

## Interview with Todd Hensley, CEO C&T Publishing Regarding CyberWolf Download Service and Digital Product Strategies

On 12/17/09; Brent Bonwell, CyberWolf PowerWeb Product Manager, and Benjamin Thomas, CyberWolf Publishing Technology Specialist, had the opportunity to speak with Todd Hensley, CEO of [C&T Publishing](#), about his experiences with the new CyberWolf Download Service (CDS) and their overall digital product strategy. C&T Publishing is the premier source for quality titles regarding quilting, paper craft, and fiber art. They sell to quilt, fabric, and craft stores; book, gift and museum shops; scrapbook and paper craft stores; book clubs; and directly to consumers throughout the world. Their authors represent the most respected names in the quilting industry and many have received honors such as the International Quilt Festival's Silver Star Award, appointment to the Quilters Hall of Fame, or inclusion in 1999's list of "The 20th Century's 100 Best American Quilts." True to their Mission Statement, "Innovate. Educate. Create.", C&T has led the way for the ACUMEN publishing community by working with CyberWolf to become the first publisher to implement the new CyberWolf Download Service. Todd was kind enough to allow us to share this conversation with other publishers.

Before taking you to the interview with Todd, a little background on the CDS: The CDS module interacts with Adobe's Content Server solution (the emerging standard which has been adopted by Barnes and Noble, Google Editions, Simon & Schuster, and other key industry players) to manage Digital Rights Management (DRM) security on PDF and EPUB files and allow their sale from your own ecommerce site. It also allows for the management and sale of a wide variety of non-DRM file types such as ZIPs, MP3s, etc. Both DRM and non-DRM files are easily set up and maintained from directly within ACUMEN. The level of DRM control is extremely robust and easily adjusted. Typical types of controls include expiration dates, the number (if any) of pages which can be printed, and the number (if any) of excerpts which can be copied from the material and pasted into another application. DRM secured files are viewable on Macs, Windows PC's, the Sony® Reader, Barnes and Noble® Nook, and many other mobile devices. This module was designed to integrate smoothly into the PowerWeb ecommerce platform, but is also available for integration with non-PowerWeb solutions. CyberWolf anticipates releasing support for "Stamping" (an increasingly popular social DRM approach) in January 2010.

### Interview with Todd Hensley, CEO C&T Publishing:

Benjamin: What were the reasons C&T decided to pursue a Content Download Service solution?

*Todd: At C&T we spend vast resources to create compelling content for creative enthusiasts. We have a strong belief that customers should not be limited in how they consume our content due to the limitations of shelf space or the printed piece. eBooks have evolved to a point, both from technology and acceptance, that they are a viable option. We are also a certified green company and we see offering ebooks as an important step to reducing the ecological cost of creating and shipping books.*

Benjamin: Given that C&T specializes in titles regarding quilt making and other hands on crafts, I would assume you may have an older demographic overall. Did you have concerns that your customers might not respond to ebooks as readily as readers in general?

*Todd: That was something we gave a lot of consideration to. We conducted several studies into our demographic before proceeding. We found that the majority of our customers are women over the age of 54, and better educated than the general population. More than 80% of our customers have computers in their homes and more than 70% had used the internet in the past month. We felt the risk was worth taking, but we needed a solution to help us minimize that risk. Ease of use for our customers is critical.*

*Todd: Also we've been selling non-DRM PDFs of some titles for about a year now, so we had some valuable experience to draw on and decided we needed to take the next step. Roughly 12% of our business is in foreign orders and ebooks are attractive to those customers because of reduced shipping costs and delivery times.*

Benjamin: There is a lot of disagreement about the use of Digital Rights Management (DRM) in the publishing industry right now. What are your thoughts?

*Todd: Personally, I don't like DRM but I believe it is necessary, especially to quell the concerns of some authors. To be really effective, it needs to be completely transparent to the user. It's come a long way, but we're not there yet. From my research, the Adobe approach seems to be the best available. We do wish the DRM protection could be applied to more file formats than just PDF and ePUB though.*

Benjamin: So would you say that the flexibility of using the CyberWolf Download Service along with Adobe Content Server (ACS) allows you to use a robust DRM solution without inconveniencing your customers?

Todd: Yes, I would agree with that statement.

Benjamin: What DRM standards has C&T decided to adopt?

