Hybrid publishing companies behave just like traditional publishing companies in all respects, except that they publish books using an author-subsidized business model, as opposed to financing all costs themselves, and in exchange return a higher-than-industry-standard share of sales proceeds to the author. In other words, a hybrid publisher makes income from a combination of publishing services and book sales.

Although hybrid publishing companies are author-subsidized, they are different from other author-subsidized models in that hybrid publishers adhere to the following set of professional publishing criteria. See additional considerations below for more information about how hybrid publishers differ from other author-subsidized models.

A hybrid publisher must:

1. **Define a mission and vision for its publishing program.** A hybrid publisher has a publishing mission and a vision. In a traditional publishing company, the published work often reflects the interests and values of its publisher, whether that’s a passion for poetry or a specialization in business books. Good hybrid publishers are no different.

2. **Vet submissions.** A hybrid publisher vets submissions, publishing only those titles that meet the mission and vision of the company, as well as a defined quality level set by the publisher. Good hybrid publishers don’t publish everything that comes over the transom and often decline to publish.

3. **Publish under its own imprint(s) and ISBNs.** A hybrid publisher is a true publishing house, with either a publisher or a publishing team developing and distributing books using the hybrid publisher’s own imprint(s) and ISBNs.

4. **Publish to industry standards.** A hybrid publisher accepts full responsibility for the quality of the titles it publishes. Books released by a hybrid publisher should be on par with traditionally published books in terms of adherence to industry standards, which are detailed in IBPA’s “Industry Standards Checklist for a Professionally Published Book.”

5. **Ensure editorial, design, and production quality.** A hybrid publisher is responsible for producing books edited, designed, and produced to a professional degree. This includes assigning editors for developmental editing, copyediting, and proofreading, as needed, together with following traditional standards for a professionally designed book. All editors and designers must be publisher approved.
6. **Pursue and manage a range of publishing rights.** A hybrid publisher normally publishes in both print and digital formats, as appropriate, and perhaps pursues other rights, in order to reach the widest possible readership. As with a traditional publisher, authors may negotiate to keep their subsidiary rights, such as foreign-language, audio, and other derivative rights.

7. **Provide distribution services.** A hybrid publisher has a strategic approach to distribution beyond simply making books available for purchase via online retailers. Depending on the hybrid publisher, this may mean traditional distribution, wherein a team of sales reps actively markets and sells books to retailers, or it may mean publisher outreach to a network of specialty retailers, clubs, or other niche-interest organizations. At minimum, a hybrid publisher develops, with the author, a marketing and sales strategy for each book it publishes, inclusive of appropriate sales channels for that book, and provides ongoing assistance to the author seeking to execute this strategy in order to get his or her book in front of its target audience. This is in addition to listing books with industry-recognized wholesalers.

8. **Demonstrate respectable sales.** A hybrid publisher should have a record of producing several books that sell in respectable quantities for the book’s niche. This varies from niche to niche; small niches, such as poetry and literary fiction, require sales of only a couple thousand copies, while mass-market books require more.

9. **Pay authors a higher-than-standard royalty.** A hybrid publisher pays its authors more than the industry-standard* royalty range** on print and digital books, in exchange for the author’s personal investment. Although royalties are generally negotiable, the author’s share must be laid out transparently and must be commensurate with the author’s investment. In most cases, the author’s royalty should be greater than 50% of net on both print and digital books.

**Additional considerations:**

- The criteria above point to functions that a reputable hybrid publisher is expected to perform. It’s up to each hybrid publisher to figure out, and explain, how it performs each function.
- Regardless of who pays for editorial, design, and production fees, it is always the publisher that bears responsibility for producing, distributing, and ultimately selling professional-quality books.
- An author-subsidized business model in no way relieves a publisher of its editorial, design, marketing, sales, and distribution responsibilities.
- In comparing hybrid publishers with vanity presses, it’s important to note that vanity presses are not selective in what they publish, nor are they set up to be. Therefore, it is better to think of vanity presses as self-publishing service providers, not publishers. In a self-publishing service provider/author relationship, it is the author who plays the publisher role.
- An author may be asked to subsidize or pay the full cost of his or her print runs. Authors who do so should own the physical copies outright, having paid the
manufacturing fees, and should not be required to pay a “percent-off list price” amount arbitrated by the publisher when they need to order copies.

* “Standard” royalties in traditional publishing were once calculated based on the list price or suggested retail price of the work. Nowadays, and especially among small presses and independent publishers, it is more common to calculate royalties based on net revenues.

Some contracts offer an escalated royalty based on the number of copies sold, e.g., 8% of net receipts on the first 5,000 copies, 10% on the next 5,000 copies, and 12% on all copies in excess of 10,000. The actual royalty percentages and break points vary from publisher to publisher and are often subject to negotiation with the author.

Trade publishing contracts, and especially the contracts larger publishers use, often set different royalty rates for various other formats, territories, terms of sale, and channels of distribution.

Standard royalty rates vary among traditional publishers. Although some publishers are outliers, standard royalty rates generally range from 5% at the lower end to 15% at the higher end. Some traditional publishers offer the same royalty rate for both printed books and e-books; most now offer up to 25% of net revenues for the sale of e-books. Many independent publishers adopt a flat royalty of 10% of net receipts for all formats. However, there is no longer a “standard” royalty rate among publishers.

**Standard royalty ranges (for illustrative purposes):**

<table>
<thead>
<tr>
<th>Format</th>
<th>Standard escalated royalty ranges</th>
<th>Standard flat royalties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardcover</td>
<td>5–10% of net on first 5,000 copies 10–12.5% on next 5,000 12–15% thereafter</td>
<td>10% of net</td>
</tr>
<tr>
<td>Paperback</td>
<td>10% of net</td>
<td>10% of net</td>
</tr>
<tr>
<td>E-book</td>
<td>25% of net</td>
<td>25% of net</td>
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