**EBD # 12.34**

**2017-2018**

**TO:** ALA Executive Board

**RE:** ALA Publishing

**ACTION REQUESTED/INFORMATION/REPORT:**

The September 2017-February 2018 report below highlights ALA Publishing’s results halfway through fiscal year 2018, offering some specifics by business unit. Mary Mackay will elaborate in her presentation on the highlights and key indicators.

**ACTION REQUESTED BY:** Mary Mackay, AED Publishing

**CONTACT PERSON:** Mary Mackay, 312-280-1532, mmackay@ala.org

**DRAFT OF MOTION:** None requested

**DATE:** April 5, 2018

**BACKGROUND:** Progress made in the ALA Publishing department and its six business units in the first six months of FY18, how it positions us both to meet FY18 goals by August 31st and for future growth, challenges we continue to confront/address, and perceived opportunities and experiments.

**AVAILABILITY:** No restrictions

### **ATTACHMENTS:** None

**ALA Publishing September 2017-February 2018**

Halfway through FY18, most ALA Publishing units are on track to meet FY18 revenue and expense targets. Each ALA Publishing business unit is implementing a 2018-20 strategic plan (approved by the ALA Publishing Committee in June 2017), addressing ways to stabilize revenue and build a stronger base for growth. The plans call for various experiments and new products, some of which will require additional funding to proceed, and we’re presenting related proposals to the ALA New Business Development Group. Central to realizing the potential in ALA Publishing is the effort to strategically support some risks to see if we can accomplish incremental growth, and then expand the projects that show promise. Specifically, we’re unearthing potential in new and existing internal and external collaborations. We’ve had some wins in bulk purchases by developing specific leads. Relevant units are building on the capabilities of the new ALA eStore (launched Dec 2017), for which we’ll create a meaningful baseline after the 6-month mark.

**ALA Editions/Neal-Schuman/AASL**

* ALA Editions/Neal-Schuman is on track to meet FY18 revenue goals, a positive turnaround. Total revenue is trending up and was 8% above budget for the combined unit (including the AASL project) by Feb 28th.
* Thirty-one new ALA Editions/Neal-Schuman titles were published in the first six months of FY18 (exclusive of AASL products) compared to 25 in FY17. We anticipate publishing 33 new titles in the last six months of FY18, 16 more than were published in those months in FY17, bringing the total of new titles to 64 in FY18 (against a goal of 60). Forty-two titles were published in FY17.
* Of the FY18 top-selling books YTD (by revenue), 20 have reached a minimum threshold of $15K in net sales (with many well above). At this point in FY17, only 12 books had reached this threshold.
* More than 6,000 copies of the AASL standards and more than 1,100 bundles (of 10) of the framework brochures have been purchased. The strong adoption is an important indicator for the field. The entire FY18 goal was met by the end of March.
* Specific experiments include developing some patron-facing products in new formats for new markets within public libraries, tapping into different budgets from those our materials are usually purchased from, such as packs of brochures with content from a reader’s-advisory book or for people who come to the library to use a makerspace. We’re discussing with a trade publisher licensing relevant content to them for a co-branded series from which we’d earn royalties, with minimal additional investment from ALA. We’re seeking support from the new business development group for preliminary investigation into whether there might be an international market for easier/shorter/cheaper versions of our bestsellers with applicable content.

**Booklist**

* Booklist revenue is running slightly ahead for the year except for licensing, which brings overall revenues to 1% under budget, expenses to 1% over budget, and net revenue to 8% less than budget. The variance in licensing is a factor of timing rather than performance.
* Booklist remains on target to reach revised FY18 projections, but volatility in advertising sales could change that in either direction quickly. Sales in March, for example—mostly the ripple effect of Midwinter timing—were under target, but a strong April could help offset those losses.
* Using a portion of special sales initiative funds, Booklist and Graphics exhibited and sold products while making contacts for institutional-level sales at the TLA Conference.
* Specific experiments include producing sponsored live events, with a goal of expanding the project to include all-day programs on specific collection development/readers’ advisory topics. Building on a successful FY17 pilot and on Booklist editors’ expertise and popularity as authors and speakers, we’d like to implement more onsite training events “commissioned” by individual libraries and library systems. Expanding the sponsored white papers program would need additional contracted support. We’re seeking support from the new business development group for market research regarding “chunked” content and related subscription options.

**American Libraries**

* Total revenues for the first six months of FY18 were $27,445 below budget, mostly due to a shortfall in gross advertising, particularly in the Special Deliveries sponsored email program. Efforts to improve the advertising include new product ideas, increased communication with the ad sales rep, a new advertiser rewards program, and developing stronger relationships with prospective vendors. Sanhita SinhaRoy and the ad sales rep will be traveling to meet with three major advertisers in Michigan in April, hoping to lay groundwork for increased sales in FY19. We expect to regain some ground by the end of FY18.
* Classified advertising (ALA JobLIST) is expected to end FY18 at or slightly ahead of budget.
* Engagement stats have been strong (see Board & Council Report for March).

**RDA: Resource Description and Access**

* The RDA Toolkit Restructure and Redesign Project (3R) is on track for a partial launch before the end of FY18. This restructure and redesign should lead to increased global use and more countries adopting and translating RDA. Expenses are high in FY18 due to the 3R development.
* The team remains confident that RDA will meet subscription revenue goals for FY18, closing the $34,000 gap. A financially successful pre-Midwinter event, RDA Toolkit Redesign Update and Preview, attracted a good crowd and helped lay groundwork for RDA 3R subscribers.

**ALA Publishing eLearning Solutions**

* Lower than budgeted eLearning registrations are ALA Publishing’s biggest revenue shortfall through Feb 28th, with various steps being taken to try and close the gap (which will not be completely closed in FY18). Many new eCourses and workshops continue to sell well, but new iterations of events previously conducted have dropped. The acquisition of new courses and workshops is high priority.
* A successful partnership is underway with RUSA, with revenue to be reflected in the March numbers. New partnerships with ALA Editions and Booklist, as well as the existing American Libraries Live collaboration, should lead to increased ad revenue in the second half of FY18.
* The ALA Essentials for Library Workers program launched with a free webinar in March, and is focused on organization-level subscriptions through individual outreach to HR departments.

**ALA Graphics**

* ALA Graphics is much closer to meeting projections than at the same point in FY17, with a current revenue shortfall of 8%. Steps toward achieving the revised revenue goal include the focus on customer-requested product development, bulk sales, new consortia partnerships, and exploring new online store marketing capabilities. The FY17 year-end customer survey has provided direction on product content and development. Expenses are being brought back in line (mostly through reallocations in fulfilment and shipping).
* Direct and personal outreach to customers who buy the AASL standards books but have not purchased related Graphics products has resulted in sales, with two notable successes for a combined total of $6,523. Graphics is also focusing on relationships with library consortia, setting up related discount and bulk offers using the new Store’s price/discount functionalities, while also investigating other ways to test different marketing offers.
* Using a portion of special sales initiative funds, Graphics and Booklist exhibited and sold products while making contacts for institutional-level sales at the TLA Conference. Graphics has already been added to one ISD approved-vendor list as a result.