

Beyond Authors: Self-Publishing and the “New” Agents

a panel discussion with

- **Jason Allen Ashlock**
 - **Steven Axelrod**
 - **Rachelle Gardner**
 - **Robert Gottlieb**

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KENNEALLY: Welcome to a program we call Beyond Authors: Self-Publishing and the “New” Agents. Not only because I was a student of Latin in the seventh grade, I want to start off with a line from Ecclesiastes – *nihil sub sole novum*. Perhaps you recognize it. There is nothing new under the sun. The full passage goes like this – What has been is what will be, and what has been done is what will be done. There is nothing new under the sun. Is there a thing of which it is said, see, this is new?

That’s what we used to think, at least, once upon a time in publishing. Nothing new under the sun. Surely, yes, there were ever so many new books to read and review, and always new lists for the new season. But the work itself maintained itself as constant, as constant as sowing seeds and harvesting crops for farmers.

Then, the digital comet struck. For the book business in 2014, everything is new. For proof, you need turn only to the news media, which breathlessly covers the breaking stories as if filing dispatches from a war. Self-publishing particularly receives attention, and is often pitched as a David and Goliath tale. Once the dirty word of the book world, self-publishing is now transforming, some say reinvigorating this business, mostly by rewriting the relationship rules for authors and publishers. The balance of power has shifted dramatically.

So where, we’re going to ask our panel today, does this leave literary agents? What role remains for authors’ representatives to manage clients who may one morning strike out on their own? Who are the new agents, and what kinds of services are they offering? Joining me to answer these questions and ponder the implications is a distinguished panel of agents who make themselves at home in this new world, and I want to introduce them to you now.



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Moving from the very far end, to my left here, we have Steven Axelrod. Steven, welcome. Steven Axelrod's been an agent for over 35 years. His present clients include self-published e-book bestsellers Amanda Hocking and Bella Andre, two-time Edgar Award-winning mystery author S.J. Rozan, as well as many top traditionally-published women's fiction authors, including number one *New York Times* bestsellers Christine Feehan, J.R. Ward, and Julia Quinn.

To Steven's right is Jason Ashlock. Jason, welcome. Jason Allen Ashlock manages ambitious and innovative book packaging initiatives for media companies, entrepreneurial authors, brands, startups, and organizations of all kinds. He serves as a book executive at Thought Catalog and lead consultant at The Frontier Project, and he teaches digital publishing at City University of New York – City College. Previously, he co-founded Movable Type Management, a literary management firm that fostered storytelling across platforms, devices, territories, and generations.

To his right is Rachelle Gardner. Rachelle, welcome. Rachelle joins us from Colorado, and she represents fiction and nonfiction as an agent with the Books & Such literary management company. She's passionate about the writing craft, and has ghostwritten a dozen books and edited more than 200. She very notably blogs at rachellegardner.com.

Finally, at the very end there to my left, Robert Gottlieb. Robert, welcome. Robert is founder and CEO of the Trident Media Group agency, and is an author, career-builder, brand developer, passionate advocate, and innovator. Trident Media Group has earned the rank of the number one literary agency in North America in number of transactions for authors based on Publishers Marketplace statistics.

Rachelle Gardner, you've traveled the farthest, so I want to start with you first and ask you about the mood among authors right now and how they feel about this question. You've written a book, *A Field Guide to Authors*, first in that hope-to-be series called *How Do I Decide?* You have worked with self-published authors, offering them services, and with authors who've moved from self-publishing to traditional. As an agent, what are the kinds of questions that you ask them and expect them to answer?

GARDNER: Do you mean as far as deciding whether to self-publish or traditionally publish?

KENNEALLY: How do they decide? Yeah.

GARDNER: I think that the important questions are really about what fits their personality and what is it that they want out of their publishing career. Why are they writing to begin with? A lot of the questions are not about what can a publisher offer me, or what can I do on my own, but what am I good at? Do I want



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to just sit and write, and really partner with a team who's going to help me out with editorial, cover design, marketing, and everything like that? Or do I really want to have a small business and be an entrepreneur? You've really got to look at who you are.

KENNEALLY: If they're coming to you, obviously it still is a question. They want to know, and they think that there's a value in working with an agent. I guess there's an opportunity for you to make that point. There are still authors who see a value in this relationship.

GARDNER: I would say most authors. I think all the other agents here would agree, because those are the people that we talk with. But most authors, if given the choice, would probably choose traditional publishing still.

KENNEALLY: Because of the kinds of things you offer them, in addition to the traditional placement of a book with a publisher?

GARDNER: Yes, and also because a lot of writers, probably most writers, they really want to write their books. They know that they have to do marketing, whether they're with a traditional publisher or not, but a lot of authors are just not up for the whole entrepreneurial thing of having to do all of the different aspects of publishing a book.

