

TO: ALA Executive Board/BARC

RE: ALA Publishing & Media: FY21 Final Results and FY22 Opportunities

ACTION REQUESTED/INFORMATION/REPORT:

This report provides an overview and highlights of ALA Publishing & Media's FY21 Q4/year-end results, with added information and early signals of FY22 opportunities, challenges, strategies, and activities.

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DRAFT OF MOTION: None requested

DATE: January 4, 2021

BACKGROUND: Financial results, opportunities, challenges, and strategies in the ALA Publishing & Media department and its six business units at year-end (Q4) FY21, with an overview of FY22 activity to date.

AVAILABILITY: No restrictions

ATTACHMENTS: None

Summary of current conditions for ALA Publishing & Media and its units

Effective 9/1/21, the department was renamed ALA Publishing & Media, reflecting general trends and areas of work as well as Pivot Strategy imperatives. The department continues to focus on revenue generation and expense control as its critical drivers, always considering how its work supports membership and ALA's mission through what is published, who is creating the content, and audiences reached.

The FY22 goals for ALA Publishing & Media that inform the individual units' goals and current activities, as well as the work of the related Cross-Functional Team, include extending markets beyond libraries and beyond the US, and repackaging and repurposing content to reach and serve targeted audiences both within and beyond the library field. Examples of FY22 Q1 work that contributes to these goals include: the launch of *Booklist Reader*, a patron-facing monthly publication (currently digital-only) that offers selected Booklist content highlighting diverse voices and books; the publication in collaboration with trade publisher Sourcebooks of three one-year reading journals for the general market featuring titles recommended by editors from ALA Editions and *Booklist*; an agreement signed for a Japanese translation of the 10th edition of the *Intellectual Freedom Manual* and the publication of a Portuguese translation of *Metaliteracy* in October; materials displayed at the Sharjah International Book Fair in November; and ongoing work with international translation partners for RDA: Resource Description and Access (translations in Hungarian and Arabic are progressing, and negotiations for a Portuguese translation are in the final stages). The Graphics Gift Shop at spreadshirt.com allows the general public to discover and purchase our library- and reading-related products more readily.

Published content and initiatives support the imperative of increasing EDISJ engagement. Examples include recent publications such as *Library Services and Incarceration: Recognizing Barriers, Strengthening Access* by Jeanie Austin; implementation of the new Academic Insights column in *American Libraries* featuring rotating EBD / BARC ALA Publishing & Media January 2022 for Q4 FY21 and conditions for FY22

columnists of color; content selected for the patron-facing *Booklist Reader*; new ALA Graphics posters and bookmarks featuring the art of diverse, award-winning illustrators; and a new two-page summary with an introduction by ODLOS of EDISJ-related titles in the ALA Editions/ALA Neal-Schuman catalog.

The AASL national conference in October saw an active store resulting in \$29,000 in revenue to be booked in Q2, and well-received author talks. The shift of LibLearnX from an in-person event will save travel and exhibit expenses (around \$25,000) but will also affect revenue (impact of up to \$80,000) due to the absence of a live store and advertisers not experiencing the imperative that ALA Midwinter magazine issues used to present.

We see a continued increase in expectations for original informed and useful content to be generated on advertisers' and sponsors' behalf as part of the value they require magazines to deliver. *Booklist* and *American Libraries* are perceived as well positioned to create and deliver such content. *Booklist* subscriptions saw a substantial increase in Q1, partly attributed to the pandemic easing and partly to the added value of *Booklist Reader* (a print version of which will mail with the February/March issue of *Public Libraries* before special promotion planned at the PLA Conference). *Booklist* webinars, which had the best year ever in FY21, as well as advertising, are off to a strong FY22 start.

Classified ad revenue for ALA JobLIST, an *American Libraries* partnership with ACRL, has set a Q1 record, due to the high number of open jobs. Of a total of 183 months of JobLIST, September was the 4th best month ever, October was the 6th, and November the 13th, attributed to the high number of open jobs currently.

