Position Statement on “Is it a Steal? An Investigation into ‘Hybrid’ / Paid-for Publishing Services” and Subsequent Changes to IBPA’s Hybrid Publisher Criteria

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Introduction

In April 2022, The Society of Authors (SoA) and The Writers’ Guild of Great Britain (WGGB)—UK-based organizations advocating for the rights of writers—published "Is it a Steal? An Investigation into ‘Hybrid’ / Paid-for Publishing Services" (the “Is it a Steal?” report).

On April 29, 2022, the Independent Book Publishers Association (IBPA)—the largest publishers association in the US with over 4,100 members—published an initial response to the report that read, in part:

We believe that the intention behind the “Is It a Steal? ” report is to alert authors to predatory businesses and business practices, and as such we commend The Society of Authors and The Writers Union for its efforts, as there has been a proliferation of bad-faith actors in the publishing world in recent years who indeed exploit authors’
vulnerabilities and exist to siphon aspiring authors’ money by taking advantage of their hopes and naivete.

That said, the IBPA proudly stands behind our reputable hybrid publisher members...

IBPA’s response went on to provide additional history and clarity to the “Is it a Steal?” report, acknowledging the overall problem the report attempts to address, but objecting to its premise that hybrid publishing, in and of itself, is the precipitator of the problem. Instead, we offered a reframe: the precipitator is not hybrid publishing in and of itself, but bad-faith and uninformed actors using the hybrid label to mislead authors intentionally or unintentionally.

That said, differentiating between true hybrid publishers (author-subsidized publishing companies), self-publishing service providers (paid-for services), and bad-faith actors (predatory businesses) can be difficult, if not impossible, when the players involved will not conform to a mutually agreed upon set of standards. This is why in February 2018, IBPA published its Hybrid Publisher Criteria. In doing so, we codified an industry-wide means of understanding what reputable hybrid publishers must do to assume the title “hybrid.” Said plainly, they must adhere—without exception—to all the criteria as outlined in IBPA’s Hybrid Publisher Criteria.

For the avoidance of doubt, this means organizations who do not adhere to the entirety of IBPA’s Hybrid Publisher Criteria—or who adhere to most, but not all of the criteria—are not hybrid publishers as IBPA would define them and should therefore not adopt the term “hybrid” when describing their publishing endeavors. These organizations are better categorized as self-publishing service providers. Self-publishing service providers mislabeling themselves as hybrid publishers, whether knowingly or unknowingly, are contributing to the confusion and exploitation of authors.

Although the SoA and WGGB did not mention the IBPA Hybrid Publisher Criteria in the “Is it a Steal?” report, we understand that they reviewed the criteria prior to publishing the report. After publication, The SoA suggested in an email to IBPA that the 15 key publishing principles for publishers outlined in their report:

...are not at odds with the [IBPA] Hybrid Publisher Criteria. If anything they strengthen them.

This position paper, commissioned by the IBPA Advocacy Committee and approved by the IBPA Board of Directors, addresses the above assumption point-by-point. While doing so means providing a response to all fifteen criteria outlined by the SoA and WGGB, this effort was not the end goal of IBPA’s review. Instead, the IBPA Advocacy Committee was interested in seeing how the “Is it a Steal?” report’s 15 key publishing principles might inform revisions to IBPA’s Hybrid Publisher Criteria. In short, we were looking for blind spots that might not have been apparent to us when we first drafted IBPA’s Hybrid Publisher Criteria over four years ago. IBPA aims to review discussions around hybrid publishing and regularly revise and update the Hybrid Publisher Criteria as the publishing industry evolves.
This position paper is comprised of two sections: (1) Evaluating the “Is it a Steal?” report’s 15 key publishing principles and (2) Subsequent changes to IBPA’s Hybrid Publisher Criteria.

**Evaluating the “Is it a Steal?” report’s 15 key publishing principles**

One can find the SoA and WGGB 15 key publishing principles for publishers on page 12 of the “Is it a Steal?” report. Below is the IBPA Advocacy Committee’s point-by-point response.

