



Glenn Yeffeth
Publisher

BenBella's Entrepreneurial Deal

Most of the deals BenBella does are traditional, but we occasionally offer, to a very select set of authors, what we call an "Entrepreneurial Deal." Entrepreneurial Deals do not involve the author committing to buy books or to fund the publication of his or her book.

While not right for most projects, an Entrepreneurial Deal can make sense for books with some or all of the following characteristics:

- The book is high quality and has potential for significant sales
- The author has the ability and willingness to deliver, at his or her expense, significant marketing and promotion
- The author can deliver significant special sales (through industry relationships, etc.) and/or significant direct sales (through a proprietary email list or website, etc.)
- The author does not need an advance
- The author wants to realize significantly more upside than available in a traditional publishing arrangement

A Entrepreneurial Deal works as follows. The author receives half of the first \$100K in Gross Profits and two-thirds of all additional Gross Profits. Gross Profits are total revenues less distribution costs, printing costs, and co-op fees. In essence, Gross Profits are the marginal profits on sales of the book, and don't include any prepress costs, marketing costs, overhead, etc.

How much better is this deal than typical royalties? The short answer is much better, if the book is successful. Here is one scenario:

50,000 hardcover trade sales
25,000 hardcover direct sales
25,000 hardcover special sales
100,000 paperback trade sales

Major Platform Deal Royalties: \$1,003,450
Typical Royalties: \$406,894

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I'd be happy to share the specific assumptions behind these numbers so you can evaluate the royalties under varying scenarios.

These deals operate more like a partnership than a traditional publishing arrangement. The author is treated as a partner in all aspects of the publishing process, and in particular is involved in:

- Cover Design (in which a top-notch designer is hired to make a cover that screams NYT bestseller)
- Print Run (since he/she shares the cost of overprinting)
- Co-op Expenditures (since he/she shares these costs as well)

BenBella is distributed through Perseus Distribution, the largest independent distributor, and so has excellent distribution to the trade. BenBella also has a direct sales capability, allowing authors to take advantage of high margin direct sales.

The Entrepreneurial Deal is only appropriate for a small number of books, but for the right opportunity it offers a significantly improved upside potential for the author.

