

# don't write *that* book!

## Episode 87:

### “Publishing Scams and How to Avoid Them”

**Mike Michalowicz:** Welcome back to the Don't Write That Book podcast where you can learn how to write your bestseller and own your authorship. Follow along with us as we give you an insider's view of the book industry. Now, here are your hosts. Myself, Mike Michalowicz and AJ Harper.

Why do you love Legos?

**AJ Harper:** Well, I, it's like a puzzle.

**Mike Michalowicz:** Yeah.

**AJ Harper:** But then I learned from my pal and um, student Roseanne Capana Hodge.

**Mike Michalowicz:** Great name.

**AJ Harper:** She, she is the foremost expert on, uh, helping your dysregulated kids.

**Mike Michalowicz:** Okay. Yep.

**AJ Harper:** That this helps to calm the nervous system.

**Mike Michalowicz:** Oh, interesting.

**AJ Harper:** So you do Legos, activities like that, it calms your nervous system down. And then I also learned that for creatives, you want activities like that because your brain needs to completely rest and calm down so that new things can come in. I'm not getting the science right. I know my other pal, Susie DeVille wouldn't be able to recite the science to me. I should get it. So I thought, you know what? I'm gonna start doing Lego again.

And then for my birthday, my wife bought me a bunch of Lego.

**Mike Michalowicz:** Oh, that's cool.

**AJ Harper:** They have a great Lego because a very adult. I mean, not adult, but that would be, no, that would be a no.

**Mike Michalowicz:** Can you imagine?

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**AJ Harper:** Yes. It's a leather suit with a ball gag.

**Mike Michalowicz:** I'm oh my God, that's the Lego.

**AJ Harper:** Don't say that no one kids listen.

**Mike Michalowicz:** Yeah, but you know, you don't--

**AJ Harper:** They don't know what it means.

**Mike Michalowicz:** Yeah.

**AJ Harper:** It's a typewriter.

**Mike Michalowicz:** Oh, that's cool. How many pieces?

**AJ Harper:** It's, um, not that many. And then I also got a, a Polaroid camera that I'm gonna put together next.

**Mike Michalowicz:** Oh, interesting.

**AJ Harper:** Right.

**Mike Michalowicz:** Now this would sound idiotic in the past, but I think it may still be relevant. I mean, maybe appropriate today. Is that camera functional?

**AJ Harper:** No.

**Mike Michalowicz:** Okay. Because some Legos are functional now.

**AJ Harper:** Really?

**Mike Michalowicz:** Yeah.

**AJ Harper:** Okay. No, this is just me. Calm and you know, I used to listen to podcasts while I would do things like puzzles, and I just sit there quietly and do my Lego.

**Mike Michalowicz:** So I got a quick little, uh, trivia thing. We have a Polaroid at our house. We have a pinball machine, and next time you're there, if you play pinball, we have a ranking system on the wall that's permanent for the top eight best players of all time.

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**AJ Harper:** And then you get a Polaroid ?

**Mike Michalowicz:** Polaroid picture pointing to your score. You autograph it and it goes there.

**AJ Harper:** Nice. I'm not great at pinball.

**Mike Michalowicz:** Uh, nor is anyone that's one is on the board. I'm, I'm not on the board. I play every day, sweat coming down, like I suck. And then one of Tyler, my oldest son's friends comes over for one day.

Uh, and this kid never played pinball before. He doesn't know how to work the system. He's like, what do you do? I'm like, just push the buttons to slap the slappers. And he's like, oh, okay. And he's now the number one spot. One game, done. He walks away 138 million or 338 million.

**AJ Harper:** Can't...undefeated.

**Mike Michalowicz:** I can't. And we, and we didn't get a picture of Sam, so Sam gmo, if you're out there listening right now, we need your picture. Um, that's the one picture we missed. So he's got this phantom spot, the mystery man. You are, oops. You're listening to, Don't Write That Book. And don't do that. Lego Set. Thanks for joining us today.

We're gonna talk today about publishing scams and how you can avoid them. I'm your host, Mike Michalowicz, author of Profit First, and your other host is AJ Harbor. She is the author of Write a Must Read. What I admire about you. you don't quit, aj, you just don't quit. You find a way. That's true, right?

**AJ Harper:** Yeah, that's true.

**Mike Michalowicz:** There's always, you know, in books, there's always a new chapter, like, we will all have made chapters in our life. And you ju— every through every chapter there's this theme just it'll get done.

**AJ Harper:** But, but you're the same. Don't you feel like this is, we figure out what, how more, how alike we are on this podcast.

**Mike Michalowicz:** Wonderful. In a weird way, I wonder if we're soulmates.

**AJ Harper:** You know, maybe we might be. I feel like we're so much emphasis on how different we are, but. Uh, the, you don't quit either. I would, all the times people would try and get me to, um, uh, some sort of deal like you and I have in the years. Well, I want what Mike Michalowicz has.

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Yeah. Yeah. And I would just say you can't hustle like him. Why did you say yes to Mike Michalowicz? Because he's gonna hustle.

**Mike Michalowicz:** Hustle. Yeah.

**AJ Harper:** Yeah,

**Mike Michalowicz:** yeah. And the hustle is building up even more now that I'm really excited about the new book. Uh, and our plan, um, we just finished over, over the weekend, 52 newsletters, I shouldn't say over the weekend.

I completed over the weekend 52 newsletters. Um, we wanted to have one year of newsletters prepared in advance. So that's ready to go.

