

**AskALLi: Quick & Easy
Self-Publishing Guides**

Self-Publishing 3.0

True Independence is
Commercial & Creative



ALLi

Alliance of Independent Authors

INSIDE

Digital Tech
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SELF-PUBLISHING 3.0

TRUE INDEPENDENCE IS COMMERCIAL AND
CREATIVE INDEPENDENCE

ALLIANCE OF INDEPENDENT
AUTHORS



Self-Publishing 3.0: True Independence for Authors is Commercial and Creative Independence

has been commissioned for and published by the Alliance of Independent Authors

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ABSTRACT

Self-publishing authors who want to make their living from writing and go direct to the big retailers like Amazon, Apple, Kobo and IngramSpark, like to be known as “indie” authors.

Owning their own rights, making their own decisions about the seven stages of the publishing process—editorial, cover design, formatting and other production issues, distribution, marketing and promotion and rights licensing—they don’t wait for validation from others. They have the courage to trust their own creative process and find their own engaged readers. And they are incredibly supportive of each other.

Compared to authors who publish only through trade (traditional) publishing processes—who license their rights, are bound by exclusive, often needlessly circumscribed contracts, and have no control over their metadata or marketing—those who self-publish, or combine self-publishing and trade-publishing processes, are indeed relatively autonomous.

But true independence for the majority of authors is still a long way off. True independence is commercial as well as creative.

The day an indie author sells their first book, they go into business as a publisher—whether they realize that or not.

In order to make a sustainable living as a writer, they need to run a good author business, that works for them and builds for them, over time. This is where many of the indie author community now find themselves: moving beyond just making and marketing books to understanding and overcoming the challenges of profitable business.

At the Alliance of Independent Authors (ALLi), we're calling it Self-publishing 3.0 (#selfpub3.0).

Self-Publishing 1.0 came in the late 1990s, with desktop publishing and print on demand (POD).

Self-Publishing 2.0 arrived in 2008, with the coming of the Kindle: selling e-books for e-readers and phones via online bookstores.

We are now entering the era of Self-Publishing 3.0: author-publishers drawing on a variety of business models, that include direct sales, subscription memberships, affiliate income, crowd-sourced patronage, and other income streams, with their own author websites or apps at the hub of a vibrant publishing enterprise, that has real creative and commercial impact and influence.

Self-publishing 3.0 (#selfpub3.0) is a concept and a campaign. The concept is simple: Digital technology enables viable creative businesses to be built by authors to scale, and in great number, for the first time in history.

The #selfpub3.0 campaign is less simple and more profound. It's about all the ways that we can promote and enable true author independence. It has the potential to truly revolutionise publishing and make it an author-led industry. It's about promoting and enabling author independence—not *from* trade, or traditional, publishers, but *for* authors.

The campaign encourages each author to examine and explore what they want to achieve with their books but also with their author business. To align their book publishing and their social media publishing.

The campaign also aims to educate authors about all their options and illuminate ways in which ALLi can help.

The purpose of this white paper, which forms part of the #self-pub3.0 campaign, is to explore and encourage the opportunities and challenges of author-business.

To that end, we consider key concepts and their possible implications, survey the history of self-publishing, outline possible business models, look at how authors sell publishing rights and, all through, emphasize the indie author mindset: which is a creative, empowered attitude and approach to publishing and digital creative business.

INTRODUCTION

Self-Publishing 3.0 (#selfpub3.0) shatters the divide that many people outside the author community, and some within, still hold: that publishing is a dualistic choice between trade (traditional) publishing on one hand versus self-publishing services on the other. This understanding of publishing is now seriously out of date.

At its simplest #selfpub3.0 is author-publishers building sustainable enterprises, with a diversity of earning streams, through their own websites. This means putting your own author websites at the hub of a successful publishing and media enterprise, and not spending more time or money on other people's websites than you do on your own.

Self-publishing 3.0 also means using retailers and other services to distribute books as widely as possible, in as many formats as possible.

Mostly, #selfpub3.0 is about the mindset shift needed to take control of your author enterprises, rather than unthinkingly assigning all your intellectual property, your most valuable creative asset, to a business owned by another, whether that is a trade-publisher or a self-publishing service.

2 SELF-PUBLISHING 3.0

Self-publishing 3.0 is typified by a free, empowered mindset (that can be brought to any situation) found in the context of running one's own creative enterprise.

Author income streams might include direct sales, subscription models, crowdsourced patronage, "wide" distribution models and others, like online teaching and affiliate income. In this white paper ALLi identifies eight different business models. There may be more and we look forward to seeing them emerge in the author community.

WHAT IS AN INDEPENDENT AUTHOR?

Before we can dig into all the ways independent authors can set themselves up in sustainable creative business, we need to articulate our definition of independent author. There is a lot of confusion about who is, and who isn't, "indie" and self-publishing and independent publishing are not synonymous.

ALLi's indie author community has three kinds of writer, all of whom have different aspirations, needs and outcomes. At ALLi, we give them different names, so we know who we are talking about and how to best serve them.

1) The Self-Publishers

This group is primarily about the writer, and they have interest in what it takes to be a good publisher. In the old days, they were called hobbyist writers. Now they publish their work—in the sense of making it public—on blogs and social reading sites like Wattpad and through Amazon KDP but they do not market or seek a readership. They move on to write the next thing.

This group also includes those who are writing and publishing a book for family, friends, or their own community.

Self-publishing is the perfect appellation for this group of writers. Their publication is primarily a mode of self-expression. It may, or may not, be well-crafted writing and may, or may not, be well-crafted publishing but just because it is not perfectly executed does not mean that the effort itself is not valid.

We know that writing is a powerful agent of healing and transformation. What is not so often acknowledged is that so too, when done with the right attitude, is publishing.

Sometimes, a self-publishing author decides to go indie.

2) The Indie Authors

These are the authors who want to make a living from their work. If they come to the task as a last resort, because they couldn't get a trade publisher, they often have a tough time at first.

The challenge here is to learn how to publish well: find and working with good beta readers and editors and designers; come to understand where your book fits in the wider publishing ecosystem, what genre fits which project, what kind of voice you are developing, and what you have to say.

It's also about finding the tools and techniques that are right for you and your author business.

3. The Author-Publishers

Author-publishers are beginning to succeed. They are meeting their own creative intentions: finishing the books, reaching the readers, learning from the mistakes, and taking the lessons into the next book, the next creative asset, the next move of the business.

They are the core of ALLi's membership. These are the writers we are encouraging to step into **#selfpub3.0**.

Three Shades of Indie

"Indie" is not just a word that allows book nerds to borrow some cool from the worlds of film and music. The indie attitude is core to indie author success: it's your most defining feature, and your most essential tool.

Independence in our community comes in varying shades. Some of our members are fiercely autonomous, as DIY as it's possible to be, actively advocating the self-publishing route for all authors and every book, envisaging the end of trade-publishing as we know it.

While these tend to be the most vocal, far more of our members are very happy to collaborate with a publishing service where that seems advantageous, sometimes working with paid services, or with a trade publisher for a particular project, or a particular format of the book e.g a translation.

At ALLi, being an indie author does not mean that you are wedded to self-publishing in every situation. Some people use the term "hybrid author" to describe a writer who publishes books both through trade and self-publishing platforms. At ALLi, we believe the term "indie author" adequately—and best—describes such a writer. It's all about the mindset you bring to your publishing contracts and deals.