1. **BUSINESS MODEL.** Be clear about your business model from the outset. **Provide detailed information on your website and other marketing materials about how you make your money.** Vague references to ‘hybrid’ or ‘partnership’ models are not enough for writers to make an informed decision about whether to work with you. If you adopt a traditional approach when publishing some writers but charge others for publication, be up front about what proportion of the books you publish are paid for by writers. **Declare what proportion of your revenue is derived from book sales and exploitation of rights, and what proportion is from writers’ payments.**

   While we agree that all publishers should be clear about their business model, the two clauses highlighted above are overreach. Traditional publishers, for decades, have negotiated deals with authors to pay for all or some of their editing, production, and printing costs, usually in exchange for higher royalties. The hybrid publishing model, while gaining more visibility, is not a new way of publishing, and pay-for-publishing models are not inherent to the hybrid publishing business model. Traditional publishers are not at present, nor have they ever been, required to provide detailed information about what portion of overall revenue is derived from book sales and exploitation of rights. As such, hybrid publishers should not be required to meet this standard. Instead, hybrid publishers should be transparent about earnout potential and rights exploitation efforts on behalf of authors.

2. **CONSUMER RIGHTS:** Notify writers of their rights and allow them to withdraw by sending Consumer Rights Act notices.

   Authors should be notified of their rights, and how to withdraw these rights, via a mutually agreed upon contract. A publisher’s contract might stipulate the sending of Consumer Rights Act notices, but this doesn’t need to be the case. As long as the author understands their rights and signs a full disclosure from the publisher, in the form of a contract, related to why and how these rights might be reverted, unless the deal becomes fraudulent somehow, Consumer Rights Act notices are antagonistic and shouldn’t be encouraged. It is sufficient for this principle to say: Notify authors of their rights through the onboarding process, and through a subsequent publishing contract that clearly spells out exit withdrawal options.
Publishers, hybrid or otherwise, interested in reviewing a sample author/publisher agreement providing recommendations across all these parameters are invited to download IBPA’s sample author/publisher contract (IBPA member login required).

3. TRANSPARENT COSTING AND PREDICTED RETURN ON INVESTMENT. If you charge authors for any services provide typical cost and sales figures to writers before they sign, setting out the itemised cost of every service, including itemised listings of optional extras and the predicted result or return to enable them to make informed decisions on value for money and likely return on investment. Any estimated costings you provide should be binding and should not change unless extra services are mutually agreed in writing. For each element of the service you provide, provide a detailed, plain English explanation in writing of what you will provide in return for their payment.

It is impossible for a publisher (hybrid, traditional, or otherwise) to project a reliable return on investment for any particular book. The publishing industry acquires books based on feelings and forecasting, and as such there will always be those projects that fail despite a publisher’s best efforts, and those that soar beyond anyone’s expectations. Instead of a “predicted” return on investment, a hybrid publisher could provide (1) the percentage of their authors who earn back their investment, or (2) transparent education when onboarding authors about the uncertain potential outcome that an author might not see a full return on their investment.

4. PRODUCTION. Ensure you have substantial editing, design, production, sales, and distribution expertise and capacity, and explain how you will meet the needs of each book.

Agreed, no caveats.

5. MARKETING. Produce a clear marketing plan and budget for each book, including how you will work with third parties including printers, distributors or sub-agents, for example. If you do not provide marketing for the book you publish, or if it is an optional extra, make this clear from the outset.

Agreed, no caveats.

6. PHYSICAL COPIES. Be clear in your publishing commitments about how many books will be produced initially in each format. State whether books will be produced as print-on-demand (POD). It is not enough to state that you will print ‘up to’ a certain quantity of books. Of the copies that you manufacture, be clear who owns them – you or the writer.

Agreed, no caveats.

7. CONTRACTS. Ensure your publishing contracts are as clear as possible, setting out in writing the exact scope of the rights granted (see the C.R.E.A.T.O.R. campaign for fair contract terms, in
which we ask for appropriate Clarity, Remuneration, Exploitation, Accounting, Terms, Ownership and Reasonableness of contract terms). This should include a plain English overview of the terms and implications of the contract. All contract terms should be reasonable and time limited. They should include regular reviews to consider new forms of exploitation. Include a clear reversion clause in every contract (see 15). Be clear that you are happy for writers to discuss your proposed contract and their concerns with the SoA’s or WGGB’s teams of specialist advisors. Allow time for this to happen.

