

The Self-Publisher's

*Quick & Easy
Guide to*

Print-on- Demand

*Understanding how this
amazing new digital
technology works and how
to profit from it*

Joel Friedlander

www.TheBookDesigner.com

Much of the content in this report was originally developed on my blog:

<http://www.TheBookDesigner.com>

By subscribing to the blog, you will receive articles like this in your email inbox, automatically. And if you visit the blog, you can participate in the ongoing conversation there about book design, self-publishing and the indie publishing life.

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by Joel Friedlander

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Print on Demand—What Is It?

Do you remember this conversation from your own school days?

“Ms. Murphy, can I go to the boy’s room?”

“Well, Billy, you certainly can go to the boy’s room. You know where it is, and I saw you running after Sally Ketchum today at recess, so I know your legs are working fine.”

“Oh, great, thanks.”

“One moment, Billy. Although you can go to the boy’s room, you may not go right now. Back to your desk, please!”

Yes, we all had to learn the difference between can and may. But in a larger sense, Ms. Murphy was also teaching about the differences in language, and the importance of paying attention to words that are being used even in the most ordinary circumstances.

The Arrival of Print on Demand

When the idea of Print on Demand broke into publishing consciousness, it was to herald a new era in book production. Or was it to herald a new era in book distribution? And this is where the confusion started.

Before digital printing—the marriage of high-end copiers to bindery equipment—it wasn’t feasible to print one copy of a book whenever a customer wanted one. All printing methods were derivatives of the last industrial revolution and, like all mass means of production, worked on the principle that volume production equals low prices.

Books were printed in an elaborate production process that makes economic sense only if you print at least 2,000 books at a time. It takes weeks and requires skills of many kinds along the production path.

And there are many ways to put ink on paper. Offset printing accounts for most reproduction, but there are plenty of other processes, like silk-screen, letterpress printing, rotogravure, and so on. But digital printing upset all those industrial-era assumptions.

Digital Printing Changes the Assumptions

Because the printing technology, which has substituted toner for ink, is just as capable of producing one book as one hundred books, it made possible a new means of distribution. This new distribution did not involve economies of scale, massive warehouses, the endless shipping of paper in various stages of production from one part of the country to another.

It is a distribution system in which the customer determines how many books are printed, and when and where they are delivered.

When I designed book covers for publishers in the offset days, I would send my file to an output bureau and buy a digital proof that cost about \$100. A few days ago I received from Lightning Source a digitally-printed book as a proof for a reprint I'm doing. Instead of a proof that would approximate the look of the finished book, they just ran off a copy and sent me the finished book itself. Cost \$30.

Now when you hear people talking about Print on Demand you will be able to decipher the intent of the speaker. Printing technology or distribution method? Or the beginning of a change in publishing that will soon dwarf any confusions over language? Time will tell.

Print on Demand is both the name of a digital printing process, and the name of a distribution model that was made possible by that printing process.

How Print-on-Demand Book Distribution Works

A new way of printing and distributing books

We've all heard about it, we talk about it, we call it by the wrong name, but do you really know how print-on-demand book distribution works? You will by the end of this article.

I've written in an earlier post about the confusion over the terminology commonly used to describe print on demand book distribution, but let's describe it briefly before we get to the actual processes involved.

Print on demand is a book distribution method made possible by, and inseparable from, digital printing. It prints books only in response to orders, and only prints the exact amount ordered. Due to the capabilities of digital printing, print on demand is capable of filling an order for one book profitably.

But how does print on demand work?

The Publisher's Side of the Print on Demand Equation

Print on demand suppliers, like Lightning Source, maintain databases of books on behalf of their publisher clients. Publishers submit books to the print on demand supplier (PODS) in the form of two files for each book: one digital file for the book interior and one digital file for the cover.

When the files first arrive they are logged into the PODS's system, examined for technical errors, and a proof copy of the book is created for the publisher to review. Once the publisher signs off on the proof, the book is listed by the PODS throughout its distribution channels including booksellers, other offline and online retailers, chain stores, library suppliers, and in some cases exporters.

