

# The complexity of rights and royalties systems in publishing

An analysis of the challenges  
and potential solutions

knk Group  
Inspiring Publishing Software



Gold  
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# Introduction

It's been a tumultuous few years in publishing. With a vast array of content options available to readers, audience attention has shifted as preferences change in terms of format, channel and genre.

E-books, audiobooks and subscription models offer audiences multiple ways to consume content. Additionally, self-publishing has become ever more professional and appealing, both to authors and readers.

Moreover, audiences now have a plethora of entertainment options at their disposal, with multiple streaming services and online channels competing for attention, time and money.

In the last couple of years, these developments have unfolded against the backdrop of the Covid-19 pandemic, successive lockdowns, and various political, social and environmental changes that have compelled long-established industries to adapt.

But what does it all mean for readers and publishers?

According to the [Association of American Publishers 2022 StatShot Report](#):

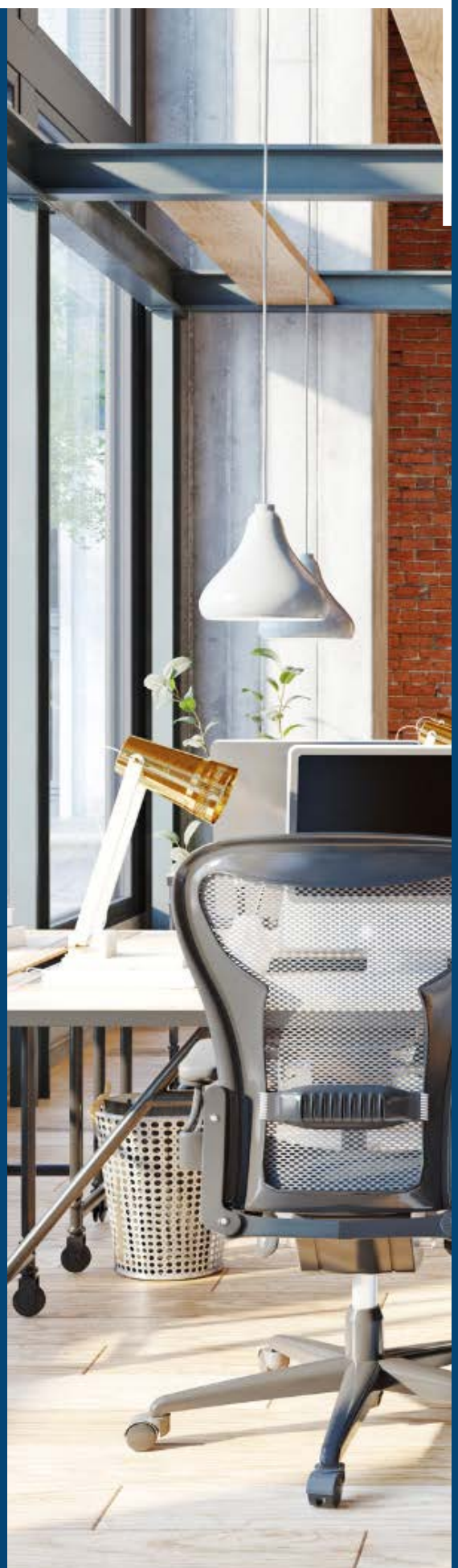
- Trade (or consumer) book revenues decreased by 6.2% in 2022 as compared with 2021.
- e-book revenues also experienced a decline of 6.6%.
- As did mass market sales, which saw a drop of 25.5%.
- However, audiobook downloads increased by 7.0%.

So, the picture is a little confusing. We are now several months out from the Covid-19 pandemic, but it is still too early to tell what long-term impacts it might have had on the publishing industry. Therefore, we can only speculate about what the statistics reveal.

Nonetheless, it is evident that the publishing industry continues to navigate a changing landscape. The increase in digitized content in particular has created challenges and opportunities, and with many formats continuing to grow in popularity it seems likely the landscape will continue to evolve for years to come.

One area of publishing where these shifts are felt very strongly is the complex realm of rights and royalties systems. Every new piece of content, and every existing piece of content that is adapted to a new format, creates another layer of work for rights and royalties professionals, and as these layers accumulate, the situation becomes increasingly complicated.

For many individuals tasked with managing these layers of work, existing rights management systems are no longer adequate. With multiple formats to handle and numerous stakeholders to satisfy — including authors, agents, translators and senior colleagues, as well as readers — rights and royalties professionals require a robust system of processes in order to respond quickly, streamline the administrative burden, and identify new revenue opportunities.



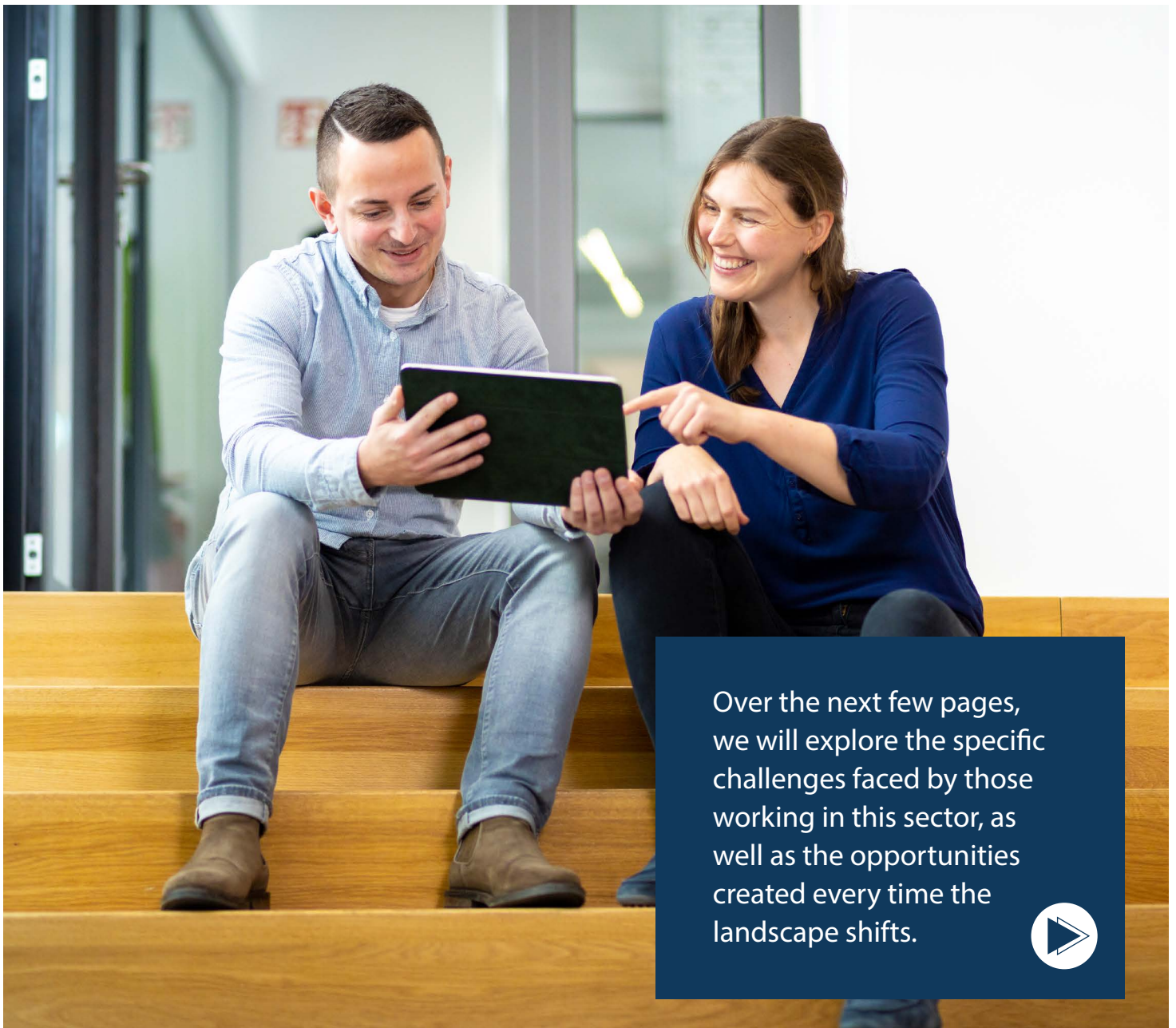


Yet, a number of publishing houses still rely on old systems and manual practices. In today's digitized world, these processes are time-consuming and not cost-effective. However, breaking away from them can feel daunting, and potentially just as complex as the tangle of rights and royalties itself.