KENNEALLY: Robert Gottlieb, if I could turn to you and ask you for your sense of the situation today. We've been hearing about the self-publishing revolution for a while now. I wonder whether you're seeing a shakeout or a kind of equilibrium coming into the marketplace. Do you have a sense that there's continued change coming, or have people sort of reached a point where those who want to self-publish will, and those who want to work with agents will?

GOTTLIEB: I'd like to open by saying Yogi Berra used to say good hitting beats good pitching, and good pitching beats good hitting. That's how I see traditional publishing. A lot depends on the author, the publisher, the publisher's needs, what the author's desires are, what the author's ambitions are. The great thing about this new landscape, Chris, is that it creates opportunity for many people who otherwise wouldn't have the opportunity. It's also a very complex environment, self-publishing, because as an individual, there's only so much you can do. When you have assets behind you, there's a lot more that can be done.

As an example, one of the most asked questions that authors have of Dan Slater, who runs Amazon Publishing, the e-book business, is how do I get a preorder page? 99% of you sitting here who are self-published authors can't get that. There's a reason why you can't get it – because Amazon wants those pages to appeal to the widest possible audience and get as many preorders on each of those



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pages as possible. As an individual, there's a lot you can do, but there's also a lot you can't do.

KENNEALLY: Yogi Berra said a lot of things, but he also said when you come to the fork in the road, take it. It sounds to me like that's what you're suggesting here. I wonder whether what matters to authors today is what's always mattered to authors, and that is what publishers can do for them. Have publishers, in your experience, Robert, responded to this upheaval in the business, and are now making themselves more relevant to authors?

GOTTLIEB: I think initially, publishers were stunned by the changes in the marketplace, because they simply weren't prepared for the change into the electronic format of publishing, and their lion's share of their business was rooted in their traditional publishing. There was a big investment and a big economic issue and risk for them. But I think as time went on, many publishers – not all, but many publishers – have pivoted and adjusted, and have developed, such as Bertelsmann, major efforts to change internally and to be much more effective.

I represent Catherine Coulter. Yesterday, I saw an e-mail from her publisher saying that her preorder pages delivered twice as many preordered e-books as the previous book. When I saw the program the publisher put together for her in the electronic space, it was really quite stunning. There isn't one I haven't seen in the industry, having been an agent for so long – but I wouldn't have seen a publishing program like that in the e-book space two or three years ago. Publishers know that they have to get their act together in order to stay relevant.

KENNEALLY: On that point about relevancy, Steve Axelrod, I want to bring you in and ask you about your thoughts as to how essential an agent is today. We've been hearing a defense of that. I wonder how you feel about it.

AXELROD: What I'm seeing is that I'm defending the proposition that everyone else is articulating more regularly than I ever have before with less success, I would say –

KENNEALLY: That tells you something.

AXELROD: – on average than I ever had before. In part, what's happening now, whether authors articulate it to their agent or prospective agent or not, the thought process in their head is I'll talk to an agent, but let me see what he can do for me, not I'll talk to an agent, because I have to have an agent first before I can get to a publisher, which used to be the way it was.

What I'm hearing now, even from very well-established authors who have always worked with agents, is that if their e-book sales are very, very strong – I'm thinking of one historical romance writer whose e-book sales are very, very strong, and she



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just basically does the math and realizes if she just went to Kindle Direct Publishing by herself, put her e-books up there, she very well might make more money in the first couple of months than she could make over a period of years with a traditional publisher.

It's very hard for me to tell her she's wrong, because the math is the math. You take your e-book sales – even if you take only three-quarters of her e-book sales, you assumed a certain loss because of the less attractive packaging, less successful marketing, still the math is the math.

The other thing I'm seeing, and I don't know if anyone else is seeing it, but it's ugly when it arrives on your doorstep, is that it used to be that one of the things that agents could offer to traditionally published writers is that we would do a deal with a US publisher, we'd hold back the foreign rights, and then we would sell them, with the author getting 100% of the net instead of 80% of the net or 70% of the net, which is traditional. It is a very definite economic advantage for the author to do this. Now what's happening is places like Kobo and places like Amazon are going direct to authors offering free translations for a three-month exclusivity period in major markets, and the authors are taking those deals. It's one more thing that we used to be able to do to authors, now we're in competition not only with traditional publishers, which was a competition we understood, but with the retailers.

KENNEALLY: Right. Your expertise, your reputation, has been built on selling books to publishers.

AXELROD: That's my skill set.

KENNEALLY: That's what you do. That's your skill set. Exactly. You put an interesting twist on that when it came to Amanda Hocking, for example. She had already established a tremendous track record in the e-publishing world. You were able to bring her books to the print world. There remains a place for what you do, even in this new ecosystem.

AXELROD: Absolutely. Amanda is a good example of someone who is very happy to turn over the responsibilities of the self-published author to a publishing team. She was very relieved to do that. She was happy to do that. She basically didn't care. She was making enough money so that it was a luxury she could afford.