**AJ Harper:** That's hardcore.

**Mike Michalowicz:** Oh my God. Yeah, I was just flying, flying, flying. Now I gotta do edits. I'm flying out tomorrow morning. I don't think I'm gonna edit in the morning 'cause it's a 6:00 AM flight.

I gotta leave my house at four. It's so tough to be in a present state, but I got tons of flights coming up, so I'm gonna work on the book. Um, all right, so let's start talking about scams. Have, have you had any—

**AJ Harper:** Publishing scams?

**Mike Michalowicz:** Publishing scams? Have you had any publishing scams? Have you had any of your authors that you've worked with that.

Yeah. Came to you after being sure. Or maybe, maybe while working with you. Sure, yeah. Gimme an example. You can't say any names, obviously.

**AJ Harper:** No, no, never. I've had people who bought into programs that weren't what they, you know, didn't deliver what was promised. I've had a lot of people who bought into programs and then realized in the middle of the program or at the end, that it was just a gussied up better business card.

And so they were disappointed. So I don't know. I think those, to me, they're also, those are scams, but I've also had people who had legit scams, meaning, I paid for this thing and I didn't get it. Or, I paid for this thing and it was, it wasn't real.

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**Mike Michalowicz:** Mm-hmm. I've been scammed like that once, not with a book, but when I was looking, with my first business to sell it, I was in consideration. A company came to us and said, we'll prepare the book. We'll help you sell your business. We charge you \$30,000, which was then and still is tons of money. And I met with my business partner. We, I should do, yeah, we should do this. We, we trust these people.

And they did a whole pitch. And I, I remember the guy after we said, yeah, we're doing walking outta the room, and he hopped on his cell phone on, on the way out. He was like, yeah, we got it. And I was like, hold on... Not to us. He was, he called like a business partner. I'm like, yeah, you got it. You just got 30,000 or you got a business that you're gonna help sell and make some money selling.

They prepared, they, they delivered on what they promised, but what I chose to hear was, they're gonna help sell our business. Nothing. It was, and like, oh my gosh, I just got scammed. All they do is they go around and they allude to the promise of what the outcome is. They specify what they're gonna do, prepare. It's called a book, um, to pitch you. Um, but I'm choosing to hear one thing, and I wonder if that's a common way these scams are propagated in, in the publishing industry?

**AJ Harper:** Yeah. So it preys on, you know, your own dreams. But really what it preys on is your lack of knowledge. Okay. So you don't really understand how the industry works so you can believe. What they say because you don't really understand. And so that's one of the reasons I'm so passionate about educating authors, through this podcast, through my, um, writing community. Because if you knew you could make better decisions, and you could also tell if someone's feeding you a line, because I think a lot of it is lying by omission.

**Mike Michalowicz:** Okay.

**AJ Harper:** You know, when people say, "We can make your book a bestseller," what they're not really saying is. Um, well kind of bestseller, oh, an Amazon bestseller for five minutes on a Tuesday. And an average person doesn't really know that that doesn't hold a lot of value. That within the industry, people don't hold a lot of value with that. And that it could just be 20 books you sold that day and it won't guarantee anything going forward.

**Mike Michalowicz:** Yeah. And that's the aspiration for so many folks. "I wanna be a best seller," and we don't just do the research of what really is a best seller.

**AJ Harper:** Yeah.

**Mike Michalowicz:** Uh, so the publisher. Can promise that. In fact, honestly, I don't know if this is how they do it. They could just take them a, some very small portion of money that you gave them, and then they could just do the purchases to kick and trigger that. So they've met that obligation.

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**AJ Harper:** You don't even need that many though.

**Mike Michalowicz:** Yeah.

**AJ Harper:** You can do it with, by lowering your eBook price to a 99 cents for a couple days.

**Mike Michalowicz:** Yeah.

**AJ Harper:** And you'd have it. It's just, it takes almost no effort. So the problem is people think that it's gonna mean something.

**Mike Michalowicz:** Okay.

**AJ Harper:** And it doesn't, and then there's disappointment. I've definitely been involved with people, you know, in industries. One of the reasons I quit ghost writing is because I don't think everybody was on the up and up.

**Mike Michalowicz:** Yeah. Tell me more about that.

**AJ Harper:** Uh, you know, in my book I talk about a person I cannot name who was selling entry into a program that had well authorship as part of it. And talking about being, um, a writer.

**Mike Michalowicz:** Mm-hmm.

**AJ Harper:** And they had a ghost, but they didn't say that. And people talking about being a New York Times bestselling author and they bought onto the list, but they didn't say that.

So then if you have a room full of people who are believing you're come from behind, I didn't, you know, I didn't have anything more than you did people in the audience, and I got this, but you aren't revealing what you did to get it. That not only are steps that people might not wanna take but also cost a bloody fortune.

**Mike Michalowicz:** Ohhhhhh. Yeah.

**AJ Harper:** Ghost writing and buying your end of the list? That's a lot of money.

**Mike Michalowicz:** Oh my gosh. Yeah.

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**AJ Harper:** So you got a room full of people that are now starry-eyed about getting to that level when all you would have to do is just be upfront about expectations. So now people are sold on a dream. .

**Mike Michalowicz:** Yeah, it's the classic if it's too good to be true, it's too good.

**AJ Harper:** It, it really, I mean, publishing is really hard and there are exceptions where people do have some kind of ridiculous, you know, discovery story where someone, something blew up.

