

Publishing Now '22: Driving Business Forward –Questions for Panel

Printing

Q: What's happening with printers acquiring new additional equipment?

A: Financially sound printers are making those investments to grow domestic capacity. Speaking for Worzalla, my organization, we have invested almost \$40 million in the past 5 years to expand capacity and we have a new offset web press coming online this spring.

Unfortunately, new presses and binding equipment take approximately 12 to 18 months from date of order to installation, so this isn't a short-term solution to the capacity shortage problem. The other issue we printers are dealing with is the lack of manufacturing labor. With unemployment hovering around 3% nationally, the available labor pool is a huge compounding challenge.

Q: I'm curious to get the panelists thoughts about the current capacity for domestic 4C offset printing. It would also be interesting to learn more about paper supply.

A: Current demand for domestic 4/C (and 1/C) print capacity is greater than supply. Historically high demand for printed books in 2021, as well as 2022 so far, has hit at a time where domestic capacity has fallen by more than 20% since 2010.

The paper market is challenged because much of the paper pulp that would have been made into fine printing paper is now being converted to the production of packaging paper. Demand for packaging paper, think everything that comes to you from Amazon including the box, has exploded during the pandemic. This dramatic growth and profitability have led paper mills to make far less fine printing paper.

Q: Jim, can you say more about what you mean by publishers locking in paper and manufacturing capacity 2-3 years ahead? What does that look like and how granular is the preplanning & commitment?

A: The key is for publishers to involve their printer and paper supplier much earlier in the design and planning stages of production. Giving both as much advance notice of the specifications of the project, counts, etc. will provide you with the best opportunity to bring the project to market in a timely way. The spot market for print capacity and paper buying is rapidly drying up. We have publishers that are now committing to capacity for books that haven't even been written yet to make sure they will have the ability to get those titles produced and into the market.

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Printing (continued)

Q: In your estimation, do you foresee domestic printing being reduced to just a handful of standard formats and paper stocks across most/all publishers and printers? Or do you think there will still be a variety of sizes since different printers excel at different trims based on their equipment?

A: Lightning round: first question: answer is YES, second question: answer is NO.

Ok, that might be a little harsh. The real answers are more nuanced. I do believe that there will be a reduction in the unlimited number of formats that have previously been available. To what extent is unknown at this date, but it'll likely be more than a handful.

Regarding availability of paper stocks, that is a question that our good friends from the paper side will have to answer. But in today's market, I've seen an unprecedented willingness on the part of some publishers to accept alternative stocks to get books printed and meet a schedule.

The push to maximize efficiency and increase capacity will undoubtedly lead to standardization in trim sizes, however, I'd like to think that there will be some room for some differentiation, but it'll be at a premium.

Q: Jim's points are well taken about lead time and building templates. I have been taken aback at having a page count revision be counted as a "new" order, costing more per unit even for fewer pages. I do not know how to estimate page count six months in advance. Any advice?

A: This is the part where the new demands will not necessarily be easy. We all will have to get better at estimating and forecasting. While a crystal ball would be of great help for all of us, we will have to do our best in determining quantity, page count, etc. knowing that changes, once so easily accommodated, will now have financial consequences.

Q: Is anyone working on a different form of paper? Something easier to replace than wood pulp, maybe a little more durable, less acidic? And something renewable we could produce here?

A: Excellent question. If the paper pulp folks want to redirect their product away from printing papers, perhaps some of the alternatives that have been brought up over the past few years can replace them.

While there are many out there that are much more qualified to answer this, I am aware of several sustainable alternatives that have been discussed as a replacement for wood pulp, including bamboo, sugar cane, and probably others.

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Printing (continued)

Q: What is the capacity of US printing (as opposed to overseas printing) -- has it improved any in the last 1-2 years?

A: While I do not have data specific to the last two years, U.S. capacity is down over 20% since 2010. But intuitively, I would say that in that period at least two large book manufacturing plants were closed and while there have been a few new presses installed, at best, capacity didn't decline further, at worst, dropped perhaps a point or two.

Q: What particular advice can be shared on navigating the disruptions in paper mill and manufacturing materials supply; scheduling press time in our ever-consolidating and employee-stressed printing plants here in United States; and trucking-delivery delays? What is the industry-expert prognosis for fourth quarter 2022 and ongoing throughout 2023? Are there any sparks of hope to share for a more manageable "new normal" to emerge down the line, say in 2024?

