

# SIGNING A CONTRACT TO WRITE A TEXTBOOK: PLANNING, CO-AUTHORS, NEGOTIATIONS, AND CONTRACT PROVISIONS

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## ABSTRACT

*At some point in their career, many marketing professors consider writing a textbook. Some go ahead with their projects, while others are discouraged because they do not know how to initiate the process. This article provides some basic background information that will allow potential authors to assess the viability of their proposed texts, and explain how to get started.*

*Textbook publishing is based upon contracts between authors and publishers. This paper examines the key steps in reaching such an agreement: picking a publisher; the co-author decision; contract negotiations; and, the specific provisions that make up a textbook contract.*

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## INTRODUCTION

Many marketing professors reach a point sometime in their career where they give some thought to writing a textbook. The typical reasoning goes like this: I have devoted x number of years to teaching marketing; I think I am a pretty decent classroom instructor; so, why not cash in on my experience? For most, the idea quickly passes, but for a few, the venture begins.

### **The Beginning and Ending Scenario for Most Book Projects**

The initial inclination for most would-be authors is to visit with your favorite local publishing rep. Typical questions include:

- ◆ Would your company consider signing me to a contract?
- ◆ What kind of advance could I get?

- ◆ What about royalties?

The reps are familiar with such inquiries. In fact, it is part of their jobs to find potential manuscripts. Publishers have set procedures for reporting such inquiries to the appropriate editor. Aspiring writers might be surprised to learn that reps get “signing bonuses” if you reach an agreement with their employers. But reps also know that most publishing ideas are long-shots at best. Some pros seem to make their publishing inquiries on an annual basis. Eventually, they retire without ever writing the book they talked about for so many years.

### **Getting Serious and Getting Started**

Let’s look at a more realistic approach to your textbook project. Start with an honest assessment of your career stage and writing skills. In today’s academic marketplace, no one should contemplate writing a textbook until they are a

tenured associate professor. In schools with a significant research orientation, even this career point may be too early.

Also, consider if you have the necessary writing skills. Textbook writing is vastly different from writing for journal publication. So, it is probably best to write a couple of chapters of your proposed text – complete with pedagogy, examples, tables, figures, and end-of-chapter materials. Then ask a couple of people to critique your work. Colleagues who have written textbooks before, or professors renowned for their classroom skills, would be good picks. Certainly, one or more revisions of your initial effort will be in order.

These sample chapters need to be picked from your proposed table of contents (TOC). By the way, the TOC should go down to at least number 2 sub-heads. Chapter titles are not enough. Sometimes, the TOC evolves as you write the sample chapters. So, which chapters should you pick?

1. Chapter 1 is a likely candidate since it sets the format for what is to come later in the book.
2. Then, pick a chapter dealing with your specialty. After all, if you can't do a good job with that one, you will certainly have a tough time with less familiar topics.

### **What About Co-Authors?**

Most editors will tell you that good co-authors have offsetting skills. Maybe one is strong in behavioral areas, while another is strong in strategy and research. So, the most basic questions you need to answer are "Do I need a co-author?" And if so, "why?"

- ◆ The co-author decision may be the toughest decision you will make as an author. A multitude of issues must be considered.
- ◆ Does your proposed co-author have a similar work ethic? The arrangement won't work if

you are working weekends while your co-author plays golf.

- ◆ Do you get along with this person? Are you in regular contact with him or her? Do you trust this person's professional judgement? Remember you will be partners in the toughest writing venture you will ever undertake. A colleague of this paper's author once remarked: "I have written numerous academic articles, but nothing I ever did prepared me for the effort required to write my textbook."
- ◆ Publishing contracts have a no divorce clause. In essence, your co-author is your partner for as long as the book is in print. You can't divorce a co-author and look for a new partner. The bottom line is that co-authoring a textbook is a marriage with the tightest prenuptial agreement you could ever imagine.

### **Creating the Prospectus**

Once you have reworked your table of contents and sample chapters to the point that you are satisfied with them, then move on to a prospectus. This document basically outlines the target market for your text. In what courses would it be used? Are there secondary markets? Maybe fashion merchandising or communications programs? Will the book have trade potential? (in other words, could it be revised as a "How-to" paperback?) Will it have a market abroad?

As an aside, if you are a first time author, it is highly unlikely that you will be signed to do a principles or basic book. The uncertainty and investment is too high for the publisher. The more likely first book scenario is an advanced offering in your area of specialization.

The prospectus should also describe the market for the text. How big is the market? What are the competitive books? Which ones are the market leaders?

Next, describe your overall approach to the

books. For example, is it a behavioral or quantitative approach? Then, compare your approach to that of the market leaders. What will be your major selling points?

Finally, outline a realistic writing schedule. Assuming you still have your day job, you will need to allow at least a month per chapter. Also, remember that most publishers review chapters by parts or groups of chapters. So six months into your project, you could be revising first drafts of your initial chapters at the same time you are trying to write new material.

Once you have your prospectus, table of contents, and sample chapters, you are ready to talk to a publisher. But which one?

