

BOOK: Venture Biography



This project has received funding from the European Union's Horizon Europe research and innovation programme under Grant Agreement No. 101100432

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Disclaimer

The document presents a story of an existing startup prepared through desk research and a narrative interview with the founder. For reasons of data protection, the names of people, cities, support programmes and companies are exchanged with pseudonyms. The biography has been approved for publication by the startup and can be used for further research by citing it accordingly (see below).

This document is prepared by DOBA Business School within the “Ecosys4you – Engaging Entrepreneurial Ecosystems for the Youth” research project as part of working package 1 “Analysis and co-creation of activities”. The project has received funding from the European Union’s Horizon Europe research and innovation programme under Grant Agreement No. 101100432.

Suggested citation:

Vilman, Z. & Letonja, M. (2024): BOOK Venture Biography. A deliverable within the Ecosys4you project funded by the European Union’s Horizon Europe research and innovation programme under Grant Agreement No. 101100432. Maribor: DOBA Business School

1 ID Card

Name of the start-up (Pseudonym)	BOOK
Which ecosystem?	Slovenia
Founding date	Idea 2012, founding 2014
Sector	
No of employees	16
(Expected) Turnover	EUR 250.000
Male/female founder	female
Timeslots of start-up phases	
	idea generation 2012-2014
	incubation 2014-2016
	consolidation 2016-onwards
Funding / financial support	Own funding, business incubator

2 Founder(s)' Background and Motivation

The story unfolds with Mila, a prolific self-published writer who transcends the label of a mere wordsmith to embody the essence of an entrepreneur with an indomitable spirit. Embarking on her entrepreneurial journey at the tender age of 19, she forged her path, establishing her own enterprise. Beyond her solo ventures, she co-founded a company comprised of female entrepreneurs, orchestrating Slovenia's largest event dedicated to female entrepreneurship, a testament to her leadership and vision.

A passionate advocate for both literature and entrepreneurship, Mila shares her insights through lectures, both domestically and internationally, championing the pursuit of genuine happiness as the cornerstone of success. Mila, deeply rooted in her love for Slovenia, traverses the length and breadth of her homeland, finding solace in its verdant hills and drawing inspiration from its vibrant populace. Her profound admiration for the creativity that thrives within her compatriots fuels her journey into the realm of entrepreneurship and literature, where she pens tales that celebrate the indomitable spirit of fellow entrepreneurs.

Amidst her odyssey, a pivotal question emerged:

"What kind of publisher do I wish to encounter as a writer?"

The answer crystallized: "One that offers comprehensive support, allowing me to focus on my passion for writing and book promotion, while assisting with other essential tasks."

Thus, in May 2014, she conceived a distinct yet innovative business model, birthing the publishing company BOOK into existence.

3 Business Model

BOOK Publishing House represents a hybrid model that blends elements of both self-publishing and traditional publishing. Authors have the option to choose between traditional publishing or BOOK's distinctive business model. Under this model, authors and the publisher jointly invest 50/50 in the publication of the book, thereafter sharing profits or losses in a roughly equivalent proportion. However, a higher percentage of profits is allocated to those responsible for sales. Mila recognizes the pivotal role of sales in the publishing industry and thus places particular emphasis on this aspect of the business.

In an effort to empower authors, BOOK's model rewards those who take an active role in selling their books. If an author sells the book independently, they receive 70%-80% of the added value, whereas if the book is sold by the publisher, the author receives 40% and the publisher receives 60%. Thus, in this model, authors stand to earn more than the publisher. This unique approach distinguishes BOOK as the sole publishing house in Slovenia to adopt such a strategy.

However, achieving these high percentages necessitated the establishment of a system of shared services, where costs are variable rather than fixed. This innovative system is made feasible through the support of the incubators in which BOOK operates. These incubators provide essential resources and infrastructure, enabling BOOK to implement its unique business model effectively.