But it doesn't have to be. In this document, knk Software – which has many years of experience in leveraging technology to assist publishers and media companies in reaching

and expanding their customer base — brings together a group of experts working in the field of rights and royalties.

We're delighted to introduce you to Director of Licensing for Crossway Books, **Aaron Camp**; knk Presales Consultant, **Jannis Baltuttis**; President and CEO of Evangelical Christian Publishers Association (ECPA), **Jeff Crosby**; **Kris Kliemann**, President of Kliemann & Company; and knk Chief Executive Officer **Sebastian Mayeres**.



Over the next few pages, we will explore the specific challenges faced by those working in this sector, as well as the opportunities created every time the landscape shifts.



# About the contributors

## Aaron Camp

**Aaron Camp**, the Director of Licensing at Crossway Books, has dedicated 12 out of his 13 years at the company to the intricate field of licensing. With a deep passion for international collaboration, he works closely with publishers worldwide, translating and distributing Gospel resources. Aaron's position allows him to interact with industry-leading licensing professionals, an experience he deeply appreciates.

Outside of work, Aaron enjoys fly fishing, playing the bass guitar, and spending quality time outdoors with his family and dog.



## Jannis Baltuttis

**Jannis Baltuttis** is an accomplished presales consultant at knk, driven by his passion for technology and its potential to empower publishers and media companies in emerging markets. With a primary focus on North American and Canadian publishers, Jannis specializes in Editorial, Rights and Royalties, Digital Subscriptions (Paid Content & Databases), Order Management, and Finance. As a dedicated sparring partner, he collaborates with publishing and media companies to intimately understand the challenges they are facing, and to seek innovative solutions that help them modernize their offerings and



## Jeff Crosby

**Jeff Crosby** is the president and CEO of ECPA, a trade association of Christian publishing. His entire 40-year career has been in book retailing, wholesaling, and publishing. The author of *The Language of the Soul* (2023) and the editor/compiler of *Days of Grace Through the Year* (2007), Crosby writes frequently for magazines and trade publications including the U.K.-based *Together*, a journal serving publishers and retailers. He lives in the Chicago area with his



## Kris Kliemann

**Kris Kliemann**, President, Kliemann & Company, advises businesses on strategies for maximizing reach and revenue generated from publishing, often focusing on rights, contracts, and royalties. Clients include American Chemical Society, Frankfurt Book Fair, Highlights for Children, IV Press, and more. Previously, Kris was VP, Global Rights, Wiley, where she led a global team in sales, marketing, and operations. Kris is also head of the Rights Committee for the Book Industry Study Group.



## Sebastian Mayeres

**Sebastian Mayeres** is a tech enthusiast in love with the publishing and media industries, having worked in that field for almost his entire work life. After starting out as a developer for publishing software, Sebastian has led various implementation projects across the globe, all within the publishing industry. He is currently the CEO of knk Software, managing the US arm of knk Group for the past five years. Sebastian loves embracing new technology and making it useful in real-life environments. He explains, "Often technology is confusing for the ones who are not too familiar with it. I



# Section 1

Considering the future:  
Wider trends in the US  
publishing industry

## Post-pandemic, what is the current state of play in the industry? What big-picture trends are we witnessing?

“In the past few years, **audiobooks** have seen a significant growth in popularity. This is largely because of increased accessibility via digital platforms, and the rise of subscription services like Audible. The demand for audiobooks continues to rise, providing new opportunities for publishers to reach and engage audiences,” says Sebastian.

Jannis also identifies **e-books** as an increasingly important platform, and one that has created additional complexities. “Authors are now advocating for higher royalties for e-books compared to printed works,” Jannis says. “They argue that the production process for e-books involves less risk and effort, and thus, the royalty rates should reflect this difference.”

And yet within the readership, the rise of e-books has not been quite as dramatic as originally predicted. Jeff adds: “Although they remain popular, in terms of growth, e-books have flattened in most categories. The 2008/2009 predictions of the “Gutenberg elegies” — the demise of print — were certainly overblown.”

Jeff sees **self-publishing** as another major force in the current landscape. “Today, authors who want to self-publish can release well-designed, beautifully typeset, professionally edited books that do not look like a ‘vanity press’ book. Additionally, self-publishing options have strong direct links to major online retailers, which is where the majority of books are bought and sold.”

For Aaron, what this means is a global audience that has rediscovered reading. “In lockdown, people may have been streaming more content, but they also picked up more





“The pandemic  
showed us that,  
for publishers, our  
challenges and  
opportunities aren’t  
that different.”



**Aaron Camp**  
Director of Licensing for  
Crossway Books

books. Physical books, audiobooks, e-books. People escaped into stories, and of course this is where the publishing industry has a role to play. We need to provide substantive content to meet that re-engaged audience," he says.

Another key factor post-pandemic is the significant **consolidation** that the publishing industry has experienced in the past few years. "Mergers and acquisitions have become more common," Sebastian says. "Large publishing conglomerates have emerged, wielding considerable influence over the market, while disruptive technologies and platforms continue to reshape the industry."

**Reader's changing preferences** is something else Jannis identifies. "Preferences are shifting towards personalized experiences and instant access to content, which has led to the emergence of subscription-based models, online marketplaces, and self-publishing platforms. Publishers are also increasingly creating offers where customers can subscribe to either an entire database or to specific content packages. This is particularly prevalent in educational, informational, and academic publishing, and in B2B markets with specialized content."

Aaron notes that something similar is also happening with translations. "Whether they are big or small, old or new, advanced or simple — the vast majority of the international publishing partners we work with show an increased desire to spread into **multiple formats** with



"Preferences are shifting towards personalized experiences and instant access to content."



their translations.” It is a trend he hopes will continue. “Oral cultures benefit from using audiobooks to disseminate information. Cultures with advanced public transportation benefit from digital access to personal devices for commuters. Different formats reach different audiences, so publishers are seeing the value of obtaining rights in any format.”

But while content offerings are becoming increasingly diverse, Aaron also sees the last few years as having revealed commonalities between publishers. “We have been talking about globalization for many years, but I think the pandemic really showed us that, for publishers, our challenges and opportunities aren’t that different,” Aaron says. “One of the biggest realizations is that we are so much closer than our geography suggests.”

Within the US, libraries continue to play a vital role in terms of providing access to books and digital content. Sebastian sees library partnerships with publishers as a great opportunity to extend this access. “These partnerships have evolved to support initiatives like digital lending, expanding access to books and fostering collaboration,” he says. This is despite the fact that libraries themselves are facing challenges — with many, as Jeff says, “dealing with fallout from political divides and polarization, with challenges to having books on shelves increasing seemingly every month.”

This sits alongside a growing emphasis on promoting diversity and inclusivity, as Sebastian identifies. “Publishers recognize the need for diverse voices and perspectives. Efforts are being made to ensure representation in both published content and within the industry itself, addressing historical imbalances and catering to a wider range of readers,” he says.

In conclusion, the post-pandemic state of play in terms of US publishing is one where change is constant. As Sebastian says: "The industry is evolving in response to consumer preferences, technological advancements, and a greater emphasis on inclusivity. Publishers are navigating these trends to remain competitive, while also exploring new opportunities for growth and engagement."

## In the coming years, where will the opportunities be for US publishers?

The publishing industry may have to continue evolving to meet the needs of an ever-shifting digital landscape, but change also creates opportunity.

