Mergers and Acquisitions-Regarding Medusa

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Mergers & Acquisitions — Regarding Medusa

by Linda M. Defendeifer (Assistant Professor of Library Administration, University of Illinois College of Law, 504 E. Pennsylvania Avenue, MC-594, Champaign, IL 61820) <defendeifer@LAW.UIUC.EDU> reply to: defendeifer@law.uiuc.edu; Subject-line: ATG M&A [mm/yy].

New readers of ATG may be puzzled by the column name. Its genesis is simple: your column editor found that the cardiac-arrest pace of publisher mergers and acquisitions created a cognitive paralysis similar to the physical immobility said to afflict those unlucky enough to glimpse the mythic Gorgon. By facing this phenomenon regularly, she hopes to rationalize the process and to protect the innocent. Take heart, raise your shield, and read on.

In this issue, editors and directors at four university presses discuss the effects that mergers and acquisitions in commercial publishing have had on their work and environment. As you will see, they are anything but paralyzed.

James Clark serves as Director of the University of California Press, a position he has held for 22 years. His broad background includes textbook sales and editorial work in college social science textbooks. He was formerly Vice President of Publishing at Harper & Row. Janet Fisher, joined MIT Press in 1959 as Journals Manager and is now Associate Director. Previously she served in various positions at University of Texas Press, finishing as Journals Manager. David Sanders entered publishing at University of Kansas Press, serving at various times as Marketing Manager, Editor in Chief, and Associate Director. Kate Wittenberg is Editor in Chief at Columbia University Press, where she began as History Editor in 1986. Prior to that, she was Associate History Editor at Oxford University Press.

ATG: Coming from all institutions outside the commercial fray, what are your general impressions of the current mergers and acquisitions climate in publishing? Have you seen any trends developing during your tenure in your current position?

JC: Yes, I see two effects [in book publishing]. First, University presses are becoming much more commercial, out of a need to compensate for the decline in sales to libraries and to scholars. Second, with the consolidation of commercial trade publishers, more mid-list (3,000-10,000) books are coming to academic presses.

DS: The most noticeable trends seem to be not with the front end of the publishing process - they may be there, but just not as visible - but rather in the wholesale and retail end: Borders, Amazon.com, B&N, and the like. These outlets have an enormous impact on what we do, and to some extent on how we do it. As we witness the library dollars shrinking more and more, we find our financial fate rising and falling with the retail and wholesale markets.

JF: I've noticed several general trends in journals publishing in the last few years. Most noticeable is the consolidation of commercial journal publishers into several very big companies. As a publisher attracts more titles in a specific discipline area, it has more power selling into that scholarly community as well as more power to attract new titles in the field.

As more and more library dollars go to fewer and fewer publishers, it is more difficult to get libraries to pay attention to titles from smaller publishers.

The bigger the publisher, the more likely it is to have deep pockets for investment in R&D (either development of new titles, or migrating to new technology and new business models).

As the electronic environment becomes more important, and publishers are pushed to offer a large group of titles to librarians through a standard interface, small publishers find it harder and harder to control their own destiny.

KW: In discussing the effects of the mergers and acquisitions trend on university presses, it is important to distinguish clearly among the different categories of publishing, as the effects are quite different in each of these areas. In continued on page 31
the area of trade-book publishing, as more commercial publishers consolidate, we may, as many have said, create new opportunities for smaller publishers such as university presses. There will be books that would, in the past, have been published by the better commercial houses, but now do not clear the necessary financial hurdles. The authors and agents handling these books are increasingly approaching the smaller publishers, including the university presses, about these titles, and often these books do indeed fit into a university press’s publishing program. In fact, in some cases, a university press can do a better job of publishing these books than one of the larger commercial houses because it can give the kind of placement on the list and attention that it needs in order to reach its intended audience. While a serious non-fiction trade book on a more specialized topic might have appeared rather far down on the front list at a large trade house, it might appear as the lead title (or one of a few lead titles) at a university press. This development can be a good thing for both the university presses and the authors of these books.