But I also represent people like Bella Andre, like Liliana Hart, who are out there right now. They're not in the room, I don't think. But they are incredibly active and effective publishers for their own work. It's very hard to imagine that a traditional publisher could do more for them, except in getting their books into print. But do more for them in e-book space and make more money for them than they are making for themselves.

It's really courses for horses. Some authors are very happy working just for a publisher. They write the book, and that's really where their focus is. Others take enormous pleasure and have great skill at taking the full set of reins of the publishing process in hand and going with it.

KENNEALLY: Right. If I can bring Jason Ashlock into the discussion here, I know that in your own experience, you had shied away from the label agent. I think that you had a term radical mediation. But it sounds more like kind of a management relationship than actually a very specific author-agent relationship. Tell us about your thinking with regard to that and how applicable it may be to the situation now.

ASHLOCK: I would say that it wasn't so much that I shied away from the term agent. It's just that I felt that it came weighted with so many predeterminations that it seemed no longer useful in the current environment. No disparagement to agents or to the term itself, but it just seemed very limited. The idea of agent seemed to imply a transactional role, that one oversaw a very limited space in the publishing value chain that was really defined mostly by the oversight of a licensing agreement, etc.

Obviously, we all know agents do way more than that, and that their workload is varied, and many of them are incredible at career management. But to talk about what we did seemed to me in this environment to be better described as a kind of radical mediation, by which I mean if what agents once did was mediate between author and publisher, now what we do is mediate between author and the multifarious actors and players in the field that help get a work to market and help that work find its audience.

KENNEALLY: That's because that linear path that was author to agent to publisher to distributor to bookstore, that's all broken down.

ASHLOCK: Yeah, it seems that the publishing value chain is much less of a chain now and much more of a web. There's a lot of different ways to navigate that web and to get from point A to point B. Sometimes the web loops back on itself, and you use multiple players at the same time. There's certainly not two options on the table, self-publishing or traditional publishing. For most authors, there's this strange amalgam of both, as well as other alternative paths that are very difficult to describe that are brand new. If an agent were to defend and define his or her role, it seems to me that describing oneself as a radical mediator is a nice fix for the radical disintermediation that we've seen disrupt the value chain and turn it into a sort of exploded landscape.

KENNEALLY: So that description you gave of the author today – I think there's a term that's taking some currency, the hybrid author. Maybe we can call them the Prius



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author. These are people who run on both systems, at least, if not more than just the two. Robert Gottlieb, at Trident you've established your own e-book division, which is, in effect, putting into place some of the things that Jason was just talking about. You've got relationships with the e-tailers, with book designers, and others. Tell us about that and how that's worked out for you.

GOTTLIEB: First, let me say that there are agents that are traditional, transactional agents, and there are agents who are much more than that. I think that to define agents as simply transactional people in today's publishing environment is quite naïve, my belief.

In our e-book business, we have four full-time employees who have very important relationships with all the e-retailers. We don't publish books. We're not a publisher. We don't hold rights. We work with authors, clients with backlists and frontlists, who want to be published in the e-book space. We send our people to Seattle, San Francisco on a regular basis to meet with Amazon, to meet with the iBookstore people, the Apple people.

In fact, on the last trip that our team made to Amazon, they were just amazed to hear the kinds of things that we as an agency do in New York, because no other agent has ever shown up out there to talk to them. Those relationships are very important in establishing our e-book business, which is primarily a marketing business for e-books, also design, and also what I consider very special, unique relationships with e-retailers in order to accomplish for authors in that space what they want.

I think as a businessman – and we do a lot of foreign sales, by the way. That's 30% of our gross business. We do direct sales. We send five agents to Frankfurt and five agents to the London Book Fair each year. We last year did 3,000 contracts in foreign rights for our clients at Trident. It's a very important business.

The difference between what we do for authors internationally and what a company like Amazon is attempting to do, or Kobo on a much smaller scale, is they want to take rights, own rights, and control rights. We do licensing arrangements, which means that every so often, could be five years, seven years, 10 years, those licenses are up, and you renegotiate those deals for your authors with publishing houses. In the Amazon model, once you give them the rights, they're gone. You're never going to see those rights back again. That's something that an author on their own may take and may accept, but that's something I believe is selling your business basically down the tubes in the foreign market.

Let me just finish one other point, Chris, I want to make, if I may. Agents have relationships. Agents know important people. Agents have leverage. Those are things that are important to authors in the relationship in traditional publishing and



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in the e-book space. Any good businessperson, and I'm sure Steve would agree with this, should be profitable, or as profitable as possible, in all the revenue streams that you're in. To me, it's not an either/or matter. It's a matter of reengineering and working with all the revenue streams into the "great Amazon river," no pun intended. That builds revenue. It builds readership. It builds value. That's the best way, in my mind, to be published.