**Mike Michalowicz:** Mm-hmm.

**AJ Harper:** But they're, they're lightning and bottle. They really, really are. So. I think if you knowledge is the key, but you know, and, and I'm not saying there are, are situations that don't work out, that's not a scam.

**Mike Michalowicz:** Right.

**AJ Harper:** You know, I've, I've had at least two books. I couldn't finish at least two books.

**Mike Michalowicz:** As a publisher?

**AJ Harper:** This not as, no, me as a ghost. Like, it just, I just cannot finish them.

**Mike Michalowicz:** Okay.

**AJ Harper:** Yeah. So, you know, that's, those were different circumstances, however things work out. But I'm talking about people who, um. And to be clear, I'm not taking, you know, finish money for it. Let's, it's not like I was doing that.

**Mike Michalowicz:** Right.

**AJ Harper:** Um, but I think, I think you have to consider the fact that people are preying on the fact that you don't have knowledge about the industry.

**Mike Michalowicz:** Yeah. You, you have a dream that they leverage, and you don't have knowledge. That's the two things. So it sounds like to counteract this, get knowledge,

**AJ Harper:** Get knowledge and get friends.

**Mike Michalowicz:** Yeah, that's a good point. Yeah. So people have been there and done that.

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**AJ Harper:** Mm-hmm.

**Mike Michalowicz:** How do you find friends if you don't have friends in this space yet?

**AJ Harper:** Um, just reach out.

**Mike Michalowicz:** Just go to AJHarper.com. That's what you do!

**AJ Harper:** No, just reach out. Yeah, just be support first. Start by being supportive. Go to their things. You know, people have readings, people have events. People need help promoting their book. Um, it's not hard. Just show up to stuff.

**Mike Michalowicz:** That's a great point. Like you could go to Barnes & Nobles, they probably have a reading or any independent bookstore. Maybe better?

**AJ Harper:** Indie bookstore will be better.

**Mike Michalowicz:** Yeah. And they probably have a reading once a month or more.

**AJ Harper:** I mean, my local bookstore is, uh, probably every week. Something's going on, maybe a couple times a week.

**Mike Michalowicz:** And I think something like that. 'cause I, I've experienced this where I'm at an event and I just delivered a, a present, a keynote for example. And people kindly come up afterwards and they share their stories, and you autograph books and stuff.

And then some person will say, Hey, I got a question for you. In the middle of that line, I'm thinking about writing my own book. And I'm like, uh, hold on. I, I definitely wanna talk with you and help you, but I, I have this line of, you know, 20 people or a hundred people, whatever it is. I can't do this now. So I think, have the awareness if you're asking for help when and how to ask for help from an author.

**AJ Harper:** Yeah.

**Mike Michalowicz:** So you, what, what I would do is if I was at that indie bookstore and there was an author speaking, I would a, buy their book to support them. B, I would thank them and then say, may I have permission to contact you outside this? Because there's people here to sign books because I wanna learn more about your journey. And that's how I would do it. And get their permission to call, talk to 'em afterwards, and then ask 'em about their journey. And what, what advice they can share with you.

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**AJ Harper:** Yeah, I mean, it's just re, it's just how you would make friends in any, any other way.

**Mike Michalowicz:** That's right.

**AJ Harper:** It's not,

**Mike Michalowicz:** That's actually a good point. Yeah.

**AJ Harper:** It's not, it's not that complicated. But by having friends in the industry, and it doesn't have to be friends who are super successful, but just having some people who have, uh, knowledge or you can navigate together, you, it's an exchange of information.

**Mike Michalowicz:** Yeah. Okay. Um, other forms of scams. So we talked about the bestselling list of being the most common. What are the other kind of common scams that you see?

**AJ Harper:** Uh, so, um, make your book a bestseller? I think also the quality of the book, because you don't have knowledge, you might not realize that you, you know, have a so-called publisher that's actually not going to properly edit it.

Yeah. And because you don't really understand the editing process. Which you can do by listening to this podcast. You don't have to pay anybody. We have a whole episode on it.

**Mike Michalowicz:** Yeah.

**AJ Harper:** Then you could see, oh wait, why aren't you giving me this step? Why aren't you giving me this step? Why aren't you giving me this extra thing that I need?

This is part of the traditional publishing process. Just because I'm self-publishing doesn't mean I'm gonna cut corners on quality. But if you don't know, you think it's fine.

**Mike Michalowicz:** We had a horrific experience. So one of the authors we're working with through Penned with Purpose. So what Penned with purpose is we will represent an author as an agent and we'll also do some book packaging for them in marketing.

So it's kind of a triad of things. And we found a publisher. Horrible, horrible.

**AJ Harper:** I know he ... You, I think you told this story before, maybe?

**Mike Michalowicz:** I did the editorial work, was

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**AJ Harper:** Melissa Dugulecki?

**Mike Michalowicz:** Atrocious. Yeah. So we got outta the agreement and. What you do, and it's in the contract to gather the agreement, is we agreed to offset any of their costs they've incurred, and this is the only kudos I can give to this organization. It seems like they reported it accurately. They spent less than like \$500 in the editorial work. Um, and, and, and covered design. That was all inclusive. Everything. It was so bad, this editor. So then we went to Inspired Girl, owned by Jen Tuma Young. Oh my. It's been such a black and white difference.

It is so good. The editorial work, the cover, the cover is gorgeous. They retitled the book, um, appropriately, and it just, it's now called Scar Tissue.

