

A new era for Quarto

The figures are enough to make every publisher envious: a business that's 70% backlist, writes *Liz Thomson*. "That's a good position to be in," agrees Marcus Leaver, CEO of the Quarto Group. "As we look for growth both in our existing business and with any potential digital way forward, it makes life slightly easier knowing we have that solid foundation."

Leaver marks his second anniversary at Quarto next month. Appointed COO in May 2012, he returned from a seven-year stint in New York at Barnes & Noble and found himself, as the year closed, being asked to take over from founder and CEO Laurence Orbach, his long-term mentor. He was a unity figure who promised "a new era" for all stakeholders, be they "optimists for the future or guardians of the past". In the 18 months since, Quarto's share price has climbed steadily to a five-year peak: the company, which busted the 200p-mark in 2005, suffered badly in the downturn, bottoming out at just over 50p. Cause for optimism then? Well, Orbach remains a shareholder.

Co-edition publishing

The be-jeaned Leaver cuts a very different figure from Orbach, who set up Quarto in 1976 and took it to market a decade later. It's grown both organically and by acquisition, the latter sometimes more opportunistic than strategic. The result was a sprawling international business still driven by its co-edition publishing, under the bushel of which various imprints hid their lights and identity. So back in February, along with some pleasing results, Leaver announced a rebranding that put the Quarto name front and centre of its operations, while allowing such venerable names as Book Sales, Motorbooks, Frances Lincoln and Jacqui Small to retain and flourish their identities as imprints.

From the outset of his tenure, Leaver talked about "transparency", not least so shareholders might better understand the breadth and depth of the Quarto Group. He has moved swiftly to simplify what remained. Debt is being steadily reduced. And 2013 was "a year of tactics, working with people at all levels of the organisation and moving people into the various roles that I wanted them in. Now it's about delivering on our strategy which, from a publishing point of view, and from the Books & Gifts Direct point of view, is pretty clear."

The latter is the merged and rebadged Australian and New Zealand operation (formerly Lifetime Distributors and Premier Books), the largest display marketing business Down Under—think the Book People or Books Are Fun, ANZ-style. "We go



Marcus Leaver

through 55,000 doors every two weeks," doors spread across a vast territory that's continuing to feel the after-effects of the global slowdown, and where good books and gifts at good prices are truly valued. It's being turned round after a bad year by former Sterling colleague, Joe Craven, but Leaver acknowledges that Quarto may not be the right owner long-term. "That remains to be seen. But while we own it, we want it to do as well as it possibly can, and it's now a much more coherent business than it was in December 2012."

Traditional publishing

In both the UK and US, the "tidying up" has seen the Aurum Publishing Group and Quayside Publishing Group names dispensed with in favour of the Quarto Publishing Group UK and USA, respectively. Together, those "traditional" publishing businesses represent 48% of Quarto turnover—a surprise to the many who think of Quarto merely as "the world's biggest packager". The changes having been made, Leaver hopes their publishers feel free to get on with the job and to collaborate in a "considered" way. "One of the co-edition businesses could sell a book to one of the US imprints if they thought it was the best place for it—I don't think that would have happened before... I hope everyone feels an identity with their own imprint, while at the same time feeling there's an overall game plan for Quarto."

The CEO has been known on occasion to sit in on acquisitions meetings if he's around and reads the notes when he's not—last year he was on the road for 23 weeks, meeting customers as well as sharing his vision for Quarto with international colleagues. Meanwhile, Quarto has launched a joint venture in Brazil with Grupo Nobel. "It's an exciting market and it might be a model we develop," says Leaver, who is eyeing up China, India and the United Arab Emirates.

"People have sometimes been pejorative about our collection of assets in the UK," Leaver continues, "with the exception of Jacqui Small... But Frances Lincoln has a stable and

rich backlist, fantastic heritage publishing, fantastic gardening and horticulture. And Aurum has a real opportunity, especially given that holes are appearing left, right and centre in independent publishing, and a very good new publisher, Iain Macgregor, who has a versatility that's unusual, but also a hallmark of Quarto. I am pleased with the appointment of David Inman to lead that entire business."

Succession planning

David Breuer oversees the Co-Editions Group, which sells between 35 and 40 languages a year and now comprises six "very talented" publishers, each with a major and a minor imprint, the latter helpful in "warming up the bench so that we have succession planning and the ability to spawn new imprints along the way... A lot of people have cut their teeth at Quarto, but not in a very formal way. If we can continue telling people what we're trying to do as a company and develop their careers at Quarto, I think that will be very good for the business."

The continual re-invention of Quarto is key to Leaver in this dynamic and changing publishing environment. "Ken Fund who leads the US business has done an excellent job bringing about a re-bounce in 2013 after a disappointing 2012. He re-conceived the entire business and has built an excellent senior team." He and his colleagues look for talent in both obvious and less obvious places—at Walter Foster, one key figure began her career at the LAPD! "We're not sitting at the Ivy looking to agents for the next book, so we need diversity because we need to come up with a lot of ideas. As David Ogilvy said, 'your assets go down in the elevator every evening'". Yes, we have a lovely backlist—but we're only as good as our people—and today we need our people to be creating the backlist of tomorrow."

There has always been, he says, a "humility" about Quarto, where everyone "rolls up their sleeves and gets on with it" and where Leaver and his colleagues are close not only to their customers, but also to their customers' customers. He says Quarto's ideal book is *All New Square Foot Gardening* by Mel Bartholomew, a Long Island retiree. "It was first published in 1981 and still it did over three-quarters of a million dollars last year." A second edition was published last month and Leaver is touching wood that Quarto has hit pay-dirt again with *Straw Bale Gardens* by Joel Karsten.

"There's a huge amount of energy at Quarto and it's an exciting place to be. We've got really good people in all our businesses around the world, who are making and selling great illustrated books. Our annual revenue is \$176m—and no one really knows who we are!" ■



BOOKS & GIFTS DIRECT

Formerly:
Lifetime Distributors (Australia)
Premier Books (New Zealand)



Book Sales
Cool Springs Press
Creative Publishing international
Fair Winds Press
Motorbooks
Quarry Books
QDS (Distribution Services)
Race Point Publishing
Rock Point Calendars
Rock Point Gift & Stationery
Rock Port Publishers
Voyageur Press
Walter Foster Publishing
Walter Foster Junior
Zenith Press



Apple Press
Design Eye
Fine Wine Editions
Global Book Publishing
Iqon Editions
Marshall Editions
QED Publishing
Qu:id Publishing
Quantum Publishing
Quarto Children's Books
Quarto Publishing
Quintessence
Quintet Publishing
RotoVision
words & pictures



Aurum Press
Frances Lincoln
Frances Lincoln Children's Books
Frances Lincoln Gift & Stationery
Jacqui Small
Wide-Eyed Editions

**Come visit us at
Stand G205**
www.quarto.com

Entertaining, educating & enriching the lives of our readers