



How Much Longer For the Colporteur?

Several unions explore new ways to reduce the price of books, and sell more volumes to more people.

by Sharise Esh

DURING THE PAST YEAR, THREE NORTH AMERICAN unions have made drastic changes in the distribution of Adventist books. As a result, North American Adventism is transforming bookselling from a tithe-draining to an income-producing part of the church's work. In 1992, these three unions—Atlantic, Columbia, and Pacific—have cut 29 full-time salaries from their budgets, have used less than half the tithe contributions they used in 1991, and have achieved sales that are equal to or higher than those in 1991. Other unions are also making changes.

The widespread changes began in 1991, when financial problems in several areas of publishing reached a critical stage. A declining number of literature evangelists were selling fewer books. In a typical conference, income from sales barely equaled expenditures of tithe to support the literature evangelist program. In 1991, for example, literature evangelists in Northern California brought in \$400,000

in sales—and accepted \$400,000 in tithe contributions. In some areas of New England, tithe contributions exceeded revenue from sales by as much as 120 percent.

In the past, each union in North America had its own distribution agency, Family/Home Health Education Services, that received book orders from literature evangelists, handled accounting, and distributed books to the customers. As early as February of 1991, Columbia Union officers began conversations about the financial problems of its distribution agency. The Columbia Union decided that something had to be done in the North American Division. Literature evangelists could not even make a modest living without support from tithe, and Adventist books were just not penetrating the marketplace. By 1991, the Pacific and Columbia unions combined had only 14 full-time literature evangelists.

Tom Mostert, president of the Pacific Union, knew that the Family/Home Health Education Services program was struggling in his union as well. Mostert appointed a committee, chaired by Harold (Bud) Otis, former president of the

Sharise Esh is a senior journalism major at Columbia Union College, and Spectrum's editorial assistant.

Review and Herald Publishing Association, to study the problem. The committee recommended forming a new organization that would combine the literature distribution programs of several unions. This new program would still be responsible to the North American Division.

That same year—June 1991—the Review and Herald Publishing Association reported a \$500,000 operating loss. Finally, the 1991 General Conference Annual Council voted to “grant authority to the 1991 North American Division year-end committee to act on behalf of the General Conference in North America and to exercise its authority in respect of the two publishing houses operated by the General Conference in North America, thereby exercising full authority over the entire publishing program (manufacturing, distribution and sales) in the North American Division.” This gave enhanced power to a commission on publishing set up earlier in the year.

Robert Smith, director of publishing for the North American Division, says he believes the Annual Council took this action because it hoped that the publishing commission would decide that the two publishing houses should be in charge of the entire publishing program in North America. However, this recommendation was never made. When the publishing commission’s recommendations were presented prior to the North American Division year-end meetings, they were found unsatisfactory. Another committee was set up to study alternative courses of action. When the vote was finally taken at the North American Division year-end meet-

ings, it was decided, among other things, that each union was to review the publishing situation and formulate its own approach.

Not all union officials were happy with this decision. According to Robert Smith, the union officials were also hoping that distribution of books through literature evangelists—a duty traditionally performed by Family/Home Health Education Services—would come under the control of the publishing houses. “However,” Smith said, “with the publishing houses in the financial situation that they are, this didn’t seem to be the solution.”

Immediately after the year-end meetings, the Pacific Union Conference took action. On

November 20, 1991, executive committee members voted to replace its branch of Family/Home Health Education Services. Within a few weeks, the Columbia and Atlantic unions made the same decision. On January 1, 1992, these three unions founded a single program, Family Enrichment Resources. The Pacific Union houses the operations of the new company, while the administration is located in the

Columbia Union offices. Bud Otis is president of the three-union company.

The new combined program has cut 29 full-time positions—including all local conference publishing directors and office secretaries. Otis says that advanced communications technology permitted this streamlining of middle management and cuts of \$1 million in spending for 1992. Otis says that these savings are passed on to the literature evangelists in the form of larger commissions, making it possible

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for them to make a living at this work, with less dependence on tithe contributions. In the first six months of operation, sales for Family Enrichment Resources have totalled \$1 million, with a tithe contribution of only \$500,000. The pattern of a dollar-for-dollar match between tithe contributions and sales has been broken.

Family Enrichment Resources has also instituted credit checks on all accounts and worked to resolve collection problems. For example, in December 1991, \$80,000 of the \$100,000 of literature evangelists' sales in the Columbia Union had to be written off as uncollectible.

Otis is full of innovative plans. Family Enrichment Resources is developing new product lines, which it will own and copyright. Home videos on parenting, animated Bible stories, and sing-along religious videos for children are just a few examples. Ron Wisbey, president of the Columbia Union Conference, says the company will still look first to Adventist publishing houses for its production needs, but will go to other sources if necessary.

New marketing techniques will be employed to supplement sales by literature evangelists. For example, Family Enrichment Resource will run 30-second television ads, 30-minute "infomercials," and buy preferred customer lists to use in telemarketing.

The unions not participating in Family Enrichment Resources are nonetheless searching for effective solutions. Many unions are testing pilot programs in an effort to increase sales. Adventist Self-supporting Institutions and the Pacific Press Publishing Association are working together to put out low cost literature. The *Great Controversy* is now available to these unions at a cost of 69 cents a copy. Five other Ellen White books are also available for under a dollar. In the Southern Union, a smaller percentage of the total cost of an order is being taken for the down payment.

Dramatic changes are also happening at the Review and Herald Publishing House. Ron

Appenzeller, director of publishing for the General Conference, says the publishing house has reduced its staff by 42 people. At the end of June 1992, it was running at a \$500,000 gain—a \$1 million turnaround from a year ago. However, the Review and Herald still has a long-term debt of \$5.7 million, and Review and Herald Publishing House officials recently received authorization to borrow up to \$2.5 million just to sustain current operations.

How is the North American Division being affected by these changes? Appenzeller reports sales have been down in the North American Division. Two unions not involved in Family Enrichment Resources—North Pacific and Lake—are showing gains. The first nine months of 1992 reveal a 16 percent decline in sales in the unions covered by Family Enrichment Resources. However, Appenzeller adds that this is to be expected with such fundamentally new reorganization.

Robert Smith, director of publishing for North America, feels that the reason behind this decline in sales is the decrease in district and field leaders. "Conferences want to run their programs on less than 1 percent of tithe subsidy. We feel that it will take 2 to 2.5 percent. Some conferences may even require 3 percent. But if you decrease the leadership staff, the number of literature evangelists will go down, simply because there isn't anyone to train them. The cuts should have been with workers in the Family/Home Health Education Systems programs."

Regarding future changes or shifts in authority over the publishing work, Appenzeller foresees further changes. "What form [the changes will take] remains to be seen. But it seems that if the publishing houses could have more control over distribution, it could be advantageous. We're not out from under the storm clouds yet." But he is confident that this period of experimentation will be beneficial. "North American publishing will find its way," he says.