

What Can One Author Do? The Current Advanced Marketing Service (AMS)/Publisher

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“He’s f-d you good, he’s still f-ing you, and a year from now, you’ll turn around, and he’ll still be back there, f-ing you.”

That’s what the lawyer said after I had explained the financial situation of my company. Or rather, the lack of financial situation. The f-er was Dan Coyne, my business partner. Because he was 30 years older than me, and had been my mentor and friend for 10 years, I had trusted him completely, and the lawyer was having a hard time convincing me that Dan had been pumping up the sales forecast to cover for revenue that was, in reality, rapidly going away.

My company, the Clarinda company, was a typesetting firm that was making over \$10 million a year by doing textbook design, editing, and layout for publishers like McGraw Hill, Pearson Education, and Harcourt. We had plants in Iowa, Minnesota, Maryland, New York, and the Philippines. But we were being squeezed by dirt-cheap competition from India, and also by the consolidation of our customers, the publishers.

Thomson bought Delmar and then Aspen. Harcourt bought Academic Press and Mosby, joining them up with previous acquisition Saunders. Then Thomson and Reed-Elsevier divvied up Harcourt.

Between 1999 and 2003, ten different customers of my company became two. That consolidation created an “oligopoly.” Unlike a monopoly, which is capitalism taken to its logical (and disastrous) extreme on the supply side, an oligopoly is capitalism taken to its extreme by a limited number of buyers.

I told the lawyer he was wrong. Dan was my friend. He wouldn’t hurt me. He was, as he had explained many times, “a benevolent capitalist.”

Boy, was I wrong.

I was so wrong, I decided to write a book, Typo, the Last American Typesetter or How I Made and Lost \$4 Million, about what happened to me, Dan, and the 200 employees of Clarinda when we got squeezed out of business by market forces beyond our control. The lawyer was right, and not only did I get my f-ing, so did everyone else, including a lot of the companies that Clarinda owed money to.

And so it is either delicious irony, cruel fate, or “My Name Is Earl”

karma that just a few months before my book is due to come out, my publisher, Richard Nash at Soft Skull Press, pulled me aside before our first meeting with the PR firm to tell me, "I don't want you to get too worried, but our distributor, PGW, has just filed bankruptcy."

What?

PGW is not only the main distributor of over 150 independent publishers, making it the delicate link between the independent press and their readers, it is also a distributor of big name authors like P.J. O'Rourke, Deepak Chopra, Dave Eggers and 4 out of 6 Man Booker Prize Nominees. PGW is important to publishing in the way bridges are important to Manhattan, and a couple of years ago they got bought by Advanced Marketing Services (AMS), who is the bridge for those books to Amazon, Sam's Club and so on.

They had become, without anyone noticing, one of a diminishing number of connections in the buying of all books in the country, or, in other words, part of an oligopoly. So when I read that the nice folks at Media Bistro are worried,

"A large portion of the revenues from the publisher's new Dave Eggers novel, WHAT IS THE WHAT - a percentage of which were to be donated to the Valentino Achak Deng Foundation to aid the Sudanese in America and the Sudan -- is now tied up in the bankruptcy. "We shipped 60,000 copies during that period and the proceeds are not here yet."

I, who have been through this before, think: they are missing the point by several thousand punctuation marks.

There are already proposed buy-out solutions for PGW, but there are also rumblings of publishers like Simon and Schuster, a unit of Viacom, trying to get their books out of AMS' warehouse—potentially leading to a "run on the bank" kind of situation.

This would leave the little guys, the small publishers, the ones who cannot weather having four months of their receivable cash tied up in "debtor subordination review," being, well, I think you know, "f-ed now, later, and again in a dark alley on their way home."

So, because an executive at AMS cooked her sales books (she billed publishers for advertising that was never done, which was already f-ing them), Dave Eggers won't make his money to donate and the US public will find themselves deprived of potentially dozens, hundreds, maybe thousands, of independent voices.

Doesn't seem right to me.

Many people seem to think this is just another bankruptcy story. But it is, in its own way, possibly bigger than Enron or World Com. Those disasters struck investors and employees. This catastrophe could silence the small presses and authors who exposed those and other sins of our times.

When the History channel picked the most important people of the past 1000 years at the turn of the millennium, number one was Johann Gutenberg, inventor of the printing press. Because without him, the narrator said, there would never have been a way for the great scientists, scholars, and promoters of democracy to get their ideas to the world. And we can't afford to let what Gutenberg invented be rubbed out by corporate greed five centuries later.

But then, what can one author do?

Some good links about all this:

[Oligopolies in Book Publishing](#)

[AMS' doubtful financial history](#)

[Some recent info on the bankruptcy from Media Bistro](#)

[Amazon suggesting that in this one case, you don't buy from them](#)

[My book](#)