### **Targeting a Publisher**

This stage becomes a real wake-up call for most beginning authors. There simply are not a lot of options these days. College publishing has gone through a massive consolidation in recent years. You can count all the major players on one hand. You can use your second set of fingers to delineate the entire industry for your particular volume.

A second wake up call comes when the budding author realizes that most of the publishers have existing books in their fields. Since most publishers operate on three year production cycles, you can figure on three existing texts per publisher; but, some major firms have multiple books in any given year.

So, your pick of a publisher may not be based on your favorite local rep. Instead, you should look at where you will have the best chance of being signed. Also, who will sell the most books for you?

Here are some general rules for picking the best publishing option. Simply answer the following questions:

1. Which publishers seem to have an “opening” for your book?
2. How many sales reps does a publisher have in the field?
3. When was the last time you saw a rep from a particular publisher?

Pick your primary target. Then make a preference list from No. 2 to whatever seems reasonable. When you are ready, contact your first pick probably through the local rep. Remember those signing bonuses. With a complete editorial review packet, you may quickly have an advocate in your local rep. Ask the rep to transmit your proposal to the appropriate editor. Tell the rep that you are serious about the project and you would like to his or her company to be your publisher. Yes, it is acceptable to say this to two or three of the reps at the same time.

### **Meeting the Editor**

Once your materials are “in-house” at the publisher, the editor for your discipline will give it an initial review. If the project looks promising, the editor will send it out for reviews. In fact, you might have prepared one or more such publisher reviews in the past. At this point, the editor may have invested some time and say, a \$1,000 in your project.

If the reviews look promising, the editor will usually call to discuss the project further. Prior to this point, most communication will probably be by e-mail. During this phone call, it is important for the potential author to express enthusiasm for the project. In short, adopt a selling mode. You will need to convince the editor that the project is viable, and you are the person to do it.

Prior to or after the call, the editor (typically called an “acquisitions editor”) will have made a proposal to publish your textbook to his or her management. This proposal will assess the book’s

likelihood of success, forecasted sales, and publication costs (including royalties.)

If a go-decision is reached by the publisher, a contract is proposed. Some editors like to present the contract in person, particularly to first time authors. Remember that editors are also salespeople. At this point, they are selling you. So, a warning is necessary here! Yes, the nice dinner and pleasant conversation was great. But most editors stay in a discipline for 5 years or less, so don't expect this person to be around for your third or fourth edition. Also, remember as soon as you sign the contract, the editor takes off the sales hat, and puts on a production supervisor's cap. In other words, your next conversation will be about your writing schedule.

### **Basic Guidelines for Reviewing a Publishing Contract**

It is probably best to review a publishing contract in private and when you have adequate time. Save the nice dinner with the editor until you have worked out all the contract details. Have the editor send the contract to you overnight. As soon as you get it, make a photocopy, so you have a draft on which to make notes.

First time authors often ask the following:

1. Do I need an agent? Agents are still relatively rare in college publishing. Yes, there are good ones out there. The Text and Academic Authors Association, headquartered in St. Petersburg, Florida, can provide a list. In the opinion of this writer, an agent would be most useful in signing a major, basic text – not your first publishing effort.
2. Should I have an attorney review the contract? Of course, there are excellent attorneys that practice in areas related to college publishing. But, one needs to remember that you are dealing with a very small industry, so a local attorney in general practice can not be

expected to be knowledgeable about all the specific clauses in a publishing contract.

Still, over the years, publishing contracts have become longer, more detailed, and much more legalistic – leaving few things to chance from the publishers' perspective. Most authors will tell you that college publishing contracts are extremely one-sided. For example, did you know at least one publisher withholds 20 percent of royalties on a first edition book? The rationale is that if the book fails, the publisher would not have to pay royalties on texts that were later returned from bookstores. If this does not prove to be a problem, the 20 percent holdback is eventually paid to the author.

Here are a couple of other publisher-oriented provisions:

- ◆ Publishers have begun inserting clauses that cut the author's royalty rate in half if the book does not reach a certain sales level, say 1,000 copies per year. This clause really hurts authors of advanced books at the end of their publishing cycle.
- ◆ If you have multiple books with a publisher, your contracts may allow the company to offset unearned advances and other changes against your more successful books.

### **Negotiating the Big Ticket Items**

Prospective authors should be concerned about three major contract provisions: royalties, advances, and grants. A royalty is a commission paid on net revenues received by the publisher. In other words, royalties are paid on the amount the publisher receives from the bookstore, not what the student pays at retail. By contrast, an advance is an author payment that is charged against future royalties. A \$5,000 advance paid to the author means that the publisher gets to recoup a similar amount from the initial sales of the title.

The third major contract provision concerns grants. A grant is also a flat payment to an author. But, unlike advances, grants do not have to be repaid from future royalties. Grants are often provided to cover secretarial or research assistance, pay permission fees, or similar reasons.

