

The Course Pack Model and Buybacks

A White Paper by Kevin Packard, General Manager, Huron Valley Publishing Solutions

The buyback practice is a generally accepted fact of life in the textbook industry. For traditional publishers the impact on profitability is “simply” factored into the price of the textbooks. Given the wider or mass distribution of textbooks perhaps this is a reasonable trade-off – The “slightly” higher price paid out with the possibility of being able to sell it back. (Although that assumes there is little value in keeping it for future reference and review.) The publisher is able to spread their fixed costs to produce a textbook over a much greater distribution than the typical custom course pack.

The model of custom/on demand publishing and the value proposition of course packs themselves do not allow for the buyback and resale of these materials. Even without the additional administration, responsibility, and liability of properly handling copyrighted materials it is difficult to recoup fixed costs on the extremely short runs typically seen in this segment. Profit margins are extremely thin in these scenarios and it is often not until a course pack title is re-used in subsequent terms without major changes that profits are realized. Trying to compensate for the impact of a buyback scenario in the retail price would potentially invalidate the value proposition of a course pack.

- The average initial run qty of a course pack is less than 40 (with some being less than 10).
- Copyright permission requests must be resubmitted every semester a pack is run even if no royalty is actually being charged by the rights holder. (Many fixed costs remain when a pack is reordered for subsequent terms even if there are no copyrights. Buybacks would drastically diminish the ability of the course pack provider to disseminate those costs.)
- Because of the custom nature of course packs overstock/returns are already a major issue in keeping the price down. Adding in buybacks would complicate this exponentially.
- A major portion of the value proposition of course packs is customization, flexibility, and price (value). Having the flexibility to customize and revise the material at any time means that course packs are more likely to change from term to term.
- Because of their short run/on demand production characteristics course packs typically don't have the resale desirability of traditional hardcover or laminated text books. (Students are also more likely to write in them).
- Since well-conceived course packs are focused and relevant there is greater potential the student would benefit by keeping the material rather than selling it back to a bookstore (especially considering the lower average cost of a course pack compared to a textbook).

A course pack provider should do everything possible to enhance the quality, value, and legitimacy of custom course materials. The best providers do all that and more with passion and professionalism. If we are not careful to maintain reasonable and appropriate profit margins we certainly cannot hope to provide this valuable service.