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INSERT **1 hour 30 minutes**

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INFORMATION

- This insert contains the case study.
- You may annotate this insert and use the blank spaces for planning. **Do not write your answers** on the insert.

This document has **4** pages. Any blank pages are indicated.

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The storybook enterprise

The background

When Mariam left school, she wanted to develop a career as an author writing books. The first stage in her career was to gain employment in a local bookstore.

Most evenings, Mariam helped her mother by putting Ella, her three-year-old sister, to bed. To help Ella fall asleep, Mariam created stories to tell her.

The idea

Mariam's aunt and her young son Juan visited Mariam's home one evening. He listened to the bedtime story. The next day, Mariam's aunt asked if she could borrow the storybook to read to Juan. Mariam explained that she had created the story and therefore there was no book. She agreed to write down the story for her aunt.

A week later, her aunt said that she had lent the story to her friends, and their children had really enjoyed it. Her aunt asked if there were any other stories that Mariam had written. This gave Mariam the idea of publishing a book of children's stories. Mariam decided to do some research.

The research

Mariam used the internet to search for ways to publish a book. She found that there were two ways that she could do this:

- **Option 1** – pay a business to publish the book. If she chose this option, Mariam would pay the business a one-off payment of US$1000 which would cover all the printing and publishing tasks. Mariam would pay no other costs and she would receive a percentage of the selling price of each book sold.

- **Option 2** – Mariam could publish the book herself. If she chose this option, Mariam would need to arrange all of the printing and publishing tasks. However, she would keep 100% of the selling price of each book sold.

Mariam completed some further research. She found a printing business that she could use to print the book if she chose Option 2. The printing business would charge US$3.50 for each copy of the book printed. Table 1 summarises the information Mariam found.

Table 1

Option 1 **Pay a business to publish the book**	**Option 2** **Publish the book herself**
The business will: • organise the layout for printing • produce a cover design • list the book for sale on websites • produce marketing communications • print **250** copies of the book • distribute the books to bookshops. **Total cost = US$1000** (This will be a one-off payment by Mariam to the publisher.) **Book selling price US$10** Mariam receives 60% of the selling price.	**Mariam will:** • organise the layout for printing • produce a cover design • list the book for sale on websites • produce marketing communications • distribute the books to customers. **A printing business will:** • print copies of the book. **Total cost of each book = US$3.50** **Book selling price US$10** Mariam receives 100% of the selling price.

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Mariam was concerned that Option 1 would be expensive for her and she may not be able to sell 250 copies. She decided to ask her mother for some advice.

The advice

Mariam's mother was impressed with her daughter's entrepreneurial skills. However, she had concerns. Her main concerns were the costs of each option and the businesses selling Mariam's stories but keeping the money for themselves. Although Mariam's mother was willing to lend her up to US$1000 to cover the printing costs, she would expect this money to be repaid.

Mariam's mother suggested that they arrange a meeting with a lawyer before making any decisions.

The meeting

At the meeting, the lawyer explained that Mariam's stories are her property. This gives Mariam copyright over the use of her stories. Ethical businesses will protect these rights. Unethical businesses may ignore the copyright and plagiarise the stories, but there are legal consequences if they do this.

The decision

After the meeting, Mariam and her mother decided to complete some further market research. Mariam would research the number of books she could expect to sell. Her mother would research ethical businesses that print and publish books. Mariam and her mother would then be better able to make a decision between Option 1 and Option 2. They would also have information which would allow them to better negotiate with the businesses once the decision has been made.

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