

Manuel Sandoval Garcia

Capstone Project - Secuoya Books

## **Business Plan**

<b>Executive Summary</b>	<b>1</b>
<b>Readers of Books in Spanish</b>	<b>2</b>
<b>The Landscape of (Literary) Books in Spanish</b>	<b>6</b>
<b>Secuoya Books</b>	<b>12</b>
<b>Our Products</b>	<b>14</b>
<b>Our team: Staffing</b>	<b>17</b>
<b>The Pipeline: Editing/design/production/manufacturing</b>	<b>20</b>
<b>Sales, Publicity and Marketing</b>	<b>23</b>
<b>Finance</b>	<b>27</b>
<b>Risk assessment</b>	<b>33</b>
<b>Next steps</b>	<b>35</b>
<b>Appendices</b>	<b>36</b>

## **1. Executive Summary**

Secuoya Books started from a general dissatisfaction with the books currently published in Spanish, and even more, with those available in the United States. Even if it is true that great books are written and published in Spanish every year, and that due to the ubiquity of online sales it is technically always possible to import a book from any part of the world, the offer as it exists currently is not enough. Most publishers of books in Spanish concentrate their efforts in minimizing their risks, either by translating titles which have sold well in other languages, or by publishing known authors that will have a following, and thus will sell well. Also, the promotion and marketing of these books currently is lacking.

The need for these books is out there. It would be absurd to argue that there is no demand for books written, or published in Spanish, when actually there is no supply to give them those books. Our proposal, thus, is not about creating a new market, but rather to add more books, so that the market that is currently out there grows to its natural capacity. For similar reasons, we are going to focus on publishing books with a literary mindset, and a special attention to their quality. There might be opportunities to publish more genre literature in Spanish, but it is not the path that we want to take. We think that readers are created by challenging literature, and so that is what we will pursue.

## **2. Readers of Books in Spanish**

Spanish is one of the most spoken languages in the world. According to a 2021 report issued by the Instituto Cervantes: *El Español, una lengua viva*, almost 493 million people speak

it as their first language in the world<sup>1</sup>. 448 million of them within countries whose official language is Spanish, and 45 million in other countries, making it the second language with most native speakers in the world, only after Mandarin.

If we add the number of speakers for whom Spanish is not their first language, and those who are studying it as a second language, the number grows to a staggering 593 million people. That is a huge pool of potential readers, but it would be naive to consider all of them as potential readers. It is well known that most of the Spanish-speaking countries have serious economic and education challenges which lower the priority for buying books. It also needs to be considered that the countries who speak Spanish form a very complex world, composed of many regions with different characteristics and needs. So, for simplicity's sake, and because they are the two main target markets we plan to go into, all the following discussion will center in Mexico and the U.S.

The pandemic has not been gentle with Mexico's editorial business. Compared to 2019 numbers, publishing businesses in Mexico decreased by 12%.<sup>2</sup> Comparatively, during the same period, the book sales in the U.S. grew by 10%. It is out of our scope to determine why this happened, but one can speculate that loss of income by readers, the increase in costs due to supply chain constraints, and the general disruption of the publishing processes by staying at home orders lowered both supply and demand of books, collapsing final sales.

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<sup>1</sup> Instituto Cervantes, *El Español, una lengua viva*, [https://cvc.cervantes.es/lengua/espanol\\_lengua\\_viva/pdf/espanol\\_lengua\\_viva\\_2021.pdf](https://cvc.cervantes.es/lengua/espanol_lengua_viva/pdf/espanol_lengua_viva_2021.pdf), p. 14

<sup>2</sup> <https://www.statista.com/statistics/1274558/book-sales-growth-worldwide/>

Further complicating matters, the proportion of people who read any kind of reading material in Mexico has diminished, from 80.8% of the adult population in 2016 to 71% in 2021, according to the Mexican National Institute of Statistics, Geography, and Informatics (INEGI).<sup>3</sup> And yet, according to the same survey, people who read have substantially increased the number of books they read, from an average of 3.1 books in 2018, to 3.7 in 2021, an increase of 20% in only 3 years. Even considering the impact on reading habits by the pandemic, it is a significant increase, and it should show a trend that could stabilize in the future.

The average number of books read per person is still far behind the mean from fully developed countries. For example, the average number of books read in the U.S is 12.<sup>4</sup> However, the median number of books read from the same survey is 4, which means there is a group of readers who add a huge amount of books to the average. Assuming a similar distribution among the readers of both countries, the lower average would mean the peak is not as high, or not as broad, in Mexico as in the U.S., which could be, among other factors, due to a diminished offer. Understandably, people cannot read books that are not in the market.

In the U.S. Spanish is both the most widely spoken second language, and the language -other than English- most spoken at home. According to the Census Bureau office, more than 40 million people speak Spanish at home in the U.S.<sup>5</sup> Perhaps a more interesting statistic, not all of these Spanish speakers are of Hispanic descent. According to a study by Pew Research Center done in 2011, out of 37.6 million people who spoke Spanish at home then, 2.8 were not of

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<sup>3</sup>

<https://elpais.com/mexico/2021-04-22/mexico-pierde-lectores-pero-los-que-quedan-leen-cada-vez-mas.html>

<sup>4</sup> <https://www.pewresearch.org/internet/2016/09/01/book-reading-2016-appendix-a/>

<sup>5</sup> <https://data.census.gov/cedsci/table?q=Language%20Spoken%20at%20Home>

Hispanic origin. If the same proportion still stands, that would mean that almost 3 million people who currently speak Spanish at home are not from Hispanic origin.<sup>6</sup>

As with the global Spanish speaking population case, it would be disingenuous to think these are all readers, and with good reason. Traditionally, Hispanic population within the U.S. is perceived as low wage workers, with minimal education. Arguably, that has never fully been the case, but currently, it is clearly not true anymore. Between second generation Hispanic families, people who arrived to the U.S. as an underage, and expats that have arrived to the country with a work visa (full disclosure, like I did), 4.6 million people from Hispanic origin have a bachelor's degree or higher education, and 6.2 million have some college studies or an associate's degree.<sup>7</sup> Considering that someone who had higher education should have some reading habits, that's 10 million potential customers.

Fortunately, that's not all the potential readers we can find. To study Spanish as a second language has been increasing considerably in recent years. According to a report from Modern Languages Association (MLA) 120 thousand people were enrolled in advanced Spanish courses in college level during 2016<sup>8</sup>. These are people who we know would actively be interested in reading well-written books in Spanish, and who would not limit their reading to the classics. Considering that this number is just for one year, it is probably reasonable that at least some of

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<sup>6</sup>

<https://www.pewresearch.org/fact-tank/2013/08/13/spanish-is-the-most-spoken-non-english-language-in-u-s-homes-even-among-non-hispanics/>

<sup>7</sup>

<https://data.census.gov/cedsci/table?q=Language%20Spoken%20at%20Home&tid=ACSSST5Y2020.S160>

<sup>3</sup>

<sup>8</sup> <https://www.mla.org/content/download/110154/2406932/2016-Enrollments-Final-Report.pdf>, p.50

the students of previous years would still be interested in keeping reading in Spanish. That would be a good market, which is ready to be exploited.<sup>9</sup>

As a last point, it is not possible to discuss any current status of any business without mentioning the pandemic impact. In the particular case of publishing, the increased attention that has been given to diversity in the titles published also need to be carefully considered. Regarding the pandemic impact, 33% of the total population read more books than before the outbreak, and 54% had no change. For Hispanics, the results were 36% read more, 48% no change, and 9% less than before. This split result shows us that, even if some part of the Hispanic population had to read less, most likely due to financial stress, the proportion who actually read more was bigger than the total average. There is clearly interest in reading books.

However, when we compare against the time spent reading (see figure below),<sup>10</sup> the average number of minutes did not change for the Hispanic population. In contrast, Black or

African-American population

read on a similar level as

Hispanic-Latino readers for 2018

and 2019, but then matched the

levels where people from Asian

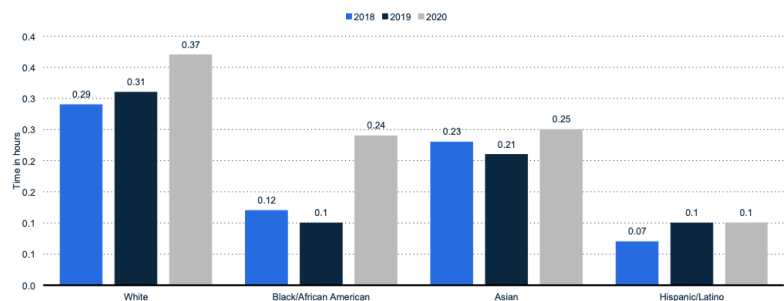
descent remained almost constant

in 2020. The only significant

difference that can be found between the African American and Hispanic groups that happened

Average daily time spent reading per capita in the United States from 2018 to 2020, by ethnicity (in hours)

Average reading time in the U.S. 2018-2020, by ethnicity



Note(s): United States; 2018 to 2020; 15 years and older; 6,696 respondents  
 Further information regarding this statistic can be found on [page 32](#).  
 Source(s): Bureau of Labor Statistics; [ID:412471](#)

Overview **statista**

<sup>9</sup> <https://www.statista.com/statistics/1110805/book-readers-coronavirus-ethnicity-us/>

<sup>10</sup> <https://www.statista.com/statistics/412471/average-daily-time-reading-us-by-ethnicity/>