Kris says: "As publishers look to create new formats, and new uses for existing texts and illustrations, there are many opportunities for innovation. Savvy publishers know that their true business is managing a portfolio of IP and associated rights and that utilizing good systems to inventory those rights details will enable a swift turn towards those new markets and formats."

Jannis agrees. "One of the key areas of opportunity lies in the growth of digital content," he says. "e-books, audiobooks, and online databases have become increasingly important, and publishers can capitalize on this by expanding their digital offerings. Embracing digital publishing platforms and distribution channels enables publishers to reach a broader audience, cater to the preferences of tech-savvy readers, and diversify their revenue streams."

The industry can also build on its existing learnings when it comes to formulating a response to new challenges. "We need to recall the cautionary tales that happened when e-books hit in a big way," Kris says. "Consumers were clamoring for titles, yet many publishers did not know if their existing contracts allowed them to publish in that format. Today, most publishers have a clearer view of the rights they have acquired from their authors. They know what can be leveraged into product and re-published by the company, and what rights have been specified as available for licensing out to others."



For Jannis, this is why it is essential for publishers to have a robust rights and royalties solution. “By leveraging rights management systems, publishers can **maximize the monetization potential** of their intellectual property across various mediums,” he says. “Understanding consumer preferences, sales patterns, and market trends is crucial for optimizing rights and royalties management.”

**“Savvy publishers know that utilizing good systems enables a swift turn towards new markets and formats.”**

Another key opportunity identified by Aaron is for publishers to shift their approach to **international acquisition**. “US and English-language publishers have, in general, traditionally been focused on licensing titles to other markets, but in today’s more globalized industry, there are many reasons why English-language publishers should consider acquiring content to be translated from other languages.”

Kris also points to the way translated content can feed into **new business models**, such as subscription and streaming services.

“Astute publishers are already using their rights teams and licensing acumen to make deals that can function as research and development regarding these new business models,” she points out. “For example, a translation license to a Scandinavian publisher, where book sales might be 50% or more

via a streaming service, could give a US publisher some data and insight into how the models work in practical terms. That information might then help inform English-language agreements.”

For Aaron, working more collaboratively with international publishers in and of itself creates more opportunities. “Royalty income is an important part of recognizing the author and original publisher’s work,” he points out. “Historically, publishers have sometimes viewed international partners in an extractive way, but their markets represent an opportunity for US

publishers to reach places they historically never could,” he says. “Working more collaboratively with trusted international partners could therefore create significant strategic value.”

Again, for Jannis, this all means publishers need to be able to easily leverage the data available to them in order to maximize the opportunities it affords. “With a data-driven approach, publishers can acquire and curate content that aligns with audience demand, set pricing strategies based on market trends, and identify the most effective distribution channels,” he says.



# What do you see as the next big challenges for US publishers?



In publishing, one thing is always certain: there will always be change. With this in mind, and as we conclude this first section, **knk's Chief Executive Officer Sebastian**

“**Mayeres** shares his predictions about what changes publishers might yet face in the coming years, and how they can respond.

## Content discoverability

Navigating algorithms, search engine optimization, and personalized recommendations will all be crucial in enhancing discoverability.

## Monetization in the digital age

Balancing subscription-based models, ad-supported platforms, and direct-to-consumer sales will be essential to ensure profitability.

## Data privacy and security

Building trust with readers by implementing transparent data practices will become increasingly important.

## Audience engagement and community building

Engaging with readers and building communities around content — social media platforms, email newsletters, interactive content — will be essential for publishers to foster loyalty and drive repeat engagement.

## Adaptation to emerging technologies

Emerging technologies such as artificial intelligence, augmented reality, and voice assistants present opportunities and challenges. Adapting to these technologies, and finding ways to leverage them, will be crucial.

## Competing with alternative content platforms

Finding ways to differentiate and position publishers as trusted sources of high-quality, curated content in a marketplace that now includes social media, video streaming services, and user-generated content will be key.

## Sustainability and environmental responsibility

Adopting eco-friendly practices, exploring sustainable printing options, and promoting digital reading alternatives will become more and more important to readers.

## Changing regulatory landscape

Evolving regulations and policies will continue to impact publishers,

# Section 2

Responding to need:  
Specific issues facing  
rights and royalties  
professionals



## Moving from big-picture trends to specific challenges, what do you see as the main areas of focus for those working in rights and royalties?

From the continued rise of digital content and multiple formats, to shifting audience needs and the necessity of managing big data, many of the issues facing rights and royalties professionals are clearly connected to these big-picture trends. And because rights and royalties professionals are responsible for a vast array of outcomes — identifying trends and opportunities to monetize existing product; liaising with authors, agents, translators, and other publishers; managing national and international rights acquisitions for new products, to name a few — it is rights professionals who are often required to untangle the complicated challenges that come with our increasingly digitized publishing landscape.

For Kris, one of the biggest challenges for those working in rights and royalties is the sheer **amount of data** publishers accrue on a daily basis. “Every year that passes in a publishing house means a growing backlist, on top of tomorrow’s books and the ones that will be published next year,” she says.

Storing this amount of data means it is vitally important for publishers to be able to keep track. “When a publisher is licensing rights out, they really need to have in front of them a complete rights marketing catalog which they can trust to be absolutely accurate in terms of author and book details, rights, and everything from translation information to relevant notices of photography approval,” Kris says.



