FROM SAA, THE SOFTWARE GROUP

Ed. Note: We try to publish something from and for each special interest group in every issue. Articles are hereby requested.

12 Compelling Reasons for Authors and Publishers to Create Software Enhancements to Books

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Irv Brechner is president of Education Information Systems, Inc. He has offered to send TAA members a sample software program that runs on any IBM or compatible computer. Specify 3.5" or 5.25" disks. Education Information Systems, Inc., Box 5125, Ridgewood NJ 07451. Phone 201-445-7196. Fax 201-447-3972.

It's time to get serious about creating computer programs which can be sold as enhancements to textbooks and other publications. Contrary to what you may believe, creating programs is not nearly as expensive or time-consuming as it used to be, in most cases.

In today's high-tech society, students are brought up on computers and understand the value of software. They learn better if textbook materials are enhanced with software that saves them the hassles of flipping pages and searching for items within text.

In short, textbooks combined with software are more salable, have more appeal and automatically increase the price tag—and your bottom line—of the book, without much increase in cost.

Not all texts can be enhanced with software, but many can. Before I give you the dozen reasons, let's talk a little about cost, since that's always the first question people ask. There are basically three levels of software: the high-end, complete with animation and graphics, and costing in the $60,000 to $100,000 range. The next level has graphics, and perhaps minimal animation, and runs $30,000 to $60,000.

The lowest level, and the one most suitable for software enhancements to textbooks, is "text only" and costs from $5,000 to $30,000, depending on the complexity. It usually makes no sense to add graphics and animation unless they make pure text that much more appealing. So for most textbook authors and publishers, text-only should be sufficient. For most textbook users, software enables them to find things faster and avoid double work. Being pretty is not enough.

The program is fully functional, can do searches and calculations and much more. The difference is the lack of fancy graphics and other cosmetics which are typically found in games and multimedia packages.

Now, let's talk about why software enhancements to textbooks makes so much sense.

- You add significant perceived value in the eyes of the purchaser, but add only insignificant production costs. If you own a PC, you know what you pay for quality software. For a good program, you can pay as little as $49.95 or all the way up to $595, $695 or more. By definition, software translates into value. It transforms a $19.95 book into a $39.95 package, easily. That's a 100% increase in the retail selling price...but tossing a disk into the package costs as little as $1.00, plus a couple of pennies for the shrink wrapping.

- From one basic product, you can give people a choice - book only, software only or both as a package. Different markets will purchase different packages, giving you more of an ability to broaden the potential customer base for the basic information.

- The profit in software is much greater than books. Since the programs our company produces usually require no manual, the only real unit cost (aside from the original development) is the disk itself, label, duplication and perhaps a small instruction slip. In small quantities, you're talking about a couple of bucks. For larger runs, you can get the unit price down to $1.00 or below. If you end up selling the program for $39.95, for example, your profit can be as high as 97 percent! Even when you package it with a book your margins will increase dramatically!

- You don't have to commit or pay for large "press" or duplication runs in order to get decent pricing. Publishers always complain about wasted money on print press runs that were too large, but necessary to get unit costs down. Even with printers specializing in short runs, you still need a healthy volume to get a decent unit cost.

With software you don't have those worries. You can order the disks as you need them, and re-order based on sales. Duplication turnaround is usually fast, so you don't have to project quantities until you start shipping.

- You can alter or change the software "on the fly" to take advantage of the latest changes in text or information which became available after a textbook was printed. Because the programs we create are so easy to modify, you can actually make changes right up until "press time." This allows you great flexibility—an obvious advantage over other publishers who don't move as fast. Depending on the topic, you can even create a monthly or quarterly "software update" as a new product and a new income stream.

- You can create a "junior" version of the software to be used as a premium or sample. After the full-blown version of your program is created, we can strip-out certain features and create a useful disk which you can give away free—to sell your book or to sell the "senior" version of the program. This "sampler" disk can include price lists or a catalog of your entire product line, and can even print out an order form.