Todd: Due to the graphic intensive nature of our titles, we are exclusively using PDFs at this time. Currently, we are applying DRM to our frontlist and bestsellers but not to our backlist. We are experimenting with everything we do and may change that as we move forward.

Benjamin: How would you describe the process for implementing CDS on your site?

Todd: It was frustrating due to the time it took to go live.

Brent: It was a very complex project. Because of the lack of DRM, our previous content download solution was not an option for C&T. CyberWolf spent a considerable amount of time investigating other providers before we determined that the best course was to work directly with Adobe to create the CyberWolf Download Service. Despite the huge emphasis that Adobe has placed on the Adobe Content Server application (currently release 4 but soon to be 5), their resources were stretched thin working with other companies like Barnes and Noble. The good news is that now that C&T has gone live, the development work is completed and new clients will be able to be implemented very quickly.

Todd: The integration of ACS with ACUMEN is far superior to our previous download solution that involved manually setting up each title on a website. We think the CDS was well done and well thought out – especially for a first generation product.

Benjamin: How long after go-live before you had your first CDS sale?

Todd: We received the first sale of a CDS product the same day we went live. Since then about 1 in 8 orders has contained a CDS product.

Benjamin: Have you received any feedback, either positive or negative, from your customers about the new DRM products.

Todd: No, not yet.

Benjamin: Have you been actively promoting your CDS titles?

Todd: No, not at all. We want to take our time and be really comfortable with the products before we start promoting them. We are planning a major effort though for mid-January. Things like e-list blasts, social media promotion, catalog placement, and download icons in our print ads.

Benjamin: Approximately how many titles do you have available for CDS sale?

Todd: We have approximately 80 titles currently available for download and will be setting up a couple of hundred more in the near future.

Benjamin: Wow, a couple of hundred. Has C&T taken the step of clarifying digital rights in your author contracts?

Todd: Yes, that's actually something we did 8 years ago. All contracts since then have explicitly mentioned digital rights and addendums were sent out for any existing contracts lacking digital rights language.

Benjamin: That was well thought out. From some of the things I've been reading lately, C&T was way ahead of some of the big publishing houses that are still working through that issue. Obviously, you're committed to an ebook strategy. Are there any other benefits that we haven't discussed yet?

Todd: Yes, we think the ability to experiment with pricing is a real strength and also the flexibility it gives us for bringing products to market. Most of our titles we plan to offer in both print and digital – but some things we'll just do in digital format. For instance we're coming out with an ebook only title that is made out of pieces of another work that were cut during the editing process. There wasn't enough content there to make sense in a traditional print run, but plenty to make a quality ebook. We'll also be able to bring to market some titles that wouldn't be profitable in



*print form. Remove overhead costs like printing, freight, warehousing, and packing and we suddenly have access to lot more profitable titles.*

Benjamin: That's pretty exciting stuff. I have to laugh a little though about a quilting publisher making new titles out of scraps. It reminds me of a crazy quilt. Are you working on any other new initiatives that you'd like to share?

*Todd: Yes, we're also experimenting with print on demand (POD) through Lightning Source. POD has some of the same benefits as ebooks and is one more way we can remain flexible as a publisher.*

Benjamin: I don't have any more questions for you right now, is there anything else that you'd like to bring up?

*Todd: No, I think that about covers it. If any other Acumen clients would like to discuss digital publishing I am happy to share our experiences. Just give me a call or drop me an email.*

Benjamin: Todd – thank you very much for taking the time to speak with us today and giving us permission to share this conversation. In 2010 we're planning to reach out to more of our customers to really understand the challenges they're tackling and the solutions they're coming up with. We're expecting to do more interviews like this one and some case studies that we can share with the CyberWolf ACUMEN publishing community. We appreciate C&T being the first one and I'm sure our other publishers will appreciate hearing about your experiences.

#### **About CyberWolf**

CyberWolf is dedicated to helping publishers grow by providing easy to use and cost-effective technology solutions that allow clients to focus on the business of publishing. Our ACUMEN Book® business management ERP system; PowerWeb Book® ecommerce platform; and, most recently, the CyberWolf Download Service™ (an Adobe Content Server DRM-enabled digital content distribution application) are used by a world-wide community of publishers to effectively compete in the modern publishing environment.

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