Integration with the Chicago Distribution Center progresses, with shopping cart integration and streamlined ebook delivery through BiblioVault as Q2 priorities. All remaining stock was received at CDC in late September/early October. While the move resulted in lower product sales (books, posters, bookmarks) for longer than anticipated in FY21 Q4 and FY22 Q1, orders and units sold started to increase by the end of Q1. Amazon integration issues related to mapping accounts and metadata is currently a problem experienced by a wide range of publishers, including major trade publishers. While fewer people are making individual book purchases as primary professional development tools or sources of information, areas of continued success include textbooks, especially those that are considered the gold standard in a particular area and those that address issues more recently introduced to LIS curriculum; books related to standards including RDA, or specific training programs; books that address time-sensitive problems; and books developed and purchased with grant funding (e.g., PPO collaborations). We expect more organizations to begin hosting professional development workshops and events again. Thirteen book projects were published in Q1. Books published in Q2 will cover a wide range of topics including race in story times, instruction coordinator fundamentals, communities of practice in the academic library, and metaliteracy. The cumulative total of books planned for FY22 is 50. (The FY21 total was 36 ALA titles and 12-14 Facet titles.) eBooks and related metadata have been successfully uploaded to the Gale Cengage platform and we should begin to see incremental sales and exposure in Q2.

RDA: Resource Description and Access subscriptions ran slightly ahead of budget in Q1, a promising sign that new marketing outreach, messaging, and tactics have laid groundwork for growth. In Q2 and Q3, Digital Reference will develop new orientation events to promote the post-3R RDA Toolkit, including free monthly webinars and collaborations with the Continuing Education unit on revenue-generating courses. Work continues on translations underway and investigation of further possibilities.

ALA Graphics added AASL as a new partner in the Graphics Gift Shop (virtual shop) debuting 5 AASL designs on 18 products. A total of 12 new designs on 52 products launched. The Baby Yoda READ® library card art has been licensed to 28 libraries including 100,000 cards to King County Library System. Licensing continues to offer opportunities for incremental revenue for ALA Graphics and to extend the reach and range of products and product partners, including ALA Affiliates.

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A global shortage of paper pulp is causing major disruption to the publishing industry with delays of up to 12 weeks in getting paper from suppliers; these supply-and-demand disruptions as well as estimated price increases of 8% per quarter are likely to continue affecting books, magazines, and catalogs throughout FY22.

ALA Publishing & Media FY21 Performance Summary Sept 2020–August 2021, top takeaways

Department totals	FY21 performance report as of 8/31/2021	\$ and % Variance Actual/Budget	FY21 full-year budget
Total Revenues	\$8,737,545	(\$1,294,887)/ -13%	\$10,032,632
Total Expenses – before OH and taxes	\$6,600,082	\$647,133/ 9% less than budget	\$7,247,215 (not including overhead)
Overhead paid	\$2,315,192	\$343,453/ 13% less than budget	\$2,658,646
Net revenue (Note: the distribution center move had a more significant impact on net revenue than expected)	\$43,315	(\$485,814)/ -92%	\$529,129

- Revenue successes in FY21 included sponsored webinars; bulk sales of eLearning CE events; ALA JobLIST classified advertising sales in an improving job market; an inventory-reduction sale before the warehouse move; *Booklist* advertising programs such as the VOICES program (a bundled option for publishers to feature their EDI books), the Graphic Novel promotion with the highest revenue in this special promotion’s 3-year history, and three successful white paper projects with advertisers; RDA: Resource Description and Access-related eLearning and publications; and licensed items through the ALA Graphics gift store and Baby Yoda-related items including library cards.
- The most significant revenue shortfalls related to the move to a new distribution and fulfillment vendor (CDC); no face-to-face ALA conferences, affecting advertising, product sales, and pre-conference events; fewer books delivered for publication; post-pandemic subscription declines with some institutions eliminating subscriptions; and declines in specific advertising segments.
- Monthly allocations were set higher for the second half of FY21 in the hope that the pandemic impact would lessen as the year went on. Those higher Q3/Q4 targets were not met in several units.
- \$400,000 in impairment charged to Editions/Neal-Schuman bottom line, an unbudgeted but approved expense to get remaining N-S acquisitions-related costs and work off the books.