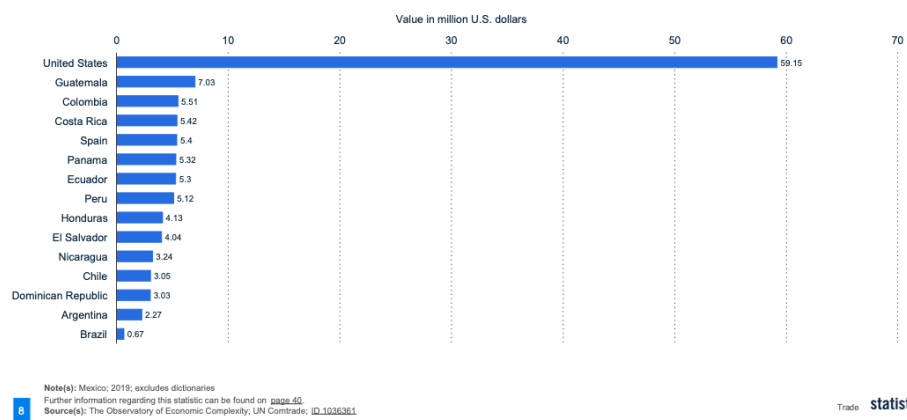
that year is the increased attention that has been given to the inclusive representation of Black people in books. Even when there has been a similar, albeit smaller, push for representation of Hispanic characters, it could be argued that actual representation for Hispanic characters will only be met when we publish enough books on the language that these people read, regardless of the color of the skin of the main characters.

### 3. The Landscape of (Literary) Books in Spanish

The lack of books in Spanish actually might extend further than those distributed or published in the U.S. Lectoralia is a social media platform, based in Spain, for books published in Spanish, akin to Goodreads. Their list of books published during 2021 has only 1624 entries. That includes translations and books written originally in Spanish, fiction and nonfiction, and literary and genre books.<sup>11</sup>

However, as we have also seen, there is the need for more books written in Spanish, both in Mexico and in the U.S. As we can verify in the figure, currently almost

Leading countries importing printed reading books from Mexico in 2019 (in million U.S. dollars)  
Value of book exports from Mexico 2019, by country



<sup>11</sup> <https://www.lecturalia.com/libros-opt/ap/publicados/2021>

60 million USD are exported from Mexico into the United States. Even if this includes the printed materials in Spanish from Penguin Random House, it would still be a substantial investment, and it shows that there is an actual need to import those books.

**a. Penguin Random House**

The market of books published in Spanish is, not surprisingly, dominated by Penguin Random House, through their Spanish language division: Penguin Random House Grupo Editorial. With 47 different imprints, and more than a thousand titles published per year, they publish books within all genres and for all age groups. However, not all of these imprints are relevant as competition to the books that Secuoya will publish.

There are two imprints that are particularly relevant: Literatura Random House and Alfaguara. They are amongst the leaders in sales within the Spanish book market, and consistently have titles within Amazon's best sellers. However, most of their catalog consists of translated texts and established authors, and they seem to be averse to risk. More comparable to us, in both scope and size, are Suma de Letras, and Salamandra, two imprints which publish a selection of contemporary literature, some of which are originally written in Spanish.

In terms of distribution, PRH has a full office within the U.S. and their books can be found through several channels, particularly their front sellers for the season. Information of each particular imprint is not easily available to the general public, even though they do report some of their sales to Bookscan, it seems as if it was just a little slice of the general sales.



## **b. Anagrama**

Anagrama is probably the reference for literary fiction in Spanish and it would be impossible to miss. They publish some of the most important contemporary authors, both original in Spanish and in translation. Jorge Herralde, their founder and publisher, has an almost mythic status as a discoverer of new authors, and they were the first to publish quite important literary figures such as Roberto Bolaño, Valeria Luiselli or Guadalupe Nettel. They consistently publish between three and five books per week, including at least one title on both contemporary fiction and nonfiction.

Anagrama is a subsidiary of Feltrinelli Group, and it is commonly considered the regular trend setter for literature written in Spanish. Its coveted annual Herralde Prize in literature is one of the highlights of the literature published in Spanish each year. The distribution of their books in the U.S, however, is limited. You can find their titles through Amazon, but their marketing for America is difficult to find, and almost nonexistent. You have to rely on newsletters written for the general Spanish speaking community, and to hope that Amazon will carry the book. Even though they are too big and too established to be considered a direct competitor, their current success can be regarded as a high benchmark of what is possible to do in publishing within the Spanish speaking world. Unfortunately, being a fully private company

and only distributing through Amazon in the U.S., they do not report to bookscan, even for their main titles.

### **c. Catedra**

Playing a similar part for our critical edition publishing stream, we need to keep track of Catedra, the dedicated imprint of critical editions of Grupo Anaya. Their volumes are prepared by reputed scholars for each author, and that in general they are a referent for quality publishing for backlist books, in terms of design their books sometimes look outdated and are not always fully readable due to their small format. As with Anagrama, it would not be possible to compete directly with them due to the depth of their catalog. However, if we could find titles for which their presentation is lacking, or which they have not covered yet, we could be able to create a niche right next to them.

In general, Grupo Anaya has a limited presence in the U.S. Their books can be acquired through Amazon, or through a distribution group based in Florida, but there are no general marketing efforts for their titles. Also as with Anagrama, it is not possible to find their books sales through bookscan, most likely because most of them are distributed by Amazon.

### **d. Independent Publishers League and other Latin American publishers**

Much closer to us in terms of competition are all independent publishers dedicated to books in Spanish. Many of these publishers have interesting titles, but do not have any distribution channels in the U.S. This might change in the future, though. In 2019, a group of publishers created the League of Independent Publishers (LEI), with the explicit purpose of introducing making themselves more available<sup>12</sup>. It would not be surprising if as a result, they eventually break into the U.S. market, even if no such plans have been announced. Among the members of the league, Editorial Almadía, a publishing house based in Oaxaca, Mexico, has an interesting selection of titles, and a scope similar to the one we will be pursuing. Unfortunately, their publishing calendar has been apparently affected by the pandemic, and they published a limited number of books during 2021.

Two other independent publishers to keep track of are Sexto Piso and Candaya. Sexto Piso is an independent publisher based in Spain with a very interesting list of titles. They have a book club subscription model in which they ship a different title published by them per month. I had considered a similar scheme to distribute books (even if on a quarterly basis rather than monthly), so it would be good to follow their success in order to evaluate if it would be good to follow with our own number.

Candaya is another Spanish independent publisher, with a list of titles and objectives similar to our own. Their distribution out of Spain is limited, however, even in Latin America. If possible, I would like to explore the possibility of a partnership with them. They can also become

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<https://www.publishersweekly.com/pw/by-topic/international/international-book-news/article/88065-mexico-s-indie-publishers-and-booksellers-rise.html>

a benchmark of production in terms of the number of titles published per year, and of their pricing, since their sales data would be difficult, if not impossible, to get.

#### **e. Palabra Libre and Lectorum**

Two publishing ventures of books in Spanish based in the U.S. are Palabra Libre and Lectorum. Palabra Libre is a small independent publishing house based in Bogotá, Colombia, and Florida, U.S. They publish mostly fiction titles, with a few nonfiction socio-political books to complete the collection. Their distribution within the U.S., however, is limited to sales on their own direct sales website, since I was not able to find their books on Amazon.

Lectorum is a distributor of Books in Spanish and a book publisher established in New Jersey. Their books are mostly ESL teaching books, and children's books. Even when their target market does not overlap with ours, its presence is indicative of the increasing interest in books in Spanish distribution. We are also very interested in their success, since if they are able to grow successfully, the young readers that they can create will need books as they grow up, and that will be an open market.

#### **4. Secuoya Books**

##### **a. Where do we fit**

As we have seen, the offer of books written in Spanish, both in the U.S. and in Latin America, consists of a couple of big companies and a bigger group of smaller ones. The combined number of titles published, though, are limited enough that the addition of a new publisher will always be good. Furthermore, there are few medium sized publishers in existence. That is the niche that Secuoya will try to fit. We want to be a publisher of quality books that are recognizable by their content, and at the same time, to avoid the pitfalls of becoming too specialized. We want to be accessible to the public, and yet, to help develop Literature written in Spanish.

That is doubtlessly a tough order. On one hand, it would be disingenuous to say that we will become the next version of PRH, or even the successor of one of their flagship imprints in Spanish. Similarly, it would be difficult to try to follow directly the steps of the Spanish giant publishers, such as Anagrama. But on the other hand just to create another small publisher who gets out to the market a handful of titles per year would not be particularly helpful either. There are already enough of those out there, and even when they do a great job taking their books to the market, their reach, and thus their influence, is limited.

We want to create something in the middle. Being a medium sized publisher can give us two main advantages. First, we will be able to run risks such as the small publishing houses, looking for new or little known authors, particularly those from groups that are little represented since big publishing houses don't expect them to sell a lot. Second, being located both in Mexico and the U.S., we would have access to the full market in the Americas, and thus we would have a bigger distribution target than most of the smaller publishers.

### **b. Unique Value Proposition - Mission**

There is no single element that would make us unique by itself. After all, publishers of books written in Spanish have been around for a long time, and books in Spanish have been distributed in the U.S. with increased frequency. However, the particular mix of publishing books written in Spanish, to look for new and underrepresented voices, to distribute these books in the U.S., and to include both fiction and nonfiction texts is completely unique.