The Indie Mindset

Being independently-minded is the necessary quality for success. The author who goes indie:

VALUES PUBLICATION MORE THAN VALIDATION

An indie author recognizes that publication is not somebody in a publishing house deciding that your book is "good enough". Publishing successfully is mastering seven processes: editorial, design, production, distribution, marketing, accounting, and rights licensing.

CHOOSSES DIGITAL

The business model of print books selling through bookstores is not commercially viable for most indie authors. Economies of scale means you cannot compete with trade publishing in print. But digital—e-books and POD —delivers a global audience, relatively inexpensive production costs, a point-of purchase at the moment of discovery, the end to "out-of-print", and a level playing field. In online bookstores, you can compete on price and readers don't know or care who published the book.

DOESN'T DO "FRONTLIST" OR "BACKLIST"

Indie authors know a book is new to a reader the day he or she first discovers it.

THINKS GLOBAL

Titles that might have struggled to sell enough at the territory level become viable with a global readership. The big self-publishing platforms like iBooks, KDP, Kobo and Ingram Spark are all global platforms, and are all expanding their global presence—as are the aggregate distributors like Smashwords, Draft2Digital, StreetLib and PublishDrive.

Collaborates Rather Than Competes

The indie author community is distinguished by its outstanding sense of collaboration and co-operation. Writers are banding together and supporting each other, as they catch this new wave of opportunity, sharing the techniques and tools, the news and views, that empower each of us to write and publish well.

WELCOME ABUNDANCE OVER SCARCITY

Abundance is how nature, the fundamental model for all creativity, operates. An oak tree throws a lot of acorns to get one baby oak. What's important in an abundance model is not

how many bad books are enabled. They don't, as some commentators suggest, "clog up the system". They quickly fall into the invisible nether regions of the online retailers.

What matters is how many good books are enabled.

Writing and publishing and running an author business are all creative skills, learned by doing. Practice can and does make... if not perfect, then certainly better each time. Each book, each partnership, each process, each asset builds a stronger profit and deeper pleasure.

INDIE AUTHORS & TRADE PUBLISHING

Indie authors do not see themselves as content providers for the trade publishing industry. They see trade publishing as an author service.

They will work with a trade publisher if the deal is good and makes sense for their book. Few indie authors are so indie that they turn down all offers from the trade on principle.

Many indies are frustrated by the inequalities of a working relationship that does not allow them creative input into decisions around metadata, cover design, branding and marketing, and has restrictions around format, pricing, and publication lead times.

If trade publishing wants to attract independent-minded, hardworking writers, it will need to offer terms that are better than those offered to a novice writer who brings no experience or existing readership to the table.

The Three Phases of Publishing

Combining these alternatives into a workable way for you and your lifestyle can take time, but when you get the mix right, no life is more rewarding for an author, creatively and commercially.

Regardless of which of the eight business models you ascribe to, the three phases of the book publishing process are always the same: making the book, selling the book, and selling the book rights. None of the business models will help you much if you aren't committed to continuous learning to ensure you are writing well, publishing well, selling well, and fluent with your licensing rights.

1. MAKING THE BOOK

This encompasses editorial, design, production, and distribution. And self-publishers can now publish directly across three formats: e-book (electronic), p-book (print), and a-book (audio).

Questions for the 'making' phase:

1. How do I master the editorial, design, and production tasks I can, need, and want to do?
2. What skills do I need to improve? What skills can I improve, and which ones do I need to accept that I need help with?
3. Who do I get to help me with the necessary editorial, design, and production tasks that I can't or don't want to do?
4. Shall I trade-publish or self-publish this title? What options are open to me/best for this book?
5. If I am self-publishing, will I use an assisted self-publishing services company (SPSC) or go direct to Amazon and/or others? If direct, which distributors and retailers shall I use?

2. SELLING THE BOOK

Having mastered the intricacies of making a book, the author-publisher's attention then turns to reaching readers, book marketing, and promotion.

Questions for the 'selling' phase:

1. Who are my ideal readers? (Note that while this is part of the selling phase of the book, it actually occurs in the "making the book" phase. Commercial success requires that authors know who the readers are that they are writing for, as this affects what they write, how they write, even what background material they include.)
2. How do I reach them?
3. How do I balance marketing and promotion tasks with writing more books?
4. Where do I invest my limited resources of time and money?

3. LICENSING THE BOOK RIGHTS

Once authors are selling well in English in one format, typically e-book, their thoughts begin to turn to the big wide world and they begin to explore the opportunities in licensing publishing rights.

Questions for the rights licensing phase:

1. How might I sell my books abroad?
2. What's the best way to get my books into bricks-and-mortar bookstores profitably?
3. How might I sell translations of my books?
4. What about other subsidiary rights, like radio, film, and television?
5. How do I best exploit my intellectual property?

The Challenges

With all the newfound freedoms come responsibilities. There is a power shift moving towards authors, but if authors want to claim that power they have to claim the responsibilities as well as the freedoms. Authors have to step forward and as well as writing well, also publishing well and do business well.

Some of the challenges in the era of self-publishing 3.0 include:

- **Writing well:** A perennial challenge that often gets forgotten in publishing conversations.
- **Team building:** ALLi continues to work to educate authors of the essential need for good editors and professional design.
- **Consensus:** When authors do the hiring, we need to ensure we hire professionals who will challenge us.
- **Acceptance:** While things have improved (see our other campaign Open Up To Indie Authors #PublishingOpenUp), the wider publishing world has yet to sufficiently open up to self-publishing. Indie authors would like to be part of the wider books ecosystem: in bookstores, at literary festivals, in libraries, and not to be met by an assumption that we self-publish because we can't get a "proper" publisher.

So yes, there are challenges, but we have come so far, so fast. Before we explore and explain Self-Publishing 3.0, we need to take a look back at how we got where we are now.

HISTORY OF SELF-PUBLISHING

Over the past decade, the world has changed for authors in most favourable ways. It's a trend that looks set to continue.

It began when, ten years ago, Amazon launched the Kindle reader, with a retail bookstore attached, and an innovative model to publish authors direct. In 2008, digital publishing had been around for a while, but Amazon's e-book trifecta was revolutionary. It rapidly took e-reading and self-publishing mainstream in a way that the world had never seen before.

Self-publishing is not a new phenomenon. For as long as writers have written, they have sought ways to take their words to readers. And since the 1500s, with the advent of the printing press, they have made books and tried to sell them.

The line-up of famous authors who self-published includes Margaret Atwood, Jane Austen, Frank Baum, Stephen King, Edgar Allan Poe, William Strunk Jr., Mark Twain, Virginia Woolf and WB Yeats. See John Kremer's Self-Publishing Wall of Fame for more.

Printing Presses

Publishing as we know it in Europe and North America began when Johannes Gutenberg, working in Mainz (near Frankfurt) in 1439, became the first European to use movable type. Gutenberg set up what became known as a printing press, helping to make stories, works of scholarship, and everything in between widely accessible to ordinary people for the first time.

Before that, books were written by hand and took months or years to produce, expensive items only for the select few who could afford personal scribes and were educated to read. The printing press allowed far more books to become available to far more people, at a much lower price, much as digital publishing is facilitating now.

Mass production of printed texts transformed how people read, communicated, and learned. Countless publishing houses, book-sellers, and other book businesses sprang up to meet the market need.