Because when you're published in one ecosystem, and we're seeing this between Amazon and Hachette today – when you're in one ecosystem, whatever happens in that ecosystem, you're in that system. If Amazon decides one day they're going to pay you 50% less royalties, and that's the system you live in, then that's what you have to accept. But if you have options, and you're published in a variety of tributaries, whether audio, foreign, traditional, e-book, you're in a much stronger position as an author, as a businessperson, to dictate what you want to do in the future.

KENNEALLY: In fact, Rachele Gardner, I think that's an important point for you as well, because in your experience, you've worked with self-published authors who are content with the book world. But there is a larger world beyond that, and agents have always had an important role in selling the kind of rights that branch out from books.

GARDNER: Absolutely. I know everyone here does the same thing. We sell not only foreign rights, but we option movie rights, TV rights, and that sort of thing. We're always involved in the subsidiary rights, and it just depends on the kind of book. I do have an author who was very successful self-publishing, and I took her self-published work and optioned it to 20th Century Fox, and then we're also in the process of selling foreign rights. We're in five or six different countries by now on that. And then based on her sales of her self-published books, we now have a nice, sort of traditional publishing deal with one of the Amazon imprints. We've got people coming from self-publishing into traditional and selling all kinds of rights, and then we've got people coming from the other direction, starting off traditional, and we're moving them into doing some self-publishing on the side.

KENNEALLY: But as I understand it, at the agency, it's still something of an arm's length relationship when it comes to publishing itself. You do not directly publish books at all.

GARDNER: Right. We're not a publisher, and also we don't do any straight e-book publishing or self-publishing for people who are not already our traditional clients. For the time being, we've established relationships with Amazon, etc., that we are helping our current clients do self-publishing, but we're not taking on people just for that right now.



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KENNEALLY: Steve Axelrod, any interest at all in being a publisher yourself?

AXELROD: I have a very contradictory position on that, which is that I am handling the e-book rights for about 23 books, backlist primarily, that clients had written, and we either never granted e-book rights originally, or the rights reverted. I've also decided very deliberately not to expand on that, because I think there's an inherent conflict of interest when I'm handling both sides of a negotiation. I wish there were a way to get around it. I don't see a way to get around it and still get paid reliably, unless I have the account with Amazon, and I have a publishing relationship with the author, so that the income flows through my office. Otherwise, it's a very different business you're in almost entirely.

That said, I think that I learn an invaluable amount from the books I do represent. I've been as upfront with my authors as I possibly can. I've basically made them sign documents acknowledging the conflict. You learn a lot by actually being up close and personal with Amazon, getting to know the reasons why they're doing things, getting to know how they do things.

I find that when I'm negotiating with an editor at a traditional house, I've never met anyone who begins to know what you learn working with them directly in self-publishing. So it gives you a real competitive advantage in certain respects, at the cost of a conflict in others. I'm not expanding it, and I'm also not closing it off.

KENNEALLY: Jason Allen Ashlock, the point that you have made in discussing all this radical mediation is to assemble partnerships and put people together so that they can be more successful. But I think the kinds of partnerships that you've emphasized haven't been the traditional media partnerships – for example, selling film rights – but really about technology partnerships. Talk about that.

ASHLOCK: I suppose as it's been lived out in my experience, one of the great opportunities for agents now is to expand the field of their partnerships beyond the traditional players to whom they traditionally sold rights. If we're in a space where anybody can produce books, distribute books, and market books, sometimes more effectively than those have been doing it in a legacy manner for decades, then we are open to the idea of any audience-centric organization being a potential publishing partner.

If there's a nonprofit, or a museum, or an organization or institution or an event that has gathered to itself through affinity, or through loyalty, or through some sort of membership or some sort of aggregation, where people sort of clump around the same ideas, that player is poised to be a pretty productive publisher. If authors can work with their agents to find alliances and partnerships with those types of institutions, who are facing the consumer public, who are facing a membership or an organization, then those can be very, very effective partners in distributing and



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marketing work to an audience that clearly already agrees with or craves that manner of topic.

KENNEALLY: Robert Gottlieb, for you at Trident, you are moving beyond those traditional partnerships. Can you tell us any examples where you've done the sort of work that is beyond the film rights, the foreign rights, and so forth? Have you found success in moving past the obvious media targets?

GOTTLIEB: You mean in terms of exploitation of rights?

KENNEALLY: That's right.

GOTTLIEB: I would say that the bulk of rights that are exploited today remain in features and television. There are startup Internet companies that come along that want to experiment and try different things, and have some interesting ideas. We're very cautious about putting authors with those kinds of entities, because we don't know what they really have planned for the author, and we don't know if it's going to be good or bad for the author.

