MESOPOTAMIAN MYSTERY
NEGOTIATION

Confidential Information for Author, Professor Daniels

You are a professor at the University of Wellington, specializing in ancient and Middle Eastern history and text analysis. You are well-published in your academic field, as the author of scholarly, esoteric books and articles. Writing is your profession and hobby - you were known in your son's overnight camp for sending mystery stories in letter form installments.

Five years ago, your spouse dared you to write a book to help fund your retirement. "No one reads your other books except the fifteen professors in your field, and maybe their grad students because there aren't any Cliff Notes. We're not going to be able to do much traveling in our old age on the royalties from those." You took up the challenge and wrote a shorter, more accessible version of a recent academic work. Much to your surprise (and your spouse's glee), the book has sold well.... more than 16,000 copies between the print and the e-book. That publishing contract called for 10% royalties on the print version and the e-book version. At $30 per print book and $15 for the e-book, it has generated $39,000 in royalties over the past five years.

You recently began working on an even more popular book, *Mesopotamian Mystery*, which conveys the region's history and sacred texts within a thriller who-dun-it plot. You know it will sell extremely well, particularly because your name is now known outside of the academy.

You decided to approach Peoples' Publishing, Inc. for *Mesopotamian Mystery* because they are a well-respected press, known for investing in high-quality but broad, aggressive marketing. If possible, you would like to negotiate for an advance and a higher royalty (While you have submitted a book prospectus and plot outline with a first chapter, you have only written approximately half of it to date. If you get a sizeable dollar advance, you will more easily be able to take a semester's leave without pay from teaching to finish it within the next 6 to 8 months. Without any advance from the publisher, money would be tight. Your annual salary is $110,000; a semester would be approx. $55,000 in lost earnings. You might decide to forego the leave but work long and late during the teaching semester to keep writing. This would delay completion.)

The Mystery and Adventure acquisitions editor at People's Publishing called you last week and said he had reviewed the proposal and may be interested in the project. The editor suggested that you meet to negotiate the terms of a possible publishing contract.

In preparation, you have carefully considered your interests in the dollar advance, the royalty rate for print and e-book versions, and second edition rights.

Regarding royalties: You know that 10-15% is considered the standard royalty range for print books, but you have heard of royalties as low as 8% or as high as 20%. After your last book, you realized the royalty rate should be higher for the e-book. After all, once it's been formatted for electronic devices, it costs the publisher virtually nothing. There are no printing or handling costs. Since e-books are priced lower, you end up with much less per sale. You've been told that some publishers are more flexible on royalty rates for e-books, up to 40% or more.

Regarding an advance: Your author friends have told you that some publishers simply won't pay advances. Others have told you of advances from $25,000 to $200,000, depending upon the publisher and the author.

Regarding the right to re-publish: You know from experience that publishers tout their superior marketing capabilities and promise to promote an author's work. However, after a year or so, the publisher's enthusiasm and investments move on to the next book. At that point, the only marketing that happens is Amazon's algorithm links an older book to others, putting it on screen as "Others who have bought this book also bought…"

In the past, before print-on-demand, publishing contracts commonly contained a provision for the copyright and the right to publish to revert to the author if a book went out of print. The publisher could decline to do further print runs if annual sales became small. Now, with print-on-demand, the publisher has virtually no printing or storage cost unless or until an order comes in. (Even then, Amazon or a distributor may be doing the printing). Because they have no additional cost, they have no incentive to permit an author to re-take the copyright and republish. However, you do want to be able to relaunch the book, or package it with a new one, if sales and your royalty checks are dwindling.

These are the issues you anticipate being negotiated. If the People's Publishing acquisitions editor raises other issues or terms, you will consider them if they seem reasonable. Of course, you are free to tentatively agree without committing to terms that make sense, subject to some allowance for time to think about it, perhaps consult with your spouse, colleagues, or even an attorney.

You have decided to begin your negotiations with all or one of the following sets of terms on dollar advance, royalty rate, and buyback rights. Any of these would be **equally great** deals for you:

1. $50,000 advance, 20% royalties on the print book; 40% royalties on the e-book; right to take back the copyright and republish if annual print and e-book sales fall below 2,000 copies.

2. $100,000 advance, 16% royalties; 30% royalties on the e-book; right to take back the copyright and republish if annual print and e-book sales fall below 1,500 copies.

3. $125,000 advance, 12% royalties, 20% royalties on the e-book; right to take back the copyright and republish it if annual print and e-book sales fall below 1,000 copies.

These deals would be aspirations, though you are free to aspire" higher in your negotiations.

If you can't make a deal with People's Publishing, you should approach your first publisher or a similar house. The publisher of your first book has offered to publish this one, at a 10% royalty rate for the print version and 15% for the e-book, with a token advance of $10,000. You hadn't raised the issue of re-claiming the copyright and right to republish. While you could deal with this publisher or approach others, none have the reputation of People's Publishing.

Because these other publishers aren't great alternatives, you would agree to a deal that is far less rich than any of those described earlier. Of course, you want to negotiate the best deal possible. (Otherwise, your spouse will have you writing mystery novels for the rest of your life.)

Because you are an academic, you did some research in negotiation theory to prepare for the negotiation with the representative of People's Publishing. Based on your research, you've decided to try to put the first numbers on the table in the negotiation. However, you aren't sure whether it is best to make your offer as a package or to negotiate each term separately. Choose among these strategies:

1) start by putting two or three alternative packages on the table (different packages including the various terms, but all of equivalent high value to you);

   or

2) start with one strong package (high for you on all three terms), with room to negotiate down from there;

   or

3) negotiate term by term and arrive at a package at the end.