For the next five centuries, books could only be made using one of these large, heavy, presses housed in a printing factory, which required considerable upfront investment.

This publishing system flourished in London, Manhattan, and Frankfurt, particularly with the introduction of enforceable copyright law (1710, England; 1790, US; 1871, Germany; see next chapter for more on the importance of your copyright and intellectual property).

Occasionally enterprising authors, for example Virginia Woolf and her husband Leonard, invested in printing technology. Mostly, though, it was publishing houses who financed the machines to print the books for authors.

These publishers also acted as curators (gatekeepers), choosing what would and would not be printed and publicized. Side by side, another publishing industry grew: "vanity publishing." These were companies that published books in return for a fee paid by authors, a

few with care and reader-focused attention, but most in a cavalier way, with no real interest in books or authors.

Self-publishing 1.0: Desktop Publishing & Print on Demand

The next significant lowering of the barrier to entry arrived in the late 1970s in the form of desktop publishing (DTP). The ability to create page layouts on screen and then print pages containing text and graphical elements at crisp 300 dpi resolution was revolutionary for the typesetting industry, the personal computer industry, and the publishing industry.

Digital publishing at first lacked a payment mechanism and fitted in to existing publishing business structures. Authors' interest was ignited though, and a band of enterprising pioneers jumped in, printing off copies of books and pamphlets to sell by mail order, or driving around to bookstores with their car loads of books.

American parachutist Dan Poynter wrote and published "The Self-Publishing Manual" in 1979 based on his experience, launching a term and a trend. Newspapers and other print media made the move to DTP in the early 1980s and the consumer DTP market exploded in 1985 with the Apple LaserWriter printer.

The most important development to emerge from this period became known as print-on-demand (POD), as digital printing processes made it economically viable to print single copies, or small batches, to order.

Curating (traditional) publishers stigmatized all self-publishing as vanity and it was difficult to make the finances work. While desktop publishing made books and other written artefacts cheaper than ever to produce, and some authors set up successful businesses especially around nonfiction, most steered clear.

Self-Publishing 2.0: e-books, e-readers and e-commerce

It wasn't until the combined power of e-books and the interactive social networking came along that things really started to take off for authors.

Project Gutenberg, founded by Michael Hart, produced the world's first online, print-free digital publication on 4 July 1971: a copy of the American Declaration of Independence published and distributed via the internet. Thus began many discussions about digital copyright.

In 1990, the International Year of Literature, launched the era of the e-book, with books in .txt, .mobi, and .doc formats taking to market in that year. But it was 1998 before the first digital bookstores appeared and publishers and authors began to sell books online, to be read on desktop computers and laptops.

The final element of the digital reading matrix arrived with mass market "e-paper technology," and Sony released the first e-book reader in 2004. This was followed by Amazon's Kindle e-Reader in 2007, which came with a vast retail store attached, changing everything for authors.

Now consignment run of print books sold through bookstores was no longer the only route to a large number of readers. Authors had a way to let countless numbers of people all over the world, know about their books—and put a "buy" button under their noses at the same time.

Authors now had the opportunity to create their own digital files, remove agents, publishers, and wholesalers from the publishing chain, and bring their readers three steps closer, with only an online distributor/retailer in between.

They could also now research their books without leaving home, access world-class editors and cover designers online, and ignite reader interest through social media and other websites.

They took to it in droves and in 2012, the Alliance of Independent Authors was launched at The London Book Fair, with a mission of

ethics and excellence in self-publishing, and offering author and partner members a variety of benefits.

The torrent of creative and commercial activity unleashed by Self-Publishing 2.0 has shifted power balances in the publishing industry, taken English language books into new global territories, and ignited new publishing platforms, new genres, and new literary forms.

Other publishing platforms—Apple iBooks, Barnes & Noble's Nook, Rakuten's Kobo, IngramSpark, and Wattpad—quickly emerged soon after the launch of the Kindle. Like Amazon, none of these platforms was investing in the publishing process—book design, editorial, marketing or public relations (PR)—as a trade publisher would, but neither were they licensing any intellectual property, which we discuss further in this paper.

The platform isn't the publisher, the author is.

The author receives the monies paid by the customer, minus a commission payment (generally 30 percent) paid to the platform for the publishing tools and payment facility. This leaves the author in receipt of up to 70 percent of the purchase price of a book, versus the 10 percent (or substantially less after discounts) of net receipts that would be offered by a rights-licensing trade publisher as royalty.

And minus their publishing expenses.

These platforms also make everything very easy for authors. Their terms and conditions (T&Cs) are far more readable than a publishing contract. Payment terms are monthly instead of bi-annually. They provide digital dashboards that update in real time, so you can see the results of your marketing efforts straight away.

Most significantly, the author retains all publishing rights and is free to cut deals with overseas agents, TV and filmmakers, and other rights buyers including trade publishers at home or abroad.

Authors have been liberated from the creatively-dispiriting cycle of publishing pitch and rejection. Now authors are the creative directors of their books...and their author businesses.

Which is where #selfpub 3.0 comes in.

Self-Publishing 3.0

For the author who learns to write and publish well, author-publishing is good business.

Digital publishing of ebooks, pbooks and abooks —electronic, print on demand (POD) and audiobooks—gives authors a global audience and inexpensive production costs.

It gives readers a point-of-purchase at the very moment they discover your books.

It also puts an end to "out-of-print"—when one print run was sold out and a subsequent run either wasn't complete or wasn't justified—allowing a book and its author time to grow a readership.

None of these things were available before now. And it has all rebalanced a power axis that, in the 20th century, had become heavily weighted towards corporate publishers, advance-pushers literary agents, and celebrity authors. Now, for the first time and enabled by digital technology, authors can build sustainable businesses, step by step, just like other creative entrepreneurs. And many are. This is producing the most profound change of all in the publishing landscape, and one that is only just beginning to make its mark: a huge increase in author confidence. As the cap-in-hand publish-me-please mindset fades in the author community, as more and more authors take up the challenge of publishing independently and creating successful author businesses, our collective sense of what is possible is expanding.

This increased author confidence is coming together with other favorable conditions and consumer trends to make successful author-businesses more possible than ever before. The rise in the maker movement (a social movement with an artisan spirit that values active learning in a social environment), in personal branding (individual names), in mindful consumption, in mobile phone sales, and in new technologies like the blockchain, all work in the favor of authors and other creative entrepreneurs.

Consumers are tired of big brands pretending to be human, pretending to care. Authors who really are human, who really do

care, are benefitting from this. A growing band of consumers is seeking out mindful services and personal products and shopping experiences, online and off. See the growth in hand-crafted products, farmers markets, and indie stores.

All of this is good news for authors, if we know how to take advantage of it. Let's look at how authors are doing, commercially, so far.

AUTHOR EARNINGS

“Follow the money” is a saying that’s used by in law and politics. It has been attributed to Elliot Ness, the famous FBI detective in the 1930s, who finally managed to get prosecutions on Al Capone and other mafiosi for tax evasion when prosecution for many other, more *heinous* crimes failed. It turned up in the movie *All the President’s Men*, in the words of “Deep Throat,” the anonymous Watergate source for Bob Woodward and Carl Bernstein’s famous investigation of President Nixon.

And it’s a useful maxim in business too. If we follow the money in publishing here’s what we see.

In corporate publishing, the money trail goes like this:

- reader pays bookstore
- bookstore pays wholesaler
- wholesaler pays distributor
- distributor pays publisher
- publisher pays agent
- agent pays author.