So what we generally do is we take a little bit of a wait-and-see attitude. We like to look at what people are doing. Someone comes to us and says, well, I want to start this whole startup company, and I want Sherrilyn Kenyon to be featured in it. There's a lot at stake for Sherrilyn Kenyon if that startup fails and her name's associated with that. You have to have a good business instinct, a good business nose. Not everything is going to be perfect. A lot of things sound great going in, but fizzle in the end. And you have to ferret out the best opportunities for those authors in a whole variety of media.

KENNEALLY: I think that's the point, then. The emphasis is on the opportunity, and the opportunity is – if you will, you're agnostic about what the opportunity could be.

GOTTLIEB: That's correct. That's correct. But at the same time, opportunity for opportunity's sake alone is something that I, as a responsible person with a fiduciary responsibility to my clients, have to be thoughtful about. A lot of people will jump in and say, wow, this sounds like a great idea. Let's do it. And then whatever the consequences are, they are. Sometimes success, sometimes failure, sometimes a lot of pain and aggravation. Because I do have a fiduciary relationship with my clients, I'm very, very careful and thoughtful about these new ideas that come along and how people are going to execute those ideas. Because at the end of the day, it's about revenue and revenue-building and career-building for authors.

KENNEALLY: I was going to say, it's also, at the end of the day, about reputation. I say Rachele Gardner nodding vigorously to what Robert was just saying there.



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That's an important piece of what agents do in 2014, as it was in 1974, '84, or '94, would you say? The reputation management piece.

GARDNER: Reputation of our authors?

KENNEALLY: Of the authors. Yes, of course.

GARDNER: Absolutely. I've always looked at the job of an agent as not just connecting authors with publishers, but really connecting authors with their readers and seeing that our authors make income doing that. This wide world of expanding publishing opportunities just expands the ways that we do that. We still look at our job the same way. Now we're looking at that author and the kinds of books that they have, and we're assessing what are the best ways, in this new world and this new marketplace, to connect that author with their readership and see that they make the most money possible doing it? The question is the same as it ever has been.

GOTTLIEB: A good example is Goodreads. We've been working with Goodreads before most people knew who Goodreads was. As a result of that opportunity that came along, a new idea, new way to promote and market authors, Goodreads just did a program, announced a new program that they're doing. They asked Trident for five of our authors to add to that program for their interviews and discussions. We were very happy to supply a high percentage of the authors that Goodreads decided to use and go with.

There were a lot of agents who said no, because they weren't familiar with Goodreads. But we've been supportive of them from the very beginning, and our authors, especially our e-book authors in our e-book program, have really benefited from that. We're not a publisher. Our authors are their own publishers. We're a facilitator, no different than being an agent. Agents are facilitators. Our e-book program is there to facilitate the desires and needs of our clients.

KENNEALLY: Steve Axelrod, the kinds of things that we were talking about here right now still have to confront the challenge, which is that an author can wake up tomorrow and walk away. The long-term relationships that authors had with their editors, with their houses, and with their agents, are they a thing of the past?

AXELROD: I think the whole concept is under threat. I think we have to earn our money and establish our value on an almost daily basis, and I think that's a really new operating environment, a much more hostile one. It keeps you on your toes, to be sure. You have to be able to demonstrate that you're really providing value. Yeah, it's a new environment.



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KENNEALLY: What kinds of questions do you get from authors about this? Even if they feel great about what you do, Steve, they still read the trades. They know what's happening.

AXELROD: The successful self-published writers have been so effective at establishing their success in the press, in the media, in the industry that what you get is a constant barrage of questions from people with whom you've worked for 20 years, saying this deal is OK, but it's not everything that I could be making if I were self-publishing. You sort of are talking them down off that branch, off that edge. That's new. I think the relationships have become more transactional as a consequence.

KENNEALLY: Indeed. Jason Allen Ashlock, the media coverage of the self-publishing revolution makes it out to be a kind of David and Goliath story, and we all know whose side we want to be on in that kind of a tale. People identify with the David and take some pleasure in seeing the Goliath knocked down. How do you help authors understand the complexities of the decision to go towards self-publishing? It's not a black and white choice, is what I'm trying to say.

ASHLOCK: I found it interesting what Steve just said about talking them down off the ledge, because there is certainly the desire to do so when your job as an agent is to license books, to secure advances, to protect your business model. As excited as you might be about the opportunity, there's still, I think, always going to be a leaning among agents towards a more traditional space.

I remember this video that John Green put out a year ago or so now. I can't recall. Do you know this video? It was after he won an award, and he was so passionate and earnest in his lovely John Green way.

KENNEALLY: He always is.

ASHLOCK: Yes. About the insidious lie of self-publishing, and the insidious lie that anybody ever does it on their own. He was thanking his publisher, all the librarians, and all those people around the world who had helped support his books. I saw it, and I agreed with it, but what I really felt when I watched it was that he could afford to be so passionate and earnest because he had the best publishing experience ever. Most people don't have that publishing experience. If we all had the John Green publishing experience, we'd all be making videos about how wonderful our publishers were and thanking everybody who helped us along the way.