**AJ Harper:** Oh, that's good. Yeah.

**Mike Michalowicz:** Scar tissue. Yeah. Yeah. And it's just, oh, it's, it's so good. So, um, these scams, I wonder if one way to prevent yourself from getting trapped is if you make an investment into it is to do in tranches?

**AJ Harper:** Yeah. So remember earlier I said there was a, um, two books I couldn't finish?

**Mike Michalowicz:** Yeah.

**AJ Harper:** I did all of that in tranches. Like, so I already had my con, my contract set so that I was getting paid after I delivered certain things. So you if so, if you were gonna work. So I didn't finish it, wasn't able to finish those books, but I also did deliver up to that, to the money I was paid.

**Mike Michalowicz:** Mm-hmm.

**AJ Harper:** So you don't wanna say pay a ghost writer. All their money, and then maybe you don't get the book pay. You know, okay, you delivered this, now this payment comes, you delivered this. Now this payment comes. And I think that's a smart way to do things.

**Mike Michalowicz:** Yeah.

**AJ Harper:** Yeah.

**Mike Michalowicz:** Some publishers say their books are bestsellers when they're not. All their books are bestsellers. Tell me about that.

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**AJ Harper:** Uh. Well, they, I mean they probably, maybe they were for five seconds. Again, it's, you're saying it's a bestseller. Then one of the things I have authors do is they'll say, can you check out this publisher? And, you know, a lot of times I don't know who it is and that's a bad sign.

**Mike Michalowicz:** Yeah.

**AJ Harper:** But I'll say, oh, sure. I'd say that's super easy. You guys can diagnose it like this. Okay. So, uh, and sometimes you can't tell is this a real publisher or is this a hybrid? Or is it just uh, low tier hybrid, which is my, my terms are low tier and high tier. But low tier meaning it's a factory. They're not selective. They're just gonna take your money. They don't even really care about it. And they might say they do, but they're just gonna take your money. And some of the low tier hybrids are actually really do a good job, but they're not selective. Right?

**Mike Michalowicz:** right. Okay. So, so they make their money just by making books. It doesn't matter the quality?

**AJ Harper:** They make their money upfront. Yeah. They're not concerned about positioning the book for sale and, yeah. So, uh, if you go to the website, you can check a couple things.

**Mike Michalowicz:** Go to which website again?

**AJ Harper:** Any website I'm talking about. How do you tell if you should go?

**Mike Michalowicz:** Oh, I see, I see. Okay. Okay. Yep.

**AJ Harper:** So you're gonna go to the website and it'll say, they'll usually have a featured books on the front. This is, the books they think are cool, the authors that they're proud of, don't. If they don't have click-through links to their books, that's a bad sign. That means they aren't, don't want you to easily go look and find those books.

So all you have to do is just write down the author name in that book. Go to Amazon, look up the book. You're gonna see two reviews, 17 reviews. It's uh, uh, BSR, which is bestseller rank on Amazon. And if you go down to product details, you can see that number.

**Mike Michalowicz:** Mm-hmm.

**AJ Harper:** 2 million, 1 million. Right? Those books are not selling. They're dead. Nothing's happening. And that's what the publisher is touting on the front of their page. You know you have, you have an issue there. Even if there is a link, there's still, you know, so go poke around. Then a little trick, you can take the publisher name and you can put that into the Amazon search field.

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And then you can see all these books come up. So you can don't have to look one by one and you can eyeball how many reviews, how are these books doing? Did the covers look good? Right? Uh, so there, the, that's a factory, right?

**Mike Michalowicz:** Yeah.

**AJ Harper:** And it's quite possible that that's also not a great book. The other thing is when you go and you look and to talk about how they have distribution, so if they don't have trade distribution, they might say, "Your books can be available worldwide."

But that might just be Ingram Spark. Right? So I think this is a, this is a big one where authors don't understand distribution. And so they think that their book is going to be on bookshelves. But it's not. And so because they don't understand distribution, they don't know what questions to ask.

Ask every publisher, do you have trade distribution? And then follow it up with who.

**Mike Michalowicz:** Right. Right. If they say Ingram Spark, fine, anyone can get Ingram Spark.

**AJ Harper:** Well, even if they just say Ingram, that not every level at Ingram is trade distribution.

**Mike Michalowicz:** Oh, that's interesting. I didn't realize that.

**AJ Harper:** Yeah. Ingram's the largest distributor in the world.

**Mike Michalowicz:** Mm-hmm.

**AJ Harper:** But they're not, you're not necessarily gonna be working with Ingram's sales team.

**Mike Michalowicz:** Mm-hmm. Interesting.

**AJ Harper:** But you see how people are a disadvantage.

**Mike Michalowicz:** Oh, totally.

**AJ Harper:** I just told you something you didn't know and you've been in this business forever. For 17 years.

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**Mike Michalowicz:** Yeah. Yeah. The one trick I do know is what you shared with the Amazon is so effective just to look at the perform.

**AJ Harper:** Just go look

**Mike Michalowicz:** And if, what was it, Marcus Thatcher said, if you guys say you're a lady or not, um, if you gotta say you're best sellers. If you gotta say you have best sellers and people don't know what they are, you don't. Um, and that's to me, such a red flag. That's such a red flag because it's just, it's pure BS right in your face.