In self-publishing the money chain is:

- reader pays self-publishing platform (Amazon, Kobo, Apple)
- Self-publishing platform pays author.

Or, even more directly:

- reader pays author on own website or app.

Self-publishing 3.0 encourages the inclusion of these models, in reverse order of importance.

1. Setting up for direct sales, where only a payment cart stands between you and your reader, to maximize your income on each book sale and to offer other products and services that have a higher value and profit.

2. Publishing to many self-publishing platforms as possible to distribute your books in as many formats as possible (ebook, print and audio), to maximize your reach and use these platforms marketing power to your advantage

3. Licensing limited rights to trade publishers e.g. foreign language rights, print edition but not ebooks, to maximize your reach and use those companies reach into book stores and territories that you couldn't otherwise reach.

With this understanding of yourself as an effective publisher in place, you can locate your books within a business model that generates good income and profit (see next chapter)

This is not how most authors are thinking about their businesses just yet but they are steps that maximize your influence and income.

Author Earnings Research

It's difficult to know exactly what is going on around author earnings at the moment, as the research is muddled and confused.. and has a big lacuna at its heart.

A 2017 UK income research survey from the Authors Licensing and Collecting Society (ALCS) found trade published writers'

average earnings have fallen by 15 percent since its last review in 2013.

According to the research, average annual earnings for writers dropped to under £10,500 (about A\$18,900/US \$13,700/CAD\$17,560), which also reported a growing gender gap, with women authors now typically earning around 75 percent of the average male author income.

Based on a standard 35-hour week, the survey suggests the median hourly earnings of a professional writer is just £5.73 (A\$10.35/US\$7.48/CAD\$9.58), which is less than the UK minimum wage for those over the age of 25.

The number of professional writers whose income comes solely from writing also fell: to 13 percent, down from 40 percent in 2005.

A similar 2015 US Authors Guild-commissioned survey found that just 39% of the authors polled could support themselves through their writing. Professionals with more than 15 years of experience experienced the largest negative change in income between 2009 and 2015.

Publishing industry losses could be a reason behind shrinking author incomes, Mary Rasenberger, executive director of The Authors Guild, argued in a 2016 article on The Billfold. "As publishers feel increased pressure to meet the bottom line, authors' advances are often the one negotiable line item in the budget," she said.

Except, despite much hand wringing, it seems trade-publisher earnings are not shrinking, but are very healthy indeed, thank you.

While author's earnings continues to fall, the ALCS research also suggests that the creative industries, worth £92 billion, are growing twice as fast as the rest of the economy.

Individual creatives are not benefiting from this rapid growth as much as conglomerates. Last month, HarperCollins reported \$490 million in sales for the previous quarter, up \$83 million from the same quarter in 2017.

The UK Publishers Association also recently reported good news £5.7 billion in book sales income, up 5% on the previous year. As in

self-publishing, audiobooks are at the heart of the rise. Digital audio-book revenue rose 32.1% across the publishing industry in 2018's first quarter. Simon & Schuster even saw digital audio rise 43%.

ebooks are healthy too—US ebook sales totaled roughly 545 million units for the last 12 months, up from the 510 million & 525 million in 2015 & 2016—and the much touted decline in print hasn't happened.

#Selfpub3.0 is about helping authors position themselves to slice off a piece of that pie.

Where are the Indie Authors?

Most author income research comes with a big in-built flaw: it's doesn't include self-publishing authors. There are also many unspoken assumptions underlying the methodology of these studies commissioned by writer's organizations.

Jane Friedman has a [comprehensive post](#) explaining why these surveys of author income are problematic, noting how they follow a tired trajectory:

“

Media coverage claims writers' incomes are plummeting, a few big-name authors come out and try to shame publishers or even society for not valuing writers properly, debate ensues, then everyone gets back to work—until a new study emerges.

JANEFRIDMAN.COM/AUTHOR-INCOME-SURVEYS/

The ALCS survey includes all kinds of writers, from journalists and author-illustrators to poets and translators.

“

These obviously represent very different fields with varying levels of commercial potential. By mixing them together, it makes it difficult to draw valid conclusions

about earnings trends for, let's say, the average novelist.

- JANE FRIEDMAN

The bodies who are commissioning these surveys have a particular mindset that is not business oriented. Another UK survey, this time by the Arts Council, looked at the 10,000 bestselling fiction titles over the last five years and concluded that:

“ Outside of the top 1,000 authors (at most), printed book sales alone simply cannot provide a decent income... a source of deep concern.

- ARTS COUNCIL ENGLAND

The Council's concern is understandable. But its solution—grants—ignored self-publishing and is utterly ineffective for the majority of authors.

This arises out of another flaw in the methodology of the research. Arts Councils and many author bodies are thinking about writing as literature when they do their surveys and analysis. The most common business model for literary writers, for example, has traditionally combined writing with teaching, grants and prizes.

But author grants, in the main, are paltry and fleeting and take a lot of energy to win. While they may make one book possible, they do not build something to rely on into the future. They have a limited time span, are in the gift of another, can be withdrawn at any time and are only given to a certain kind of book.

Grants are a nice addition to author income for some authors but they are not the solution to author poverty.

Identifying The Indies

The authors of most surveys that get press attention either don't know, or fail to point out, that authors who self-publish, or combine trade- and self-publishing, make more money.

One exception was that by Written Word Media (WWM), an author marketing agency, ran an analysis of the global market at the same time the Arts Council was conducting its study. WWM found that of all the authors they surveyed who earned more than \$100K, none was purely trade-published: just 28 percent were hybrid authors, publishing both through trade- and self-publishing platforms. And a whopping 72 percent were self-publishing only.

To be fair, WWM point out that, "Only about 5 percent of overall respondents were solely traditionally published (James Patterson did not take our survey), so traditionally published authors didn't make up a big part of the surveyed audience." Still, they believe it significant, nonetheless, and representative that "none of them were in the 100K club."

The most comprehensive research into author income is provided in reports issued at authorearnings.com. by the talented data analyst who specializes in the publishing industry known as Data Guy.

One of very few publishing analysts who has put together an accurate picture of the overall state of publishing , Data Guy is the only one to freely share that information, periodically, with authors. In his January 2018 report, he explains why the "facts" we hear about publishing success and author income are so often wrong.



Legacy data providers like PubTrack Digital and the AAP are effectively blind to vast sectors of the consumer ebook & audiobook market. And those non-traditional sectors are precisely where ebook sales have continued to grow... As a result, what was once a small blind spot in the industry's online-sales numbers now blocks half the view.

Data from PubTrack and the AAP is now *missing*

two thirds of US consumer ebook purchases, and nearly half of all ebook dollars those consumers spend.

<HTTP://AUTHOREARNINGS.COM/REPORT/JANUARY->

2018-REPORT-US-ONLINE-BOOK-SALES-Q2-Q4-

2017

THE DATA GUY'S MOST RECENT ANALYSIS OF THE US MARKET FOUND that in aggregate, indie authors grew their dollar sales 2.1 percent in the last 9 months of 2017. (For trade publisher it was 1.1 percent over the same period.)

AT THE ALLIANCE OF INDEPENDENT AUTHORS, 6 PERCENT OF OUR membership has sold more than 50,000 books in the past two years or had equivalent reads on Kindle Unlimited, and we have a number of members who have sold over a million books (one has now exceeded three million sales in the thriller genre).