Aligned with our set of values, we have created a mission statement: Secuoya books will publish quality books written originally in Spanish, prioritizing the distribution of new authors and literary proposals. We want to be one of the primary references for literary fiction published in Spanish throughout the world, but particularly in Latin America and the U.S. For our readers, we want to offer them fun and entertaining books, which will still challenge them and which will respect their intelligence. For our authors, we want to give them the best opportunity to publish their books, with a fair share of earnings and with the assurance that their texts will be always treated with respect, and that we will work together to make the best possible book out of every single text we work with.

### **c. SWOT**

<b>Strengths</b> <ul style="list-style-type: none"><li>● Appetite for risk to publish little known or underrepresented authors</li><li>● Access to U.S. and Latin American markets</li><li>● Publish fiction and nonfiction texts</li></ul>	<b>Weaknesses</b> <ul style="list-style-type: none"><li>● Newcomers to market - unknown to book sellers</li><li>● Agents don't know us</li><li>● Dependence on Amazon for sales, particularly in U.S. market</li></ul>
<b>Opportunity</b>	<b>Threats</b>

<ul style="list-style-type: none"> <li>● Open to new, young voices, and different opportunities for publishing.</li> <li>● Development of the Spanish books market in the U.S.</li> <li>● Keeping global market rights adds a revenue stream with the potential selling of some books for translation or sale on other territories.</li> </ul>	<ul style="list-style-type: none"> <li>● Delay in development of a list of titles</li> <li>● Size of market, and thus sales, might be smaller than forecasted</li> <li>● Post pandemic book sales could plunge</li> </ul>
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**5. Our Products**

We will create three different streams of books: fiction, nonfiction and critical editions. All will be within a single imprint, and will share the same characteristics that define all our books. They will be interesting to read, challenging, and yet accessible and enjoyable for every reader. All books will be published as paperback originals, with a standard trim size (5 1/8 \* 8), and all will be simultaneously released as ebooks.

We think that ebooks are a generally distinct market than physical books, and so, they should not disrupt the sales of the paperback titles. At the same time, it will give our books virtually a global reach, particularly if we keep rights for the global market.

**a. Literary Fiction**

Our fiction list will be the backbone of our collection. We will publish four different fiction books for the first three seasons, and plan to ramp up to six titles per season afterwards. We are looking for literary fiction titles, which can go beyond just telling a good story, without necessarily sacrificing it. We will publish books that challenge the reader, and their ideas, which make people think. However, as mentioned above, we also want our titles to be

accessible to the public. There might be a public for fiction books that are more a puzzle than a good story, but we are not going to pursue that way.

Short stories have a good tradition in Spanish literature. So naturally we will want to continue publishing it, and will be on the lookout for a good short story collection all the time. However, since they traditionally sell considerably less than novels, we will publish at most one short story collection per season.

#### **b. Nonfiction**

Currently, there are not many options to buy well-thought, well-written essays written in Spanish and distributed through trade channels. Even those published in Spain by Anagrama or other houses, have trouble finding distribution in the Americas, and, if they find sellers, the price point is usually too high to make them accessible to most of the public. Thus the only offer of nonfiction written in Spanish are usually translations of books written in English, which don't really reflect the interests of the Spanish speaking public, or academic books.

We believe that there is a demand for more nonfiction books written in Spanish, and distributed both in the U.S. and Latin America. Unfortunately, there is no data to test this, and as a result we will start slow, with one book per season for the first four seasons (Fall 2023 - Spring 2025), and two per season afterwards. If sales scale up afterwards, we might increase the output significantly, since we consider that the need of nonfiction books written in Spanish and targeted for Latin American readers are sorely needed.



Of course, the scope of topics about which nonfiction books can be published is extremely diverse. We will, for the very beginning, focus on three different general themes: history, popular science, and cultural issues. We plan for these books to continue to be relevant in the long run, and thus to have consistent sales after the first two years. For that reason, we will mostly avoid publishing books on politics, or on hot topics that are applicable only for the moment.

### **c. Critical Editions**

One of the main difficulties when reading an older book, or a book from a different era, is to lose the context in which it was written. It is understandable that readers who were contemporary to the publication would have caught several references that, after some time has passed, now are lost on us. This is one of the reasons why it is difficult to have access to good versions of old books in every language, and of course, books published in Spanish are no exception.

We want to create a series of books which bring back books from other eras that could have been overlooked or forgotten, and to republish them in new versions, accompanied by a full critical scaffolding. So we want to have notes that explain the possible difficulties that a reader have now on understanding the book, particularly someone that is not an expert in the area. At the same time, for such an expert, we will add explanatory essays that will make reading the book a more interesting experience, much in the way that Norton Critical Editions do.

As was the case with the nonfiction books, we don't really know how big the demand for these books really will be. For that reason, we will also start publishing just one book per season for the first four seasons, and increase to two afterwards. After year five, we will have enough data to verify how many more we might want to publish, and of what eras or genres, and we will modify accordingly. But that remains out of the scope of this project.

## **6. Our team: Staffing**

We want to keep a small team for two main reasons. The first one is to control our production costs. Even if our sales forecast is accurate, we don't want to overextend the hiring process only to have to make painful adjustments later in the process. The second, and most important, reason is that we want to keep our identity close, and to be able to build a high interest in new authors with different literary proposals and new voices. It is difficult to keep a single identity line with many different teams working on too many parallel projects. Once our identity has been established and we have a better understanding of how big our market really is, we might be able to grow, and to create several independent editorial teams, but that is out of scope for the current plan.

For the initial setup period, which will run for the rest of 2022, the team is only composed of the Publisher, Editor in Chief, and General Assistant. The main purpose of this half year is to find the initial books to publish, to start contacts with agents and suppliers, and to attend trade conferences, such as the IBPA Publishing University in Florida in late April and the Guadalajara Book Fair in November-December. The general assistant is particularly important

for this part of the project, since they will be in charge of documenting all the newly established practices, and so of establishing a precedent for the future growth.

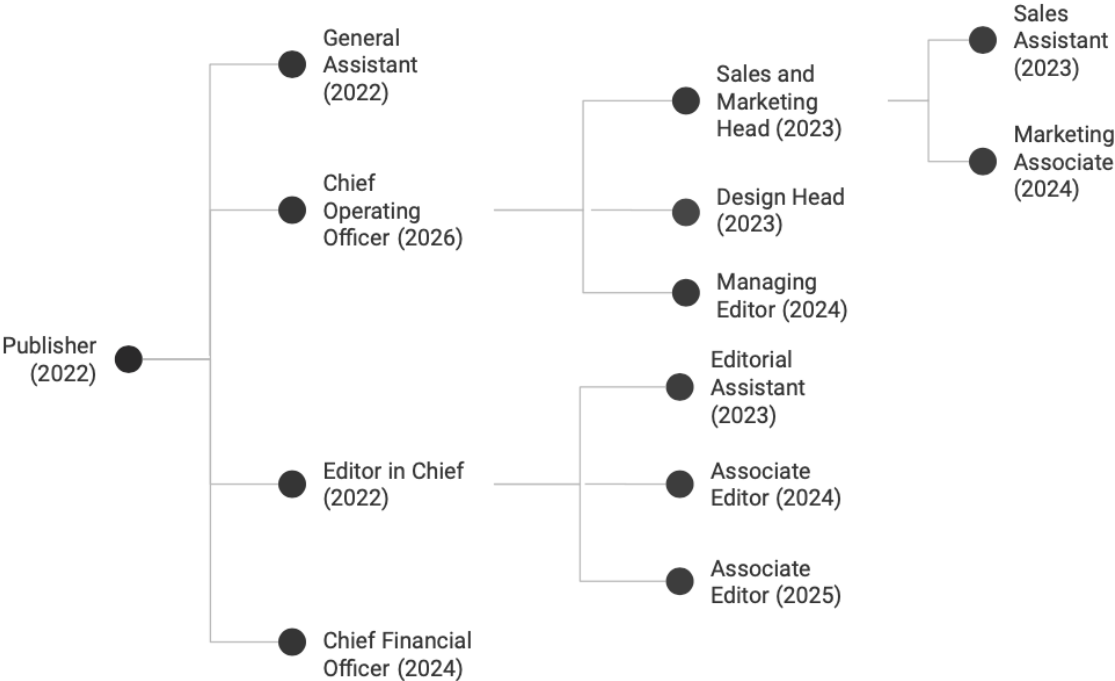
Most of the team will be allocated in Mexico, with the exception of part of the editorial team, and possibly a sales representative in the future, who will be located in the New York City area. This will allow us to control the costs significantly, and to keep the identity of the team under control. Regarding the costs, hiring in Mexico would reduce the cost by almost 50% per hire compared to the costs of hiring a similar team in the New York City area. The salaries were calculated using as benchmark the lower bracket of what would be appropriate salaries in New York, and adjusting them with the Exchange rate between U.S. Dollar and Mexican peso available at April 2022, and the Purchase Parity index rate published by the OCDE. It is worth noticing that the salaries, even if only borderline acceptable in New York, would be highly competitive in the Mexico City job market.



For the following years, the hiring trend is shown in the figure above. The first full year we will hire an editorial assistant, a head of sales and marketing, a sales assistant, and a design

head. The second year will add an associate editor, a managing editor, a chief financial officer and a marketing associate. Our last hires will be in years three and four, respectively, a second associate editor, to cope with the increase in production scheduled after that season, and a chief operations officer, to help with the increased complexity of a pipeline that will include a backlist by that time.

