

Thinking of starting a magazine?

by Gordon Woolf

You have a brilliant idea for a magazine - you know your page layout program backwards - and you know your subject. What can go wrong?

A lot. You face all the problems which cause the majority of new businesses to fail, and you can even kill your project with success.

First, I suggest the computer program you need most is not the latest graphics software, but rather your spreadsheet. You have a product with more variables than any other. In most manufacturing you have a fixed cost component, comprising all the overheads, and a run-on cost which is what it costs to produce each extra widget once you have made the first. Add them together, add on the mark-up, and there is your price for each changed quantity.

Publications are not that simple. As you sell more advertisements, so your production costs go up to pay for the extra pages to carry those advertisements. You may even decide that because you have more ads, you should offer more editorial. Smaller ads cost relatively more, but by how much? And what happens if the proportions of certain ads are not as you expected. If you work on having a lot of quarter pages, and then sell mostly full pages, you may not get the needed income per page.

You should be talking to printers at this early stage. I have seen a would-be publisher decide on a page size he liked, tell the advertisers and promote it widely before he found that a change of a few millimetres would have dramatically reduced costs.

You may think logistics refers to planning for the military and huge transport firms, but since I met a logistics expert, I've found it is what publishers and editors do all the time - making sure that hundreds of items from widely disparate sources arrive where they are needed as they are needed. An editor does not have to be a great writer, but does have to be a good manager.

You also have to make sure you can reach your intended readership, though you are unlikely to forget to the extent that a would-be publisher did, until he found several thousand copies outside his home.

Each copy sold is unlikely to bring more than half the cover price, and half or more are likely to return. Again your spreadsheet exercises will need to include some calculations on the cost of putting out extra copies if only a small proportion of the extra ones sell. And would a different selling price make a difference? If you are selling subscriptions, have you worked out the effect on postage costs of having a better than expected sale of advertisements, which pushes up the size of the issue. The number of variables starts to approach the infinite.

And how can success breed failure? I'll just mention a small local entertainment magazine. It ran fairly well for a while; the editor was covering costs and had the prospect of a small profit in the near future. Then, as a result of a major local event, he produced an issue that was twice the number of pages, and most of the extra pages were advertisements. "This is great," he thought, until he had to pay the double-sized printer's bill, well before the advertisers had paid him. They weren't bad debts, but they were taking 60 days or more, when his bills had to be paid in 14. The next issue just didn't come out.

Gordon Woolf started with a magazine produced on a hand-cranked roneo, and has since worked for some of the nation's largest (and smallest) magazines and newspapers as well as owning several - some successful, others not. He now writes and publishes books such as *How to Start and Produce a Magazine or Newsletter* on which this article is based and which does tell how to avoid the problems. Published by The Worsley Press. See www.worsleypress.com