A: Your first question is a doozy, it just about covers all the challenges that we face in today's (almost) post-pandemic and inflation impacted world.

While there are no easy answers, the key to navigating this landscape is advance planning and bringing in your trusted print, paper, and logistics partners to be part of the design and production process much earlier than was previously done. Get the experts at the table and listen to their advice, they will help you get through this.

As to your "sparks of hope" question, I remain a true believer in the power of the physical book, and I'm convinced that the book will survive today's challenges mainly because human beings prefer to read physical books. Unfortunately, I do not see any easing in the tightness of the market through the end of this year and likely not in the first half of next.

Q: How does the panel think publishers can address the issues of lengthy and costly international shipping times for low volume of books? Would a distributed printing model work (i.e. where FAs are electronically sent to printing partners/associates nearest the target market)? Or should we just accept that ebooks will be the way?

A: While there are others that can give you a more in-depth answer, I say, "No! Do not let eBooks win, people have spoken, they prefer the physical book!"

With the realities of international shipping today, and the fact that it doesn't look good that it'll improve any time soon, your distributed model has merit.

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Workforce Impacts

Q: I'd be interested in people's thoughts on managing / inspiring remote workforces when the rest of the office returns to "normal" or hybrid model.

A: That's a tough question, with a lot of literature being devoted to answering it. Tsedal Neeley, a Harvard professor who specializes in remote work, lectures about this. Here are her videos.

Q: How do you think employment practices in publishing have changed as a result of the pandemic? Do you think these changes will last or even shape the industry moving forward?

A: Employers are more open to a remote worker, if not a fully remote workforce. We have seen more short-term employment, while a publisher looks for permanent staff. There's also been as much as a 15% uptick in starting salaries, plus starting bonuses, at some houses.

Q: Has the Great Resignation affected the publishing industry talent pool?

A: Hachette and Beacon just announced a partnership with We Need Diverse Books, to launch Rise UP: Retention Program for Diverse Mid-Level Publishing Professionals. Most publishers have their own DEI programs in place as well.

Q: What are you doing proactively to make strides toward a more diverse workforce during the Great Resignation?

A: The numbers are small, and while people are leaving, there are many who still want to come into the industry, especially as most sectors are doing well. There has also been a significant effort to bring in more diverse entry- and mid-level employees. Whether that trend proves enduring will depend on a lot of factors, including pay scales.

Q: How much does networking come into play? Is it all about "who you know"? What qualities do recruiters actively seek in workers during this period of pandemic/great resignation?

A: Networking has always played a role, but can be anything from an inquiry email to a meeting, a conversation at an industry event etc. Qualities that are important to recruiters include curiosity, interest in aspects of the business beyond the role that is being discussed, and a willingness to multitask – which most publishing jobs require nowadays.

Q: What does the remote-only work option look like for larger publishing houses? Is publishing (as an industry) following that trend?

A: No one knows whether remote-only is here to stay and it depends on someone's experience level, and what the job is. Editorial or social media is easier to do remotely than, say, production.

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Workforce Impacts

Q: Is there concern in the industry that the Great Resignation has erased any forward motion on making publishing more diverse and including people of color and underserved populations, and what are thoughts about continuing to not only encourage but to support diversity going forward?

A: Just the contrary – many efforts are being made inside publishers, in educational programs that prep students for a career in publishing, and by nonprofits like We Need Diverse Books.

Q: For Lorraine, can you speak to improving the workflow issues you mentioned that led to burnout of many editors?

A: As Michael Jacobs said, moving to remote streamlined some processes – but in some cases editors say that, for instance, tasks that might have fallen to a junior marketing person have been absorbed by a junior editorial person, or forms that a senior editor might have filled out are being handled by the junior level person. A virtual “suggestion box” where employees present ideas for cutting down on redundant tasks (and get recognized for them) would be a good first step.

Children’s Books

Q: What are publishers looking for currently in children's books? How do publishers seek out the best illustrators for children's books?

A: Look at the Society of Children's Book Writers and Illustrators. As well, most illustrators have their own website, so if you like a book’s illustrator, [check out their website](#).

Q: I’m interested learning more about trends and forecasts in Children’s publishing.

A: [NPD Bookscan](#) routinely presents webinars on trends in children’s books.