



Publishing Now Fall 2023: Improving Efficiency and Managing Costs

On October 26, *Publishers Weekly* presented the webinar “Publishing Now Fall ’23: Improving Efficiency and Managing Your Costs,” with support from Westchester Publishing Services. In kicking off the presentation, which focused on how publishers can handle a market in which sales have slowed and costs have risen, moderator Jim Milliot, editorial director for *PW*, said that companies are putting a premium on cash flow management and increasing efficiency.

The webinar’s first panelist, Bill Rojack, vice president at Midland Paper Corporation, provided context for why the cost of book manufacturing has gone up and why publishers should not count on prices coming down anytime soon. He noted that while book publishers have consolidated, book printers and paper manufacturers have undergone their own consolidation in recent years.

“Since 2017, certain sectors of the paper business have lost more than 50% of their capacity for books,” Rojack said. He emphasized that paper mills are running at a severely low rate, somewhere near the 60th to 70th percentile. Rojack noted that in order to get a necessary return on operating their machines at such a low level, mill operators are “trying like crazy to keep their prices up.” This, he said, is actually a good thing because “if prices fall and margins get squeezed, we’ll lose more capacity.”

Because of all the acquisitions, about 80% of book manufacturing is controlled by three companies: Lakeside Book

Company, CJK Group, and BPG USA. Given the changes in the paper and manufacturing sectors, Rojack implored publishers to look at their printing choices differently. Instead of thinking about price, Rojack said, publishers need to consider the total cost when making printing decisions. This encompasses the cost of the book throughout its lifetime, including how long it will be in inventory. And there could be light at the end of the tunnel, Rojack said. “North American printing plants have invested big money into new technologies to support the North



Bill Rojack

American manufacturing market so that publishers can produce their books here in North America.” However, the new technologies cannot succeed or remain sustainable without support. “If we don’t support those companies with those new investments, they’re going to go away,” Rojack said. “Then we will be forced to produce our products overseas. We need to

manage our businesses differently given the new ecosystem.”

Diem Bloom, director of publishing operations at Johns Hopkins University Press, spoke about production costs and strategies at the publishing house. “There has always been pressure to save money, especially in this time period where any efficiencies that my team and I are realizing we are getting eaten up by paper costs,” she said. Bloom outlined how her department has changed the way they

look at cost, particularly with an increased focus on utilizing external vendors. “We were hardcoding our manuscripts,” she says. “Now we’ve moved into working with vendors, doing pre-editing and tagging. Essentially we’re doing more to prepare the manuscript for editing out of house.” Hopkins has also started relying on vendors to do some art logging. This, Bloom said, “is helpful for our acquisitions team,” freeing up editorial assistants, who used to handle this task, to do other things.

Bloom added that Hopkins is also exploring how AI can help the company. “There’s so much potential there for us to look at spending less money and selling more books.”

Marina Padakis Lowry, executive managing editor at Union Square and Co., echoed many of the same considerations as Bloom while also offering her own insight into the ongoing production hurdles facing the publisher. “It might seem like small things,” she said, “but, ultimately, having control of them will help save money.”

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Regarding the acquisitions, P&L, and contract stages, Lowry identified small, yet significant, alterations and additional considerations, including what goes into

the P&L and who reviews the document. "Is anyone other than the editor and publisher reviewing these?" she asked, noting editors often have unrealistic expectations for how a book will sell. Having realistic guidelines in place for cost assumptions can aid in a better, more accurate P&L statement, especially when it comes to production and printing costs. "Plug in that P&L review when the book goes into production," Lowry said. "Things change so much between acquisitions and production."

On a contractual level, Lowry noted the importance of having delivery and timelines from the beginning, including author manuscript delivery, because even small delays can increase cost down the line. Likewise, she mentioned rush, or "crash," titles, costs throughout the publishing process that can be charged back to author royalties (like the creation of an index), and using guidelines for freelancers (including per hour and per project) as other advisable ways to control costs. She has also developed efficiencies by using packagers for prepping manuscripts, moving about 90% of her comp work to packagers. "It doesn't seem like a lot of money, but when you add it all up, it's a lot of money," Lowry said. On the topic of AI, Lowry expressed some excitement over the technology's potential to reduce tedious tasks like coding, though she said there are limits: "Realistically people need to check AI work as you would review the work of any freelancer."

PUBLISHING SUSTAINABLY

The discussion shifted to publishing sustainably in a challenging economic environment. Rojack noted that after examining the use of recycled fiber and forest certification, many publishers are now focused on reducing their carbon footprint. Paper, Rojack said, is most likely "the largest contributor to your carbon footprint." Printing companies have been working on decarbonizing themselves, yet the process of doing so increases the overall cost.

Both Bloom and Lowry explained that

their publishers lack strict guidelines for sustainability. "Our limited resources are currently directed more toward accessibility than sustainability," Bloom said. Lowry agreed: "We're in a similar boat, and we hope to do better at some point."



Diem Bloom

A prevailing topic when it comes to printing and production in trade publishing has been "digital vs. offset." Rojack was quick to offer his insight on the topic: "The sustainability story of book publishing that nobody has talked about in a meaningful way, in a sustainability context, is the amount of waste we produce as an ecosystem, the amount of books we return and destroy." In addition to being bad for the environment, returning books "is an incredi-

ble cost center," he said. Noting that book manufacturers have made big investments in digital and inkjet capacity to support smaller print runs, Rojack once again emphasized the necessity for publishers to change the way they think about price. "I'm here personally to implore publishers to stop thinking about the price that they have to pay and start thinking about the total delivered cost, including inventory, obsolescence, the freight," he said. "That's a massive number, and their ultimate P&L will look much better if they manage their runs." Digital printing opens doors and is there to aid publishers and the entire publishing ecosystem.

Bloom said she is a big proponent of using digital printing to avoid over printing and agreed that doing so involves a shift in mindset from focusing on the cost to print a single book to looking at the total cost of the book in terms of shipping and storing it. Hopkins' mission is to disseminate its information as widely as possible and that, Bloom said, "requires multichannel printing that's going to require focusing on digital and

not relying on one massive offset run and shipping that all over the place."

Lowry noted that the reality is offset printing remains the best option in certain cases for a number of reasons. Sustainability, she said, can come from a mixture of preexisting utilities and the adoption of new digital printing technologies. It doesn't have to be one or the other.

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The discussion steered toward a new and ongoing development across all media industries, publishing included: artificial intelligence. All three panelists expressed a neutral-positive outlook for the technology, seeing it as a resource, not as a replacement for employees. "We've done some closed tests with some partners around the possibility of using AI for indexing, generating alt-text, chapter abstracts, things like that," Bloom said. Rojack noted that on the printing side, the biggest tech development is geared more toward tasks that "nobody wants to do," and he pointed to the use of cobots on the manufacturing floor that

can aid with lifting heavy quantities day in and day out.

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Marina Padakis Lowry