
MESOPOTAMIAN MYSTERY NEGOTIATION

Confidential Information for Acquisitions Editor, People's Publishing

You are the acquisitions editor for the Mystery and Adventure Division of People's Publishing, an international press known for quality publications and superlative marketing. Your target readers are not necessarily academic or highbrow but tend to be well-educated and demand intelligent writing.

You are delighted at the chance to publish Professor Daniels' *Mesopotamian Mystery*. The book proposal (outlining the plot) and the first chapter were recently submitted and read by your junior staff editor. After her enthusiastic description at the editorial committee meeting, suggesting it would be the next *DaVinci Code*, you read the submission yourself. She was right. *Mesopotamian Mystery* looks like a sure winner - you'll have no trouble getting it on Oprah's and everyone else's book club reading list. The rich detail about the region's history and sacred texts will appeal to intellectuals, and it is a page-turner who-dun-it if you've ever seen one.

You know that Professor Daniels is a well-published academic who teaches ancient and Middle Eastern history and text analysis at the University of Wellington. A few years ago, Professor Daniels published a shorter, more accessible version of an academic book, through a smaller press. That book was great, notable for crisp but compelling descriptions and clear writing style. It seems to have done quite well for a non-fiction work. Until reading the *Mesopotamian Mystery* book proposal, you had no idea Professor Daniels could or would write a mystery.

You are keen to snatch up the rights to *Mesopotamian Mystery* before another publisher does. You've seen nothing like it recently. You predict it will be a hot property, perhaps an international blockbuster, selling millions of copies, and leading to a movie, etc. (*DaVinci Code* sold 10 million volumes.) Even if doesn't become quite that big, you are confident that it will be a strong money maker - selling a minimum of 50,000 volumes at \$30 for the print version and 100,000 at \$15 for the e-book. You plan to push for publication as soon as possible to make popular summer reading lists. If that's not possible, you should aim for holiday season sales.

You called Professor Daniels last week, explained that you had reviewed the *Mesopotamian Mystery* proposal and chapter, and expressed People's Publishing's interest in the project. Professor Daniels agreed to meet to negotiate a possible publishing contract.

As usual, the major terms likely to be discussed are royalty rates for print and e-books and a dollar advance.

Regarding royalties: 10-15% is the standard royalty range for print books, but you



have sometimes negotiated royalties as low as 8% or as high as 20%. You could even imagine going a bit higher here, if necessary to get a deal.

If possible, you prefer not to raise the issue of e-book royalties as a separate term. Getting an e-book at the same royalty rate is a great deal for any publisher because once the book has been formatted for electronic devices, there's virtually no additional cost for each sale. (No one incurs printing, shipping, or handling costs.) However, if the professor is savvy enough to recognize this reality, you would have more flexibility on royalty rates for the e-book version. From a business perspective, the problem is that the market demands e-books to be priced lower. Thus, even without a printing cost, the profit on each e-book is lower than on each printed copy sold. (Printing and other hard copy costs average \$5-7 depending on the number of pages. So, the marginal net revenue on each \$30 print book is \$23-\$27, compared to \$15 per e-book.)

So, yes, you would be willing to negotiate a higher royalty % for the e-book, even up to 30% or so. If so, however, you want the right to delay issuance of the e-book version based upon the sales pattern for the print book (supported by data and advice from People's Publishing's business side). You also want future flexibility to reprice both the print and the e-book version, based on changes in book markets.

Regarding advance on royalties: You don't know whether Professor Daniels will be looking for a dollar advance or by when the manuscript can be finished. It would be unusual to make a sizeable dollar advance for a relatively new author, particularly one who has not had a bestseller. Even though Daniels has published other books, most have been highly academic, with very low readership. Daniels' recent more popular non-fiction book did respectably well but could not be called a blockbuster. Some would consider it foolish to pay any advance, or certainly an advance any higher than the royalties on that last book. You don't know exactly what those royalties have been. (A dollar advance is exactly that, it is an advance payment from anticipated royalties. Once the book is published, the author gets no royalties until the amount of the advance has been covered.)

In the past, you have paid advances from \$10,000 to \$250,000, depending on the author. While you would prefer not to pay an enormous advance, you will do *whatever* is necessary to get this book, especially if paying an advance would bring it to market sooner.

These are the anticipated issues. If Professor Daniels raises other issues or terms, you will consider them if they seem reasonable from People's Publishing's perspective. Of course, you are free to tentatively agree without committing to terms that make sense, subject to consultation and approval by higher-ups within the company.

Negotiate with Professor Daniels. Your interest is in reaching the best terms possible for People's Publishing, as long as this book doesn't escape to another publisher.