Advantages for the publishers include:

- eliminates the need to keep books in inventory;

- allows books without substantial sales to stay in print;
- vastly reduces the investment needed to maintain a large backlist;
- eliminates the waste and expense of pulping thousands of unsold books.

Disadvantages for the publishers are:

- digitally printed books cost more per unit than books printed offset;
- digital printing is not efficient for books that will sell in volume;
- digital printing's quality and flexibility of formats is not as good as offset printing.

The Distribution Chain

The title is now listed for sale to all wholesalers and retail outlets. If the book is of sufficient interest it may be stocked in advance of orders. In this case, these "preordered" books do not differ from books produced and distributed by other means. The advantage in the distribution chain is that any number of books, even a very small number, can be ordered for restocking at any time.

However, the title may not be stocked in the distribution chain at all, but remain as a listing available for order.

The Book Buyer

An interested buyer may find the book in an online listing, for instance at an online retailer such as Amazon.com or BN.com. The buyer places an order and, if the book is not physically stocked at the retailer's warehouse, the order is sent back up the distribution chain to the PODS.

Computers at the PODS pull the correct files for the book's cover and interior text block and send them to the appropriate digital printers. The two parts may bear barcodes that allow the PODS printing system to automatically match the cover correctly to the interior.

The two elements come together in the automated binding process, where the back of the book is trimmed and the cover glued onto the spine. The entire book is then trimmed to size and is ready for shipment to the retailer who placed the order, or, in some cases, directly to the customer.

This tightly integrated supply chain is a basic feature of the print on demand book distribution model. It allows books to be printed for a consistent unit cost regardless of how many are ordered.

The Revolution is Live

Commercial digital printing has given us the print on demand book distribution model, and it is in the process of changing the book publishing industry.

Although most books are still printed by offset, print on demand makes it unnecessary to invest thousands of dollars in printed books before a market for the book is established. In some cases this eliminates much of the economic risk involved in book publishing.

If good quality manuscripts—or previously printed books—are available, there is little reason to not put them into distribution. And for small publishers, independent publishers and self publishers, print on demand book distribution has democratized the publishing process. As more book buying moves online, this effect should be more and more pronounced.

Combined with a rapid acceptance of ebooks, print on demand promises to change the book publishing landscape forever.

We've now followed a book from publisher to print on demand supplier, through the distribution chain to the final book buyer, and back again. If you have any questions or comments on this process, please leave them in the comments area. I look forward to hearing from you.

Understanding Print-on-Demand: Follow the Money

Soon there will be another meeting of the indie publishing group I attend nearby. The first hour will be for Q & A. At least one-third of the attendees will be new to the meeting.

One of the first questions will be about print-on-demand—digital printing used as a way to distribute books by filling every order as a custom order, but at a price that allows a profit.

For some reason, this topic simultaneously fascinates and perplexes many people. Usually I suggest watching a video showing the Espresso Book Machine producing a book like a sci-fi vending machine.

But that only covers the printing, and that's not what's confusing. One way to understand this is to follow a transaction through the system and see how the different players interact. Yes, we're going to follow the money.

Setting Up the Backstory

Let's meet the players:

- **Publisher**—That's you. Maybe the author, too. Let's say you've got your book ready to self-publish. You have an ISBN, you've created a publishing company, your cover's designed and your text block is in PDF and ready to upload.
- **PoD Supplier**—That's a digital book printer who's hooked into the book distribution system. There may not be that many of them. Most of the companies advertising their services as "self-publishing companies" are themselves using one of the PoD suppliers and perhaps adding editorial or prepress services like book and cover design. No, the best example to use is Lightning Source (LSI), a division of Ingram Book Company.
- **Retailer**—That's any retailer with an account at Ingram. How about Amazon.com? But it could be any retailer, online or offline.