But for a great many authors, that's just not the reality. The self-publishing space, in a way, calls traditional publishing out, and everybody in the traditional publishing space, in a way that Steve just said. It forces all of us to earn our keep.



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Nothing is assumed in terms of the value that we bring to the table. We should welcome the questions and the interrogation of our role in the value chain and what it is we're actually doing for authors. It will make us better at our jobs, all of us. I think we have to know when the right answer is go ahead and turn down the advance and go it on your own.

KENNEALLY: Robert Gottlieb, you are passionate about calling yourself an author advocate, and you were an author advocate before the self-publishing revolution. But has it changed the type of advocacy, the way you think about what it means to be an author advocate, that there are so many choices for authors now?

GOTTLIEB: To be frank, the changes that have occurred, the author advocacy aspect of it, have in large part not that significantly shifted. The advocacy for authors is based on a broad band of issues, not just in the electronic space or e-book space. It has to do with constant pressure on copyright from the EU, in the United States, trying to take away from authors the control and power that copyright represents, so others could take advantage of it.

The good example is what Google is trying to do. Google is trying to change copyright law so they can use authors' materials without paying them or asking them, basically. It's like if you move into an apartment, and you don't have a lease, and you don't pay rent as long as the apartment owner doesn't know you're there, it's OK. That's Google's position with copyrighted material. They don't have to ask the author. They can use it, and if the author pops up here or there, fine. We'll talk to them and we'll come to some type of an arrangement, or we'll take it down. That's contrary to copyright law and how it's been for well throughout the 20th century. Author advocacy is based on a whole range of issues.

KENNEALLY: It may be more important than ever, but important in ways that you couldn't have anticipated 25 years ago, for example.

GOTTLIEB: Exactly. That's what also makes value added for experienced agents, because a lot of the issues that Steve and I deal with internally with publishing houses have to do with legality. The question of does a publisher have the e-book rights to old contracts that they have? Is what publishers are doing now with these subscription services, which I think is very, very tricky for authors, because when they get big advances, how are they going to pay the authors? What's going to happen when these sites generate commercial activity based on authors' works? Who's going to pay the author? Are these direct sales? If they're direct sales, shouldn't the author have the right to negotiate terms for those direct sales that don't appear in old contracts? There are a lot of things value added that agents do, because we have knowledge, we live in it every day, that come to bear in the world of being an advocate for authors.



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KENNEALLY: Rachele Gardner, has all the change, then, drawn your attention to areas that in the past would not have gotten quite as much scrutiny?

GARDNER: Yes. When it comes to author advocacy, that's a great term. One of the things that has really changed it is in addition to all of the things that Robert has been saying, we've seen huge changes not just with digital and e-books, but just in the zeitgeist of our culture.

With the Internet, people are more and more believing that information should be free. People are not separating information from a person who wrote a book that's full of information, but they may have spent weeks, months, years researching and writing that, and putting that together into information that is now useful. There's this huge groundswell, particularly amongst, I'd say, the younger folks, the millennials, that have a really hard time understanding why we even have copyright, and why it's not OK to download all your books for free from Scribd and that kind of thing. We're battling that, as well, in terms of advocating for our authors and making sure that they get paid for the work that they've done.

KENNEALLY: Jason Ashlock, it's about the author being at the center of your world as an agent or as a manager, a radical mediator. But is there a threat that the author may not stay for long at the center? Are there forces at play? Are you concerned at all that the author could be displaced in some ways?

ASHLOCK: Yeah. I think you and I spoke about this about a year ago on an interview that we did together. As Robert has mentioned earlier on the panel, the dominant retail force in the space right now is not just a dominant retail force. Increasingly it's a dominant everything else in the middle of the value chain force, which has the potential to limit authors to roles of service providers, where they're just generating the content that supports the larger mechanism.

KENNEALLY: Are we going to name that force?

ASHLOCK: It doesn't need to be named, does it?

KENNEALLY: It's the force that cannot be named.

ASHLOCK: It's like Voldemort, right? Yeah, and I think what you and I spoke about a year ago was not just the abstract structural threat of that, but that when the industry begins to circle around and be subservient to a single player, then the author necessarily gets moved out of the middle of the system and gets put on the outside.

KENNEALLY: Right. Copyright, one part of it is about control. Authors and agents, self-published or otherwise, have always had concerns around the control of their



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work. I think what you're envisioning is a world where that control may be diminished.

ASHLOCK: Yes, possibly. I think I was thinking less about that, although I think you're right. I would have to give it some more thought. I was thinking more about the idea that it seems that in the past four or five years, we have all so readily – not all of us, but so many of us have so readily run towards the opportunity in digital-first publishing that was presented and really built by KDP. But the rush towards that, the almost thoughtless rush towards that and the excitement towards it, really puts so many of us in a very precarious position when the rules of the game change even slightly.