Agreed, no caveats.

8. FINANCIAL CLARITY. If royalties are offered, be clear on how the royalty is calculated across all formats and platforms and offer royalties that fairly reflect the level of writer investment. Contracts should include rising royalty scales or ‘bestseller clauses’ so that if a work does far better than expected, the creator shares in its success.

“Bestseller clauses” are not required of traditional publishers and should, therefore, not be required of hybrid publishers. This is something an author is welcome to negotiate for, but not something that should be automatically included in all contracts. To reflect this, the last sentence should be rewritten as: “Publishers might consider including rising royalty scales or ‘bestseller clauses’ so that if a work does far better than expected, the creator shares in its success.”

9. PUBLISHING AND PRODUCTION BEST PRACTICES. Publish books under their own ISBNs and publish to best practice standards, including editorial support, copy editing, attention to proofs, production and design. Get approval from the writer on all matters of production.

While we agree that hybrid publishers should follow publishing and production best practices, we don’t agree that authors should have final approval on all matters of production. If they did, the end product may not follow publishing and production best practices, and authors are not the authority on matters of editing and production, which is ostensibly why they’d be drawn to a reputable hybrid publisher in the first place. What an author has final say on should always be negotiated in the contract, and authors are encouraged to ask for approval or veto power where they feel it’s in their interests.

10. EXPLOITATION OF RIGHTS. Only take rights in a work that you need and have the skill and expertise to exploit yourself. Only acquire rights to sub-license any of the author’s rights where you can guarantee active, adequate and profitable exploitation of the writer’s rights by that third-party. Be active in selling and exploiting any rights you take.

While we agree that a hybrid publisher shouldn’t retain rights they do not have the means to exploit, even when a publisher has the means, that doesn’t mean the rights will be picked up. No publisher—traditional or otherwise—can “guarantee active, adequate, and profitable exploitation of the author’s rights.” There should, of course, be rights-reversion clauses in the contract to
explain what happens when rights are taken, but not used. These clauses will vary based on multiple factors.

11. CREDIT. Credit all creators involved, such as editors, illustrators and translators, for their contributions in the work, including in all metadata. Moral rights must not be waived.

As an American-based association, we do not understand this clause. Perhaps it is a UK-specific requirement, but American publishers do not credit all the creators in metadata feeds. Publishers can credit creators on copyright pages, but doing so or not doing so does not affect a publisher’s standing as a reputable publisher, hybrid or otherwise.

12. RESPONSIBLE SALES TACTICS. Never target writers in emotionally manipulative ways or seek to upsell unnecessary services to increase payment required by the writer.

Agreed, no caveats.

13. CLEAR COMMUNICATION. Maintain strong lines of communication with the writer. It is particularly important for a writer to have a named contact with whom they can communicate about editorial, publicity and accounting matters.

Agreed, no caveats.

14. ACCOUNTING CLARITY. Account to writers no less than twice a year and abide by best practice accounting standards. Royalty statements should be easy to understand and detailed. They should cover royalty payments and other sources of remuneration. Be ready to provide information about how the book is selling on request, even if it is between statement dates. Share the good news of any significant sales deals with the writer whenever they occur. Always pay on time and without having to be prompted. Within limits, authors should have the right to examine the publisher’s books and distributor statements or request an audit if they feel there is an error in statements or payments.

Agreed, no caveats.

15. RIGHTS AND REVERSION. Take rights for a limited term – typically two years – and revert rights on request. If it isn’t working, financially or professionally, then be honest and let the writer go with professionalism and fairness.

Two years is not sufficient if a publisher is selling into a wholesale model. Publishers invest a lot of upfront costs on staff and need time to benefit from that upfront work. We agree that rights should be taken for a limited term, but “typically two years” is too limiting and doesn’t make sense for most publishers. Publishers need five to ten years to exploit the rights they take.
Authors are welcome to negotiate rights terms at contract, or to insist for simple rights-reversions clauses if rights are not sold after a certain period of time (and that time limit may well be two years, but it should be negotiated on a case-by-case basis).

