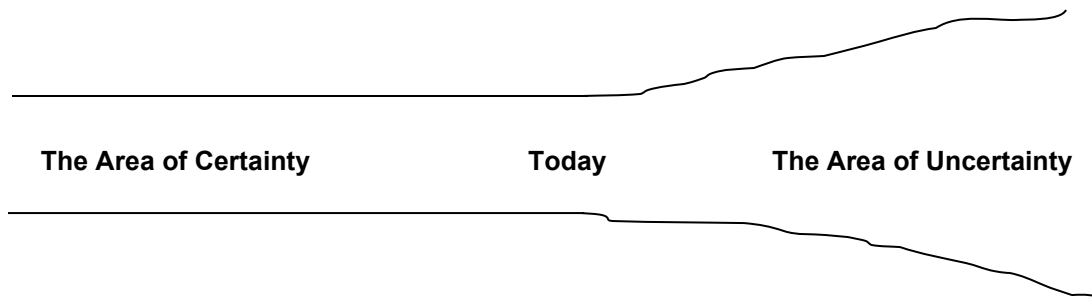


Increase the Velocity and Volume of Your Revenue

Brian Jud

Marketing planning is a tool thriving publishers use to help them make better decisions during periods of relative uncertainty. It helps them maximize short-term results and build a foundation upon which to grow their future businesses.

These strategies conjure up two periods that impact the planning process: 1) the Area Of Certainty (everything that happened up to today) and 2) the Area Of Uncertainty (everything that will happen after today). The near future offers relatively greater certainty in your decision-making, which is why most one-year budgets are generally more accurate than long-term forecasts.



Underlying this concept are two important considerations. First, planning for rapid and positive cash flow (the velocity of your revenue) is both critical to success and more accurate in the short term. Second, as you reinvest this revenue in your next bevy of titles, you are more likely to increase the amount (volume) of long-term revenue. Here are some suggestions for actions you can take to increase the velocity and volume of your future revenue.

Increase the velocity of your revenue

Net cash flow is the difference between the amount of cash received and paid by a business during a specific time period. Think of this as passing *Go* in the game of Monopoly more frequently. As you generate income faster, the need for working capital decreases accordingly. There are several ways you can use marketing tactics to improve your cash flow.

Charge for what you do in a different way. The video program *You're On The Air* was bundled with two books (*It's Showtime* and *Perpetual Promotion*) was sold to authors for \$99.95. Through a change in pricing strategy, they could rent the video for \$35 over two weeks. They would keep the two books and return the video. If they chose to keep the video they were charged the difference in price.

Create different and better incentives. Offer increased discounts for larger orders or for books purchased on a non-returnable basis. Similarly, offer greater discounts for buying more frequently.

Reduce or eliminate inventory. Use digital printing to test new titles, to meet demand during slow periods or for keeping backlist titles in print.

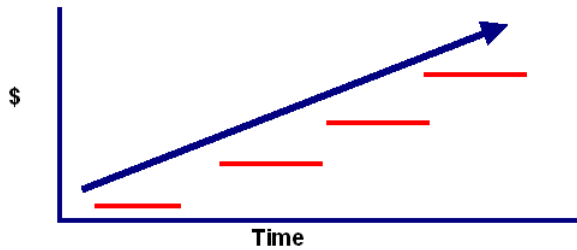
Generate cash before you incur costs. Seek bulk sales among corporate buyers before your book is published. There are many instances in which a book's production costs may be covered before payment is due.

Automate the payment stream. Direct more people to your website to purchase your books and have them use PayPal or similar service so you are paid immediately.

Pool certain marketing activities. IBPA has cooperative marketing programs in which you present your titles to genre-specific booksellers, librarians and media reviewers in combination with other publishers. Thus, you share the expenses with them.

Increase the volume of your revenue

Revenue is a function of sales. The more books you sell, the greater your revenue. Of course, your net revenue is more dependant on your price/cost structure, but this discussion will focus on building overall unit sales. You can visualize this process as building a series of growth platforms – synergistic sales techniques that build upon each other. Each platform is a new revenue source, contributing to your firm's overall revenue. This is pictured below.



Sell in non-bookstore markets. One growth platform is to expand from your core business into special markets. This could entail selling your book into retail markets such as airport stores, supermarkets or specialty stores. You might also choose a parallel channel into non-retail segments such as sales to schools, corporations, associations and government agencies.

Give your customers ideas for using your books. Retail stores in special markets create a unique opportunity for cross merchandising (also called the *related-item approach*), or promoting your book by pairing it with a related product. The purpose is to get customers to buy both items; perhaps at a lower price than if they bought the same two items separately. Show retail-store buyers how your cookbook might be the perfect match for a promotional program with Omaha Steaks® or George Foreman® Grills; or how your children's book might pair with games or plush toys.

Sell your content in different formats. It is not necessary to sell your content only in the form of a book. Consider the title *Job Search 101* that describes the proper techniques of writing a resume and cover letter as well as interviewing for a job. The publisher found it challenging to describe the subjective functions of interviewing, such as eye communication, posture and gestures. These were better portrayed in a video program titled *The Art of Interviewing*.

Find new uses for your content. Taking *The Art of Interviewing* example one step further, the publisher recognized that the content of this video also demonstrated the functions of performing on TV and radio shows. So the content was adapted to this purpose under the title of the video program *You're On The Air*. Each product extension provided a new growth platform.

Help your customers improve their employees' productivity. Employee recognition and motivation is a growing trend. According to Karen Renk, executive director of the Incentive Marketing Association, "There is tremendous potential there because every organization has employees that they need to keep engaged and motivated." More than half of companies implementing employee programs use merchandise -- including books -- as a motivational technique.

Help your customers help their customers. A national health insurance company was interested in promoting a healthier lifestyle among new clients. To accomplish this goal, Premium Book Company implemented an ongoing educational program for them. After signing a new member, a mailing was done on behalf of the company. First, a book promoting the benefits of walking was sent. Next, a cookbook was provided showing busy people how to prepare healthy meals quickly. The result was several thousand books being sent each of the first 2 months.

Show your customers how they can use your books in their marketing campaigns. A publisher of children's books worked with a small chain of children's shoe stores to implement a punch-card program where every \$25 spent was worth 1 punch on the card. Every time a card was punched 4 times, the child or parent was able to select 2 books from the books available on display. The theme was "We'll take care of your child... From their head to their feet"!

Planning is a marketing tool that aids in decision-making. The more certain you are of events, the more practical and successful will be your decisions. The future starts tomorrow, and the more you can reduce its uncertainty by increasing the velocity and volume of your revenue streams, the more profitable you can become in the long run.

Brian Jud now offers commission-only sales to buyers in special markets. For more information contact Brian at P. O. Box 715, Avon, CT 06001; (860) 675-1344; Fax (801) 605-1344; brian@premiumbookcompany.com or go to www.premiumbookcompany.com