**AJ Harper:** Yeah. And so, uh. I think just a little bit of recon and then take, take note of the authors, you contact them, go on LinkedIn. DM. I see you work with this publisher. What was your experience? Yeah. The other advice I wanna give you about all publishers, traditional otherwise, and that, that was all about hybrid just now, but. Every single publisher, you want to find an author who recently published with them because publishing is transient. People move in and out. I was just talking to one of our old editors.

**Mike Michalowicz:** Okay.

**AJ Harper:** Um, she was, uh, assistant with Noah, Kimberly, remember Kimberly?

**Mike Michalowicz:** Um, well, no, I don't actually. She worked with Noah?

**AJ Harper:** Well, since leaving Noah, since leaving PRH she went to Hachette and is now at Simon and Schuster. That's in a short period of time, just to give you an example.

**Mike Michalowicz:** Mm-hmm.

**AJ Harper:** And, uh, she's great by the way, but that's just publishing.

**Mike Michalowicz:** Yeah.

**AJ Harper:** People moving around all the time.

**Mike Michalowicz:** Yeah.

**AJ Harper:** Things change all the time. So you don't wanna go based on someone's 10-year-old experience.

**Mike Michalowicz:** For sure.

**AJ Harper:** Who published recently, what was their experience?

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**Mike Michalowicz:** Are there some scams that are just even more blatant? Then the like,

**AJ Harper:** Like scam-scam?

**Mike Michalowicz:** Yeah. Scam, scam.

**AJ Harper:** Oh, there's, oh, there's so many. So you can, so first of all, you should go to writer beware, um, to, to see about, you can learn about all the scams and you can check to see if what you're doing is, is something someone's pitched you as a scam.

**Mike Michalowicz:** Writer beware.com?

**AJ Harper:** I might be.org, but we'll put it in the show notes. Okay. I'm gonna look, yeah,

**Mike Michalowicz:** it's, yeah, it's writer Beware blog I just pulled up.

**AJ Harper:** Oh, okay. Yeah. So, you know, she, she calls out the scammers and then there's, there's a couple other places you can search. So, uh, there's been people who pretend to be agents and they're not. There's peop and they're, they're grabbing all this, all this, these manuscripts. Um, there's people who pretend to be publishers and they're not. Pretend to be publishers and they're not.

**Mike Michalowicz:** Yeah. So let's first go back to the agents. So someone pretends to be an agent who's not, they collect manuscripts. They, but you don't pay an agent in advance.

**AJ Harper:** Sometimes they'll charge, and when people don't know—

**Mike Michalowicz:** okay.

**AJ Harper:** --that agents should not be charging you anything, then you don't know any better. Yeah. Or they'll do the thing, well, I don't charge, you know, agents can't charge fees, but you need a lot of editing.

**Mike Michalowicz:** I'll do the editorial work.

**AJ Harper:** Yeah.

**Mike Michalowicz:** Yeah. So it's, it's interesting. Agent is the lure, the bait. Mm-hmm. And then the other services, if they provided those legitimately so at Penned with purpose, we have a package offer. We offer agency services. We'll get you a publishing deal. We charge 15% for that. Uh, and 15% of the advance or the royalties. We offer, uh, marketing like a book launch services, and so the book launch services will, will have a flat fee, but we'll

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adjust that. Some people say, I don't want to pay. Whatever thousand for the book launch services. I wanna reduce that cost and we'll say, we'll share in the royalties in addition to our agency fees. We put royalties on top of it.

**AJ Harper:** But isn't that 15% That is royalties, 15% is of royalties for agency

**Mike Michalowicz:** work. Yeah, but we'll, we'll share is like, Hey, we'll do your marketing for you and we'll charge you a flat fee to do this. And they say, I don't want to pay a flat fee. I want you to share in the success.

We'll say, okay. We'll reduce our fee sometimes even to zero in exchange for

**AJ Harper:** Additional percentage.

**Mike Michalowicz:** Additional royalty. Exactly. Exactly. Um, but that's a really risky model for us, and we've done, we've done it successfully, but the allure is. People want an agent.

**AJ Harper:** Yeah. And there's also, there have been stories of agents who weren't charging a fee. I don't know what motivates them to do this, but they're not really agents. So the scam is they don't know anybody. I mean, an agent isn't gonna,

**Mike Michalowicz:** Yeah.

**AJ Harper:** Be able to do a good job for you if they can't. Uh, if they don't know editors, if they don't understand the industry. And so the scam is that you're, you know, you've got somebody who's got your book for a year in an exclusive contract, and you can't sell it anywhere else, and they're not actually doing anything.

That's also a scam.

**Mike Michalowicz:** We've brought a few deals to Ben Bella as an example. Publisher and Adayla has a relationship, and so she got a call from an editor saying, Hey, we're seeking such and such book. Um, do you know anyone? Do you have any, are you representing anyone that way? And that's, that's what happens with an established agent, is that you get inbound inquiries.

This is the thing we're trying to fill at our publishing house. Um, but it's weird. It, to me, it sounds like a doctor, like those fake, a quack, fake doctor. At least they're making, I shouldn't say at least I assume they're making money. By misrepresenting themselves, but an agent misrepresenting themselves, that doesn't make any money.

It's just weird.

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**AJ Harper:** It is weird, but it happens all the time. What's the motivation

**Mike Michalowicz:** for this?

**AJ Harper:** I can't say I, maybe I need a psychiatrist to give that motivation. But it's really sad 'cause it breaks hearts. Oh my gosh. You got people who wrote a book and then they're waiting and waiting and waiting and they can't, they have a contract and they can't get out of it.