- **Book Buyer**—Contrary to expectations, digital life hasn't killed off book reading, and the number of books published and sold gets larger every year. These book buyers are the reason print on demand exists.

Setting Up For Print-on-Demand

As publisher, you've selected LSI as your PoD supplier. You upload your book files to their server. LSI prints out a copy of the book on the same equipment they will later use to print your books when they are ordered. They send you this proof so you can approve the book for release.

You'll notice, by the way, on the last page of the book is a barcode and a place of manufacture. The one I'm looking at is from Breinigsville, Pennsylvania. The bar code helps their automatic equipment match the cover and interior correctly.

You log into your account and approve the book for sale. When you set up your account at LSI, you were asked to set a Discount for the book trade. You only get to specify one discount percent for all orders to retailers, at any quantity. Let's say for the sake of discussion that when you filled out that particular screen you set your discount at 20%, the lowest allowed by LSI.

Throughout this discussion, you have to remember that a PoD supplier, like PoD itself, is a hybrid group of functions. LSI will be both your book printer and your book distributor, through Ingram.

When you release the book it gets added to the electronic data feed that Ingram puts out to notify its thousands of customers about new titles added to their catalog. Along with the listing goes the data you entered about the book when you were filling out screens at the LSI website.

Retailers like Amazon pick up the feed from Ingram and add these books to their databases, using ISBN as the unique identifier for each book and each edition. They will generate a webpage for your book on their website and use the data from LSI to fill the page. Your book is now available for sale. It's got a big "buy" button just like every other book on Amazon.

The Money Starts to Flow

Your book has a retail price of \$10. You have set your wholesale discount to 20%. The last piece of information you need to follow the money is the amount that LSI will charge you for their services. Let's say your book is 200 pages, 6" x 9". It will cost \$3.50 for each copy at LSI, for printing and fulfilling the orders.

Our book buyer, meanwhile, has been browsing Amazon looking for information on your topic, and sees your book. It's just what he was looking for, so he adds it to his cart and places his order. He's pleased to see that he's also going to get a discount, because your \$10.00 book is selling for \$9.00. He's happy.

Amazon receives the order and identifies the supplier for the book as LSI. The order, along with thousands of others just like it, is transmitted to the computers over at LSI. Your files are downloaded to the printing equipment and a few minutes later a copy of your book is ready to ship.

But what about the buyer's \$9.00? Amazon is free to sell your book for any price it likes. It has discounted it 10%, so that from every sale it will make a profit of 10%. Why?

Every copy of your book ordered from LSI will cost the buyer \$8.00. You set your price at \$10.00 and your discount to retailers at 20%, so LSI will demand \$8.00 (\$10.00 - \$2.00) per copy for filling any orders.

Now Amazon, if they wanted to, could sell your book for \$10.00, or for \$21.95, or for \$4.99. For each copy sold, they still have to pay LSI \$8.00. If they collect \$9.00 for the book and pay LSI \$8.00, their profit is the \$1.00 left over.

LSI only prints books that are already ordered and paid for, so you never have to worry about the money flow once you're set up. All the money will be flowing toward you, automatically.

So when Amazon orders the book for the book buyer, they also transmit \$8.00. LSI prints the book and ships it. The shipping costs are covered by Amazon, who also handles any customer complaints or returns. They earn their money, in my opinion, since I don't want to do any of those things.

LSI deducts the cost of their service, \$3.50, from the \$8.00. What's left is \$4.50 profit for you, the publisher. This money is deposited to your account at LSI and, once a month, is paid out to you. You will also receive a printout showing how many copies of each book has been sold.

Adding It Up

Let's see who ended up with what:

The **buyer** spent \$9.00 and ended up with a copy of the book he wanted.

The **retailer** ended up with \$1.00 profit.

The **PoD supplier** ended up with \$3.50.

The **publisher** ended up with \$4.50 in profit in completely passive income, 45% of the retail price.

