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## **Making Association Publishing an Income-Producing Asset: Role, Mission, and Stages of Development**

By **John B. McHugh** *Publishing Management Consultant*

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### **ARE YOU MISSING OPPORTUNITIES TO GROW YOUR PUBLISHING PROGRAM INTO A MAJOR PROFIT CENTER?**

The membership manager of an association client recently told me this story. It's an all too familiar description of many association publishing operations:

I attended an ASAE meeting and was amazed to hear how profitable some association publications divisions are. I came back to our executive director and urged that we take a serious look at how we could grow our own publishing program. Right now we have only one major source of revenue and that's membership dues. We're too dues-intensive. We need to develop our publications unit—it needs to be a larger piece of revenues and of the budget. There are practically no new products. We need to develop other income areas and we need to develop relevancy in fulfilling our mission to educate.

Indeed, many executive directors have not fully focused on how judiciously investing financial and human capital in their publications program can pay big dividends. Methodical investment in qualified staff and proactive product development can generate more vibrant and relevant publications that attract and educate members. Such investment can also generate significant and ongoing income to fund other organizational initiatives.

Building a robust publishing program is usually a work in progress. However, you need a basic framework to help you know where you are in the "progress" and if and how to move to the next level. That framework starts with a well defined publications mission statement, which in turn is based on an understanding of the three evolutionary stages of association publishing.

### **YOUR PUBLICATIONS MISSION STATEMENT AND THE THREE STAGES OF ASSOCIATION PUBLISHING**

If you want to fully develop the earnings and educational potential of your publications program, you need to consider the three developmental stages of association publishing. Once you understand this continuum and where your publications program is in its evolution as a business unit, then you should work to create a mission statement for it.

Let's look for a moment at why it's critical for you to develop a finely honed, written publications mission statement. A chief cause of dissonance in nonprofits is a pervasive lack of understanding of the true mission of the publishing unit. Is it to be a dues-subsidized member service or is it to make money--or both? Once the association agrees on a publications mission statement, organizational expectations can then be expressed, and, equally important, publishing staff will understand what their jobs are. A clearly defined, written, and communicated mission statement is essential for prioritizing objectives, managing expectations, and measuring results.

If the organization does not understand what it wants to accomplish with its publishing program, then the resulting ambiguity will cause a chaotic work environment, a confused publishing staff, and unhappy internal and external customers.

Now, let's look at the typical three-phase development cycle of an association publications program. We will then examine how this correlates with the need for a well-defined publications mission statement.

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## THREE DEVELOPMENTAL STAGES OF ASSOCIATION PUBLISHING PROGRAMS

### *Stage I – Basic*

This initial stage of publishing generally evolves out of the association's communication mission and its need to provide information to members, usually in the form of a newsletter.

Volunteers may serve as editors of the periodicals. The administration of the publishing program is coordinated through the executive director's office. Minimal association funds are expended and the "free" labor of volunteers is counted on to minimize costs.

Publishing is not viewed as a business with many opportunities to earn high margin income. Rather, for the most part, the organization's perspective on publishing is risk averse; publishing is simply regarded as a service for members subsidized by their dues.

In most professional and educational associations, the organization, by definition, becomes a repository for specialized research and information. The organizational infrastructure facilitates the production of this research (knowledge producing mission), and, therefore, the next step is for the association to publish a refereed journal. This happens most often when academics are affiliated with the association.

The journal becomes a benefit of membership and is supported by dues. Once it gains a respected reputation, the journal then builds a modest paid subscription base, primarily with libraries. Full-time editorial staff is hired. The association starts to view publishing as an adjunct activity complementing other programs and capable of earning respectable profit margins. The organization commits to providing more resources to grow the publishing program.

### *Stage II – Intermediate*

This intermediate stage arrives as the association now discovers that its publishing program is serving a unique market niche not served by other associations and commercial publishers. Advertisers approach the association looking for a way to connect with the markets it serves. Members approach the association with book proposals. Commercial publishers make co-publishing proposals. The association gains visibility as a respected publisher within its field.

More full-time publishing staff is hired. Because of demand, a new magazine is initiated. This new magazine not only serves members, but also attracts non-member readers, such as suppliers, consultants, and educators, interested in the association's specialty. At this stage, because of financial risk, capital requirements, and lack of publishing staff, the association may decide to co-publish the magazine with a commercial publisher, or outsource it with a custom publisher.

However, *associations in this stage have not exploited the full potential of their publishing business.*

The association's leadership—both executive staff and volunteers—has still not made a major commitment to publishing. But clearly there are opportunities to be exploited and decisions at this juncture are critical. Some organizations plateau at Stage II, either by conscious decision or default. Others are more entrepreneurial and move to Stage III.

### *Stage III – Advanced/Mature*

Now at the top of its publishing game, the association has become a multi-line producer of books, magazines, journals, a variety of electronic products, custom publishing, full-text article retrieval, on-demand research, etc.

A separate publications division is formed and an experienced publishing executive is hired to lead it as a major profit center. There is systematic and proactive new product development. The acquisition of new

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editorial content and its distribution by new technologies are viewed as the life blood of the organization. Co-publishing arrangements are less frequent. The association outsources only printing, fulfillment, and distribution. Marketing becomes more sophisticated and funded. Licensing of content for various formats is a major income producer. The publishing program generates a positive cash flow, earns respectable margins (10 percent plus), and is esteemed in the industry as a leading publisher.