**Subsequent changes to IBPA’s Hybrid Publisher Criteria**

Additions to the 2018 version of IBPA’s Hybrid Publisher Criteria are highlighted below. Copyedits aimed at clarifying the meaning of the text are also reflected below. A clean version of the fully revised 2022 version of IBPA’s Hybrid Publisher Criteria can be downloaded here.

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**Introduction**

Hybrid publishing companies behave just like traditional publishing companies in all respects, except that they publish books using an author-subsidized business model, as opposed to financing all costs themselves and, in exchange, return a higher-than-industry-standard share of sales proceeds to the author. A hybrid publisher makes income from a combination of publishing services and book sales.

Although hybrid publishing companies are author-subsidized, they are different from other author-subsidized models (i.e., self-publishing service providers) in that hybrid publishers adhere—without exception—to the following set of professional publishing criteria.

For the avoidance of doubt, this means organizations that do not adhere to the entirety of IBPA’s Hybrid Publisher Criteria—or adhere to most, but not all of the criteria—are not hybrid publishers as IBPA would define them, and should not be calling themselves “hybrid.” These organizations are better categorized as self-publishing service providers. In a self-publishing service provider/author relationship, it is the author who plays the publisher role.

Self-publishing service providers mislabeling themselves as hybrid publishers, whether knowingly or unknowingly, are contributing to the confusion and exploitation of authors and are rightly called out for doing so.

**A hybrid publisher must:**

1. **Define a mission and vision for its publishing program.** A hybrid publisher has a publishing mission and a vision. In a traditional publishing company, the published work often reflects the interests and values of its publisher, whether that’s a passion for poetry or a specialization in business books. Good hybrid publishers are no different.

2. **Vet submissions.** A hybrid publisher vets submissions, publishing only those titles that meet the mission and vision of the company, as well as a defined quality level set by the publisher.
Good hybrid publishers don’t publish everything that comes over the transom and often decline to publish.

3. **Commit to truth and transparency in business practices.** It should go without saying, but like any reputable business, a hybrid publisher must commit to transparency in its business practices. This includes being clear about the cost of services and providing an honest estimation of each book’s potential for success. A hybrid publisher is also fair and transparent in its financial dealings, writes contracts in understandable language, and resolves any disputes promptly and fairly. A hybrid publisher never misleads potential authors with false promises, inflated sales data, or manipulated reviews.

4. **Provide a negotiable, easy-to-understand contract for each book published.** A hybrid publisher supplies a clear, negotiable contract at the start of every negotiation which sets out—in understandable language—the exact scope of the arrangement, including term limits and compensation. All contracts should include regular reviews and updates as needed. Include a clear rights-reversion clause in every contract. A hybrid publisher should be clear that it welcomes potential authors to discuss the proposed contract with neutral third-party advisors, such as a legal advisor or authors guild.

5. **Publish under its own imprint(s) and ISBs.** A hybrid publisher is a true publishing house, with either a publisher or a publishing team developing and distributing books using the hybrid publisher’s own imprint(s) and ISBs.

6. **Publish to industry standards.** A hybrid publisher accepts full responsibility for the quality of the titles it publishes. Books released by a hybrid publisher should be on par with traditionally published books in terms of adherence to industry standards, which are detailed in IBPA’s “Industry Standards Checklist for a Professionally Published Book.”

7. **Ensure editorial, design, and production quality.** A hybrid publisher is responsible for producing books edited, designed, and produced to a professional degree. This includes assigning editors for developmental editing, copyediting, and proofreading, as needed, together with following traditional standards for a professionally designed book. All editors and designers must be publisher approved; they can be part of the publisher’s internal staff or outsourced, or a mix of both options.

8. **Pursue and manage a range of publishing rights.** A hybrid publisher normally publishes in both print and digital formats, as appropriate, and perhaps pursues other rights, in order to reach the widest possible readership. As with a traditional publisher, authors may negotiate to keep their subsidiary rights, such as foreign language, audio, and other derivative rights.