To cover these positions, we will look to promote from our current associates, if applicable. So, for instance, our original general assistant should be an ideal candidate to cover one of the new positions once we have expanded, particularly one with a bigger level of responsibility such as managing editorial or even the Sales and Marketing lead, since no one will know the details of how we operate better than them.



It is worth to notice that these are the minimal number of hires required with whom we estimate it is possible to run the business successfully. However, in case it is necessary, there are profiles to hire sales associates for U.S. and Latam, a digital associate, and a communications group. The functions that would be developed by these teams, however, can be absorbed initially by other team members, and we would consider hiring them in the future, only after their need has been proven.

### **7. The Pipeline: Editing/design/production/manufacturing**

Managing our pipeline is our first priority. So the first challenge that we will need to overcome is how to find new books to publish. Literary agents are not as developed in the Spanish world as in English, but it has been growing considerably in the latest years, and there are now at least a couple that work from New York City and who specialize in promoting books written in Spanish. The Guadalajara Book Fair website has a directory of the agents who attend the fair with their contact information. It will be of paramount importance to meet them in person at the book fair, and to establish contact with them before.

Other than the book fair, it will be really important to attend literary groups, history and literature academic conferences in order to acquire nonfiction titles. We also have close contact with the main schools with creative writing programs in Mexico City. If we cultivate those relationships that can become a primary source of writers. Lastly, we will establish a literary prize for young authors, with the prize being some monetary award and the publication of the text. This will give us at least one big title to publish, with publicity added to it. And probably several others which could be developed simultaneously.

The editorial process will be completely done inhouse. The main reason for this is to maintain consistency. Even if outsourcing could result in the reduction of some costs, we fear it can also dilute our brand identity. It is expected that each senior editor and the editor-in-chief will buy and develop between ten and twelve books per year, while associate editors should develop between five and six. Every book will be fully edited, and reviewed.

For nonfiction books, and to a lesser degree for the critical editions, we would like to have an expert in the topic to give a final review of the product before publication date. We understand that it is not part of the industry standard, and we will not go to the full extent of a peer review, but we want to ensure that what we are publishing is at least considered plausible to the appropriate community. The main reason to do this is that we don't want unpleasant surprises. Nothing can kill a publisher's credibility quicker than a book that is quickly discredited shortly after publication for not being true.

We will have a managing editorial associate who will oversee all the texts for final production, including copyediting. However, it would not be realistic to expect them to fully develop all texts to completion single handedly. So within the budget we have allocated resources for an external copyediting of the full text, and we will only do an internal overview.

Similarly, we will have one chief designer who will be responsible for the general look of all books, and will work closely with managing editorial on the internal layout of every single book. As are most other books published in Spanish, we will use a general template to create our

covers. Even though it is well known that to create fully specific covers for every single title, however, to do so would strain our resources, and we have a general precedent to follow a single template. Considering that, we will only reconsider to have completely different covers for every single title in the future if we have any book that is expected to be a really big seller on its own.

Printing and manufacturing, however, will be fully outsourced. In order to reduce costs, and to control our ecological footprint, we will use a 40-pound basis PCW paper for all our books. We want to explore POD, in order to reduce inventories and to expedite deliveries, however, the costs are still too high to use it for the full print. We might use it for advance review copies, since then we can have the full print delivered closer to the delivery date, and that would shorten the time. We will need to be particularly careful with the calendarization, though, given that with the disruptions of the supply chain, we would not be able to guarantee everything would be ready on time. Losing your place in the line on either the printer or the distribution center would probably prove to be fatal to a young publisher.

Of course, publishing a book takes time, and we cannot expect it to happen overnight. We expect that books will be fully edited between six months and one year after acquisition, with both the book design, and the sales and marketing setup done concurrently. Considering that we are a small publisher, and that we will be able to streamline several of the processes necessary for production afterwards, we should be able to have a final manuscript one year after editing has been completed, and six more months for production and publication. An example of a publishing calendar, for our first batch of titles, would be as follows:

	2022 - 2Q	2022-3Q	2022-4Q
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	Book Acquisition	Launch meeting	Editing complete
2023-1Q	2023-2Q	2023-3Q	2023-4Q
Production Starts - Managing Editorial	Design complete	Marketing plans complete	Proofs ready
2024-1Q	2024-2Q	2024-3Q	
Sales meeting	Publicity copies sent	Publication - Fall Season Marketing begins	

Following that schedule, we will publish the following number of titles in the next 5 years, in two seasons, starting with Fall 2024:

<b>Number of Titles Published per Year (in two seasons)</b>				
	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Fiction	4	8	10	12
Nonfiction	1	2	3	4
Critical Editions	1	2	3	4

**8. Sales, Publicity and Marketing**

Last section, we tried to discuss at length how we will acquire titles, which is one of the main problems to solve when starting a publishing venture. The second, and probably equally important, is how these books are going to arrive at the hands of readers. This, of course, needs two different components. We need to have enough, and adequate, sales channels where potential buyers can find our titles. But even before that, we need that such readers actually know that our books exist, and are interested in reading them.



Marketing has been changing dramatically in the last few years. It is probably debatable if social media has changed our consumption habits, but it is undeniable that the way in which we learn about what we want to buy has changed. This is particularly true for book marketing. Probably when everyone was trying to find ways to make themselves noticeable through Twitter, and to reach out to adequate Facebook groups, a few young people started recommending their favorite books through TikTok and Booktok was born.<sup>13 14</sup> Unfortunately, this does not necessarily mean that we should start preparing our Booktok videos, and to create a plan on how to try to make them more viral. Even without counting that trying to force virality usually fails, it is also quite probable that by the time our first batch of books gets published the marketing trends will be completely different.

We also need to be quite selective about what marketing campaigns we can actually afford. We are allocating ten percent of estimated revenue for each title for marketing and publicity campaigns, which means we would have around \$9000 per fiction title, \$3500 per nonfiction title, and \$1500 per critical edition title. In order to simplify our financial model, we have assumed that we will only have a marketing budget associated with frontlist titles. This, of course, could change if a particular book continued to sell, or if for any reason, such as an influencer finding one of our books, we found ourselves inside a bubble of sales years after the initial launch. Our total publicity and marketing budget, so, would be as follows:

Annual Marketing Budget				
	2024	2025	2026	2027

<sup>13</sup> [How Crying on TikTok Sells Books - The New York Times](https://www.nytimes.com › books › booktok-tiktok-video)<https://www.nytimes.com › books › booktok-tiktok-video>

<sup>14</sup> [The rise of BookTok: meet the teen influencers pushing books ...](https://www.theguardian.com › books › jun › the-rise-o...)<https://www.theguardian.com › books › jun › the-rise-o...>

Fiction	\$36,060	\$72,120	\$90,150	\$108,180
Nonfiction	\$3,518	\$7,035	\$10,553	\$14,070
Critical Editions	\$1,508	\$3,015	\$4,523	\$6,030
<b>Total</b>	<b>\$41,085</b>	<b>\$82,170</b>	<b>\$105,225</b>	<b>\$128,280</b>

At a first glance, that might look like a lot of money, particularly for the latter years. However, the first two years might be the most important ones. It is when no one actually knows us, and when we need to start creating a following, and our credibility as publishers. In order to build that we will attend from the first year, even before publishing a single title, both the Guadalajara International Book Fair in November and the IBPA Publishing University convention, in late April. The IBPA convention will be a huge opportunity for networking, get to know peers that are doing similar ventures in different areas, and learn from each other. It is also invaluable to contact suppliers and outsourcing possibilities.

Guadalajara International Book Fair is arguably the most important book fair in the Spanish speaking world. We need to attend to meet agents, look for new and interesting titles that are on the open market and, eventually, to promote our own books. It is also a cost effective promotion. To buy a stand where you can sell some of your newest titles, and promote what is going to be published in the following seasons costs around \$3,000, for the full week.<sup>15</sup> If we add to that the hotel and travel costs for three people, the presentation of two books with a 50 minute event for each title, and a half page ad in the official book fair brochure, the cost of attending in 2024 would be around \$8,500. This would be ideal to start promoting our books and moving on from there.

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<sup>15</sup> <https://www.fil.com.mx/exp/costos.asp>

There are other conferences which we might want to attend, as a vendor, or to promote one of our new titles. This will be particularly important for the nonfiction and critical editions streams, and it is likely that most of the marketing budgets for those books will be allocated there. In particular, we want to attend the Modern Language Association Annual convention, where we can connect with teachers of advanced Spanish, and to sell some titles directly to the public.

The rest of the budget, particularly for the fiction titles, will be spent through campaigns in social media and a live event to launch the book. Taking advantage of the ease with which everyone now uses zoom and is used to participate in virtual events, we will be able to create a tour of a few important cities in Mexico or the U.S., while promoting it everywhere. For this purpose, it would be important to include one or several independent bookstores in Mexico (Gandhi, Librería del Sótano, El péndulo, Gonvill), or the ones in the U.S. with Spanish books footprint, such as Cinco Puntos, recently acquired by Lee & Low.

Given the exciting opportunities offered by marketing campaigns, it is easy to overlook the importance of publicity. We will send review copies to Publishers Weekly en español, Babelia, Letras Libres, and Lee+. We will also send the details of our editorial calendar to the main version of Publishers Weekly. According to their editorial calendar,<sup>16</sup> the first issue of the month is scheduled to have a section for books in Spanish. This year, it has only been included twice, in January and March. This is yet another sign that there is an interest for books published in Spanish in the market, this time from the main trade magazine in the business, which is not used by the current publishers. We need to help to close that gap.