The prominent company that oversees the incubator extends support to BOOK Publishing House in various areas such as accounting, finance, distribution, and logistics. Additionally, access to machinery is available for utilization if required. Within the incubator, which accommodates approximately 100 companies, a unified ERP system has been developed to streamline common activities for all entities. BOOK Publishing House contributes a fixed monthly percentage of its profits to the incubator, enabling it to effectively compete with larger publishers.

By avoiding fixed costs and adopting a model where expenses are tied to variable revenues, BOOK Publishing House can navigate economic uncertainties with greater flexibility.

“Because if you bind your model to fixed costs, you fall into the wheels, you have to have more buffer for times of crisis. Well, the publishing house was able to give this buffer back to the authors, because the time of crisis just means that there will be less revenue, but on the other hand, there will be less costs.”

As Mila said, this innovative approach provides a buffer during times of crisis, as lower revenues are accompanied by reduced costs. This adaptable business model originated from the need to differentiate from the multitude of publishers in Slovenia, numbering around 1,400. Mila's determination to stand out led her to focus exclusively on Slovenian authors, including those who are relatively unknown.

While many publishers opt for printing abroad, Mila remains steadfast in her commitment to printing locally in Slovenia, even when others deem it fashionable to outsource to countries like China, Bosnia, or Poland. This dedication to supporting local industry underscores BOOK Publishing House's unique approach and commitment to promoting Slovenian authors and businesses.

Essentially, the company's costs fluctuate with its variable revenues, providing a level of stability. This innovative business model emerged from the necessity to stand out amidst the 1,400 registered publishers in Slovenia. Mila sought to distinguish herself by focusing exclusively on Slovenian authors, even those who were lesser-known.

While conventional publishing houses favored foreign, internationally renowned authors, Mila made a deliberate choice to champion local talent. She adamantly decided to print books in Slovenia, rejecting the trend of outsourcing to countries like China or Bosnia or Poland.

“NO! We print in Slovenia”, she claimed.

Upon closer examination of the Slovenian publishing landscape, Mila discovered that approximately 6,000 books are sold annually in Slovenia, with an average price of EUR 22 per book and an average print run of 350 copies. Amidst the vast number of publishers, half of the expenses are typically allocated to distribution. Crunching the numbers revealed that achieving success in Slovenia would necessitate only one bestselling book per month.

Furthermore, Mila identified a significant gap in the market - there were no books chronicling the stories of individual Slovenian entrepreneurs who shaped the country's business landscape. Recognizing this niche, she envisioned capturing the narratives of successful Slovenian entrepreneurs to document the evolution of entrepreneurship in Slovenia. Another untapped market niche she identified was Slovenian businessman-musicians, a demographic that lacked representation in existing publications.

4 Start-up development

4.1 Idea-Generation

The beginning: Fall 2012- May 2014

Mila, a prominent Slovenian writer renowned for her works on entrepreneurship and personal growth, enjoyed widespread success with her bestselling books in Slovenia. Her literary journey began over a decade ago when she penned her first book, which quickly gained popularity, with 300 copies purchased by libraries and numerous sales in schools. Mila's expertise extended beyond writing; she conducted well-attended seminars on book writing, despite hosting them infrequently.

While Mila cherished the art of writing, she harbored reservations about traditional publishing practices, particularly the disproportionate earnings retained by classic publishing houses—often 70% to 80%—leaving authors with a small share. Determined to address this imbalance, Mila embarked on a quest to revolutionize the publishing landscape. Her vision materialized in May 2014 with the establishment of BOOK, a publishing company designed to foster a mutually beneficial relationship between authors and publishers, ensuring both parties thrive.

Test phase: June 2014 to March 2016

Already a recognized public figure with successful book sales, Mila viewed BOOK as another milestone in her entrepreneurial and creative endeavours. Leveraging her established reputation, she actively promoted the publishing house under her name. However, amidst her achievements, Mila found unparalleled joy in the initial milestone: witnessing the sale of the first book published by her own publishing house.

4.2 Incubation / Founding

Mila initially invested EUR 10,000 of her own funds into the first book, and since then, she has continued to self-fund BOOK without seeking external sources. Despite initially lacking sales skills, she has honed her marketing abilities within the challenging publishing industry landscape. Operating in a declining market with limited interest from venture capitalists and business angels, Mila has navigated product development and sales independently, without support from an incubator or substantial assistance from the Public Book Agency, which typically favors larger publishing houses.

