger field, they're probably not the authors for us. So we're kind of moving away from that.

Q: Well, to wrap up, let's just chat briefly about Sourcebooks. You told the audience at PubWest Keynote today that you started from zero, I guess 22 years ago. You now publish 300 titles a year. You said 2009 is your best year so far ever. You make Sourcebooks the largest woman-owned book publisher or media publisher, whatever we want to call it, in the country. What's it like these days in the offices at Sourcebooks?

A: There's a real vibrancy in our space. I mean if you walk through, you can feel it. It's palpable. In fact, the fastest way to hire somebody for Sourcebooks is to just sit them down in our offices anywhere and by the time they're done meeting people and talking to people, they want to work for us. We are just this really vibrant entrepreneurial organization and we've always been an entrepreneurial organization, but now the space is entrepreneurial. So all of a sudden, it's not just we're kind of doing these things, it's we're doing these things and the space is like changing every hour and our people are really excited and exciting and we've never



Beyond the Book®



had better talent. I mean we've just gotten incredible people. So all I can tell you is we're having an amazing year. It's a year that I – it's completely unexpected because obviously walking into this year, my expectations were very different.

For us to be the number three publisher in terms of growth in the country in 2009 and to be up 29% is just – it's remarkable. It's not anything that you could have predicted, but I think it does come from this entrepreneurial orientation. In other words, you're really looking at the whole business and you're rethinking the whole business right now and making changes in your business and talking to your customers about those changes and working with your customers to create a whole new level of opportunity and it's just been an amazing year.

Q: Well, your excitement is certainly contagious and I appreciate your taking the time to chat with me. This is Chris Kenneally with Beyond the Book. We've been talking with Dominique Raccah, publisher and CEO of Sourcebooks. Thank you very much for joining Beyond the Book today.

A: Thank you for having me and thank you for giving me a chance to talk about this. Really appreciate it, Chris.

Q: Well, again, it's been a pleasure and thank you all for listening. Please join us again at beyondthebook.com very soon.

END OF RECORDING