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<sup>16</sup> [https://www.publishersweekly.com/binary-data/ARTICLE\\_ATTACHMENT/file/000/005/5862-1.pdf](https://www.publishersweekly.com/binary-data/ARTICLE_ATTACHMENT/file/000/005/5862-1.pdf)

The last point is, of course, how to bring the books to the hands of the readers. Regardless of what we think about Amazon, they are an indispensable source of sales for books in Spanish. Independent bookstores are incredible for outreach, and we wish that we would be able to sell all our books through them. Even so, in order to reach everyone in a territory this vast, there is no one that is going to give us the advantages of Amazon.

Of course, trying to deal directly with Amazon would be hard. It would also be very difficult to try to reach out to all possible buyers directly. For that reason, we will use Ingram Publisher Services. We can manage sales, printing and distribution using their system. The estimated cost of their services is around 10% of total revenue, which has been included in the financial model. Regardless, we will have an in-house representative who will oversee all the sales and distribution, to ensure it is fully following our interests. Their Ingram Lightning print on demand program looks tempting, however, for the moment the costs per copy of print on demand do not offset the savings in distribution and warehousing. That might change, or it could be appropriate for some of our titles. We will be closely monitoring the development of these services in the future.

## **9. Finance**

Talking about publishing books, and an unfulfilled book market is enthralling. However, unless the venture is self sustainable, and has adequate profits, it makes no sense to talk about it, at all. Of course, the main revenue source will be to sell the books, the more the better. But to estimate the average sales of our titles was a big challenge, since there is basically no benchmark to use against which to compare, even within the U.S. Most books written in Spanish that are

sold in the U.S. are through channels that do not report to Bookscan, and so data was limited. Additionally, we would be targeting also the Latinamerican market, which is infamous for not having clear sales data.

Having considered all that, we did an estimate using the limited information available in Bookscan of several books published recently. For example, Alejandro Zambra's *Poeta Chileno* was published in July 2020, and according to Bookscan, sold 300 copies in its first year, and 150 more in the second<sup>17</sup>, even though its reviews have not been particularly good.<sup>18</sup> We assume that most of the sales in the U.S. will not report to Bookscan, and so the sales of the book in the U.S. should have been between 1200 and 1500 copies during its first year. To complement the estimate on the sales in Mexico, and since we do not have access to the Mexican version of Bookscan, we used the limited information available through the Mexican National Publishing Industry Bureau.<sup>19</sup> Considering an average of the number of books published in 2019, and discounting outliers, we estimate that the book will sell 5000 copies on its first year. We round up the final number estimating the rest of the sales would be in other Latin American countries.

Average copies sold during the first 5 years		Fiction	Nonfiction	Critical Edition
List Price		\$ 19.00	\$ 22.00	\$ 22.00
Paperback	Year 1	10,000	3,500	1,500
	Year 2	5,000	1,500	700
	Year 3	1,500	500	300
	Year 4	800	300	300
	Year 5	200	200	300
Digital	Year 1	3,000	1,050	450
	Year 2	1,500	450	210

<sup>17</sup> <https://bookscan.npd.com/books/9788433998934?ds=303-0->

<sup>18</sup> <https://www.publishersweekly.com/9780593297940>

<sup>19</sup> <https://caniem.online/gestion-de-datos/produccion-y-comercializacion-del-libro-en-mexico/>

	Year 3	450	150	90
	Year 4	240	90	90
	Year 5	60	60	90

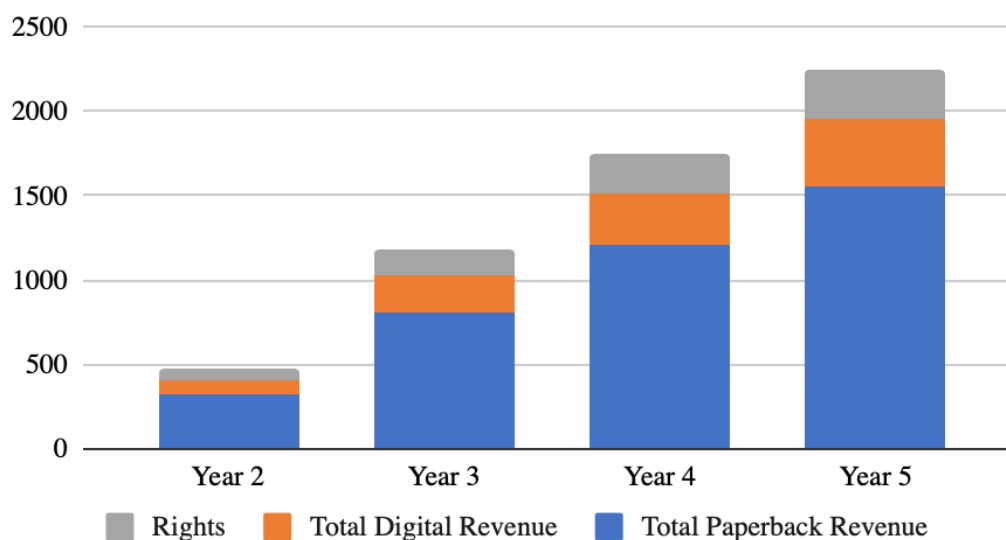
Regarding digital copies, according to the report on digital books published by Libranda, the average sales of digital copies for books in Spanish is 25%<sup>20</sup>. Considering that we will push to increase our sales in the digital market in the U.S. we have considered them as 30% of our estimated paper sales. The full estimated number of copies sold, by year after publication and stream, together with the list price estimated for each book, are fully detailed in the chart above.

Another possible revenue stream is the market of rights for publishing in other languages and regions, and also for adaptation in TV series or movies. Considering that not all of our books will have right deals, we have assumed that the income from rights will be fifteen percent of the sales income. In case that we were able to sell the rights on more of our books, that would be a pleasant and very welcome surprise. The revenues in thousands of dollars are shown in the figure below, starting from our second year, with the publication of our first season.

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<sup>20</sup> <https://libranda.com/wp-content/uploads/2022/03/Informe-libro-digital-de-2021.pdf>

## Total Revenue ( '000 USD)



Of course, revenues are only one part of the equation, and to be able to sell those books we need to print them first. For financial purposes, we have separated costs in two different groups: the first are operative costs, which will include printing, production, and warehousing costs. These have to be covered before any book has been sold, and are one of the main challenges in having a successful publishing business. The second group are the administrative and marketing costs, which will be incurred only after the book has been published. All costs are recognized until the books are sold, however, the operative costs have to be recognized in the balance sheet and the cash flow statement first.

	<b>Fiction</b>	<b>Nonfiction</b>	<b>Critical Editon</b>
Print & Bind cost	\$ 1.40	\$ 1.90	\$ 1.30
Other Plant costs	\$ 5,500	\$ 7,000	\$ 4,500
Editorial Development Cost	\$ 2,500	\$ 3,500	\$ 300

The operative costs are detailed in the table above. As had been described before in the manufacturing section, we will use 40-pound basis PCW paper for our printing. This will not only diminish our ecological footprint, but also will reduce our print and binding costs per unit. Regardless, we are using a conservative approach to estimate our print and bind costs and plant costs in general and applying industry standards. For nonfiction titles in particular the cost is higher since at least some of the books will require illustration plates within them. Lastly, the editorial development costs will consist of a final round of copyediting. This has been estimated using the cost of hiring freelancers in Mexico City.

The estimation of marketing costs and salaries have been explained in detail in their corresponding section above. For completeness sake, the table with the complete cost for salaries, by year is shown below. This is one of the aspects in which we have an advantage compared to an American publisher. Even when our sales might be considerably lower than others, our salaries will also be lower. And yet, we try to have an equivalent salary to a similar position in the U.S.

<b>Salaries ('000 USD)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Headcount	3	7	11	11	12	12
Production and Sales Salaries	\$44	\$202	\$246	\$289	\$298	\$307
Management Salaries	\$29	\$59	\$118	\$121	\$162	\$167
<b>Total Salaries</b>	<b>\$73</b>	<b>\$261</b>	<b>\$363</b>	<b>\$410</b>	<b>\$460</b>	<b>\$474</b>

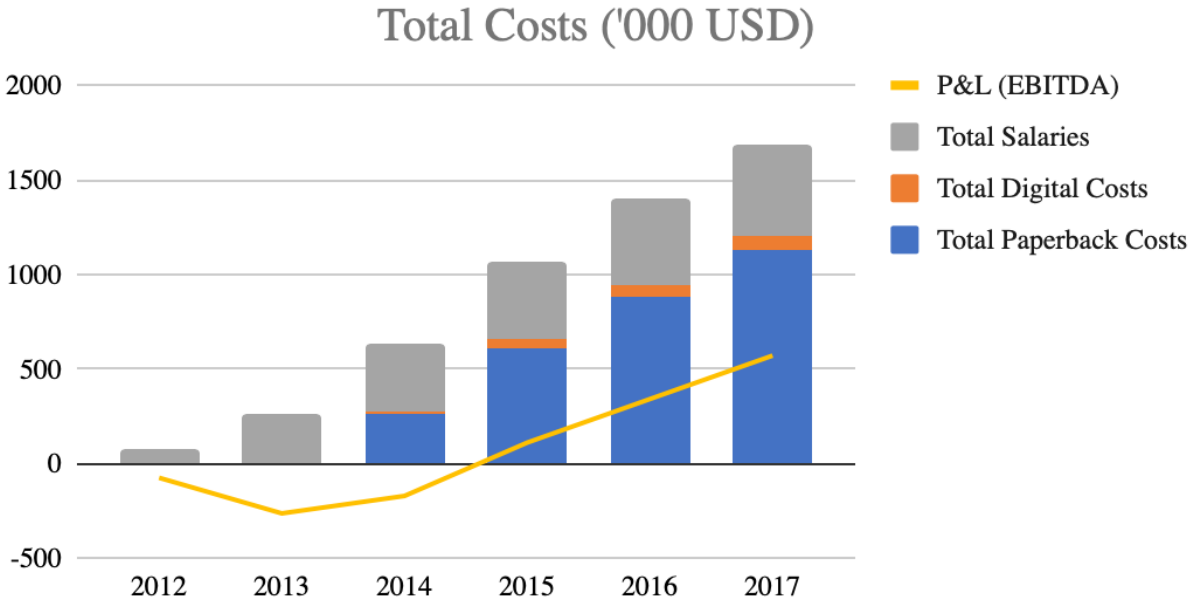
And finally, all costs, conveniently put together in one last table, for reference.