However, in the area of professional, scholarly reference, and journals publishing, I must agree with Janet that the trends towards consolidation are presenting some serious challenges to university presses. In this category of publishing, the critical mass that is being achieved by the commercial publishers through merging of lists and resources means that it is much easier for them to take advantage of the editorial, technical, and marketing cost efficiencies of a large organization. It also means that there are a few publishers who now control large segments of these markets, particularly in the sciences, making it even more difficult than it was previously for a smaller publisher to break into these fields in both the book and journal field.

ATG: Do you find that the recent consolidation in commercial publishing has affected any of the following, and if so, in what way: demand for your books; markets/outs: pricing; choice of authors, designers, editors; awareness of your publications?

JC: About demand: Serious non-fiction, first novels and poetry have steady, modest demand. University presses have moved to exploit this segment of the market.

As for markets, major change in all this comes from chains and online book sales. These outlets have leveled the playing field, as it were, so that academic presses can reach the same markets as commercial publishers. Princeton sells 50,000 copies of a bird book; UCPress sells 22,000 of Michael Wood’s In the Footsteps of Alexander; a PBS tie-in book. Back lists of university presses are now online at their own Web sites or on commercial sites. The problem in the past was that only new books were marketed; now, the Web enables sales of the full list.

We price for the market, and in the past, books sold in foreign markets were “marked up.” But now, with the Web, the world will develop a price as world markets buy from the lowest priced outlets, which so far are all on the Web.

In design and editing, we seek the best we can afford for the trade segment of the list—no major change here, more of an adjustment of present staff.

Op Ed
from page 28

a tiresome, futile exercise. The only ones who seem to enjoy it are those wanting thousands of books on one electronic reader and who seem to spitefully hope that they will be around to see the demise of the printed word. Who actually cares that there are devices that allow us to read text that are nothing more than pixels on a screen? I am doing that as I write this column. I have long since ceased to be impressed. I also have long since become appreciative of the ability to easily, quickly, and frequently edit and revise what I write (type, keyboard). But I would not have used the current issue of Against the Grain as my text if it were solely electronic. And I would have been that much poorer for reading only what I discovered by an electronic search.

If, by fiat of the Emperor of Virtual Reality (what a loadsome term, virtual reality), printed books were no longer published, Jack Walsdorf would be besieged by people who

would not care whether he had read all his books or not, they would only care that they be allowed to read them or look at them with him or simply hold them in their hands. And those bookstores that Bob Schatz loves to frequent, and the superstores, too, would soon be sold out. And then the masses would rise up against the Emperor of Virtual Reality demanding the real thing and expose his nakedness once and for all.

As I write these words, I am reminded of a book that probably bears rereading: Brave New World, by Aldous Huxley. He never got to hear about virtual reality and cyber experiences, but he seemed to understand what was coming and he could see the horror of it all. Come to think of it, before rereading Huxley, we might want to read some Shakespeare first and give thanks to Thalia, Terpsichore, Calliope, Clio, Erato, Polyhymnia, and Melpomene for the inspiration they provided him and so many others who flourished before the so-called information age began its attempt to suffocate knowledge and wisdom—murder by ignorance.

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Born when and where: 1966, in Bridgeport,
Connecticut. My parents lived one door apart
from each other on the same street. They met
while my mother was walking the dog after
supper one night.

Current residence: Boulder, Colorado: a very
beautiful place, but I must confess that I prefer
Denver. Once a city mouse,...

Education: B.A. English, Yale University;
M.A. Communications Studies/Film Studies,
University of Iowa; M.S. Library and
Information Science, University of Illinois at
Urbana-Champaign.

Summary of job experience: When I graduated
from library school in 1996, I found a job as
a library technician at the University of
Colorado Government Publications Library
in Boulder, cataloging U.S. documents, and
does Web work. Since February of 1997, I’ve
been Technical Services Librarian at the
University of Colorado Law Library, where
I’m in charge of acquisitions, government
documents, the Web interface to our online
catalog, and the technical services department’s
Website.

Most Recent Accomplishment: After several
years of hard work, my colleague
Kathleen Kuegel and I just had a work we
co-edited published by the Reference
Division (RUSA) of ALA: Towards a New Vision of
Reference: Kaleidoscopic Collections and Real
Librarians, RUSA Occasional Papers, no. 23.
And I was recently appointed Chair of the
American Association of Law Libraries’
Publications Committee.