Equally of interest are those who are not making a killing, creatively or commercially, but just making a living. They're doing their thing and selling in sufficient numbers to quit their jobs and become full-time writers. You've probably never heard their names, but they are happily building their readership and their author businesses.

With steady sales it is possible for a book to earn more than \$100,000 without ever appearing on a bestseller list. In a May 2016 snapshot of 142 such books on Amazon.com, 105 were by self-publishing authors.

Self-Publishing: Some Facts

Here are some facts that ALLi likes to spread about self-publishing.

- **Digital:** One in four US readers (the most developed digital market) now read ebooks. Self-publishing accounts for 24-34 percent of all ebook sales in each of the largest English-language markets.
- **Global:** Self-publishing platforms take English language ebooks into 190 countries. (2018)
- **Earnings:** The average trade-published author earns approximately 7.5 percent of their books cover price while self-publishing platforms like Amazon, Apple Books, Ingram Spark and Kobo pay up to 70 percent. (2018)
Fewer than 1200 (US) trade-published authors who debuted in the last 10 years now earn \$25,000 a year or more on Amazon, compared to over 1,600 indie authors. (2016)
- **Bestsellers:** 28 percent of the top-selling ebook authors in the US--the most developed self-publishing market--are indie. 10 percent of Alliance of Independent Authors members have sold more than 50,000 books in the past two years.(2018)
- **Gender:** 67 percent of the top titles published across top self-publishing platforms Blurb, Wattpad, CreateSpace and Smashwords are by women. 61 percent of the Top 100 trade-published titles on Amazon are by men. (2015)
- **Audio:** One in five US readers now listens to audio. In the UK audiobook downloads are also rising, by 29 percent year-on-year.(2017)
- **Online Print:** 45.5 percent of Bookscan's US print book sales were sold by Amazon, up from 41.7 percent in 2016 and 37.7 percent in 2015. (2017)
- **Rights:** The 2015 film adaptation of The Martian, a sci-fi thriller first self-published by Andy Weir, was directed by Ridley Scott, starred Matt Damon and has grossed \$630m worldwide to date. (2017). Increasing numbers of indie authors are licensing their own rights.
- **Silent Success:** With steady sales it is possible for a book

to earn more than \$100,000 without ever appearing on a bestseller list. In a May 2016 snapshot of 142 such books on Amazon.com, 105 were by self-publishing authors.

- **Readers:** Nearly 80 percent of readers believe self-published ebooks are “as well-written [as trade published] ebooks,” and more than 80 percent believe “new authors will make more money” by self-publishing.

Sources: *Alliance of Independent Authors, Author Earnings, Bookscan, FicShelf, Nielsen, Pew Research.*

Democratizing Publishing

When you look at it from a business perspective, it is clear why self-publishing makes this possible in a way trade publishing never could. If you don't have any control over your metadata, your marketing, your pricing, your distribution network, or your rights, you're not actually in business as an author at all.

Other people have licensed your assets. *They* are in business. You're more akin to a piece-worker employee, at the financial mercy of a system that's built around a few big-winners and a vast majority of losers.

Of course self-publishing doesn't guarantee anyone an income but it does deliver equal opportunity. It gives you the means to build a business, step by step, sale by sale, asset by asset, just as any other business must grow.

Authors may relish these challenges or may quail at them, but poverty for the majority of authors is not systemic as it is in trade publishing, built into the actual business practices and contracts.

That is why only authors who include self-publishing in their mix can build a profitable business, one they can rely on into the future.

All of this rests on a legal framework around copyright and intellectual property which, again, is increasingly favourable to authors and allows us to grow a variety of business models.

EIGHT BUSINESS MODELS FOR AUTHORS

Copyright, as we now know it, is an exclusive right granted to the author or creator of an original work, including the right to copy, distribute and adapt the work. Copyright does not protect ideas, only their expression, which in legal parlance is labelled "fixation."

The law recognizes that a creator owns the text, images, video, audio, information, and data created and arising from that ownership:

- the right to reproduce the work
- the right to prepare derivative works based upon the work
- the right to distribute copies of the work to the public
- the right to perform the copyrighted work publicly
- the right to display the copyrighted work publicly.

In short by law, as a creator, you are the owner of any creative asset and free to generate income from it as you wish. It has not always been so.

Many of the rights now enshrined in copyright law were hard won by author activists of the past. It is thanks to them that writers

have been able to find dignity and livelihood within publishing, as the laws were modified and improved throughout the 19th, 20th and 21st centuries, to shift the balance of power from publisher to author.

Copyright was first put in place more than three centuries ago, by early monopolies granted to book printers, under the British Statute of Anne in 1710, the first copyright law to be passed. Then it referred only to books. Now the law covers a wide range of works—including maps, performances, paintings, photographs, sound recordings, motion pictures and computer programs—across international and regional agreements such as the Berne Convention.

And these laws now favor the author, not the publisher.

In most jurisdictions copyright arises "upon fixation" i.e., during the act of composition. A work does not need to be registered for copyright to take effect, though registration can provide proof of copyright in the event of a dispute.

Copyright owners have the exclusive statutory right to control publishing, copying, and other exploitations of the works for a specific period of time (usually the life of the author plus fifty or seventy years, depending on author's country of residence,) after which time the work is said to enter the public domain.

European copyright directives have standardized copyright law, though each jurisdiction has separate and distinct laws and regulations. Some jurisdictions also recognize moral rights of creators, which is an author's right to attribution, integrity, and association of a work. Author activism in this area is ongoing.

Creators (or any copyright owner) can license or permanently transfer or assign their rights to others, granting such permission under set conditions, for a fee, often a sales royalty.

Those who license copyright (e.g. traditional publishers) may pay an advance on the royalties on signing of a contract.

Copyright Must Be Asserted

All authors' income is dependent on this agreed legal framework of intellectual property (IP) protection. And copyright is a passive

right. If you want the copyright covering your work to be meaningful, you must assert the fact of your ownership of copyright.

It used to be, in traditional publishing arrangements, that authors would assign this hard-won right, with barely a thought that there might be an alternative. Thanks to the confidence instilled in the author community by self-publishing, this is changing.

Today, authors need to reclaim their understanding of the importance of rights and the many ways they can earn money from their work. Here are eight of the most common business models employed by successful author businesses.

1. Books Only, One Outlet: Write Fast, Publish Often

Authors employing this business model are writing in a popular genre, writing fast, and publishing often. For genre fiction authors, this model of writing fast and publishing often has become mainstream in the last few years.

This is not new. The 19th and 20th century "sensation stories" for weekly tabloids that Louisa May Alcott criticized in Little Women, and "pulp publishers" who produced massive amounts of escapist fiction on cheap 'pulp' paper so the price could be kept low, drew on writers who could work in this way.

Today the authors employing this business model work for themselves, often publishing through Amazon only to take advantage of KU (Kindle Unlimited) and other exclusive benefits.

2. Books Only, Going Wide: Multiple Formats and Retailers

The indie author community refers to this model as "going wide," which means publishing through Kobo, Apple Books, Google Play, and/or aggregator distributors like Draft2Digital and Publish-Drive *as well as* KDP for e-books. And using IngramSpark as well as KDP print for books.

Authors operating this model also publish in multiple formats: e-

book, print, audio. The idea is to reach as many readers as possible by being available in all places and all formats, and to build a growing readership, steadily, over time.

