

Distributors: An Overview

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If you're interested in getting a distributor and want to determine the best one for you, begin by answering these questions:

- What are your publishing goals? Will you be a one-book publisher or do you plan to publish on a regular cycle, maybe one, two, or more books every year?
- What sales channels do you want distribution for? As a rule, distributors deal primarily with trade bookstores, wholesalers, and libraries as well as with international and other subsidiary rights online. A distributor may want to handle every sales channel, but you can usually negotiate this.
- What can you do to help the distributor with sales? Remember that while a distributor can help you get books onto shelves, your efforts must move them off those shelves into consumer's hands!
- What sales "hooks" make your books unique in the marketplace?
- What are your expectations for sales and what distribution revenue do you need to break even or begin to make money?

Once you have answered these questions, you can explore available options in terms of your books.

The Facts & the Fit

According to Mark Suchomel, President of Independent Publishers Group (IPG), "A lot of publishers don't realize that they can have more impact on their sales than their distributor. What you get out of a distributor depends on what you put in. Including ideas about the book and the marketing effort that you present *before* the distributor finalizes its catalog, information about the advantages your book has over competitive titles, and specific plans for overall marketing, publicity, and advertising.

If you give your distributor the right tools, they will then be able to help focus on

the market and identify problems," says Suchomel.

Keith Owens of National Book Network notes that "not every distributor is for every publisher." Owens, who has been with NBN for the past 12 years, says it's "important to find a synergistic fit. While there are no guarantees, a good distributor will provide you with entree to virtually every bookstore account—both the big hitters and the small."

Explanations of Expectations

Erica Moor, a Product Manager for Morningstar®, is in charge of working with the distributor for their Morningstar® Funds 500 and Morningstar® Stocks 500 funds. She offers several recommendations about working with your distributor to get the results you want, including:

- Sit down with your distributor at the beginning to ensure that they have a through understanding of your product.
- Work with them so that they have a through understanding of where the books fit into the marketplace.
- Make sure that they understand what the competitive advantage is for the books.
- Provide the distributor with correct, detailed information about titling and wording specific to your products.
- Be explicit up front about exactly what you expect the distributor to do for you and about what you realize it cannot do.
- "Since books vary in potential, you can't expect a distributor to be able to give a solid sales projection for a 'typical' book," Suchomel points out. He adds, "You should be able to expect that your book will be presented well and given the best shot possible to those accounts covered by the distributor."

Typical Deals

Most distributors charge a percentage on net sales. The net price—i.e., the price charged to bookstores or wholesalers—usually averages 50% of the retail price, but deals do vary. Be sure to compare entire agreements rather than just percentage fee provisions. Also, figure several scenarios, such as selling 2,000 copies, 5,000, and

so on.

An agreement providing for a distributor to earn most of its revenue from sales is usually safer than one that involves fees for warehousing and other services whether the company sells your book or not. Beware of agreements that charge you for little things like sending out samples to the distributor's reps, or that don't cover bad debts.

A small publisher will have to pay more for distribution than a large house will, however Suchomel says even a small house should end up with about 35% of the retail price. So if your book retails for \$20 and your distributor sells 3,000 copies (after returns), you could wind up with about \$20,000.

Most distributors will provide realistic sales estimates, which may sound conservative. But remember that a good distributor will not want to promise more than they can deliver. Also, remember that working with a distributor can pay off big with the right book. Books distributed by both National Book Network (NBN) and Publishers Group West (PGW) have recently appeared on national bestseller lists, including the ones in *The New York Times* and *Publishers Weekly*:

Show Me the Money or How Do Distributors Pay?

Since bookstores and wholesalers usually don't pay for 90 days, it's unlikely a distributor will pay before then. Some will stretch payments across several months (paying a percentage earlier than 90 days, a percentage at 90, a percentage at 120 days, etc.) Overall, publishers can expect to wait 100-120 days for payment.

Books that distributors handle are usually returnable, especially from bookstores. Returns are a cost of doing business and you should estimate that they will run 15-30%. Typically distributors will deduct for returns in the month they are received. If you have a book that is a second edition or a book that is updated annually, you may see returns for as long as a year after the new edition is published.

An Ounce of Prevention

If you're going to hire a distribution company to service accounts on your behalf, you will probably want to talk with more than one candidate to make sure they'll do it well. If they claim to call on every account, do some checking just to be sure

And follow the advice in the "Essential Q & A" section of Tom Woll's piece in this issue.

Owens of NBN recommends two steps for establishing a good relationship with a distributor:

1. **Communicate.** Tell your distributor everything you'll do and are doing to promote a book.
2. **Listen.** Distributors have expertise about the book business, so it makes sense to take advantage of it.

Susan Salt, President of Parkview Publishing, has two other suggestions. She is the Publisher of Parkview's The MindBodySpirit Series, including the successful and award-winning book, *Irritable Bowel Syndrome and the MindBodySpirit Connection* by William B. Salt II, M.D., and Neil F. Neimark, M.D., which has sold more than 60,000 copies. Salt recommends that you:

- Get to know the people and keep in touch with them. Don't waste their time with trivial issues, but when a situation needs discussion, have a conversation.
- Familiarize yourself with the services that your distributor offers, figure out which ones are good for you, and then use them!

Owens succinctly adds: "You can't do it all yourself." By hiring the right distributor, you as a publisher can spend your time on marketing and promotion, thereby helping to insure that your books sell.

A Distribution Who's Who

Biblio: For smaller publishers.

Bookworld: For smaller publishers.

Consortium: Also for smaller publishers, Consortium has traditionally been a distributor of fiction and literature but is now considering nonfiction.

Independent Publishers Group (IPG): For small and medium-sized publishers, and for those who come through PMA's trade distribution program. IPG handles Spanish and academic titles as well as traditional trade titles.

Midpoint: For smaller publishers. Midpoint, which does not produce a catalog, sells only to major accounts.

National Book Network: For small and medium-sized publishers.

Publishers Group West/Advanced Marketing Services: For medium-sized publishers.

Publishing consultants: May handle distribution on a small scale to special markets, including book clubs. Check the *PMA Resource Directory* for further contact information.

Publishing houses: Some publishers also function as distributors but usually for selected lists or imprints, rather than for single titles.

Wholesalers: If a book is highly focused on a small, well-defined region, it may make sense to forget about distributors and go to a wholesaler who covers the region. Be sure to ask about their coverage and whether or not they can get you listed with online booksellers such as Amazon.

Kathleen Welton is a 22-year veteran of the book publishing industry. She has been involved in all aspects of the publishing business from acquisitions and content development to sales, marketing, and licensing. Recently V.P. and Publisher for Hungry Minds, Welton spent 17 years with Dearborn Financial Publishing, Dow Jones-Irwin, Praeger, and D. Van Nostrand, and she served as a board member for the Publishers Marketing Association. For more information about her consulting services, visit www.akabooks.com.