

Taking a Page from Its Books

**BERRETT-KOEHLER MAY BE PART OF
THE “OLD-MEDIA” WORLD, BUT AS
GILDA RACZKOWSKI DISCOVERS, IT’S
MORE RADICAL THAN MANY OF ITS
“NEW MEDIA” BRETHERN.**

Let's be clear — Berrett-Koehler is not Steve Piersanti's company. True, he founded the company 15 years ago, spurred on by a team of loyal followers, and currently holds a 54 percent stake. But those are just numbers. The fact is, Berrett-Koehler runs more like a well-oiled democracy than a company, where employees, partners and, most importantly, authors have an ownership stake — and a big voice in the process. And unlike many companies, that's just how this president wants it.

“Maybe it was my company when we started in January 1992,” says Piersanti. “But when we hired the first employee, signed our first book project and signed on our first suppliers, it became their company, too. They were contributing funds and investing time. And ef-



What's your
motto
Steve
Piersanti?

“Lose yourself in the
service of others”

fort and ideas. It hasn't been my company for 15 years.”

If it seems as though Piersanti has taken a page from one of the hundreds of books published by Berrett-Koehler — nonfiction titles that focus on personal, organizational and social issues — he has. The publishing house is guided by a unique business model; one in which stakeholder groups, including authors and employees, own the remaining 46 percent of the company, and have a say in the decision-making — and profits. It's a break from the traditional publishing world, where authors might receive big advances but often get shoddy treatment after that.

But Piersanti believes his stakeholder strategy is fundamental to the company's success. And it seems he's onto something. Over 80 Berrett-Koehler books — one-third the book list — have sold 20,000 or more copies and 23 books have sold over 100,000 copies.

Impressive statistics for any publisher, but for Piersanti, it's no big surprise. “We're highly selective,” he says. “We

give a lot of attention to each book. Also, we ask a lot more of authors editorially. There's a lot of back and forth where we're working with the author to shape the ideas in the book. Our reviewers do a tremendous job in going through the manuscript and giving guidance. Authors say, ‘I did far more work than I imagined but it was well worth it.’ ”

The focus on authors and meaningful content permeates the company culture, and contributes to its unorthodox approach. “Our goal in starting Berrett-Koehler was to run the company differently. And the editorial agenda flowed from that,” says Piersanti. “One of the things that's been really unique about Berrett-Koehler is that — it's almost unheard-of in publishing — we try to learn from our own books. We practice what we preach.”

For Piersanti, a publishing industry veteran, the idea of corporate responsibility started long ago. He moved up the ranks at Jossey-Bass, from copy editor to company president over a 13-year career. When a larger publisher bought out Jossey-

Bass, things changed. “The new ownership group comes along and called all the shots. It made no sense because they hadn't really created any value. None of our success was in any remote way due to what the ownership group was doing.”

It was a watershed moment for Piersanti, who left the company, knowing there must be a better way. “You needed to have more balance in the interest and participation of all groups.” Investors, authors, printers and suppliers approached Piersanti, and Berrett-Koehler was born. Since then, the company has carved out a niche doing distinctive, leading edge books that a lot of publishers might not touch.

Piersanti pulled together initial funding on a shoestring, then in 1996 offered

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Steve Piersanti with members of his dream team
Photo by Allison Shirreffs


stock to employees. In 1998, he extended the offer to other stakeholders — including authors and suppliers. After repeating the stock offer several times, Berrett-Koehler now has about 150 stakeholders who own shares in the company, including authors, employees, customers, suppliers, service providers and friends of the company.

It’s hard to pin down the editorial focus of the company. Books range from career advice to motivational and self-help, business theory to social responsibility. Titles include bestsellers like *Managers not MBAs*, *Eat That Frog!* and *Confessions of an Economic Hit Man*. But it all makes perfect sense to Piersanti, who cites the company mission statement “creating a world that works for all” as the starting point for everything.

“It’s our belief that in order to create a world that works for all, there needs to be positive change at all levels; at the individual level, at the organizational level and at the societal level,” says Piersanti. “All three levels need to be done in the interest of the others, so that whatever an

individual does can’t just be to climb the corporate ladder or to get rich. It needs to be in the interest of the community and the organization. And what’s done at the organizational level can’t be done just to clobber the competition but also to benefit society and benefit employees. What’s done in society has to benefit individuals and organizations.”

If it sounds idealistic, it is. And if it seems contrary to the cutthroat world of publishing, where books are pulled from shelves after a few weeks of non-performance, it’s that, too. But this thinking comes from a man who was fired for refusing to lay off employees when profits were up. This is a president who prints the name of all 21 employees on the back of the company brochure.

But at Berrett-Koehler, it’s just the way things should be. “It’s not my company,” Piersanti reiterates. “We are a community of readers and writers.” 

Gilda Raczkowski has interviewed food innovator Alice Waters and the founders of Banana Republic in previous issues of the magazine.