**Mike Michalowicz:** Yeah.

**AJ Harper:** So that's happened more times than I can count. There's people who set up, um, uh, little fake publishing houses where they're, or you know. They're publishing, but it's not, they're not really doing a good job or it's any, it's just anybody can start a publishing house.

**Mike Michalowicz:** Hmm. So, okay. And those, I assume would be a hybrid, a proposed hybrid.

So they're collecting money from you? That's a financial scheme.

**AJ Harper:** No. There's also publishers that don't collect any money from you. Money. And they still are what they're taking. And they're not actually giving anybody their royalties.

**Mike Michalowicz:** Oh, they're not giving any royalties.

**AJ Harper:** Yes.

**Mike Michalowicz:** I a distributor that. Scammed me. I, I wouldn't even say they scammed me. I mean, it was criminal what they did. Toilet paper entrepreneur. I launch it, you know, then, I showed it before Barnes and Nobles says, who's your distributor? I don't have one. They say, here's the company you're gonna use. So I start using this company, uh, and they're, sure enough, I'm getting checks every month.

Everything's fine. And then one day there's no checks. So I call them, they're like, oh, sorry, it's, it's late. And then the check comes, and then there's more periods of time. So there's notebooks, and then there's a certain point, I'm not getting any checks. I call them like, what's going on? They're not answering the phone, now.

What ends up is. They were going. Banko, or at least they were, they were a non-profitable business, and so they were taking books and so other authors started suing them. It got real nasty. Um, but for me, I had no alternative. I had no other distributor, and I wanted my books to still circulate because it would give me speaking gigs and stuff like that.

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So I kept on shipping 'em books. Knowing I was never gonna get paid, but by the way, I had like. 25,000 copies of these damn things in my house anyway, because I overstocked 'em for myself. So just getting more and more out of my house to them was fine.

**AJ Harper:** Hmm, hmm.

**Mike Michalowicz:** But that's just like, they never sent checks and they had no intention to, and they did, but they didn't call anyone. They didn't notify any, any fight anyone about their financial problems. You know, it's a form of theft.

**AJ Harper:** It is a form of theft. When I had my publishing house, there was a, um, before we sold it to Chicago Review Press. Before that happened, there were a couple of houses that went down. It's unusual for a small press to stay alive for more than five years, and we sold it at eight years. And we, I was really proud of that. Yeah. And it lives on. Uh, one of the things is, you know, you're paying royalties, so I would, I was in charge of managing that, and so we would set aside the royalties in a separate account.

**Mike Michalowicz:** Oh, okay.

**AJ Harper:** Right? And even though, listen, we, we didn't have money to pay ourselves. We didn't, you know, we were, I didn't make a dime on that, you know? Um, I mean, until the sale, so. Publishing houses will sometimes take the royalties and use it to fund other things, especially marketing. And there was one company, I'm not gonna name it, that was a very dominant in our industry. And they moved into a distribution model, so we got trade distribution around the same time they did.

What happens when a house gets trade distribution that's small is all of a sudden you are there taking another 20 to 25% cut. So if your company that has print on demand and you have more cost per unit. It is just about breaks you. You got another 20, 25% and your margins are just crap to begin with?

It's, it's just, I mean, it's So what the, the house made a mistake. They didn't plan for that. And so they ended up not being able to pay royalties because they hadn't set them aside. They had been in a long process where they would use the royalties and uh, for expenses.

**Mike Michalowicz:** Mm.

**AJ Harper:** And then because you're holding them right? And you pay every three months or six months, right? So you can, you should be holding them that whole time. But they were using it for operating expenses. So then when they ended up having, to losing so much because they had a trade distribution. They had that tighter margins, that system they had used that was incorrect all along, which they, it worked for them because they kept getting more money in now they weren't getting as much money in.

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**Mike Michalowicz:** Mm.

**AJ Harper:** So then it backfired on them because they didn't, so we, we were a much smaller company and I would just ca, stow that money, you know? Yeah, yeah. Yeah. Because, you know, sometimes that's all the money we had. Yeah. But it, we weren't touching it.

**Mike Michalowicz:** Yeah.

**AJ Harper:** And then so we could pay our people. You have to pay your authors.

**Mike Michalowicz:** Yeah. That's such good financial discipline.

**AJ Harper:** Um, and then you're just, you know, but that stuff, you can't really know that that's happening behind the scenes. I, I could, I figured out what happened over there while I watched it happen. Um, but an author is like, how would they know?

**Mike Michalowicz:** Are these conversations that come up when you have your retreats and your meetups with other authors?

Uh, at ajharper.com by the way, go check it out. Do--

**AJ Harper:** well, I have, you know, I have a membership community. Yeah. And I think it's more like I can, my authors pop in all the time. "Is this right? How do I handle this? Can I, is this normal? I'm, or I'm having a dispute with my publisher? What do I say?" You know, I've, I've texted with authors in my community at night, like they're in an emergency situation related to a cover or an editorial decision or something.

And I think authors at such a, um, disadvantage because they don't have this access to the knowledge. And I'm just a weirdo because I have knowledge just 'cause how, how my career played out.