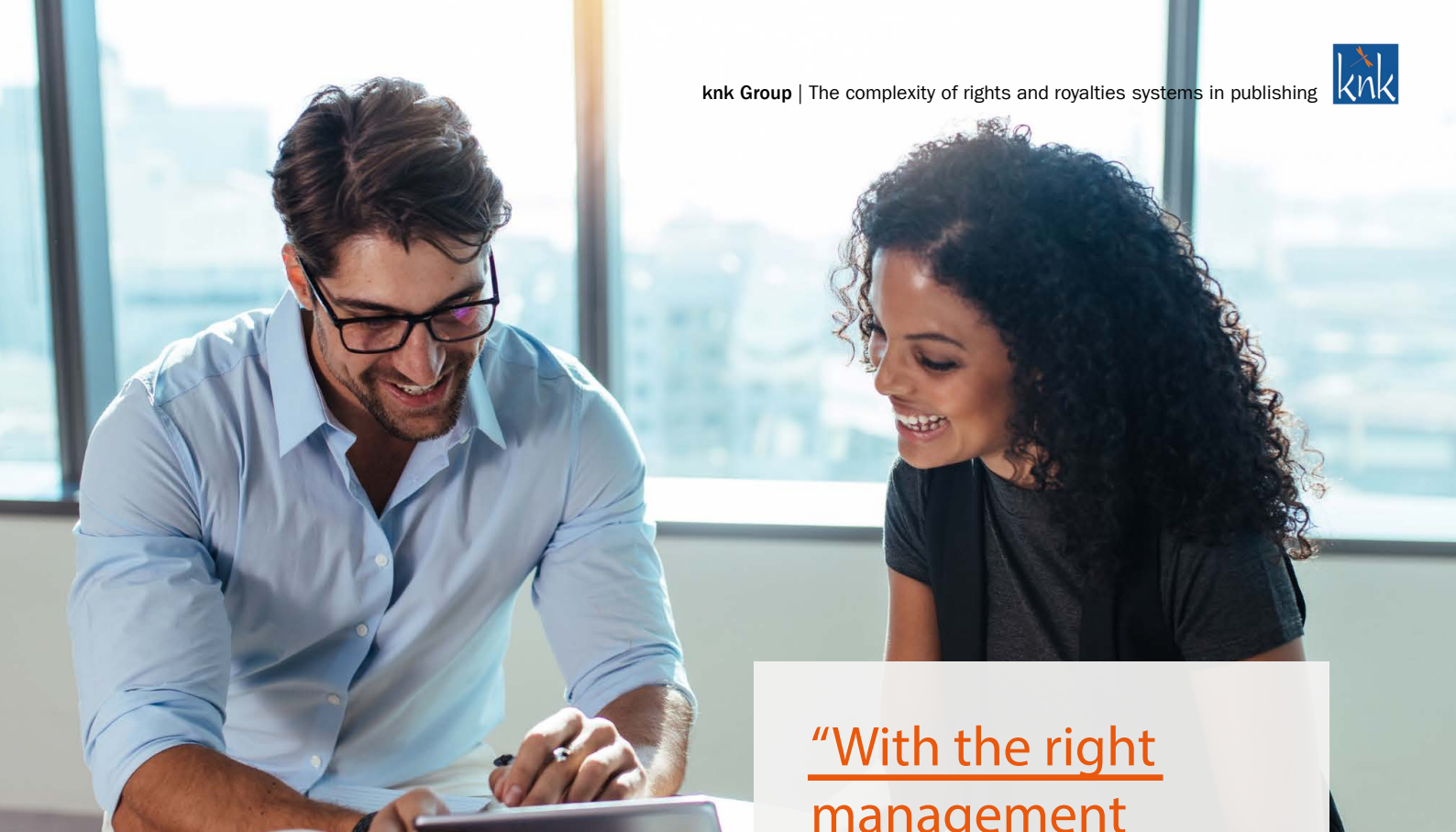


Sebastian agrees. “Centralizing all data into one system helps create one version of the truth and thus means publishers can harness the power of their data. It is essential for identifying market trends, optimizing licensing agreements, and maximizing revenue opportunities. Professionals in this field need to develop expertise in data management, analysis, and interpretation to make informed decisions,” he says.

For royalties teams, the need to process vast volumes of data is even more acute and even more important when it comes to identifying new revenue streams. “Contracts with rights holders are always complex, with highly detailed rates to be paid against a wide variety of factors such as territory, discounts, volume, and pricing. Processing incoming licensing revenue also requires time and attention to detail,” Kris points out.

“With the rise of digital formats and subscription-based models, many of the traditional revenue streams for publishers have been disrupted,” Sebastian says. “This is a unique challenge for rights professionals, but it also offers opportunities. Licensing content to subscription platforms and negotiating fair compensation in the digital landscape requires a deep understanding of market trends and innovative approaches, and this can only develop if the data is right.”

Collaboration and communication is vitally important across publishing in general, and particularly for those working in rights and royalties. As Sebastian says: “Building strong relationships with authors, agents,



licensees, and other stakeholders is essential for negotiating agreements, resolving disputes, and ensuring clear and effective communication regarding rights and royalties.”

For Aaron, maintaining these relationships can also help mitigate one of the other big challenges facing rights and royalties professionals: the many **impossible to predict** factors that can have a huge impact on budgets and on income. “Last year, for instance, we saw paper and freight costs skyrocket. We could not have forecasted the impact that would have on traditional publishing, especially in the smaller, less developed markets. It’s hard to account for such unexpected costs in a budget that reflects our expectations for royalty income. And there are many other factors that create disruption: political or social sways that impact currency, censorship, or the ability to distribute products. If a key market goes down, so can a budget — and it can happen very quickly,” he says.

**“With the right management system, publishers can stay flexible and agile.”**

Again, having a robust centralized approach to data can also help mitigate those unexpected changes. “With the right management system, publishers can stay flexible and agile,” Aaron says. “Planning for unexpected changes in complex markets when you have a variety of accounts is challenging, but staying nimble and being able to adjust quickly is so much easier when you can trust your process. And knowing your markets is hugely beneficial for licensing teams when hard times do hit.”

And it is not just licensing teams that benefit from a centralized system. “One of the most important points of contact between a publisher and author happens around payments,” Kris points out. “So, while editors are often perceived as the front-line contact



for an author, once a book is published, the royalties specialist becomes the direct contact for authors and their agents. Of course, ensuring accurate royalty statements and payments is critical for publishers to maintain their author relationships and their reputation, so again, it's important to be able to rely on your data."

What is clear is that having a robust system in place to manage and process information is hugely important for everyone working in publishing, but particularly for those working in rights and royalties.

"People often talk about a CRM (Customer Relationship Management) system. I think this terminology is outdated," says Sebastian. "Because actually, it is about more than customers. Publishers need a **Stakeholder Management System**. Our relationships are not only with customers, but also authors, agents, bookstores... and all these relationships need to be managed and supported by systems, to ensure a smooth and effective communication strategy."

According to a recent Statista report, "Audiobooks... are the fastest growing segment of the publishing industry... and forecasts suggest that e-book revenue in the United States alone could approach eight billion dollars in the next few years". How has the rise of digital content such as e-books and audiobooks complicated issues relating to rights and royalties?

It is fair to say that ensuring a smooth and effective communication strategy requires a different level of focus than in the days before digital content, particularly when it comes to data management. As Jannis says: "Firstly, the distribution of digital content requires separate **agreements and distribution channels** compared to traditional print formats.





Publishers need to negotiate rights for e-books, audiobooks, and database subscriptions separately, taking into account factors like sales regions, formats, languages, distribution channels and others. This can be incredibly time-consuming.”

Sebastian agrees. “With the advent of digital publishing and the proliferation of platforms and formats, managing and tracking digital rights has become increasingly intricate. Licensing agreements, territorial rights, and the constantly evolving digital rights landscape demand careful attention and expertise,” he says.

Meanwhile, publisher’s sources of revenue are also continuously diversifying, which sometimes means entirely new revenue streams need to be incorporated into a rights and royalties framework. “For instance, sales from platforms like Audible or Amazon may have lower profit margins than sales from the publisher’s own website, resulting in different royalty rates for each revenue source,” Jannis says.

And then there are the digital subscriptions and online databases. “These new channels require publishers to track content at a highly granular level in order to enable accurate royalty calculations,” Jannis says. “Traditional rights solutions are often based on the ISBN level of books, which is no longer sufficient for publishers wishing to sell access to specific

content, rather than individual titles. Tracking at the ISBN level traditionally necessitated separate royalty contracts for each format, which becomes impractical as the number of formats increases.”

Instead, publishers are required to manage each individual piece of content independently from the ISBN they originate from. “For instance, database subscriptions may grant customers access to numerous pieces of content, requiring automatic allocation of revenues to the respective content originators. It is therefore essential to track and manage the royalty rates authors receive for their specific content in this package, regardless of the degree of granularity,” Jannis continues. “The manual effort involved in accurately calculating royalties at such a granular level is not cost-effective.”

With publishers also exploring alternative ways to monetize content such as licensing intellectual property for adaptations into films, TV series, merchandise, and more, there is once again a clear need for robust rights management systems to help identify and manage all these opportunities.

“Such rapid developments in how content is distributed require publishers to be able to adapt quickly,” Jannis says. “The traditional approach of programming new functionality every time a new business model becomes relevant is no longer enough.”

## How is the publishing industry responding to these existing challenges in terms of rights and royalties and data management? And what is missing from the typical response?

As the president and CEO of trade association ECPA, Jeff Crosby, who was also previously CEO of publishing house InterVarsity Press and has worked in retail, wholesaling and publishing for the duration of his career, is well-placed to answer this question. Here, he outlines how he sees publishers are responding to the existing challenges, and what they could still be doing.

“

Firstly, they are re-structuring their organizations to create space, freedom, and a charge, an expectation to innovate — to not simply remain with the status quo or what traditional publishing has known.

“Secondly, they are looking for low-cost (where possible) technology solutions that allow their organizations to collaborate, communicate, and innovate across geographic distances. Even smaller companies have embraced a remote/hybrid work paradigm, and these tools are essential if publishers are to capitalize on the opportunities that the pandemic-fueled change to remote/hybrid has brought.

“Thirdly, I see organic so-called support cohorts popping up around the country, enabling publishers to share best practices in a spirit of community and common good. They are meeting via Zoom on a semi-annual, or quarterly basis to do this. I think it’s a wonderful shift.