Yet if agents were linking arms with the author in the center of the dynamic, then Amazon simply becomes another possible partner. They don't become the dominant force. They don't become the guy. They don't become the one that we all sort of wished to be chosen by. They become just another option, and that's a much healthier way of looking at them than the way they're perceived now by many in the self-publishing community.

KENNEALLY: I want to ask Steve Axelrod. It's a beautiful day in May. Book Expo is in full flower right now. There's a great crowd upstairs. What's your sense of looming dangers for not just the profession of literary agent, but for the authors you represent?

AXELROD: I think there are a number of dangers. I think the fallout or the consequences of a bad resolution of the Hachette-Amazon contretemps is potentially disastrous for all of us. Certainly all of us up here, and probably all of us in the room. One of the things that has been in the news regularly is how Simon & Schuster, and then HarperCollins, and this one and that one – their unit sales are flat, but their profit is up because of the e-book adoption. Amazon, on the other hand, has been in the news and pummeled in the stock market recently, because their bottom line is so anemic. Careful readers in Seattle clearly saw a pool of profit in the publishers' bottom line that they want to send a long straw down and suck up. I think if they're allowed to do it, it's going to have profound consequences for all of us.

The other thing is that Amazon has inadvertently, I think – I think KDP was planned on the one hand. The consequences and the outcomes that we've seen were unforeseen by anyone at Amazon. I know this. But it has disintermediated agents. It's disintermediated publishers, to some degree. It's disintermediated foreign publishers. It's going to be very messy if there's some major failures, or a bunch of people who are very good at their job pull out of the industry because of the disintermediation, when things shift yet again. You're not going to have the competent people in the places where you need them. You're not going to have the



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right people on the right bus and in the right seats when things right themselves again, perhaps. I think there are a number of dangers.

KENNEALLY: Indeed. On that rather pessimistic, or sort of –

AXELROD: Sorry.

KENNEALLY: – advisory note. We'll call it an advisory note.

AXELROD: Let me just say that the image that I have of the agent is that of the melting ice cube.

KENNEALLY: OK. Robert? What's in the drink, though?

GOTTLIEB: Frankly, I have just the opposite view. I'm very optimistic, and I feel great. Trident, throughout the entire recession, did not fire one employee. We hired 20% more to our staff during the recession. We have hired people since the recession. Our bottom line is terrific. Why? Because we're enthusiastic. I believe in the future. I believe in authors. I believe in the business. I think what it takes is individuals who are going to understand how to navigate this industry, and reinvent yourself every day when you come into the office and think about what you're doing and how you're going to do it differently. Even though there are always storms over the horizon, I still believe you have to go and discover the new world.

KENNEALLY: On that note, and I was thinking that I opened the program with a quote in Latin. I'd like to end with something from Cicero. He said we live in terrible times indeed. Children no longer obey their parents, and everyone is writing a book. (laughter) Maybe things haven't changed all that much. I want to thank our panel – Steve Axelrod, Jason Ashlock, Rachelle Gardner, Robert Gottlieb.

(applause)

We do have a couple of minutes if there are questions from the audience. If you have a question, tell me who it's for. I see a hand back there.

F: I think this question would be for all panelists. Can you tell me a little bit about the stigma about self-published books being poor quality and how (inaudible). I'm a literary publicist, and we have a lot of self-publishers coming to us saying that they would like to help us promote their book, and the book is just not ready in many ways. The cover isn't even ready. The design isn't ready. The content isn't ready. I just kind of wondered.

KENNEALLY: That would never happen for any of the agents here. Their authors would always be ready, I'm sure. But how about that? Does it concern anyone



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here that the growth of self-publishing is potentially diluting the quality of published works, or some way lowering the expectations in the audience? Steve?

AXELROD: What I want to bring to mind is a book called *The Innovator's Dilemma*, by a guy named Christensen who's a Harvard Business School professor. Steve Jobs used to talk about this a lot. It basically talks about the kind of transformative change that industries experience, and why if you look in a lot of industries, like the disk drive industry, the memory chip industry, even something like the steam shovel industry, you'll find that they're all gone, or the leaders from 10 years ago are gone now.

What happened was technology would keep coming up with low-cost solutions for part of the problem. They were never as good as the mainstream solution. Disk drives, they were these small little things, instead of these refrigerator-sized boxes. They couldn't handle nearly as much data. They weren't nearly as accurate or as reliable. But they happened to work for some other things.

While the people making the refrigerator-sized disk drives were selling them to IBM and selling them to DEC and to a bunch of other companies that are gone, these little ones were going into GPS systems in cars and going into other things. But over time, they got better and better and better, and it turned out that the lack of quality was not, in any of these cases that were examined, an impediment to their adoption and eventual improvement.