<b>COGS ('000 USD)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
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Total Paperback Costs	\$0	\$0	\$258	\$610	\$882	\$1,128
Total Digital Costs	\$0	\$0	\$20	\$45	\$63	\$79
Total Salaries	\$73	\$261	\$363	\$410	\$460	\$474
<b>Total Costs</b>	<b>\$73</b>	<b>\$261</b>	<b>\$642</b>	<b>\$1,065</b>	<b>\$1,404</b>	<b>\$1,681</b>

Comparing the table of revenues with the table of costs we can see that, if our revenue and cost estimates are accurate, Secuoya should be profitable. According to the proposed calendar, we would be cash positive after year three. But that’s not all. After year five, the total profit will be greater than the costs from the five and a half previous years, including the setup period by about 3%. This means Secuoya will be attractive for investors who want to stay in the long run. After year 5, we would be even in a position for considering dividend payment for investors. A detailed view of the full costs, and how they compare with EBITDA, is shown on the figure below.



There is an additional consideration to add. As had been discussed before, publishing is a cash incentive enterprise, considering the costs that need to be taken before revenue starts flowing. For that reason, it is possible to have a company that is, in the books, making profits every single year, and yet, who struggles to pay their bills, because their expenses are always greater than their cash in hand. The full extent of the cash flow analysis is out of the scope of the present plan, but the summary of cash in hand at the end of each year can be found in the chart below.

	<b>Initial</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Cash in hand EOY ('000)</b>	<b>\$600</b>	<b>\$370</b>	<b>\$294</b>	<b>\$413</b>	<b>\$744</b>	<b>\$1,122</b>

We have estimated that we need six hundred thousand dollars as initial investment. We have currently secured three hundred thousand from the original partners, and we have budgeted to get loans for two hundred thousand from small business sponsored loans. With this, we would always stay ahead of the curve to be sure we have enough liquidity to pay our obligations.

**10. Risk assessment**

Considering that the data to support some of our assumptions is rather flimsy, we have completed a risk assessment in order to verify how robust our model can be to abrupt changes in the assumed conditions. In particular, we have considered three possible scenarios: we publish only half the books we planned, we sell only half the books we estimated, and the worst case scenario, both forecasts fail at the same time.

**a. Slow Pipeline**

If we only publish half the books we have currently scheduled, the result is bad but not critical. Salaries and fixed costs would remain the same, but all costs related to titles would also be halved. The second assistant editor would not be required, and so would never be hired, which eases some pressure. Increasing the price of two dollars for all titles to \$21 for fiction and 23 for nonfiction and critical editions would give us the best results: revenue would almost break even on expenses by the end of year 4. And year 5 would finally be cash positive. In a strict sense, we would not need additional funding, since we would always have cash in hand, however, our cash level on the cash flow statement would get perilously low, so additional funding for 100 thousand dollars should be found by the end of 2025 (year 3).

**b. Low sales**

If we only sell half of what is estimated the results are worse but not yet critical. Since production would not have diminished, no staff reduction would be possible. Also, even when the PPB costs would be reduced with the smaller printing orders, plant costs would remain the same. The only variable that would still be easily under our control would be price. A 3 dollars increase for both the fiction and nonfiction titles, bringing us on par with books in Spanish published in the market, would be enough to stabilize our finances. Once again we would be profitable in year 5, but at a lower rate than in the previous case. Cash flows and income would be stable after year 5 too. However, emergency funding would be required by the end of 2024, since cash reserves would be close to depletion in 2025 and would be negative by 2026.

**c. Worst case scenario**

If we both publish half the scheduled books with half the estimated sales the results are catastrophic. Both nonfiction and critical editions would not be able to cover their plant costs without an unrealistic price hike, and thus would become losing ventures. As a result, both streams would need to be cut. Even by using those resources to acquire more fiction books, and by increasing the price of fiction titles to \$24, at the high end level of original trade paperbacks published in Spanish, drastic cut of staffing would be required, freezing almost all plans for new hires except the essential basic positions. Even with all those cuts, there is a small profit in year 5. However, cash flows would continue to plunge. Additional emergency funds would be required at the end of year one, for an amount greater than the initial funding and it is not clear if our cash flows would eventually stabilize. Unless a completely different strategy can be found, liquidation might be advisable.

## **11. Next steps**

Considering that our assumptions are sound, though, the next steps to launch Secuoya would be: fine tune our finance model, in particular the cash flow statements; buy computers and software for the very first batch of employees; contact possible providers, in particular for distribution, manufacturing, and printing; sign agreements with all interested parties; and, of course, the most important of all, start acquiring the books that we will publish.

After five years, there are several ways in which we can develop. Of course, the projects which we might end up pursuing depend on the data we find as we sell our titles. The list includes, though it is by no means exhaustive: Improve accessibility for our titles, by publishing versions for easy reading of literary texts for people with cognitive disabilities; downloadable audio versions; translation of our titles into English and distribution in that language.

## 12. Appendices

### I. Full financial Statements

#### Income statement

	<u>Y0-Setup</u>	<u>Y1</u>	<u>Y2</u>	<u>Y3</u>	<u>Y4</u>	<u>Y5</u>	<u>Total</u>
Revenue Fiction Sales - paperback			285,000	712,500	1,040,250	1,319,550	<b>3,357,300</b>
Revenue NonFiction Sales - paperback			28,875	70,125	115,500	163,350	<b>377,850</b>
Revenue Critical Sales - paperback			12,375	30,525	51,150	74,250	<b>168,300</b>
Revenue Fiction Sales - digital			75,600	189,000	275,940	350,028	<b>890,568</b>
Revenue NonFiction Sales - digital			6,300	15,300	25,200	35,640	<b>82,440</b>

Revenue Critical Sales - digital			2,700	6,660	11,160	16,200	<b>36,720</b>
Rights			61,628	153,617	227,880	293,853	<b>736,977</b>
<b>TOTAL SALES</b>	<b>-</b>	<b>-</b>	<b>472,478</b>	<b>1,177,727</b>	<b>1,747,080</b>	<b>2,252,871</b>	<b>5,650,155</b>
<u>Cost of Good Sold</u>							
Cogs Fiction - paperback			216,668	517,092	734,292	923,006	<b>2,391,058</b>
Cogs NonFiction - paperback			29,233	65,234	103,486	143,087	<b>341,039</b>
Cogs Critical - paperback			12,373	27,710	44,263	62,030	<b>146,375</b>
Cogs Fiction - digital			17,120	38,776	53,233	66,147	<b>175,276</b>
Cogs NonFiction - digital			1,760	3,790	5,910	8,084	<b>19,544</b>
Cogs Critical - digital			1,040	2,206	3,426	4,700	<b>11,372</b>
Cost of Production and Sales Salaries	43,750	202,435	245,765	289,164	297,839	306,774	<b>1,385,726</b>
<b>COGS</b>	<b>43,750</b>	<b>202,435</b>	<b>523,958</b>	<b>943,972</b>	<b>1,242,447</b>	<b>1,513,828</b>	<b>4,470,390</b>
<b>Gross Profit</b>	<b>(43,750)</b>	<b>(202,435)</b>	<b>(51,481)</b>	<b>233,755</b>	<b>504,633</b>	<b>739,043</b>	<b>1,179,764</b>
Gross Profit Margin	N/A	N/A	-11%	20%	29%	33%	<b>21%</b>
Rent							
Management Salaries	29,403	58,805	117,610	121,138	161,912	166,770	<b>655,638</b>
<b>Total Overhead</b>	<b>29,403</b>	<b>58,805</b>	<b>117,610</b>	<b>121,138</b>	<b>161,912</b>	<b>166,770</b>	<b>655,638</b>
<b>EBITDA</b>	<b>(73,153)</b>	<b>(261,240)</b>	<b>(169,091)</b>	<b>112,616</b>	<b>342,720</b>	<b>572,273</b>	<b>524,126</b>
Depreciation	(1,400)	(2,600)	(3,500)	(3,800)	(4,100)	(4,100)	<b>(19,500)</b>
EBIT	(74,553)	(263,840)	(172,591)	108,816	338,620	568,173	<b>504,626</b>
Interest Exp	-	12,903	10,830	8,177	5,333	2,283	<b>39,527</b>
EBT	(74,553)	(276,743)	(183,420)	100,639	333,287	565,889	<b>465,099</b>
Taxes	-	-	-	30,192	99,986	169,767	<b>299,945</b>
<b>Net Income</b>	<b>(74,553)</b>	<b>(276,743)</b>	<b>(183,420)</b>	<b>70,447</b>	<b>233,301</b>	<b>396,123</b>	<b>165,155</b>
Net Profit Margin	N/A	N/A	-39%	6%	13%	18%	3%