“Finally, I see trade associations – BISG, AAP, ABA, ECPA, and others like them — becoming more and more valuable, providing venues for publishers, technology partners, printers and other vendors to come together, build relationships, and find programs for moving forward. I am often told by vendors that the level of sharing of ideas, experiences, and counsel offered by our trade association is among the best that they encounter in the publishing industry. And I desire to see that not only continue, but expand.

“But of course, there is more that publishers can be doing to meet the unique challenges that we are facing as an industry.

“I think one of the things publishers can sometimes miss is this: having the imagination to do something different, to risk trying something new, or to try again something that may have failed ten years ago. We all know publishing is a fairly traditional business, and there is beauty in that; there is quality in that. But change is accelerating at ever-increasing rates, and seizing opportunities, I believe, takes imagination.

“I also think sometimes publishers assume technology solutions that may help them implement necessary change — related to metadata, related to rights, related to communication — are beyond their means, that those solutions are for the large companies. But I have seen technology providers again and again work with publishers to provide something of value at the scale they can afford, and with support that and development offerings that make it a value for the long haul.”

# Section 3

What's the solution?  
Using technology to  
simplify rights  
and royalties



## As publishers get to grips with the challenges outlined above, what potential solutions can rights tools offer?

“In this ever-evolving publishing landscape, rights and royalties management pose complex challenges. From the intricate web of digital rights to the ongoing battle against piracy, publishers must navigate a maze of complexities while ensuring proper compensation and maximizing revenue opportunities,” Sebastian says.

The good news is, there are many tools available to offer solutions for these issues. Jannis has previously pointed out both the opportunities and also the challenges for publishers created by new channels and formats. Rights tools can help with this.

“One key challenge is the **need to package content effectively**,” Jannis says. “But with the right tools, publishers can have that capability to track content at a granular level, moving beyond the limitations of ISBN-based tracking. These tools allow publishers to reuse individual pieces of content across various titles and formats, without having to create separate royalty contracts. Furthermore, these tools can empower publishers to bundle contents into packages and even bundle those packages into higher-level bundles. This flexibility ensures efficient management of complex content structures and enables publishers to adapt to changing market demands.”

Sebastian agrees. “These solutions provide a comprehensive framework for publishers to manage the complexities associated with the **monetization of smaller content units**. By integrating sophisticated algorithms and robust tracking mechanisms, content-based royalty



management solutions enable publishers to accurately calculate and distribute royalties based on actual usage and sales data. This ensures fair compensation for creators while streamlining the administrative burden for publishers.”

An integrated system also saves rights and royalties much-needed time, eliminating manual effort which can be hugely costly to teams in terms of resource. “With these capabilities, in each sale — no matter how granular, whatever the channel or format — publishers can effortlessly track which contents were included, what the allocation of royalties should be and which conditions or royalty rates should be applied to each author’s royalty revenues,” Jannis says. “This eliminates manual calculations.”

It also minimizes the risk of errors, because sophisticated rights tools rely on automation. As Jannis explains: “Automation plays a crucial role in streamlining calculations. Royalties are automatically calculated based on factors including distribution channels, formats, regions, languages, and more. So the software ensures immediate, accurate and efficient royalty management, saving valuable time for rights professionals.”

Rights systems can also help publishers combat the threat of unauthorized use, which is a very real consequence of the move to digitized content.

“If publishers struggle to track and monitor their digital assets, this can leave them vulnerable to piracy,” Sebastian says. “To overcome this hurdle, innovative solutions provide advanced rights management capabilities. These solutions empower publishers to seamlessly track, license, and protect their digital rights across multiple platforms and territories, ensuring compliance and maximizing revenue potential.”



Rights systems are also **adaptable**, meaning publishers can also adapt to the shifting landscape. “Modern rights tools can easily include new formats, revenue sources, and market demands. They are future-proof and capable of rapid adaptation to new business models, without the need for programming or customizations,” says Jannis.

**Scalability** is another critical function, because adaptable, unified rights systems can be built up as and when required. “Using specialized systems, on the other hand, can limit scalability,” says Sebastian. “This is usually due to the complexity of integrating different systems and/or additional software licenses. By contrast, a unified software solution offers scalability because it accommodates increased data volumes, complex rights scenarios, and the addition of new authors or territories. This flexibility allows publishers to adapt and expand without the constraints of multiple systems.”

Unified rights systems are also invaluable when it comes to managing **international opportunities**. “With the appropriate rights tool, publishers with global operations or those aiming to tap into international, digital markets can access multi-currency functionality, enabling smooth rights management across different currencies. Furthermore, these kinds of systems can also handle rights and royalties for content in various languages and regions, allowing publishers to navigate the complexities of international rights management effectively,” Jannis says.

As Sebastian concludes: “The importance of content-based royalty management solutions cannot be understated in the current publishing landscape. As publishers continue to embrace new digital platforms and explore alternative revenue streams through the sale of individual content units, these solutions become essential for maintaining control, efficiency, and fairness in royalty management.”





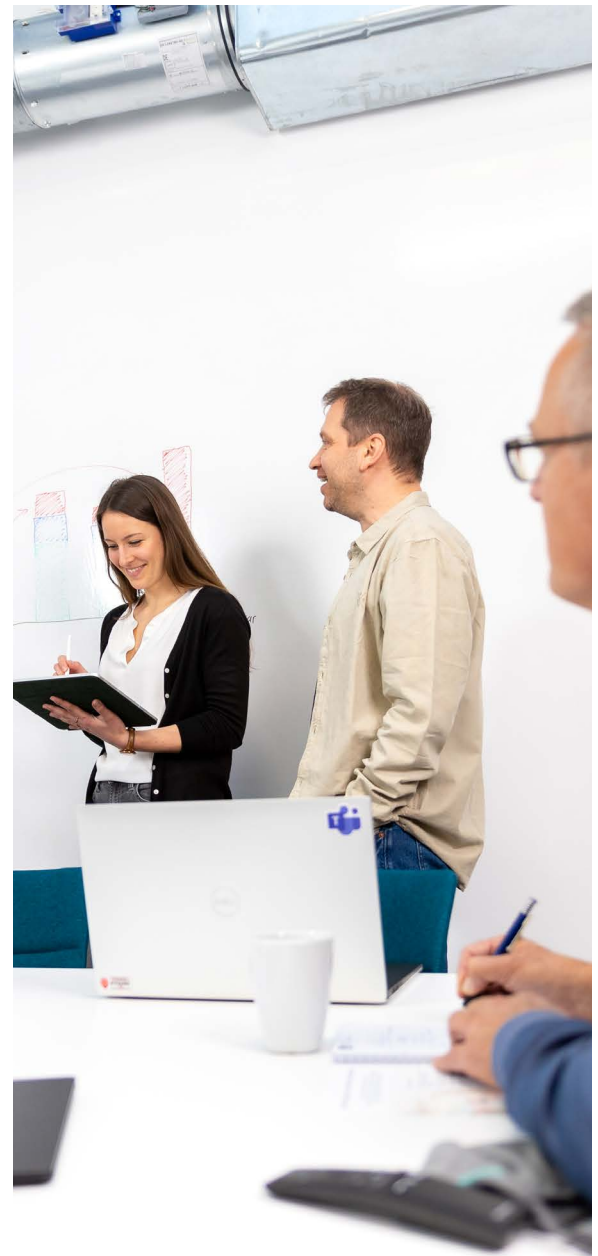
## What specific processes can a rights system speed up?

“A good system should help with every facet of rights management,” says Aaron. “Rights professionals with access to a system that has been built for their business will be able to **find and view information quickly** — reports, specific records, terms of an agreement, and so on — and **record new information** swiftly and accurately. From relationship management to the status of projects to royalty tracking to collection, everything can be tracked and accessed.”

For publishers who use manual processes and/or maintain multiple systems, there are often challenges associated with inefficiency. “Navigating between different platforms or handling tasks manually is time-consuming. It can lead to errors, duplication of effort, and wasted time,” says Sebastian. “But with a unified rights solution, publishers gain a streamlined and centralized system that **automates processes**, eliminating the need for manual data transfer and **reducing administrative burden**. This boosts efficiency and saves valuable time.”