3. Books Plus Speaking: Information Products

Publishing books plus speaking is the model you'll often find used by nonfiction writers, whereby books and products arising are supplemented by speaker income.

Offline, this is done as back-of-the room-book sales at a speaking gig. Online, it is typically higher-margin, information products connected to the book being sold after a free webinar.

This is often supplemented with a Facebook group that supports the learning offered in the books and info products.

4. Books Plus

Teaching/Mentoring/Coaching/Consultancy: Supported Learning

This is not just an information product, but true teaching. The time-honoured way is through an educational establishment, like a university or school, but now it can happen online too.

It distinguishes itself from model three (information products) by being active teaching in a supported learning environment, with the author, or another real person, correcting modules and exercises, giving feedback in a pedagogic framework, not in an information-plus-Facebook group.

5. Books Plus Reader Membership: Benefits for Close Readers

Keen readers are invited to subscribe monthly or annually to a membership program that offers various benefits. Again, this works better for non-fiction authors, although some fiction authors,

especially women's and romance novelists, have achieved great success with this model.

6. Books Plus Sponsorship or Patronage: Support from Individuals or Businesses

Wealthy patrons have never been as generous to writers as they have been to fine artists, for some reason. These days, those offering patronage to an author are more likely to be a brand, arts council, or other sponsor offering money and wanting something in return for the investment—often exposure to and awareness from the author's fans or followers. Another new opportunity for this model is crowd-funding, through Patreon or similar platform, or direct donations on your website.

7. Books Plus Affiliate Income

Under this model, authors supplement their book income by recommending products and services they approve of and believe are useful, entertaining or inspiring to their readership. The products are linked to the author's subject matter, theme, or world, and the author promotes them through blog posts, articles, videos and podcasts with affiliate links to the products.

8. Combination Model

The most common, and the safest, business model is to combine a number of the first seven models and enjoy multiple streams of income.

Authors can also benefit from paid freelance writing gigs, prizes, grants, and other options. You are limited only by imagination and attitude. As the writing world expands, and no doubt new models will emerge.

New Challenges for Writers

While this expanding market for authors is a full of potential and possibility, it also creates challenges. As opportunities arise, so too does the risk of an author signing a bad contract and failing to protect their rights.

At ALLi, we have seen authors make painful mistakes, granting to a small, English-language publisher, or even a vanity publisher, all rights to print, e-books, a-books, translations, films, television, and other subsidiary rights for the life of the copyright. We have seen them seduced by offers from overseas "publishers" in countries that are not covered by copyright agreements, or where piracy is rife, or payment unlikely. Or by alleged "hybrid" arrangements that are exploitation in disguise.

Now that so many writers are negotiating their own agreements without the benefit of an experienced literary agent or lawyer, the risks are higher.

Please visit our Code of Standards, Watchdog Desk and Self-Publishing Service ratings pages for more.

Aside from bad actors, the challenges we face now are not those of scarcity in a highly-regulated and curated workspace but those of abundance. There is the danger of overwhelm and distraction, of shiny object syndrome, and creative block.

There is also the challenge of ensuring that we work *on* our author businesses as well as *in* them.

Each of these functions requires us to wear a different "hat":

- You put on your **Maker Hat** for the work you need to do *in* your business: your creative projects, products and campaigns (craft)
- You put on your **Manager Hat** for the work you need to do *on* your business: your creative assets, your team, your processes, your profits (process)
- You put on your **Entrepreneur Hat** for the work you need

to *grow* your business: your creative ideas, pitches and publications. (enterprise)

Your success as an indie author will reflect how well you do, and balance, these three.

Orna Ross runs a free online workshop about “running a creative business the creative way” on Facebook Live on the third Thursday of every month (replays available). Attending live allows you to ask questions about your own business and get direct answers and comments from Orna and the other participants.

You can register here for the next event. Or add “Creative in Business Workshop: to your monthly calendar: 3rd Thursdays, 7pm London time.

HOW TO EMBRACE #SELF PUB 3.0

If authors are to make a living from writing, they need to build assets and processes that enable sustainable profits.

Businesses are built, step by step, asset by asset. Author businesses are built book by book, process by process.

1. *SETTING UP FOR DIRECT SALES, WHERE ONLY A PAYMENT CART STANDS between you and your reader, to maximize your income on each book sale and to offer other products and services that have a higher value and profit.*

ALLi Professional Member Morgana Best was recently interviewed for its weekly members' "Self-publishing Success" feature, and took the opportunity to pose a key question of relevance to all indie authors:

“ Why build your empire on rented land?

- MORGANA BEST, ALLI PROFESSIONAL MEMBER

Morgana urged her fellow indies to:

- Own and develop your own real estate (on the internet), and
- Send readers to your own website or your own app—to anything you own.

This is excellent advice and we are seeing more and more of our most successful members following it.

2. PUBLISHING TO MANY SELF-PUBLISHING PLATFORMS AS POSSIBLE TO distribute your books in as many formats as possible (ebook, print and audio), to maximize your reach and use these platforms marketing power to your advantage

As indie authors, we resist exclusivity unless it comes with very clear advantages that suit our plan for a particular project. We never put all our eggs in anybody else's publishing basket.

3. Licensing limited rights to trade publishers e.g. foreign language rights, print edition but not ebooks, to maximize your reach and use those companies reach into book stores and territories that you couldn't otherwise reach.

If we use trade publishers, rather than giving them everything their contract will ask for, we seek to limit the rights being licensed and to work with other trade publishers in non-competing territories in a non-exclusive fashion.

AUTHORS WHO HAVE EMBRACED SELF-PUBLISHING 3.0 HAVE WEBSITES that function in some of the following ways:

- a **shop** selling e-books and other information, inspiration, or entertainment products and services directly to readers
- a **donate** button and encouragement to your readers to express their appreciation through a donation
- a **teaching** platform for courses
- a **coaching** or **consultancy** hub

- a place to attract clients for **freelance** work
- a place to offer, and take payment for, other **services, tools, or products** that build on the themes, settings, premise or ideas of your books
- a **membership** website that offers a premium product or experience to close readers
- a place to recommend other services, tools, or products that can bring in **affiliate** income.
- a **rights guide** for agents or publishers who might be interested in licensing rights.

INDIE AUTHORS VIEW THE RETAILERS / TRADE PUBLISHERS / SOCIAL MEDIA sites / everyone they work with as partner who can help their books and business grow and succeed, rather than giving them control of your rights, intellectual property or business. For example:

- Instead of using Facebook ads to draw people to your Amazon page, you employ a range of free and paid promotion strategies to draw them to your own site's sales pages.
- You make sure you have a donation button on your website and an inspiring, entertaining, or otherwise interesting offering on site for which a reader might donate.
- You make it quick and easy to buy e-books on your site (no asking for street addresses and other unnecessary details).
- You don't spend more time and money on somebody else's website (Mark Zuckerberg's, for example?) than you do on your own.

You doubtless have your own particular way of giving away

your creative energy. Identify these and turn them around or eradicate them.

As an indie author, you are limited only by your creativity, the quality of your offerings, and your ability to attract customers.

Helping Your Readers Embrace #selfpub3.0

Part of self-publishing 3.0 is educating your readers.

Few readers understand publishing. Why should they? Most readers are surprised to discover that when they spend almost £10 on a book in a bookstore on a trade-published book, the author receives less than £1.