Last Book Read: John Updike, Toward the
End of Time. Much beautiful prose, but
terrifically revolting characters. I’m so re-
lieved he’s not one of our patrons!

Single Most Important Piece of Advice: My
advisor in library school, Beth Woodard,
assured us that we would find two skills abso-
lutely essential in library work: time manage-
ment, and the ability to type accurately while
enduring sleep deprivation. How right she was
(and still is!)

Mergers & Acquisitions
from page 31

benefits - as I mentioned - of the superstores
and the Internet outlets for selling our books.
The effect, I think, has been to increase the
trade aspect of our books including those that
might otherwise be labeled as purely scholarly.

ATG: Given the persistent negative re-
duction to increased prices of scholarly jour-
nals, could you imagine a scenario under
which university presses would play a domi-
nant role in their publication?

JC: No. The momentum is from librari-
es and from university administrators. Most
university presses do not know how, or can’t
afford, to publish cutting edge science jour-
nals. It will come in a new form - probably
on the Web - be vetted by administrators
and librarians.

DS: We don’t publish any journals at
Ohio University Press, but it seems utterly
reasonable that the universities and by exten-
sion their institutional presses should be
actively involved in the publishing programs
of their academic programs and attendant
scholars, as in fact they are.

JF: I believe it would take decisions at
the top administrative level of universities about:
1. supporting editorial offices of, or giv-
ing start-up subsidies to, journals that arise
on their campuses that contact with a non-
profit publisher;
2. finding a way to support scholars who
submit to, and publish in, the publications
of university presses;
3. devoting seed money to university
presses that do not publish journals so they
could build a program;
4. allowing existing journals programs
at university presses to invest more heavily
in acquiring existing journals or in starting
new journals. This would mean money. It
could also mean allowing the press to add
staff and space.

ATG: Is there a point at which the effects
of consolidation might cease or reverse? Do
you see a limit — a functional rather than a
legally imposed limit — to the merger activ-
ity? What are the best- and worst-case scen-
arios for this process?

JC: Starting a publishing company is
easy. There will always be new ideas and lists.
I feel that mergers are about their limit —
only a few independents left - but new im-
prints will pop up and be distributed by bigger
houses. Big changes will be from the Web
and its impact.

Who knows what is next? But books will
stay. How you get them will change.

JF: The only things I can see that would
affect it is change in the mindset of scholars.
Most of them do not particularly care if a
journal is published by a commercial or non-
profit publisher. What matters most is get-
ting their article in the most prestigious jour-
nal in the field. Even when new journals are
started, researchers tend to be standoffish in
the first few years until the abstracting and
indexing services begin coverage, and librari-
ians do too.

This makes it extremely difficult for a
publisher to start a new journal, and since
nonprofit publishers (unless they are large
societies) tend to have less of a deep pocket
because of traditionally low pricing (and
other reasons), they are even less able to start
new publications. More and more of the new
emerging areas, then, get ceded to commer-
cial publishers which feeds the cycle.

DS: I would be surprised if there were
not a natural saturation point for the avail-
ability of every published work. On the other
hand, it seems to represent a new way - or
the beginning of a new way - of understand-
ing access.

KW: I also think that the area of elec-
tronic publishing offers some interesting pos-
sibilities for the university presses to create
innovative publications and partnerships that
are not being pursued aggressively by the
large commercial publishers. In particular,
university presses might put new efforts into
creating collaborative projects with the librar-
ies and faculty on their campuses, and work
with their librarians as partners in develop-
ment projects that can fill a smaller, yet im-
portant, market need. It's not that the com-
mmercial publishers don’t work with these
groups as well, but it is sometimes easier
to work quickly and creatively with the
partners on one's own campus, as relations-
ships have developed already, making col-
laboration easier.

I agree with Janet that universities could
play an important role by supporting their
presses in all of the ways she mentions. How-
ever, I also think that university presses must
take a very aggressive and creative stance in
these fields, and begin to think about how
they can fill niches in the professional, schol-
arly, and reference markets that have, for var-
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