Without unified systems in place, those working in rights and royalties are often forced to be reactive. “The day-to-day pace of licensing can be challenging, because every contract represents multiple stages of communication, multiple processes to get to a signed contract, and years of tracking the status of the project and compensation,” says Aaron.

But rights systems can help. Aaron continues: “If these processes can be streamlined, it frees up time to do that more **creative, exploratory work of finding new opportunities**. For people used to constantly dealing with tasks in a labor-intensive way that leaves little room for anything else, simply putting the right system in place creates space to think about future goals, rather than being reactive to everything coming in.”



“With the right tools, publishers can move beyond the limitations of ISBN-based tracking.”

## What are the benefits of having one system as opposed to using different specialist systems or even manual processes?



knk Presales Consultant **Jannis Baltuttis** speaks to many publishers on a daily basis, and understands the challenges rights and royalties professionals are facing. He sees the opportunities that new technologies can offer to help meet those challenges.

Here, he talks through the benefits of having one, unified rights system — and the very significant differences it can make, both for individuals working within rights and royalties and the publisher's overall bottom line.



One of the significant advantages of a unified system is the elimination of data siloes and improved data management.

“Having siloed data across departments or processes with operational interdependencies is an issue for any business. When multiple business models, distribution channels and content formats are relevant to a publisher, having separate systems for individual processes can result in fragmented data and limited visibility across the organization. A fragmented structure therefore hinders reporting capabilities and impedes overall data transparency. Furthermore, utilizing separate systems can vastly increase costs, if interfaces or integrations have to be built.

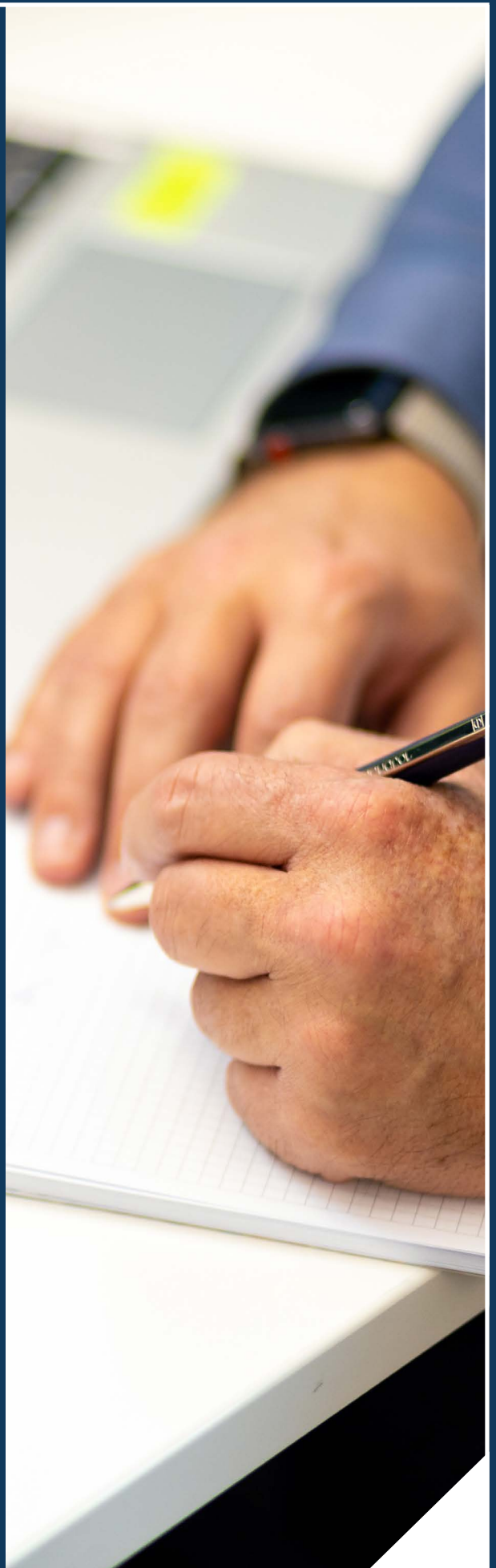
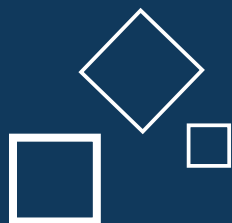
“By using a single system, then, publishers can consolidate data, streamline processes, and gain comprehensive insights into their rights and royalties landscape.

“Integration is a key aspect that underscores the benefits of a unified system. Some publishers, for instance, have separate systems for royalties and rights management. This often necessitates manual processes to ensure that a percentage of rights revenues is also paid out as royalties to the authors. But integrating these processes into one system instead would enable seamless transactions, automatically linking rights contracts with royalty calculations and facilitating efficient payment processes. Additionally, integration with order management functionalities allows for real-time synchronization of sales data, eliminating the need for manual revenue imports and enabling automatic royalty calculations based on the sold contents.

“The editorial module of a comprehensive system enables publishers to define the content used in their titles, and define the allocation of royalties depending on which contents are contained in the respective title. In a unified system, this again allows for seamless integration between title management, content allocation, royalty contracts, rights contracts, and subsequent royalty calculations, when the titles or contents are sold. As a result, publishers can ensure accurate and automated royalty calculations based on the specific contents included in the sold items.

“Integration with finance systems is another valuable benefit. By connecting rights and royalties data with the finance system, publishers can streamline the invoicing process, automate financial transactions, and gain visibility around the origin of calculated royalties.

“Real-time data integration and visibility is another crucial advantage of this approach. Publishers can access up-to-date information on sales, royalties, and rights in real time, enabling informed decision-making and timely payments. This can also aid in enhancing author relations, by enabling publishers to provide authors with accurate and current information on their contracts.”





# Section 4

## The human factor: How to implement a rights system

## So, you've decided to implement a unified rights system. Who are the key people in your organization that influence systems development, and how can you get their support?

For most rights and royalties professionals the benefits of a unified, adaptable, bespoke rights system are clear, but implementing one requires buy-in from other colleagues. So, how do you go about it?

As Jeff explains, there are several layers of engagement required both in terms of selecting and developing a rights system. "All of my experience in systems change management suggests that having a **guiding coalition that includes senior executives, day-to-day users, and information technology specialists** is essential when it comes to effective decision-making. There needs to be a shared understanding of business

strategy, a shared understanding of the problems that need to be solved, a shared understanding of the timeline, and a shared understanding of both the short- and long-term costs to the business, whether a system is implemented or not."

Working with a coalition of people who will be impacted by the implementation of a system is key to **accelerating buy-in**. "Once you have this guiding coalition, begin by meeting technology staff, and start to have a dialogue about the current processes. Everyone needs to understand how things are working currently, what is missing, and what would really make a system "sing" in terms of improvements. A company will accelerate buy-in if this type of care is given throughout the selection and the development process. Communication is key. Openness is key," Jeff says.

Sebastian agrees. "Identify strengths and weaknesses within the current processes. Determine what aspects are working well and what areas are causing inefficiencies



or limitations. This assessment will help you **understand the specific pain points and gaps** that need to be addressed,” he says.

Once you have done this, your coalition will be in a better place to **define its requirements**. “Consider factors such as scalability, ease of use, integration capabilities with other systems, reporting and analytics functionalities, and any specific features or workflows that are crucial to your business,” says Sebastian. “Then begin **researching and exploring the available solutions**. Look for solutions that align with your defined requirements and have a proven track record in the industry.”

It is also important for that coalition of experts to stay connected with all stakeholders throughout the process, Sebastian adds. “Wherever possible, **consult with team members** outside the core group who are directly involved in rights management, as well as **authors and agents** who interact with the system, and those in your **financial and administrative teams**. Their insights and feedback can provide valuable perspectives on the **functionality and usability of the new system**, and help you understand the **integration capabilities** of your proposed new rights management system with other existing software or systems in your publishing workflow.”