Balance Sheet (EOY)

Year 1

<b>Assets</b>		<b>LIABILITIES</b>	
Cash	370,140	A/P	27,354
A/R	-	Loan	168,359
.	.	DSI	147,723
Gross Fixed Assets	\$26,000	Capital Stock	400,000
Less: Accum Dep	(\$4,000)	Retained Earnings	(351,296)
Net Fixed Assets	22,000		
<b>TOTAL ASSETS</b>	<b>392,140</b>	<b>TOTAL L+OE</b>	<b>392,140</b>

Year 2

<b>Assets</b>		<b>LIABILITIES</b>	
Cash	294,153	A/P	58,218
A/R	39,373	Loan	131,452
.	.	DSI	304,074
Gross Fixed Assets	\$33,000	Capital Stock	400,000
Less: Accum Dep	(\$7,500)	Retained Earnings	(534,716)
Net Fixed Assets	25,500		
<b>TOTAL ASSETS</b>	<b>359,026</b>	<b>TOTAL L+OE</b>	<b>359,026</b>

Year 3

<b>Assets</b>		<b>LIABILITIES</b>	
Cash	413,074	A/P	104,886
A/R	98,144	Loan	91,877
.	.	DSI	403,424
Gross Fixed Assets	36,000	Capital Stock	400,000
Less: Accum Dep	(11,300)	Retained Earnings	(464,269)
Net Fixed Assets	24,700		
<b>TOTAL ASSETS</b>	<b>535,918</b>	<b>TOTAL L+OE</b>	<b>535,918</b>

Year 4

<b>Assets</b>		<b>LIABILITIES</b>	
Cash	743,612	A/P	194,120
A/R	145,590	Loan	49,441
.	.	DSI	500,209
Gross Fixed Assets	\$39,000	Capital Stock	400,000
Less: Accum Dep	(\$15,400)	Retained Earnings	(230,968)
Net Fixed Assets	23,600		
<b>TOTAL ASSETS</b>	<b>912,802</b>	<b>TOTAL L+OE</b>	<b>912,802</b>

Year 5

<b>Assets</b>		<b>LIABILITIES</b>	
Cash	1,121,730	A/P	250,319
A/R	187,739	Loan	3,937
.	.	DSI	509,559
Gross Fixed Assets	\$39,000	Capital Stock	400,000

Less: Accum Dep		(\$19,500)	Retained Earnings	165,155
Net Fixed Assets		19,500		
TOTAL ASSETS		1,328,969	TOTAL L+OE	1,328,969

### Cash Flow Statement

YEAR 1	Net Income			(351,296)
	Plus non-cash charges			4,000
	= operating cash flow			(347,296)
	+ Sources		A/P	27,354
			DSI	147,723
			Loan	31,641
	- Uses		A/R	-
			F/A	26,000
	= Net Cash flow			(229,860)
YEAR 2	Net Income			(183,420)
	Plus non-cash charges			3,500
	= operating cash flow			(179,920)
	+ Sources		A/P	30,864
			DSI	156,351
			Loan	36,907
	- Uses		A/R	39,373
			F/A	7,000
	= Net Cash flow			(75,986)
YEAR 3	Net Income			70,447
	Plus non-cash charges			3,800
	= operating cash flow			74,247
	+ Sources		A/P	46,668
			DSI	99,351
			Loan	39,575
	- Uses		A/R	58,771
			F/A	3,000
	= Net Cash flow			118,921
YEAR 4	Net Income			233,301
	Plus non-cash charges			4,100
	= operating cash flow			237,401
	+ Sources		A/P	89,234
			DSI	96,785
			Loan	42,436
	- Uses		A/R	47,446
			F/A	3,000
	= Net Cash flow			330,538



YEAR 5	Net Income			396,123
	Plus non-cash charges			4,100
	= operating cash flow			400,223
	+ Sources		A/P	56,199
			DSI	9,350
			Loan	45,504
	- Uses		A/R	42,149
			F/A	-
	= Net Cash flow			378,118

## II. Survey questions and results

Original questions, in Spanish

Edad

País en que te ubicas

¿Lees libros en Español?

¿Cuántos libros en Español lees al año?

¿Cuántos libros en Español compras al año?

¿Prefieres leer libros escritos en español o traducciones?

¿Qué géneros literarios te gustaría leer?

¿Cuál es tu género literario favorito?

¿En qué formato compras libros?

¿En qué formato prefieres comprar libros?

¿Cuánto estarías dispuesto a pagar por un libro en español?

Translated questions:

Age:

Country of residence:

Do you read books in Spanish?

How many books written in Spanish do you read per year?

How many books written in Spanish do you buy per year?

Do you prefer to read books originally written in Spanish or translations?

What genres do you read (select all that apply)?

- Biography
- Memoir
- Literary Fiction
- Romance
- Mystery
- History
- Fantasy
- Science Fiction
- Horror
- Other

What is your favorite genre?

In what format do you buy books?

- Hardcover
- Paperback
- Digital

What is your preferred format?

How much would you be willing to pay for a book in Spanish?

### Survey Analysis

The survey we ran with the MVP also showed that there is a general interest in reading in the language. Up to Sunday evening, there were 37 responses to the survey: 24 from Mexico, 9 from the US, and 4 from Other countries (England, Italy, South Africa and Australia). Ages spanned from 24 to 70, with a mean of 40. Among the responders, 35 replied that they read books in Spanish. From the two that don't, one lives in Mexico, and one in the US.

The number of books in Spanish that people read on average per year go from 0 (five cases) to fourteen (for one person), with an average of 4.5. Analogously, people buy from 0 (six persons) to twenty (for two responders), with a mean of 4.8. In general, people buy slightly more books than they read, but they come pretty close.

A question was added to the survey after its initial publication, if people were interested in reading mostly books in translation, written originally in Spanish, or if they had no preference. No one replied that they preferred books in translation, and most subjects were indifferent (19 of 32). The remaining 13 have a particular preference for books originally written in Spanish, which is significant. However, considering only those subjects who live in the US or in other countries, only two subjects replied not having a preference, which means there is an overwhelming interest in reading original language books from the expat community.

Considering these are based on my contacts, it was no surprise that the most favored genre was literary fiction, about which 75% showed interest, and 42 declared it as the genre they preferred. History, fantasy and mystery were well represented, and to a lesser degree memoir, biography and horror.

Regarding the format in which people prefer to buy books, the preferred one is paperback, which was chosen as preferred by 45%, and bought by 72% of responders. We confirmed that the development of an electronic format has become increasingly important. Even when only 25% chose it as their preferred format, 70% use them, just slightly less than the paperbacks. Only 30% buy hardcovers, but 27% of the total also chose them as their preferred

version. Even granting the possibility of missclicks, it means that people that like hardcover books are passionate about them. Even when our strategy will center around paperback originals, we can consider publishing a hardcover version for one of our titles if there seems to be an interest in it.

Regarding pricing, the range went from 7.50 to 50 USD (it seems books in Spanish *are* more expensive in Australia), after converting to USD from local currency. Only two of the answers ask for a price less than 15 USD, however. On average, subjects would like to pay \$20 for a book in Spanish. However, considering that median price in the survey was 17.5, a pricing strategy around 17 or 18 would probably be more sound. It should also be considered that there is no notable difference between the pricing between responders from Mexico and the US. Responders from other countries are willing to pay a premium, so I want to explore an option with publishing on demand to distribute to these countries.

### III. Sample titles

#### EN LA OBSCURIDAD DE LA MECHE (IN THE DARK SIDE OF THE RED ZONE), by Elias Adbeel – Fact Sheet



#### HANDLE

A satirical view of life in Mexico City, presented in eight short stories depicting the full varieties of individuals who populate the city.

#### DESCRIPTION

Following the traditions of Jorge Ibaranguoitia and Armando Ramírez, Elías Adbeel tells us a series of connected short stories, where complex characters negotiate their lives among the perils of living in the city. Mexico is famous for being perilous for the unwary, and fun for those who know how to find their way. **In the dark side of the red zone** gives us plenty of examples of both aspects.

#### IMPORTANT NOTES

SHOWING CITY LIFE, WARTS AND ALL. *In the Dark Side of the Red Zone* don't let us forget that living in a city can be the greatest experience, but that everything can get sour in a single moment, and that perils are around every single moment.

DELIGHTFULLY IRREVERENT. Elías Adbeel does not cut corners to show us how bad we can really be, but it is hard not to laugh while reading his stories, only to actively wonder afterwards what we were just laughing about.