## **Royalties**

The standard royalty rate is now 15 percent. Some market leaders that have been around a long time carry much higher royalties. So do highly sought after titles.

Some editors initially offer a 12 percent royalty with a sliding scale provision. Initial sales might be paid at 12 percent, but after a certain sales point is reached, the rate goes to, say, 15 percent. Some contract provisions have a lengthy array of royalty rates: say, 12 percent, 13 percent, 14 percent, 15 percent, 16 percent. Most of the unit thresholds are relatively high.

Typically, they are based on life-of-the-edition-sales, which seems favorable. But today, roughly 80 percent of life-of-the-edition sales occur in the first year.

Most authors should skip the escalating scale (even if it goes above 15%) and go straight to a 15 percent counter offer. Remember that highly competitive projects may command even higher royalty rates.

Prospective authors need to remember that the agreed upon royalty rate is binding on all future editions with one exception. In recent years, some publishers have attempted to renegotiate royalty rates downward on marginal books. Many authors have been forced to accept lower royalties to keep their books in print.

## **Advances**

New authors are enamored with advances. Advances of \$20,000 or more are common – even on advanced level books. A editor might offer 1/3 of the total upon contract signing, 1/3

upon completion of 50 percent of the manuscript, and another third upon manuscript completion.

The obvious caveat is that advances may impress your colleagues and allow you to make major purchases, but advances are really just loans. Admittedly, they are no-interest loans. Still, prospective authors should remember that what really counts is how many books the publisher is going to sell for you.

## **Grants**

Grants are a better deal than advances. You do not have to pay them back. Prospective authors are advised to get as much grant money as possible. In addition, to the reasons cited earlier, grants might be paid for indexing, photo research, glossary preparation, and so on. It is also a good idea to ask for a provision that makes the grants payable on all future editions. Assume your book will be successful and go into multiple editions, so negotiate accordingly.

## **The Fine Print Adds Up**

A publishing contract is a legal document that stacks the deck in favor of the publisher. Author-negotiators should try to level the contractual playing field as much as possible. Here is a list of contract changes to which publishers will often agree:

1. Start with a simple one. Most so-called “boiler-plate” (or standard) contracts call for paying one-half royalty rate on foreign sales. So, ask that the full rate be paid on Canadian sales. Remember, this refers to export sales, not Canadian adaptations. Still, this provision can be worth a lot to an author over several editions.
2. Now let’s skip to a similar item, but one that will likely be significant in the future. Word-ing varies among publishers, but be sure you are paid the full royalty on electronic books. Some industry sources estimate that so-called

“e-books” will eventually account for 5 percent or more of all textbook sales.

Electronic publishing also means that students can also often buy your work on a chapter-by-chapter basis. Ask that your pro-rata chapter payments be based on the retail value of the bound volume. Consider that in the future a publisher might use electronic publishing as a discount version of your text.

3. Custom publishing – the combining of your work with other volumes – is commonplace today. Be sure that your pro-rata payment is reasonable. If your content is 20 percent of the custom volume, then you should get 20 percent of your royalty rate.
4. Author alterations (AAs) are changes made to galley or page proofs. Perhaps, while proofing your manuscript in print, you see where some material could be updated. These changes are coded AAs. Traditionally, authors were allowed AAs equal to 15 percent of the composition expenses. Modern contracts have knocked that allowance down to 2 ½ percent. In short, authors who make significant changes can end up with a hefty chargeback on their first royalty check.

As threatening as this provision may be to an author’s financial health, publishers will often accept changes. So, ask for 15 percent. If currency is significant in selling your title, this will allow you to update your text even late in the page proof stage.

5. Authors are responsible for securing the permissions for copyrighted work used in their texts. This is a time consuming and frustrating process. Here is a valuable tip: Give up some advance money and ask the publisher to get the permissions for you. You will still be responsible for any permission fees, but get-

ting an experienced permissions editor to do this task is a non-negotiable item for most established authors. By the way, it is reasonable to ask for a grant to cover at least part of your permission fees.

6. Just as you think you have completed your manuscript, publishers will call and say that they need the index and glossary on some expedited schedule. Ask the publisher to handle this task—even if they pass the freelance charges on to you. However, many publishers will agree to grants to cover these costs.
7. Many business and economic books include photos and ad reprints. Someplace, you need to define such items as production art making it the publisher’s financial responsibility.

## CONCLUSION

Writing a textbook is a tough job. The process is lengthy, frustrating, and oftentimes, lonely. If you are writing a book from scratch, figure it will take two years of your life. Revisions get a bit easier. So before you sign a contract, be sure you really want to undertake this task. Also, be sure your family is on the same page with you. There will be lots of sacrifices for everyone throughout the process.

If you decide to write your book, review the suggestions offered in this paper. Also, you may want to join the before-mentioned Text and Academic Writers Association. This organization is a great source of ideas for authors at any career stage.

Yes, it will be a stressful effort. However, there is no greater reward than when the first copy of your book arrives on the doorstep. You will no doubt spend a day or more looking over what you created. Enjoy it . . . you deserve it!