Where Does The Money Go?
A Quick Guide To Understanding Your Grumpy Dragon Royalties

Your royalty is the amount of money we pay you when we sell a copy of your book.

Every book has a cover price. This is the price printed on the cover or endpapers of the book and is the price that stores are recommended to sell the book for. The cover price of a book is set by the publisher based on numerous factors.

Every book that is sold also has a sale price. This is the amount the customer actually paid for the book. The sale price is set by the dealer who sells the book.

If the sale price of a book is less than the cover price, the difference is called the discount.

Since your royalty is based on the sale price, let's look at the sale price.

The sale price can be broken into two main pieces: the manufacturing costs and the product markup.

Manufacturing costs include our cost to print the book and have it shipped to us. This is often the most expensive part of making and selling a book.

Product markup is the sale price minus manufacturing costs. Your royalty is usually 50% of this amount. The remaining portion of the product markup goes to The Grumpy Dragon to cover other costs related to producing your book.

Some of the costs we pay for out of our portion of the product markup:

- Editing
- Layout
- Proofreading
- Pre-press Technical Formatting
- Supplemental artwork and/or text, if needed.
- Cover Design
- Assignment of an ISBN number and barcode.
- Listing in Books-In-Print
- Marketing
- Distribution and Shipping
- Facility Maintenance
- Salaries
- Business Expansion

A Picture View:

Sale Price: [----------|----------|----------]
Manufacturing The Grumpy Dragon Author Royalty

If you have any questions about your royalties, feel free to contact us.