9. **Provide distribution services.** A hybrid publisher has a strategic approach to making books available to consumers beyond the simple mechanism of uploading files to online retailers and making books available for purchase online. Depending on the hybrid publisher, this may mean partnering with a traditional distributor that has a team of sales reps who actively markets and sells books to retailers, libraries, wholesalers, etc., or it may mean publisher outreach to a network of specialty retailers, clubs, or other niche-interest organizations. At minimum, a hybrid
publisher has a marketing and sales strategy for each book it publishes, inclusive of appropriate sales channels for that book, and provides assistance and/or education to the author seeking to execute or understand this strategy in order to get his or her book in front of its target audience. This is in addition to listing books with at least one industry-recognized wholesaler.

10. **Demonstrate respectable sales.** A hybrid publisher should have a record of producing several books that sell in respectable quantities for the book’s niche with a demonstrated sales track record with like titles. This varies from niche to niche; small niches, such as poetry and literary fiction, require sales of only a couple thousand copies, while mass-market books require more.

11. **Pay authors a higher-than-standard royalty.** When compensation is based on royalties, a hybrid publisher pays its authors more than the industry-standard* royalty range** on print and digital books, in exchange for the author’s personal investment. Although royalties are generally negotiable, the author’s share must be laid out transparently and must be commensurate with the author’s investment. In most cases, the author’s royalty should be greater than 50% of net on both print and digital books.

**Additional considerations:**

- The criteria above point to functions that a reputable hybrid publisher is expected to perform. It’s up to each hybrid publisher to figure out, and explain, how it performs each function. It is not sufficient for a hybrid publisher to say they adhere to most, but not all, of the criteria and still call itself a hybrid publisher. In cases where an organization does not meet all criteria, the organization must classify itself a self-publishing service provider. In a self-publishing service provider/author relationship, it is the author who plays the publisher role and the company that provides the publishing services.
- Regardless of who pays for editorial, design, and production fees, it is always the publisher that bears responsibility for producing, distributing, and ultimately selling professional-quality books.
- An author-subsidized business model in no way relieves a publisher of its editorial, design, marketing, sales, and distribution responsibilities.
- In comparing hybrid publishers with vanity presses, it’s important to note that vanity presses are not selective in what they publish, nor are they set up to be. Therefore, it is better to think of vanity presses as self-publishing service providers, not publishers. Again, in-a self-publishing service provider/author relationship, it is the author who plays the publisher role and the company that provides the publishing services.
- An author may be asked to subsidize or pay the full cost of his or her print runs. Authors who do so should own the physical copies outright, having paid the manufacturing fees, and should not be required to pay a “percent-off list price” amount arbitrated by the publisher when they need to order copies.

* “Standard” royalties in traditional publishing were once calculated based on the list price or suggested retail price of the work. Nowadays, and especially among small presses and independent publishers, it is more common to calculate royalties based on net revenues.
Some contracts offer an escalated royalty based on the number of copies sold, e.g., 8% of net receipts on the first 5,000 copies, 10% on the next 5,000 copies, and 12% on all copies in excess of 10,000. The actual royalty percentages and break points vary from publisher to publisher and are often subject to negotiation with the author.

Trade publishing contracts, and especially the contracts larger publishers use, often set different royalty rates for various other formats, territories, terms of sale, and channels of distribution.

Standard royalty rates vary among traditional publishers. Although some publishers are outliers, standard royalty rates generally range from 5% at the lower end to 15% at the higher end. Some traditional publishers offer the same royalty rate for both printed books and e-books; most now offer up to 25% of net revenues for the sale of e-books. Many independent publishers adopt a flat royalty of 10% of net receipts for all formats. However, there is no longer a “standard” royalty rate among publishers.

**Standard royalty ranges (for illustrative purposes):**

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<th>Format</th>
<th>Standard escalated royalty ranges</th>
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<tr>
<td><strong>Hardcover</strong></td>
<td>5–10% of net on first 5,000 copies, 10–12.5% on next 5,000 12–15% thereafter</td>
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