• There are no typesetting, stripping, platemaking, separations, art, film or other production costs. If you can provide some or all of the text to us on diskette, our development fee will be even lower. Depending on the number of books sold, development costs can be amortized to a very low cost per book.

• You can be on the leading edge of the textbook publishing industry, almost overnight! If you jump on this new technology quickly, you can be "the first on the block" to encompass its power. As a result, your company will be perceived to be visionary, dynamic and innovative.

• You can revive an older or out-of-print title by creating a current, state-of-the-art ‚software-based package. This can add more life and profits to a title you've written off. And, if you've accumulated a list of buyers of the book, you can test out a mailing to sell them the software, with the theme "You've read the book, now try the software." Make sure, however, that your mailing list is not older than two years. If it is, it will probably have some bad addresses.

• Returns are not a problem—you can recycle the disks for future use. Nothing goes in the trash—or to the remainder table. If any disks come back, they can be recycled—for office use or future software editions. Although I don't have any real statistics, I think returns of software would be lower than returns of books, because the software has continual value since it will be used over and over.

• Lists and checklists can be incorporated into the program, giving it more value and usefulness. One of our proprietary educational programs, "How to Plan for College" is actually a collection of 31 calendars and checklists. Many books also have lists, which the user has to copy to use. With a software version, the user can input the items right into the computer which will save the responses. The checklist or calendar can then be printed, with the user's answers there. Tests or quizzes on the material can be incorporated, so students can use the program to test their comprehension of the material. This turns a book into a real learning tool.

• You can build in a "feedback" section to generate comments about the book and software. Opening up an easy dialogue with your customers leads to the creation of good will. It's an excellent way to generate testimonials, uncover problems you don't know about and learn new ways in which people are using your product. The easier you make it for people to correspond, the more input you'll get.

I've referred to profits in several places. Let's look just how dramatic profits in software can be. This example is for a software-only package, consisting of 2 disks, a small manual and a nicely designed and printed box. Of course, if you ship the software with a textbook, you can do away with the box.

Retail	Dupli/Pkg	Gross Profit
19.95	5.00	74%
29.95	5.00	83%
39.95	5.00	87%
49.95	5.00	89%

If your program is really superb, you can command $79.95 or even more. At $79.95, gross profit zooms to 93%!

Let's look at it another way. Suppose you have a $12.95 book which costs you $4.00 to produce. Let's add a disk and shrinkwrap the entire package. Assume the disk increases the retail price to $39.95, and adds only $2.00 cost, including 50 cents for the development fee amortized. Look what happens to the numbers:

• Gross profit
on book alone:　69%

• Gross profit
book + disk:　84%
(an increase of 21%)

and remember— $39.95 is relatively cheap for software. We can help you decide what the best price is to charge for the software alone, and for the software/book package.

Someday soon, software/book packages will be commonplace.

AUTHOR'S BILL OF RIGHTS

On January 21 officers of the Authors Guild and the National Writers Union met in New York to draw up an author's "bill of rights" or "declaration of independence". TAA was represented at that meeting by Mary Castellion, chemistry author and editor.

These two groups share many of the concerns and objectives of TAA. In particular, they worry about the economic status of the profession, pointing out that the average author's earnings place him/her below the poverty line. This is due, at least in part, to the consolidation of publishers, leading to an increased emphasis on the bottom line, e. g., profits at the expense of authors as well as consumers.

Among the reforms that this authors coalition is working for are

• *uniform contracts.* Every author should work under a recognized and negotiated code of minimum standards expressed in written contracts. This issue has been addressed by the TAA committee on contracts and working relations. It has also been considered by Mike Lennie, in his "In Jure" articles appearing in this newsletter.

• *broader copyright protection.* Copyright must be extended to cover all uses of an author's work including reproduction of materials, electronic databases, and software. Again, this is an issue of continuing concern to TAA, expressed in several newsletter articles and panel discussions at TAA annual conventions.

The Authors Guild and National Writers Union are planning an "event" for this summer, at which time several prominent authors are expected to announce their support for these and other objectives.

Now is the time to differentiate yourself from the publishing pack, and take advantage of technology that is now reasonably priced.