By being open about the process and inviting input wherever possible, stakeholders are far more likely to buy-in to the idea of rights system implementation. And as Jeff says, having a core group of individuals across the key stakeholder groups can help shape and guide the process. “It all begins with a **shared understanding of the business strategy**, the needs you are trying to solve, and the timeline for making it all happen,” he says. “Above all: be realistic. It’s better to under promise and over deliver.”

## How should you approach building a business case for rights system developments internally?

As a strategist who advises companies on how to maximize reach and revenue generated from their publishing programs, **Kris Kliemann, President of Kliemann & Company**, works often in the area of rights and royalties. Here, she outlines the key questions rights and royalties professionals should ask themselves when putting together a business case for systems development.

“Traditionally, money generated from rights licensing has been seen and accounted for as a “nice to have” revenue stream that is difficult to forecast, not very significant and generally not as lucrative as sales of books to distributors, retailers, and consumers. This means that the case for investment in rights systems often falls on the shoulders of the very same team that is trying to cobble together usable materials for licensing rights.

“It helps when a CFO or CEO understands that the publishing ecosystem now is one in which no one can afford to overlook any revenue stream—and that enabling sales with supporting systems is what makes the difference between a trickle and a solid



flow of deals/contracts/and payments. But that is not always the case in every publishing house. In organizations where there is little to no existing buy-in for rights system developments, rights teams need to gather their ammunition.

“How to do that? Start by asking the following questions:

- What is the total revenue generated by the rights team? Always include advances and on-going royalties received from licensees in your answer.
- What is the profitability of that revenue? Unlike book sales, rights revenue does not have a cost of goods deduction and can be very impactful in terms of overall profitability of single titles, specific imprints, and the company overall.
- How many advances paid to authors by the company were able to achieve earn-out status as a result of rights activity, thus avoiding write-offs of unearned advances? Finally, rights departments need to recognize and feel confident about sharing the truth, which is that if there were better systems in place to handle the time-consuming day-to-day administration that is central to many of these roles at present, there would be more time to reach out to customers and find new audiences.

“More time might mean more activity for backlist titles. Under existing practices, these are sometimes left behind as

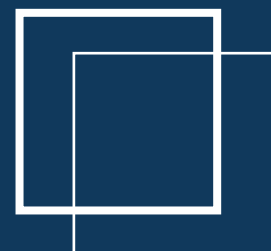
publishers strive to capture potential on the ever-looming front-list books.



“More time might also mean that, instead of only focusing on big deals from big territories and companies, rights teams could make many smaller deals from publishers in territories with lower populations, or from businesses that are growing but not mature, creating new products and opportunities.

“A good system can reduce the cost of making deals, both in terms of effort and staff time. With access to good data, marketing materials, and ways to communicate efficiently, rights teams will no longer be forced to let some territories and offers fall by the wayside.

“In conclusion, a good rights system can help those working in rights and royalties to be more efficient in terms of the work they are ALREADY doing and perhaps even more significantly, it can also allow teams to expand the universe of possible customers and titles and deals, which will, in turn, result in growth of total activity.”



# Section 5

## Looking ahead: Words of advice

## What other words of advice do you have for publishers grappling with issues of rights management?

As well as focusing on what improvements rights systems can have for a publishing business, Jeff notes another key audience to consider: authors. “Authors talk. They share their experiences with each other. **You want to think of your authors as yet another customer segment** that you are committed to serving, to delighting; another audience whose expectations you want to exceed,” he says.

“Increasingly, I believe that authors — and I am one — want to see where their royalty accounts stand not just quarterly, semi-annually, or annually as publishing houses long did, whether they had manual systems or technology-enabled systems. Many authors today want to have an online account that they can view in real time, any time, from the privacy of their homes or offices,” Jeff continues. “And that type of relationship is no longer an outlier. It’s becoming more of the norm. Robust software packages that provide this additional layer of service to and communication with a company’s author base are now available and becoming more essential by the day.”

Sebastian agrees that authors are also a significant audience, and that getting royalties right is key to maintaining this relationship. **“Correct and reliable royalty statements are an effective method to build trust with authors** and form a strong bond between them and the publisher,” he says. “Publishers need to focus on every stakeholder relationship, and the author is obviously a very important one.”

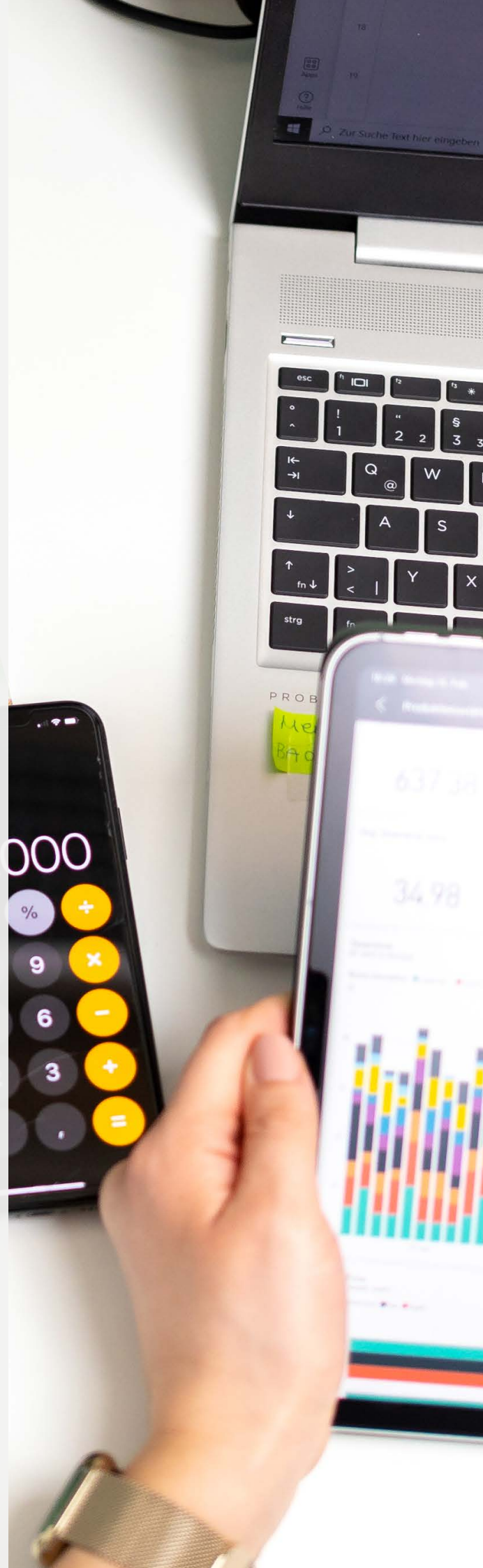




Kris also points to the impact an integrated rights system can have on a publisher's revenues and reputation. "A system that allows a rights team to efficiently license out rights by improving marketing efforts, cutting the time to final negotiation and signed contracts, and helping with collecting and reconciling revenues, will increase profitability in current business, yes, but **a great system will also enable growth in the overall business,**" she says.

Jannis returns again to the hugely significant improvements that investing in rights management will have on the day-to-day lives of rights and royalties professionals, at a time when digital content, multiple formats and diversification of channels is making an already unwieldy administrative burden more complicated every year.

"By investing in comprehensive rights and royalties software solutions, publishers can address the challenges associated with digital content and optimize their operations," he says. "These tools offer a range of potential solutions, including content packaging, allocation of royalties, automation, adaptability to new formats, scalability, and international capabilities. Ultimately, embracing these tools will empower publishers to **capitalize on the opportunities presented by digital content** while effectively managing rights."



## Why is it so important to get rights management right?



As **Director of Licensing for Crossway Books, Aaron Camp** understands all too well the challenges that publishers are facing in terms of rights and royalties. As we conclude our exploration of this complicated topic, Aaron has some final words of advice:

“Getting rights management right is important because it is so multifaceted. I feel strongly that you have to look at rights and licensing as an ecosystem that is incredibly interconnected. All the major players in the process — the author, the reader, the agent, and the publisher — benefit from an efficient, clear, systematic rights process.



