

Business Tips for Literary Magazines

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There are several business management challenges for literary magazines — relative infrequency (often printing quarterly, or even twice a year) and largely volunteer staffing. Consequently, literaries often lack the tools and resources that would help them make good decisions for the future. What follows are some tips on how even the smallest literary can do a better job of managing its affairs.

- 1. If you haven't computerized your books, do so right away.** Quickbooks is one of the best, and most inexpensive, pieces of software for bookkeeping, allowing great flexibility and a short learning curve. Make sure that more than one person understands and can use the bookkeeping software; data needs to be kept up to date and consistent. Invest in some training, if you can; it's inexpensive and the whole magazine benefits from good financial information.
- 2. Save money by collaborating with other, similar and nearby literaries.** You can share some functions such as fulfillment, bookkeeping or production, or share facilities and equipment.
- 3. Write a budget.** With the software in place, you should be able to write a line-by-line budget that says what you expect to happen and reports back on what is actually happening. Knowing whether you are over- or under-budget means you can anticipate problems while there is still time to do something about them. And you'll know where you stand and what costs you can anticipate at the push of a few buttons.
- 4. Stick to a schedule.** Do your books every week, or at least every month, without fail. Balance your cheque book and track down any discrepancies as soon as they emerge. Report to the board and key staff about the results on the same, regular schedule.
- 5. Have two bank accounts:** a current (chequing) account, and a savings account. When you get a big whack of dough (e.g. Canada Council grant), stash it in savings until you need all or part of it.
- 6. Pay all your bills with cheques.** Don't use petty cash for any expenditure greater than \$50. Cheques are a critical part of your paper trail. Always have two signatories on all cheques. As the old saying goes, you trust your mother, but you cut the cards.
- 7. Track cash flow,** looking ahead at least a year or, better, 18 months. Quickbooks gives you the capacity to do this, or you can do it periodically using a simple spreadsheet. What you are trying to estimate is the ebb and flow of money into and out of the business. It's handy when you have to talk to your bank manager.
- 8. Pay close attention to renewals.** People don't send you money unless you ask for it and regular renewal letters with a well-written pitch will keep your renewal rate high and relations sweet with your subscribers. If you can afford it, get QuickFill (a PC-based fulfillment software) to help you manage timely renewals and get copies into your readers' hands efficiently.
- 9. Set up a not-for-profit foundation** whose goal is to obtain charitable status and, through donations, feed money to the magazine. You will need to get a lawyer to do this, but it will be worth it. Talk with other magazines that have already taken similar steps and learn from their experiences. Make it easy for people to donate to your magazine, with or without charitable status. You are printing the pages anyway. Create a house ad that sells people on donations and on leaving the magazine money through their wills. Run the ad every issue.
- 10. Increase your subscription rate and the cost of a single copy.** Most small literaries are hesitant about getting their readers to pay a larger proportion of their bills, but they shouldn't be. You won't get more revenue from readers unless you're willing to ask for it. People who love your magazine won't bridle at paying more for it and they'll understand why you need the money.