Digital book printing together with print-on-demand book distribution has transformed self-publishing. There are now people getting books into print for very little money, working online book review and publicity sources, getting attention in social media, and selling thousands of books at profits that obliterate what authors used to get as royalties from traditional publishers. It's an exciting time.

Having read this far, you too, can now explain how print on demand works. All you had to do was follow the money.

The 2.5-Pound Cell Phone and the Future of Book Publishing

The phone rang, and for some reason Jill started talking very loudly into the receiver, like she was in a construction zone.

“Yes! Yes! Where? Are you serious?” Was all I could here. I waited until she hung up a minute later.

“Who or what was that?” I wanted to know.

“Morrie, calling from Melbourne. And guess what? He was calling from a phone in his *car*, going over Punt Road!”

A phone in the car? What?

The 2.5-Pound Cell Phone

You can date this conversation pretty easily as taking place in the 1980s. The first call ever made from a cellular phone took place on April 3, 1973. Ten years later, Motorola introduced the first commercial cell phone, the Dyna-Tac, which weighed *2.5 pounds* and cost \$3,500.

Well, we all know what happened next, don't we?

But this post isn't really about cell phone technology or miniaturization. It's about the future of book publishing and distribution.

Meet the Espresso Book Machine

At the end of this article you'll find a link to a short video that demonstrates the Espresso Book Machine (EBM), pioneered by On Demand Books. The first EBM was installed and demonstrated in June, 2007 at the New York Public Library's Science, Industry and Business Library. There are now about 25 of these machines throughout the US and Canada. Here's how it works:

A user sits at a terminal and connects via wireless internet to a server where digital files for a book's interior and cover are stored. She selects the book she wants from a list of over 1 million titles. She gets up and walks over to the coffee bar to order a latte.

While she's waiting for the barista, the EBM downloads the files from the remote server, prints them, glues the bookblock (interior pages) onto the cover, and trims the whole thing to size. The finished book drops out of a slot on the side of the EBM. The earliest version of the EBM produces a 300-page book in about 7 minutes.

The [OnDemandBooks website](#) tells us that:

The new EBM Version 2.0 is measures approximately 2.7 feet deep, 3.2 feet wide and 4.5 feet high, comes with high speed black and white and color printers, and will print, bind, and trim a 300-page book in less than four minutes. Production cost is a penny a page and minimal human intervention is required for operation. The trim size of a book is infinitely variable between 8.25" x 10.5" and 4.5" x 5.0" and the EBM Version 2.0 can bind up to 830 pages.

Sound (or Look) Familiar?

What will this machine (or its descendants) look like five or ten years from now? Perhaps a kiosk, like those found in malls, with a screen and a keyboard. You won't need a seat, because by that time the books will probably drop out of the machine in a minute or two.

Or perhaps the "bookstore" of the future, recognizing that people like to look at an actual book before they buy, will become "showrooms" with the top 5,000 or 10,000 titles available for examination only. When you find the one you want, you just wander over to the "book machine" and push a few buttons on the touch screen. Your card is charged, your book is printed, and you're on your way.

I mean, all we're talking about is copier technology, toner and paper, and a wireless broadband connection. Much simpler, in a way, than cell phone technology. It's a mashup of a couple of copiers with a computer stuck to the front.

Future, Here We Come!

And it isn't science fiction. As noted, these machines are already in operation even though few people have seen one. But then, in the 1980s not many people had seen a cell phone either. It was very exotic and exciting to get a call from a friend in his car half a world away.

And while we argue about discounts, "gatekeepers" and print-on-demand brokers, the future is happening around us. Don't you think there's something incredible about this? I'd love to hear your thoughts. Here's the link to the video I promised:

[Espresso Book Machine video](#) (3:03 min)

Resources

Bookmarket.com list of [Print on Demand Printers and Publishers](#)

Lightning Source visual primer on [Print on Demand order flow](#)

CreateSpace [free account setup page](#)

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