They think all writers are rich, that if they've heard of you, you must be famous and, by corollary, if they haven't, not.

They are truly shocked to hear that most writers in the trade model are earning less than the minimum wage.

They mostly have no idea about:

- how many hours our websites and blogs, and other activities, take to put together
- how they can support us in our endeavours and why they might want to do that
- what a difference it makes to us when they buy directly from us, instead of another online store
- how much a donation or other form of patronage means to our ability to keep going.

Authors often underestimate the influence they can have with readers. Help your readers to understand the changes that are happening in publishing, why it is positive for you and for them and how they can become part of your publishing adventures.

Your fans and followers like being part of what you're creating.

Maintaining Value

Authors have done a better job of maintaining the value of their creativity in the digital era than artists and musicians due to two things: the author community and the siren server (a term Jaron Lanier was first to use in describing the gargantuan cloud computer services that are concentrating influence and wealth in this era) that dominates our sector: Amazon. (Amazon's payments to authors are up to 70 percent while YouTube's to musicians are zilch. Nada. Zip. For that we should give thanks.)

Other factors include: that the community of readers—many of whom are also writers—value words deeply and are prepared to pay. They tend to be older and wiser than the young music downloaders, who are now growing up in a world where they want to build creative careers , but they're finding the value has been siphoned off by the siren servers. They *thought* their downloads were free, but now they're paying a heavy price for them.

We've all, even authors, been fooled into thinking that we shouldn't expect to pay, or receive, any money for what we do with our brains and hearts online. (Consider the pressure on authors to set their e-book price at .99—for a book that took months, maybe years, to write!)

And authors are still highly vulnerable in the current system. We see that naked vulnerability in the panic waves that break across the online author community whenever Amazon, and less frequently other platforms like Nook or Ingram, make changes to their terms and conditions.

As a result, in addition to the stars that publishing always created and that still shine at the top of the self-publishing firmament, a large group of mid-list authors now earn decent monies from publishing their own writing and charging for it.

The more indie authors who do well, who build successful businesses, who move from trade-publishing to self-publishing and back again for different projects, the more impact this revolution is having

on readers and writers. And—because the author community is a highly influential one—on society and its values.

Licensing Rights

Imagine your self-published novel as an Amazon number-one best seller in its category, then being translated into thirty languages and transformed into a major motion picture starring Matt Damon.

For indie author Andy Weir, this dream came true.

Many people don't know that before Hollywood discovered his novel "The Martian," Weir self-published the book. First, he published it as a serialized story on his website, and later as a \$0.99 e-book on Amazon. When his sales took off, audiobook publisher Podium Publishing sought him out to license the audio rights, and the a-book went on to win a ton of awards.

Weir was then approached by an agent, and together they sold the publishing rights to a major publisher for a six-figure sum. And they sold the lucrative film rights to 20th Century Fox.

Weir's story illustrates how a writer's imagination and persistence can create a property so valuable that it reaches millions of minds and hearts and makes millions of dollars for the author and others—agents, translations publishers, and film and audiobook companies.

If and when this happens, it is the *owner of the rights* who receives the creative and commercial benefit.

Opening Up

For some decades before 2008, contracts that were unfavourable to authors became standard. In trade publishing, it is now common to see contracts granting publishers world English-language rights and all subsidiary rights, including valuable e-book rights, in return for a paltry (or sometimes no) advance, low royalties, and poor terms and conditions.

And a great many self-publishing services, too, offer problematic

contracts. (See ALLi's list of the **Best and worst Self-publishing Services** in its Self-Publishing Advice Centre for more on this.)

Through DIY self-publishing—publishing straight to platforms like Amazon KDP, Apple Books, Google Play, IngramSpark and Kobo, and using aggregator distributors to reach the smaller sites—authors are increasingly optimizing their creative and commercial rights.

What does that mean for those of us who publish independently? Should we offer only selected rights to trade-publishers? Should we jump into international markets? Should we explore selling film and broadcast rights?

The short answer to all of the above is yes.

How Authors Sell Publishing Rights: ALLi's Guiding Principles

To get work into the hands of as many readers as possible, writers need to think beyond print books and e-books, beyond their own language, beyond their own national boundaries, and beyond the book format altogether. And in order to do that, we believe authors should understand these following key guiding principles of licensing rights.

1. Understand the Contract

Take the time to understand publishing agreements and contracts. Even if you plan on engaging an agent or attorney to negotiate on your behalf, you need to understand contract terminology in order to have intelligent conversations with them and with producers, a publisher, and other rights buyers.

ALLi offers various services that can assist its members.

2. Capitalize on as Many Rights as Possible

As you get your work into more retail outlets, regions, formats, and languages, you'll build a stronger foundation for generating long-term income. The challenge is finding the best way to take advantage of all these options. Can you do it yourself or should you sell rights to publishers and producers? The most successful authors do some of both.

3. Limit the Term, Territory, and Formats

Limit the rights you sell to those who have the wherewithal to exploit them and generate income. Undoubtedly, this creates a tension in any contract negotiation. As the author, you want to license as few rights as possible, while the buyer wants as many rights as possible. This is healthy business tension and not something to avoid, as so many authors do.

It's a negotiation. Publishers and agents and producers expect to negotiate, and they respect those who enter the negotiation as an equal trading partner. This is not the time to be a grateful artist, seeking validation. There's a place for that, but it's not when negotiating the licensing of your invaluable intellectual property.

For an indie author, who typically turns to rights questions once selling well on self-publishing platforms, the question is not do I trade-publish or do I self-publish? It's questions like:

- How can I maximize my readership and profits from this book?
- Who is my best partner for this project?

The aim is to limit licenses to publishers who have the wherewithal, a strategy and a plan, to exploit those rights.

In general, the savvy author attempts to negotiate each subsidiary right individually, making separate decisions based on market size, reach of the publisher, and potential value of the right.

For overseas sales, ensure the contract is for that language only. That way, you still retain selling rights to approach other countries for further opportunities.

For all other sales – digital, audio, TV, film and merchandise—again, research. A simple Google search will bring out who to approach for TV and film – or a Literary Agent would do this.

Ask for Help

Literary Agent

Literary Agents act for the author, seeking the best rights buyer and deal they can negotiate. Once found, they become the marketing manager, liaising with publishers regarding delivery dates, book tours, publicity plans.

They are paid by the rights seller (the author), on a commission basis, usually 15% for home sales and 20% or even 25% for international.

Literary Scout

Literary Scouts work for international publishers, TV or film companies and others, recommending which books are worthy of attention. They are paid by the rights buyer, on a retainer basis.

Alliance of Independent Authors

At ALLi, we are happy to offer guidance to members navigating these tricky worlds of selling books and licensing rights.

Visit the Ask ALLi page in the Members' Zone and pose your questions. Or ask on one of our member forums whenever you need guidance.

*For further details, see ALLi's guidebook
How Authors Sell Publishing Rights,
by Orna Ross and Helen Sedwick
(Self-Publishing Success Series: Book 3)
Free to all members*

THE AUTHOR'S BEHALF.

KEEP AN EYE ON TECHNOLOGY

ALLi believes that the blockchain, which is the technology that underlies cryptocurrencies like bitcoin, warrants close attention from authors and publishers. So far, blockchain has attracted interest for its commercial potential, which is why it is exciting so many business commentators and techno wizards.

Blockchain For Books: the Future?