I would say it's a false comfort to say, well, these books are badly edited. The covers are not as good. The copy is not as good. The metadata's a mess. And to say, therefore, it's not going to work. Because history, or at least the history that Christensen refers to, has shown that by iteration, these new technologies, as people begin to master them and devote more time to them, and there's some cash coming in to actually spend on improving them, get better and better and better. They're a very real threat. Even though in their present form, they may not be as formidable, someday they will be.

KENNEALLY: We have a question here.

M: May I ask a question of the group? Speaking of Amazon, earlier today –

KENNEALLY: Or not, as the rule is in this room. We don't say that name.

M: John Klein (sp?) from those people was up in the Author Hub earlier today, talking about how as a Fifth Amendment lawyer, he had no problem with the added content that self-publishing was bringing to the market. Before him, Hugh Howey was explaining how self-publishers are actually making a lot of money self-publishing. But I wanted to know if you guys had any insight you could share with



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us on the business model that traditional publishing is based on that seems not to be reconciling the supply and the demand. Also, have you suggested –

GOTTLIEB: I think that's a total misnomer. That's a total misnomer, sir. You're making an assumption. Publishers are actually supplying, in large quantities, the demand in the new market of e-books. They're there. They're doing it.

M: I didn't make the assumption. I'm basing this on what was reported (inaudible) the Author Hub and people from Amazon who are very successful self-publishing.

GOTTLIEB: I understand it, but that's in their interest to say those things.

KENNEALLY: I was going to say that that also is kind of the media story.

M: I don't really think I came here with a bias.

KENNEALLY: I understand, but I think that's an interesting point, as I was saying before, about the David and Goliath nature of this discussion. Everybody wants to be David and not Goliath. People want to know that the independent authors may be a greater force than they actually truly are. Is that what you're saying, Robert?

GOTTLIEB: Excuse me. There are roughly 2 million authors published on Amazon. According to recent surveys, the average self-published author sells between 300 and 500 books a year. That's the business model you got to be careful of. I know that Steve represents some very successful original e-book authors, as we do. But they're in a small percentage at the top of the pyramid. That's natural, I think, in business in general. The business environment is that business is like a pyramid. To push up into the upper parts of the pyramid, where the success is the greatest, is where there's the least amount of space.

I would say that you have to be very careful about people who are going around, beating the drum, telling everybody it's a new world, and they're going to make a fortune. Because you've got to look at the reality on Amazon as an example. Close to 2 million authors. The vast majority sell between 300 and 500 copies of a book a year. You try to make a living on that.

KENNEALLY: We have one more question from someone here in the front.

F: When you were, Steven, talking about authors on the self-publishing (inaudible), and how eventually they're going to be involved and become better with that, essentially that's an author level, that these members of the public are just doing their work, and over time and a bit more passion, in response they'll become better at what they do. But then there's (inaudible) – how is that affecting traditional



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publishing? Is it different (inaudible) how authors needed to be versus before the onslaught of the (inaudible)?

AXELROD: Let me answer it, and if anyone else wants to, jump in. One thing that I have observed, and it has nothing to do with Amazon at all, a product of the recession, is that the editorial staffs in a lot of the major houses have been cut severely, and authors who have worked, for example, for 10 books with a specific editor all of a sudden find that the amount of time between when they submit the book and when it actually gets the focus has grown to months, where it used to be days or weeks. I think that the traditional houses are stretched tighter and thinner in terms of the resources they can afford to authors.

I think authors are not going to get better just out of pure passion, or however you described it, but they will figure out how to get the help they need. Amanda Hocking was on record in her blog for years enormously frustrated, because she would hire editor after editor, and there were still massive typos. Until she started working with Rose Hilliard at St. Martin's Press, she was incredibly frustrated with it. Now, that need is really there. The market is there. A solution will arise. To say that it's a problem now, there can't be a solution, is, I think, just fallacious.

KENNEALLY: Here in New York, there's the Independent Editors Group, I believe it's called, IEG. There may be some members of it here in the audience today, or certainly circulating at BEA. With that, though, I see our time has come to a close.

GOTTLIEB: Can I just say one thing?

KENNEALLY: Robert Gottlieb, last word.

GOTTLIEB: I want to encourage all of the writers in the room to keep writing, and to work at it. Don't worry about the editors. Don't worry about your writers' groups. Just keep doing your work. Keep working hard. Keep your eye on the prize. I believe good things can happen.

KENNEALLY: That was the advice Maxwell Perkins gave to Scott Fitzgerald. You just write it down. We'll take care of it.

AXELROD: I want to just ask Robert if he would equally encourage all agents in the room to keep working at it. (laughter)

GOTTLIEB: All I can tell you is that it's up to each individual agent to bring their added value to the table.

KENNEALLY: Thank you all very much indeed for joining us.



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(applause)

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