**Mike Michalowicz:** Yeah.

**AJ Harper:** I just have deep knowledge in self-publishing, hybrid publishing, and traditional.

**Mike Michalowicz:** Yeah.

**AJ Harper:** And a lot of times publishing people have deep knowledge in one of those areas.

**Mike Michalowicz:** Correct.

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**AJ Harper:** But I just had a weird confluence of events that led me to that. So, you know, yes, we, it's not like I'm having a big class on scams, but I, people come to me all the time and say, what do you think of this? And I'll just say. Let's go see, you know,

**Mike Michalowicz:** You know, one of the little hacks or shortcuts that AI guy can give you is also to use AI. So you can go in, if you get a contract for any of these situations, you can upload the contract and say, is this normal and fair practice? You can ask the AI, uh, I'm concerned about being scammed or not familiar with this company. Do the research and tell me their legitimacy and give me three other comps, publishing houses or agents, whoever that you would suggest as alternatives. So even if you don't have a contact nowadays, like someone to network with, you can still get started immediately identifying if these are legit folks.

**AJ Harper:** Yeah. Yeah. But again, this is why I say get friends because a lot of people who don't have a community cannot access a community like mine, which incidentally, almost anyone can access my community.

But if you don't have that or you don't wanna join something like that, having friends that can, you know, Hey, have you heard heard about this? What do you think of this? Is is really important.

**Mike Michalowicz:** Any other, uh, common scams or,

**AJ Harper:** So there's also just things that have low ROI, you know? Okay. Like, I think you don't need a publicist most of the time.

**Mike Michalowicz:** Yeah, I, I'm with you.

**AJ Harper:** I think you do, but so you might need one on The Money Habit

**Mike Michalowicz:** Just because it's a new market?

**AJ Harper:** It's a new market and it's a broad market. Yeah. That's, that is a market where you're gonna get, um, high profile, um, placement in different news organizations. And I mean, you could get on a lot of programs. Um, an get a lot of media.

**Mike Michalowicz:** We got our first, uh, translation inquiry already. There's not even a book cover announcement yet. Great. It's so early on. Yeah.

**AJ Harper:** Which country?

**Mike Michalowicz:** Netherlands.

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**AJ Harper:** Netherlands. Okay. So I would encourage you actually to do it for *The Money Habit*. Um, but I wouldn't have, but I don't think it was appropriate for all of your business books.

**Mike Michalowicz:** Mm-hmm. Mm-hmm.

**AJ Harper:** But now you're in a, um, personal finance, so you need to be out there.

**Mike Michalowicz:** Yeah. Yeah, get on GMA or something.

**AJ Harper:** Yeah. Especially because you're gonna be, we'll be publishing in January. It's a new year.

**Mike Michalowicz:** Yeah,

**AJ Harper:** It's, I, I think you should do it. I mean, you don't sell a lot of books being on GMA, but I think the combination of a little bit of a blitz is...

**Mike Michalowicz:** Yeah, it's exposure to a new group.

**AJ Harper:** Exposure to a new group.

**Mike Michalowicz:** Yeah.

**AJ Harper:** And I would even say. Getting on maybe some talk shows that aren't like actual. I'd love to see you get on a talk show. You'd be so good. Mm. Because you can have a great, you're, you're funny and edgy and dorky and, um, super knowledgeable and you know how to do those interviews, but you can have a great conversation. You know, I'd love to see you on a. Like Kelly Clarkson or something like that, or, or Drew Barrymore where you maybe can go and help so they, they can do a segment where you're helping a family.

**Mike Michalowicz:** Oh, that'd be fun. Like, almost like a makeover for helping a family.

**AJ Harper:** Yeah. I'd love to see you. That's, that's what you should be doing. But see, people write books and they think they automatically need the pr.

**Mike Michalowicz:** Yeah.

**AJ Harper:** Also, publicists are only as good as people they can get on the phone.

**Mike Michalowicz:** That's true.

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**AJ Harper:** So if they're gonna give you a. Um, silly pro press release and I don't know what else. I mean, this is not, it's not pr.

**Mike Michalowicz:** That's right. It, it's a very, uh, nebulous metric too. So I think if you get a publicist, really specify what the outcomes are that you expect and want and what they agree to. Well, if we don't achieve that goal, what the conversation is versus what we...

**AJ Harper:** Yeah. And I think a lot of people, a lot of people do need pr, but a lot of people don't. So you have to make, first, make the decision.

Like I just had Dr. Sunita Sah, she wrote Defy, uh, she pr, you know, she's got some great, great pr and she needed it.

**Mike Michalowicz:** I talked to a PR specialist and they said PR is earned exposure as opposed to paid for exposure. Mm-hmm. Which is marketing. I thought that was a great differentiator. Um, okay. Any other scams?

**AJ Harper:** Yeah, so contests.

**Mike Michalowicz:** Oh, contests.

**AJ Harper:** Not all contests are the same.

**Mike Michalowicz:** Yeah.

**AJ Harper:** Some contests are really, really worth doing, but you wanna check in and see which, which contest does the industry respect?

**Mike Michalowicz:** Okay.

**AJ Harper:** Which contests are going to give you. Um, some sort of return beyond just the accolade.

**Mike Michalowicz:** Yep.

**AJ Harper:** Meaning, so for example, if you're an, an indie published author.

**Mike Michalowicz:** Mm-hmm.

**AJ Harper:** A good one would be the Forward Indies. Um, and then there's the IB, IBPA awards, which were formerly called the Ben Franklin Awards. Those are big deals. They

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actually have an award ceremony. All the, the industry knows about them. The, uh, IBPA promotes them. Everything goes out to libraries, schools, booksellers.

