



Making Information Pay 2006 BEYOND THE BESTSELLERS

**April 27, 2006
8:00 AM – 12:00 PM**

Opening Remarks and Introductions
Ted Hill, President, *THA Consulting*

“Good morning!

I’d like to thank you all for coming to the 3rd annual *Making Information Pay*. Once again the gods of conferences have favored us with a beautiful spring day, and once again we seem to be packed to the gills.

Let me start by asking for a show of hands—who’s been here before?

Well, for those of you who missed it, last year we focused on product information and how poor quality data wreaks havoc—and costs you money—as it works its way through the supply chain.

This year’s topic, *Beyond the Bestsellers*, enables a far more sweeping discussion and we intend to take full advantage of it.

We’re going to cover a lot of ground today, moving from the theoretical to the practical; from the quantitative to the qualitative; from the deep backlist to the mid-list and back again; from online to brick & mortar; and from basic principals to best practices.

So, why “Beyond the Best Sellers?” For the careers of most of the people in this room, publishing has always been about the impact of growing mass markets within our industry.

Going back a bit in time, the once-genteel profession of book publishing was first transformed in the postwar period by what Ken Davis called “the paperbacking of America” which brought more books of all types to more people than ever before.

Many of us remember when just over 20 years ago the paperback house then known as Bantam Books, released a hardcover title called IACOCCA and the “mass-market hardcover” was born. The quest to take advantage of the new economics of mass market distribution of higher-priced hardcover books drove consolidation in the industry like never before. The mantra was always “bigger is better.”

Unfortunately, royalty advances also soared as publishers competed for the brand name authors and celebrities who could sell millions of hardcovers and leverage their clout with the growing book chains and mass merchants. And of course, for every bestseller, there were many would-be bestsellers that were over-published, resulting in painful returns.

Along the way, however, you would hear from time to time about how profitable that backlist could be and about how, after all, you just can't publish nothing but bestsellers.

On a recent investor conference call where he discussed 2005 results, Steve Riggio echoed this sentiment once again, noting that Barnes & Noble experienced solid sales last year despite the fact that it was the second year in a row without a major blockbuster to drive consumers into the stores. Perhaps even more relevant for our discussion today, he cited recent research that revealed that nearly 50% of customers, who searched for a title online, then went on to buy a book in store.

Our speakers today are all here to address the proposition that our industry is entering a new phase where publishers must increasingly devote resources to seeking profits beyond the bestsellers. The pace of change, which once stimulated an explosive mass market, is now feeding a world of increasingly small and fragmented markets. A world in which all consumer entertainment, not just books, are able to grow by finding large numbers of small opportunities.

And so, on to today's program.

This year we're doing things a little bit differently: we've got a faster-paced program, with more speakers, jam-packed with great stuff. We've also got a hard stop at 12:00 noon, so I intend to be ruthless (in a gentle way) about reminding our illustrious speakers if they are running short of time.

One thing will remain the same however, and that is our goal to provide all of you with practical information, ideas and strategies that you can take back to the office to improve the way you run your businesses.

Over the past few months I've had the great pleasure to work with the slate of industry professionals you're going to hear today and I want to tell you that you are in for a great morning.

We're going to start off with Chris Anderson, Editor-in-chief of Wired Magazine and who's article *The Long Tail*, has sparked discussions throughout the business world on the new revenues to be found serving "millions of markets of dozens of customers."

After Chris, Kirby Best, of Lightning Source is going to discuss how a revolution in the economics of book production has been able, to date, to create 27 million books, printed one book at a time.

Following Kirby, Ian Bradie of Cambridge University Press will delve into the practical applications of Kirby's business and share how Print on Demand has helped Cambridge recover \$25 million in lost sales.

After the break, we're going to begin to shift our focus from production management to the sales and marketing of titles beyond the bestsellers. Mark Suchomel of Independent Publisher's Group will share their principles for maximizing your return on publishing mid-list books.

Following Mark, Carol Fitzgerald of the Book Report Network will use case histories to reveal the best practices currently employed by publishers to go beyond the mass media to reach readers in targeted markets.

And finally, Boris Wertz of ABE Books will bring us around full circle with his strategies for selling over \$100 million dollars worth of books each year, one customer at a time.”