Stage III association publishers are sometimes made the custodian of their organization's Web site. Often, the entire Web content is produced through the association's publishing division.

## **OPERATIONAL TASKS OF PUBLISHING**

Before we review the mission and role of your publications division, you need to examine what your publishing staff does on a day-to-day basis. An association publications division should perform these tasks:

- Decides what information is valuable as published content
- Researches markets in order to plan new products
- Decides the best formats for publishing specific information
- Manages the peer review process
- Edits manuscripts for content and style
- Supervises the indexing process
- Designs and proofs material
- Catalogs and classifies material
- Negotiates collaborative projects between co-authors
- Researches and checks facts

- Promotes and distributes the product
- Creates new revenue-producing information products
- Pays royalties and fees to authors
- Manages rights and permissions

## **WHAT IS THE MISSION OF YOUR PUBLICATIONS PROGRAM?**

What is the role of the publishing division in a non-profit organization? Sometimes the primary job is to make money, but this is rarely the case, as the publishing division must also serve the organization's broader mission.

In most nonprofits, publishing serves as the communications link to members, customers, suppliers, and the world at large through its magazines and newsletters. Scholarly and scientific findings and industry statistics are disseminated through its journals and reports. The publishing division may also provide editing, graphics, and production services to other departments in the organization.

In defining the mission statement of your publishing division, the organization needs to discuss and come to agreement on such questions as these:

1. Is the publishing division primarily a profit-driven unit responsible for increasing profit margins and sales growth? Should publishing be viewed as a major generator of revenues for funding other association projects and technological needs?
2. Is the publishing division primarily a service unit, providing member benefit publications?
3. How should the cost of providing member benefit publications be reflected on the association's financial statements? The publications unit absorbs editorial and production costs, but often receives no off-setting income from membership fees.

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4. Does the publishing division provide in-house editorial/graphics/production support to other units? How does this affect its financial performance?
5. What is the role of the publishing division in representing the organization to the world at large?
6. How is the publishing division a communications link to current members? To new markets that the organization wants to reach? To suppliers? To the profession in general?
7. What is the publishing division's responsibility in accurately and objectively presenting news about programs and other organizational topics to members?

Most likely your publishing division is a multifaceted operation. You probably expect it to perform many different jobs. Therefore, you need to clearly define priorities and expectations for your publications division. Clear definition is the proven path to minimize conflicts and stay focused on what's important to the association.

## OTHER MISSION STATEMENT QUESTIONS TO ASK

As you contemplate the mission of your publishing division, engage your managers and key volunteers in exploring all of the ramifications of these questions:

- What do you want to accomplish with your publishing program and how will it advance the association's mission?
- Do you view your publications program as a business needing investment of capital and human resources to increase sales and margins while serving the organization's mission?
- How much are you willing to invest in publications to grow sales and margins?
- What is the risk/reward ratio if you invest more capital in publications?

- What do you want to accomplish with your publications in a strategic and business sense?
- How will you get there?
- What specific resources are needed?

## TREATING YOUR PUBLISHING PROGRAM AS A VALUABLE FINANCIAL ASSET

Your publishing program can make impressive moves up the growth curve if you choose to view it as an asset and not merely as a cost. This may require changing an organizational view of publications as a low cost/no frills operation staffed by "free" volunteer labor to a business needing investment of financial and human capital to grow. Recognize that successful publishing is labor intensive and requires skilled professionals to produce products that meet changing customer needs and increase sales.

To improve or expand your publishing program, your first order of business is to finely hone a *written* mission statement. It should reflect an understanding of which of the three developmental association publishing stages your program is in and where you want to take it next.

With all of today's new technologies for electronic content delivery, this is an exciting time to be in publishing. Print on demand (POD) can make niche publications profitable, and digital-only formats can enable you to profitably serve many specialized information needs of members and nonmembers alike. Now is the time to position your publications program to serve and prosper in the increasingly global e-publishing environment.

Feel free to contact me if you want to learn more about how a publishing management audit can help you build on strengths and correct weaknesses in your publishing program so that you fully capitalize on new growth opportunities.

Send me an e-mail at [jack@johnbmchugh.com](mailto:jack@johnbmchugh.com).

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## NEED PRACTICAL INFORMATION ON PUBLISHING MANAGEMENT?

Visit McHugh's Web site, [www.johnbmchugh.com](http://www.johnbmchugh.com), to print out free information on proven techniques of publishing management. At [www.johnbmchugh.com](http://www.johnbmchugh.com) you will find 22 papers, written on these topics:

- Association and Periodical Publishing
- Book Publishing Management
- Executive Recruiting
- Product Development
- Copyright and Rights Management

### About John B. McHugh

John B. "Jack" McHugh is a 40-year veteran of the publishing business. Jack has worked as an executive for Houghton Mifflin, Wadsworth, and Saint Mary's Press. Jack is also an experienced association publishing executive. For seven years, he was Publisher and Director of Programs at the American Society for Quality and for a two-year period, he served as the Interim Publisher at the Project Management Institute. He is a member of the ASAE Advisory Board for Publishing, Communications, and Media Issues and Practices.

Jack's specialties include association/nonprofit publishing, book publishing, executive recruiting, journal publishing, rights and permissions, new ventures, organizational design, and social media strategy and policy.

McHugh and Liz Novak, of IAPD, are co-authoring a series of papers on Networking Techniques. Jack Mc Hugh is also the manager of the LinkedIn™ group, Association and Nonprofit Publishing.

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