Like there's an act, it's an active awareness campaign. It's, and it's, it's a very selective committee too, and it's a big deal to be on these committees. And that's a whole 'nother caliber of award than something you just pay \$150 and you get some stickers.

**Mike Michalowicz:** Nice.

**AJ Harper:** So I think you have to be careful. Yeah.

Weed through those. And then also you're gonna get a lot of people who. Want to sell you on print advertising, which I just think has a low ROI.

**Mike Michalowicz:** agreed.

**AJ Harper:** And here's another one. People who say they'll represent your book at a book expo like Frankfurt. So there's international book fairs. A lot of deals are made there and people say, we'll put your, we'll promote your book 'cause you're not gonna go to Frankfurt.

**Mike Michalowicz:** Mm-hmm.

**AJ Harper:** Your book's on a stand on a display case with a hundred other books. Nobody's talking about it. You paid money to have your book on a stand. And then you have this fantasy that someone's gonna see the cover and be drawn to it.

**Mike Michalowicz:** Yeah. "Oh my god!"

**AJ Harper:** Like a soulmate. And, um, that's not what's gonna happen. I don't, there's no point in doing it.

**Mike Michalowicz:** Yeah. I think another scam, going back to contest is, um, these different ranking things they say, oh, congratulations. Your book is one of the top 20 books on finance. Um. And, and they have like a blog page or something that you go to and. So Joe Rando site says, oh, here it is, rank 17 out of 20.

And then they say, Hey, why, why don't you call us? Um, we can sell you. What they'll try to sell you then is you can brag about this ranking so you can get a, a media exposure and so forth and pay them a fee. And they give you a package of stuff. So they, they just make up these rando lists.

**AJ Harper:** Yeah,

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**Mike Michalowicz:** yeah,

**AJ Harper:** Yeah.

**Mike Michalowicz:** And it's total nonsense.

**AJ Harper:** You, listen, it's, if you. Feel like it's pumping your ego a little bit. Like if this is a vanity, yeah.

**Mike Michalowicz:** Before it weren't.

**AJ Harper:** Right? Like if somebody's saying to you, you can be a bestselling author, New York Times bestselling author, make a million dollars win this huge award. These, you know, question, why, why are you, why are you focused on that? That's actually says unfortunately more about us, the people who cave to these scams and our desire to feel that way.

**Mike Michalowicz:** Adayla sent us a note. She's, she's behind the scenes working on the show, and, uh, she's like, Hey, we got ranked on some site.

**AJ Harper:** I know. Yeah.

**Mike Michalowicz:** And I'm like, oh. I'm like, what are they trying to ask us? How much money are they asking for from us now? Um, because that was kind of cute.

**AJ Harper:** Oh, did they?

**Mike Michalowicz:** No, no, no. I, that, that was just my response. Just watch out. I'm sure it was a scam.

**AJ Harper:** Which the ranking was one of the top 20, uh, I think we were like 13, uh, writing podcasts.

**Mike Michalowicz:** Yeah. Yeah. Well first of all, it should be number one. So they got something wrong there. (laughter) And I didn't, I didn't look at the site. I assume, is there that many podcasts on writing a book?

**Mike Michalowicz:** Yeah.

**Mike Michalowicz:** Is there? Oh, okay.

**Mike Michalowicz:** Okay.

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**Mike Michalowicz:** Um, but I just told her, I said, well respond by saying how much money do you want? And then I. That'll usually shut 'em up. Um, anything else my friend, before we wrap it up?

**AJ Harper:** No.

**Mike Michalowicz:** Okay.

**AJ Harper:** Get, get, get friends, get educated,

**Mike Michalowicz:** Get friends, get educated and join AJ's community. Go to [ajharper.com](http://ajharper.com) right now. You will regret not doing it.

**AJ Harper:** Can I just say one thing about that?

**Mike Michalowicz:** Yeah.

**AJ Harper:** I do have a membership community that is, uh, that has a lot of things going on in it in terms of education, but I have a writing sprint community. And yes, it, it costs \$97 a month, but there's also another button on that page, and the button says, pay what you can. So while Mike's telling you to join my community, I'm telling you, if you don't have the funds for \$97 a month, I don't care.

**Mike Michalowicz:** You're in still. Yeah.

**AJ Harper:** Hit the button that says pay what?

You can pay whatever you want. I don't pay. I don't look at that. So I'm not even gonna know what you're deciding to pay. It's important to me that authors have a place where they can go to have community and to get honest, true. Reliable information. So don't let finance be a barrier.

**Mike Michalowicz:** I love that. Next week we're gonna talk about alternatives to Amazon. This is something that you soapbox on a lot and it's very helpful, so I'm looking forward to that. I wanna remind our guests, our listeners, that uh, our website is chockfull of knowledge too, go to [dwtb.podcast.com](http://dwtb.podcast.com). Plus there's an amazing picture of me and AJ up on the site. Uh, if you have questions, feedback. I think actually next week, was it Josh Spodek?

**AJ Harper:** Josh Spodek. This is a, a request episode from my student, Josh.

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**Mike Michalowicz:** Good. So you can email us and put your request in and we may dedicate a full episode to you. Plus we got an exciting person we're gonna introduce you to next week. But I'll be a surprise. You gotta hold on tight for that.

Email us at [hello@dwtb.podcast.com](mailto:hello@dwtb.podcast.com). And as always, you know this, but are you living it? Don't write that book. Write the greatest book you can.