From an author's perspective, what's more interesting is that it is also likely to underwrite the next disruption in publishing and, perhaps, a widening of the concept of intellectual property. The blockchain registers and distributes information and eliminates the need for a third party to facilitate digital relationships. The technology also seems poised to allow direct payments in a truly decentralized way that may enable an author-centric publishing payment model for the first time.

(See ALLi's White Paper "Blockchain For Books" for more on this.)

What Is Blockchain?

The blockchain is a continuously growing list of digital records, called blocks, linked to each other and secured by collaboration, date-stamping, and transparency.

A blockchain allows one person to transfer a unique piece of digital property to another in a way that is:

- guaranteed safe and secure
- open, visible, and agreed by all
- unable to be subsequently modified.

Crucially, blockchain enables the settlement of transactions in a network without reference to a central authority like a bank.

Until now, any exchange of assets required an intermediary, such as a bank or credit card company, to complete the transaction. Blockchain allows instant value exchange directly with the content creators without the need for being routed through an intermediary.

Here is our vision of how it could change everything for authors.

Copyright

Blockchain and other hypertext (software systems that allow extensive cross-referencing between related sections of text and associated graphics) supersede the copyright protection that has been key in authors being able to establish value in their work in the first digital revolution.

The piracy of digital files becomes much more difficult, as the blockchain cryptographically time- and person-stamps the act of publication (and, indeed, of creation through earlier stages of the process, if that's desired). Ownership becomes indisputable.

In the same way as blockchain records where a bitcoin is at any given moment, and who owns it, it can enable us to record the ownership of any asset, physical or intellectual, and to trade ownership of that asset.

Smart Contracts

Following on from clear copyright ownership are contract rights and property rights. Automated digital "smart" contracts will simultaneously represent ownership of an intellectual property and the conditions that come with that ownership.

Such contracts will automate rules, check conditions, and take actions with minimal human involvement and cost. Goodbye to lawyers who are too expensive for, and don't speak the language of, individual creatives.

Smart contracts have the potential to seriously disrupt the legal system and make legal enforcement of copyright affordable for all.

Smart Wallets

In ALLi's vision, all retailers (from Amazon-KDP to the local book-store), wholesalers, and trade publishers will continue to pay into this author-owned smart wallet. But what will be truly revolutionary is how blockchain and cryptocurrency together will make it easy for readers to make micro-payments, for books, yes, but also for a single article, video, or podcast episode.

The smart wallet can also be more than a payment method. It can serve as a connective hub for all the people who feed into the making of a book: service providers, like editors and designers; the coffee shop where much of the book was written; the retreat centre that provided a writing getaway; the foundation that provided a grant; the rights buyer who turned it into a film or print edition; the author's mentors, writing coach, and role models; their local bookshop... and so on.

The blockchain allows authors to become the first calling point and information hub for the work they have created and to credit all who have contributed and collaborated.

Privacy

The blockchain allows us to send cash to somebody through the internet without an intermediary (bank or financial institution) using bitcoin. In the same way, the blockchain will enable us to send messages to each other, without trading our data or any of the siren servers "owning" or having access to what we say.

The blockchain allows us to forward a book, directly from author to reader, without any middle-man, freely or for bitcoin exchange.

It is these last two—taking out the middle-man and putting authors first in the value chain—that most excites those working in this arena at ALLi, and which led to our Blockchain For Books campaign.



AT ALLi WE BELIEVE THAT THE BLOCKCHAIN CAN HELP TO PROVIDE THE author-centric financial model that maximizes the value of the authors' moral and monetary rights, intellectual property, and pays the author first, not last, in the value chain.

The Challenges

Blockchain is not perfect. Some years ago, Clay Shirky wrote an important article about why micro-payments are problematic: the cognitive cost of deciding whether it is worth it to make such a payment is too high for consumers and donors. Most would rather make one-off decisions to buy subscriptions or make larger donation than make micro-decisions about micro-payments.

Blockchain technology doesn't address this, but authors and publishers may well find a way around it. The challenge is to make buying a book from an individual creator as easy as downloading a song from iTunes or an e-book from the Amazon store.

There are also concerns about the security of blockchain platforms, as well as the environmental consequences of 'mining' blocks, which consume gigantic sums of energy.

The blockchain could be used to reinforce the status quo or further embed existing privilege. For now, this is an open moment.

At ALLi, we feel none of this should diminish our appetite for exploring the possibilities and helping to shape the future. We could just wait and see what happens with the blockchain, but by actually advocating for it, we can shape it and we can help mold how it develops in a way that is advantageous for authors.

Becoming an advocate for the things we believe in as indies is the:

“

...mindset we should all embrace if we want to be at, and remain at, the cutting edge as the digital transition unfolds, rather than finding out what's new from the lucky few and then trying to emulate them after the ship has sailed.

- MARK WILLIAMS, THE INTERNATIONAL INDIE
AUTHOR

At ALLi, we believe that's a good strategy for all creatives and innovators, and their champions, whatever the future holds.

CONCLUSIONS

Self-publishing 3.0 has already begun: some authors already successfully sell directly to readers through their own websites and some are already on a blockchain, preparing for when this technology becomes significant in the books' world.

The coming changes have the potential to be even more democratizing than Self-publishing 2.0, especially if this time round, authors—a smart bunch of people—understand what's happening in advance.

But whatever happens with blockchain or other tech, it's clear that the only authors who can benefit from the opportunities are those who have developed an independent, creative, and empowered mindset.

This goes much further than the stale tussle (still given too much attention in too many quarters) between trade-publishing and self-publishing.

Authors have a big, exciting, collective challenge now to unfold the best possible future for our books, our readers, and other writers in the digital age. Not to mention society at large.

As the repercussions of the self-publishing revolution unfold throughout the trade, the publishing landscape continues to recon-

figure. Each of us is instrumental in creating a new space where all authors, not just a bestselling elite, are rewarded fairly for their work.

For that to happen, we must understand how to exploit the commercial and creative value embedded in our books.

ALLi's aim, as an indie authors' association, is to advocate for and lend our support to any author, or author-service, interested in facilitating an author-centric financial model and value chain for books.

Such models maximize the value of the authors' moral and monetary rights and intellectual property and pay the author first, not last, in the chain.

We contend that the money flow should begin with the creator, that the creator should be the entry point of payment, and that digital technology makes this possible.

This is the financial expression of the legal framework underwriting copyright. It now awaits writers to give it that true expression. We have the tools, now we must build a framework of true independence for authors.

True independence is commercial as well as creative.

SELF-PUBLISHING 3.0 BADGES

As part of ALLi's Self-publishing 3.0 campaign, we have produced two badges for you to use.

- One is designed for you to use on your own website, to encourage readers to buy directly from you and support you in other ways.
- The second is for you to offer to readers, booksellers, and anyone who would like to demonstrate their support for indie authors.

Making these badges available is just one of many actions ALLi is taking as part of our Self-publishing 3.0 campaign, which we hope will raise awareness of the expanding opportunities for authors to earn a living from their writing and associated activities.

And help create a more informed conversation about the indie author experience among influencers in the publishing and book-selling industries.

You can download your badges here:
Allianceindependentauthors.org/self-publishing-3-0



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ABOUT ALLI

The Alliance of Independent Authors is the only global, non-profit association for self-publishing writers. ALLi aims to foster excellence and ethics in self-publishing; to support authors in the making and selling of their books; and to advocate for author independence through the building of sustainable digital businesses.