SHORT STORIES THAT RESPECT THE READERS INTELLIGENCE. Reading this book flows fast, but it can always reward you with insights, and keep

#### Order Cutoff Date

03Oct2024

#### On Sate Date:

17Oct2024

US/CAN

\$19.00/\$25.00

**Format/Sub:**

Paperback Original

**ISBN:**

X-XXXX-XXXX-X

**ISBN-13:**

XXX-X-XXXX-XXXX-X

**BISAC Category:**

**FICTION** / Literary

**FICTION** / World

Literature / Mexico

**Trim Size:**

5 1/8" X 8"

**Pages:**

287

**Editor:**

Manuel Sandoval

**Author Residence:**

Mexico City, Mexico

In the title story, **In the dark side of the red zone**, we meet an unnamed young character as he is trying desperately, and not being fully successful, to lose his virginity in Mexico's city poor man red light zone, the old Merced market by night. We see him trying to sort out extortions by the police, the cunning of the working girls who can feel his inexperience, and his own lack of real money. In the end, what he can, or cannot learn, is much less than what we get to enjoy by reading it.

**ABOUT THE AUTHOR**

**Elias Adbeel** is a young author living in Mexico City. He has published short stories in several independent literary magazines. He studied creative writing and literature in Casa Lamm, a prestigious liberal arts college in Mexico City. There, he was the winner of their annual fiction scholarship.

**MARKETING PLANS**

Online and Social Media Advertising Campaign  
Publicity and Review Campaign  
Radio and Podcast Interview Campaign  
Live event in Mexico City with online relay  
Digital Marketing and Publicity Campaign  
Prepublication Buzz and Awareness Campaign  
Blogger and Social Media Influencer Campaign

**Exclusive Terr:**

LATIN AMERICA, US, TERRITORIES, DEPENDENCIES, PHILIPPINES AND CANADA

**1st Serial Right:**

Yes

**Available In:**

eBook

**Announced Print:**

10,000

you thinking afterwards. This collection of short stories has something for every kind of reader, and will not try anyone's patience

**QUOTES/REVIEWS**

"Elias brought back very vivid memories of my years in Mexico City. A great read."

**FRANCISCO GOLDMAN**, best-selling author of *The Art of Political Murder*

"I had not laughed so long about such terrible things. Wonderful. These stories have a really long aftertaste."

**JULIAN HERBERT**, author of *Tomb Song*

"Elías Adbeel does a perfect balance of the real and the imagined, the weird and the quotidian, the symbolic and the explicit."

**Publishers Weekly**, starred review

**COMPARABLE TITLES**

PUB MONTH	ISBN	TITLE	AUTHOR	FORMAT	PUBLISHER	PRICE
03/20	8433998935	Chilean Poet	Alejandro Zambra	TP	ANAGRAMA	28.08
01/21	0593312452	Las Cosas que Perdimos en el Fuego	Mariana Enriquez	TP	VINTAGE ESPAÑOL	19,95
01/20	6078667157	Distancia de Rescate	Samantha Schweblin	TP	ALMADIA	19,95

**FINJAMOS QUE SOY FELIZ, Literatura femenina latinoamericana, de Sor Juana Inés de la Cruz a  
Fernanda Melchor (LET US PRETEND THAT I AM HAPPY, Feminine Latin American Literature, from Sor  
Juana Inés de la Cruz, to Fernanda Melchor), by Laura González Eguiarte – Fact Sheet**



**HANDLE**

A much needed survey of Literature written by women in Latin America, from the oldest records from Spanish Colonial times, to the current new boom of authors.

**DESCRIPTION**

With Fernanda Melchor’s second longlist title for the Booker Prize in three years, books written by Latin American authors are in the spotlight more than ever. However, this is just the latest link in a tradition that spans centuries, and that has had representatives on every single moment of the region’s history.

**FINJAMOS QUE SOY FELIZ** is the telling of that story. Digging through archives and libraries all over the continent, Laura González has unearthed a rich history, full of fascinating details, and of forgotten authors who should still be read. This

**IMPORTANT NOTES**

**A MUCH NEEDED RECKONING WITH THE PAST.** The place of women in the culture of Latin American countries has never been bigger, and yet there are some sectors of our society that struggle to recognize it. This will be a much needed contribution to show that women have now a very well deserved place at the cultural forefront, and that they have always, in one way or another, been there.

**DEEPLY RESEARCHED.** Laura González has worked closely with experts in each of the time periods covered by the book. This is not the work of a cheerleader, but a serious, archival retrieval of most of our long forgotten authors

**ACCESSIBLE LANGUAGE.** Despite the book’s depth of research, it has been written with the general reader in mind. Anyone with any level of interest will be able to get something out of it. Regardless

**Order Cutoff Date**

21Nov2024

**On Sate Date:**

03Dec2024

**US/CAN**

\$21.00/\$26,50

**Format/Sub:**

Paperback Original

**ISBN:**

X-XXXX-XXXX-X

**ISBN-13:**  
XXX-X-XXXX-XXXX-X

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**BISAC Category:**  
**LITERARY**  
**CRITICISM /**  
Women Authors  
**LITERARY**  
**CRITICISM /**  
Caribbean & Latin  
American  
**LITERARY**  
**CRITICISM /**  
Comparative  
Literature

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**Trim Size:**  
5 1/8" X 8"  
**Pages:**  
486

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**Editor:**  
Manuel Sandoval  
**Author Residence:**  
Mexico City, Mexico

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**Exclusive Terr:**  
LATIN AMERICA, US,  
TERRITORIES,  
DEPENDENCIES,  
PHILIPPINES AND  
CANADA

**1st Serial Right:**  
Yes

**Available In:**  
eBook

**Announced Print:**  
5,000

book will become indispensable in every Latin American Literature history class that wants to be really comprehensive, and will also find a place on any reader's shelf.

#### **ABOUT THE AUTHOR**

**Laura González Eguiarte** is the current curator of the Soumaya museum, in Mexico City, where she has to do archival work for the museum collection. She is also a frequent contributor and columnist for *Mexicanísimo* and other literary magazines in Spanish. She has an M.A. in Comparative Literature, and has taught Literature and Scenic Arts courses at the Iberoamerican University of Mexico City, among other places.

#### **MARKETING PLANS**

Online and Social Media Advertising Campaign  
National Publicity and Review Campaign  
Radio and Podcast Interview Campaign  
Targeted Publicity Campaign to Academic Media  
Book Presentation in 2024 Guadalajara FIL  
Digital Marketing and Publicity Campaign  
Prepublication Buzz and Awareness Campaign  
Blogger and Social Media Influencer Campaign

if they initially wanted only to know more about the distant past, or the more recent authors, they will likely stay for the long run.

#### **QUOTES/REVIEWS**

"This book should be required in every house that speaks Spanish"

**GUADALUPE NETTEL**, author of *Después del Invierno*

"... surprisingly rich. I started reading with the false confidence that I would learn nothing, and oh, have I been proved wrong"

**RAFAEL LEMUS**, review for *Letras Libres*

"Laura González is a fantastic storyteller... tells a very complex story without compromising the depth beneath"

**MANUEL FERNÁNDEZ PERERA**, author of *La Literatura Mexicana del Siglo XX*

**FAREWELL TO ARMS, by Ernest Hemingway, translation to Spanish and critical edition by Juan Carlos Calvillo – Fact Sheet**



**Order Cutoff Date**

21Sep2024

**On Sale Date:**

03Oct2024

**US/CAN**

\$19.00/\$25,00

**Format/Sub:**

Paperback Original

**ISBN:**

X-XXXX-XXXX-X

**ISBN-13:**

XXX-X-XXXX-XXXX-X

**BISAC Category:**

**FICTION** / Classics

**FICTION** / Historical

/ World War I

**LITERARY**

**CRITICISM** /

Comparative

Literature

**Trim Size:**

5 1/8" X 8"

**Pages:**

287

**Editor:**

Manuel Sandoval

**Author Residence:**

Mexico City, Mexico

**HANDLE**

A new edition of a classic of World Literature, in a new scholarly translation, together with explanatory essays.

**DESCRIPTION**

There is no need to introduce Ernest Hemingway, or his masterpiece, **A Farewell to Arms**. Considered by some to be one of the emblematic novels of the First World War, Hemingway's description of its horrors is still relevant in our times.

This new edition is accompanied by a full critical apparatus, with explanatory footnotes for the text, extracts of other contemporary works that cover the same topic, reviews of the first edition, and literary explanatory essays.

**ABOUT THE AUTHOR**

**Ernest Hemingway** is one of the most beloved authors of American Literature. He is recognized as one of the foremost authors of the twentieth century. In 1954, he was awarded the Nobel Prize of Literature

**ABOUT THE TRANSLATOR**

**Juan Carlos Calvillo** has a Ph.D. in English Literature from Mexico's National University, and is currently the director of the Master's in translation of El Colegio de México, one of the best translation programs in Latin America.

**MARKETING PLANS**

Online and Social Media Advertising Campaign  
National Publicity and Review Campaign  
Targeted Publicity Campaign to Academic Media  
Digital Marketing and Publicity Campaign  
Prepublication Buzz and Awareness Campaign  
Blogger and Social Media Influencer Campaign

**IMPORTANT NOTES**

**RELEVANT WITH THE CURRENT GLOBAL POLITICAL SITUATION.** Unfortunately, we are once more surrounded by war. It is more than ever necessary to look again at the most emblematic voices who described it in all its horror, and who can give us a clear perspective on what we can wait for.

**A SCHOLARLY EDITION.** Professor Calvillo has edited an impressive selection of essays to accompany the text, which is already important by itself.



**Exclusive Terr:**

LATIN AMERICA, US,  
TERRITORIES,  
DEPENDENCIES,  
PHILIPPINES AND  
CANADA

**1st Serial Right:**

Yes

**Available In:**

eBook

**Announced Print:**

4,000