“Good rights management brings costs down because fewer people need to be employed to do it, which benefits all parties. Good rights management records commitments in an agreement accurately, which benefits those who enter the license. Good rights management allows professionals working in this space to focus on two of our biggest joys: first, deep and meaningful relationships with our accounts and global partners, and second, content being spread to readers around the world in every possible language and in every possible format.

“Publishers have the unique privilege of being able to communicate ideas across platforms and linguistic barriers. Primarily, we do that through relationships with others who are already doing things well in their own context. Everyone benefits when the system is working correctly. As I said, it’s like an ecosystem. So, managing the rights process is crucial to successful licensing.”



## Conclusion

As Aaron indicates, when a publisher's ecosystem runs smoothly — when each component part works alongside other areas of the business, without friction — the result is far more likely to benefit the publisher's business as a whole. In today's ever-changing publishing landscape, all departments need to be working to the highest possible standard so they can take advantage of opportunities, while also mitigating risks and tackling challenges.

Within this ecosystem, rights departments are vital. With accurate systems in place, those working in rights and royalties can be agile and responsive, identifying trends and leveraging existing content to meet audience's developing needs. They are crucial to the most important relationships any publisher has: authors, translators, agents, and, of course, readers.

And yet, all too often, a rights professional's day-to-day working life involves navigating clunky systems, finding workarounds, and delivering inadequate reports. This takes up valuable time, and often comes at the expense of identifying trends, seizing opportunities, and forging positive relationships.

The good news is that, by taking a more systematic approach to rights management and data, every part of the publishing ecosystem can flourish. If rights professionals can offer colleagues in marketing and editorial quick access to data that can be leveraged to meet audience demand, that means new products might be on shelves quicker. Domestic and international partnerships can only be strengthened if a rights professional is easily able to provide an accurate response about repurposing content for other uses. And if an author or agent knows they can ask for an up-to-date, accurate rights and royalties report — and be confident they will receive it speedily — it builds trust.

It has certainly been a tumultuous few years in the publishing industry, but if there's one thing publishers know how to do, it's navigate changing landscapes. And the thing that's essential for good navigation? Having the right tools.

knk Group, 2023



# Key Questions to Ask for Your Rights Management System

This audit provides **15 questions** to ask that you should consider before taking the next steps to upgrade a rights management solutions and integrations. The answers will allow you to identify your current situation and future needs. This feeds into building an internal case for further resourcing to help boost productivity and revenue for rights and licensing activity.

## Business background

- What are the key market developments that may impact on your company's rights and licensing income?
- How would you like to package the content that you are selling?
- Which regions and languages do you want to sell in?
- What are the main blockers you face when negotiating rights and licensing deals?
- What are the key issues/complaints that authors raise about your current rights and royalties system?

## Finances and resourcing

- How many hours' work would you estimate are spent each week on low level admin and systems use at the moment? Using this figure, build up an annual picture of how much time is spent.
- How much would you estimate this is costing the business in a year in lost income and missed opportunities?
- What additional revenue might be generated with a better system? (e.g. Identifying additional sales opportunities due to more transparency within the data)

## System specification

- What tasks would you like a rights system to do that you currently cannot?
- How and where is your rights and licensing data currently stored?
- How are the licensing and royalties data, contracts and processes integrated in your business?
- What metadata is needed to support rights and licensing processes?
- What reports do you need to run to support your work?
- What other systems (internal/external) would you like to integrate with?
- How would you like to use the system day to day?

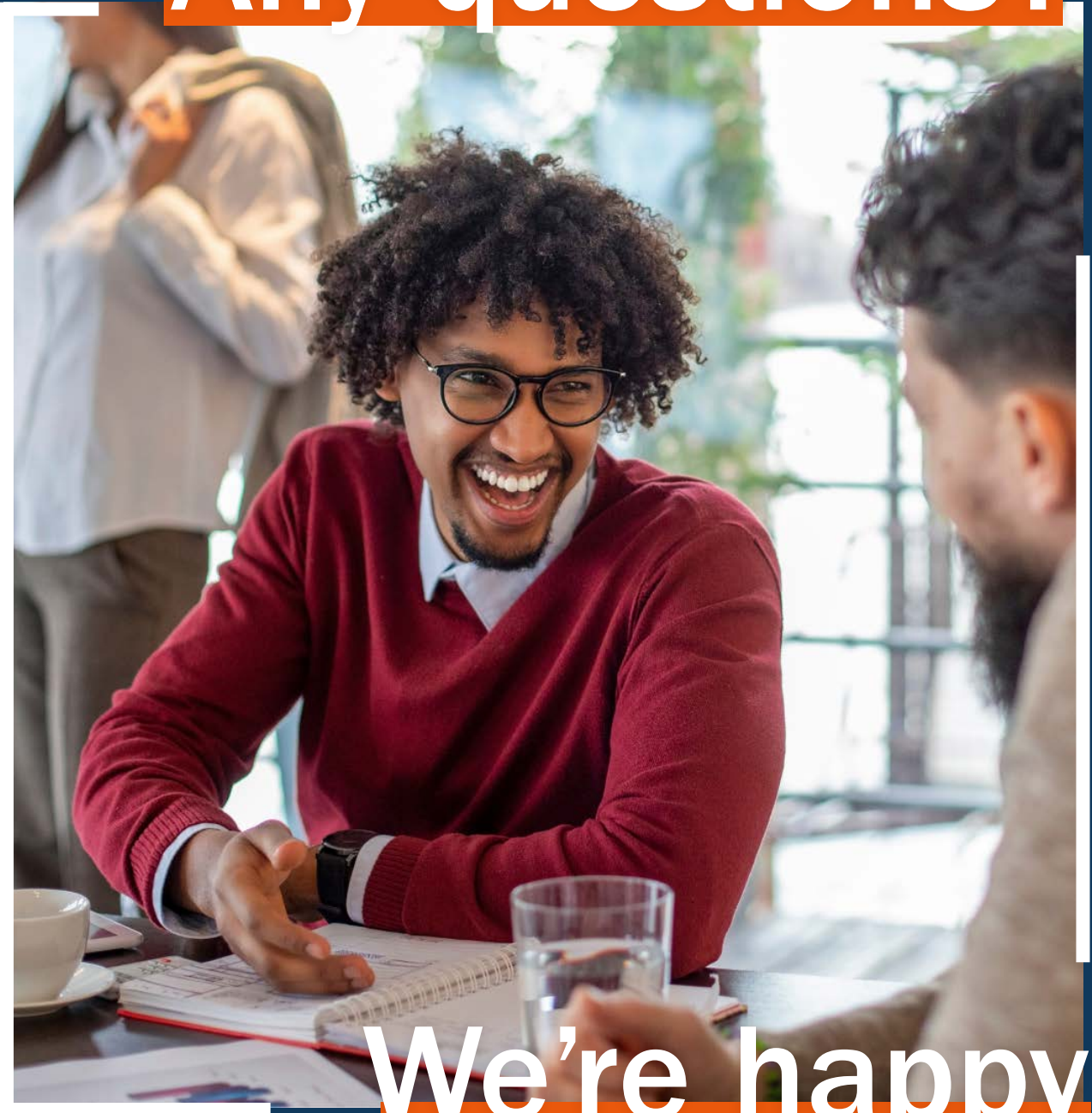
## Book your FREE one hour consultation!

knk are pleased to offer a free one-hour consultation to discuss the findings of this audit and help you identify appropriate next steps. During the session, we'll review the audit and answer any questions, as well as discuss our rights management solution, knkPublishing, and explain the steps involved in upgrading and integrating your system. Once you have completed the questions above, please contact Jannis Baltuttis to arrange a time to chat.



Email: [JBaltuttis@knk.com](mailto:JBaltuttis@knk.com)

# Any questions?



# We're happy to help!

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