Despite these challenges, Mila has identified a unique niche: publishing works that are culturally and historically significant to Slovenia, often overlooked by other publishers. Her publishing house operates under the motto of embracing what others exclude, focusing on books tailored to a specific demographic—primarily women in their 30s and 40s who purchase books as gifts, and Slovenian authors with compelling stories to share.

4.3 Scaling-up / Consolidation

Embarking on her entrepreneurial journey, Mila forged a close partnership with a business incubator initiated by a prominent Slovenian company with a global focus. This collaboration sparked the development of a unique and forward-thinking business model, driving significant growth for her publishing company. As a strategic development manager and content creator within the incubator, Mila played a pivotal role in establishing a shared services system. This innovative approach streamlined operations not only for herself but also for numerous other entrepreneurs, earning Mila recognition with the European Enterprise Promotion Award for her contributions to the training program centered around these shared services.

One tangible benefit of this system is evident in logistics costs: while the standard postal service charges EUR 5 per item for book delivery, the shared service system slashes this expense to just EUR 2 per book by leveraging the combined volume of 100 companies. Although this arrangement doesn't provide direct financial assistance, it significantly reduces Mila's development costs, which she estimates would otherwise require a personal investment of at least EUR 20,000. Moreover, beyond financial savings, the incubator has provided invaluable infrastructure and access to shared resources, further enhancing Mila's entrepreneurial journey.

„If I go to the post office to send a book, I would pay 5 euros per book. If this is done through the shared services system in the incubator, 100 companies are involved and the ceiling is 2 euros per book.“

The recognition of this business model's innovation was further cemented when Mila and her company received the Golden Award from the Slovenian Chamber of Commerce and Industry in 2019. This accolade not only celebrated their innovative approach to publishing but also affirmed the model's potential as a transformative force in the industry.

Another ambitious milestone Mila set was the publication of one book per month, aiming for an annual turnover of EUR 250,000—a goal she proudly achieved by the end of 2023. Considering the average price of a book ranges from EUR 15 to EUR 20, this achievement underscores the volume of sales managed directly through her publishing house, benefiting authors financially and demonstrating a profound love for books and the literary craft.

Mila underscores the significance of a robust business model and efficient systems, enabling her to remain composed even during turbulent market conditions. Despite the hurdles presented by Slovenia's comparatively small market, characterized by a stark contrast between prolific book publishing per capita and low purchase rates, Mila's resilient model ensures her venture can weather

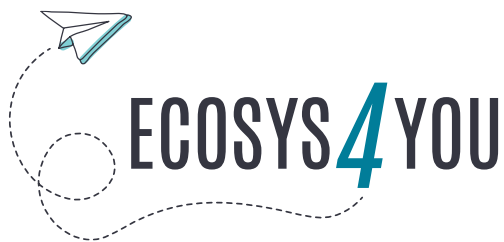
market fluctuations for up to six months without suffering losses. This strategic approach not only showcases her adaptability and dedication to her love for books but also her ability to maneuver through the intricacies of the publishing industry with inventive solutions.

"Despite the current severe crisis, I find solace in knowing that with this model, I have a six-month buffer and little to lose. However, what truly concerns me is the poor state of the market. My ambitions are hindered by the limitations imposed by the size of the Slovenian market. While Slovenia boasts the highest rate of book publications per capita, the actual number of books purchased remains disappointingly low."

Imprint

Publisher and Contact

Grant number: 101100432
Project duration: Jun 2023 - Mai 2026
Project Coordinator: Dr Anna Butzin, IAT - WH GE
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Ecosys4you – Engaging Entrepreneurial Ecosystems for the Youth (2023-2026) strives to bridge the entrepreneurial ecosystems of the Ruhr, Germany, Varna, Bulgaria and Slovenia by connecting young founders, start-ups, HEIs and other ecosystem actors.

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