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Interview with Andrejs Alferovs

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Interview with Andrejs Alferovs
Vice, President, Sales and Marketing
Coutts Library Services

by Jack G. Montgomery (Editor, ATG) <jack.montgomery@wk.edu>

ATG: Andrejs, I understand that you’re new to Coutts North America. Tell us a little about yourself.

AA: At the ALA/C&LIA I attended the WESS meeting to present the Coutts Niijhoff award. It was the first time that I had been to a gathering where most of the delegates knew my background from my name and I must say that this is a tribute to the members of WESS. Well, they were almost right. I was born in England but both my parents came from Latvia at the end of the Second World War. They actually met in Bradford. I was born and raised as a Latvian in the U.K., going to Latvian school on a Saturday, learning the language, history and culture. I was pointed out by members of WESS that my accent was not very Latvian. That is because I was brought up as part of that little known tribe, the Yorkshire Latvian.

In many ways I am a typical Brit — I like warm beer, real football (soccer) and rugby. I am starting slowly to receive my North American sports education. But having arrived in the Niagara region in early January during one of the coldest spells in recent history, I have had very few opportunities to sample outdoor sporting life, but hopefully this will arrive during the summer.

I realize that it sounds a little clichéd, but I have always had a love of books — my education was definitely more on the side of the arts. As a typical arts graduate, one had to think about employment and when I saw the advertisement for the Slavonic Section at the British Library I thought that this would be for me. So I started my career at the British Library Document Supply Center working in various departments including both serial and monograph acquisitions.

ATG: Tell us a little about your position at Coutts? What if any specialized training or education did you receive before getting into the book business?

AA: It really has been a progression of experience and education. The British Library gave me my start and during this time I gained a postgraduate diploma in Librarianship and Information Work (a sort of MLS equivalent of its time). In my final post at the BL, I worked in Monograph Acquisitions and it was there that I was offered a post as Area Sales Representative for Holmes MacDougall, a U.K. Library bookseller, with a core client base in the public library sector.

From there I moved into publishing with HarperCollins, where I spent five years working in sales and looking after key accounts in wholesale and library supply. Working with HarperCollins gave me very sound sales training — in a very tough and highly competitive environment. They had numerous restructures during my time there, not least when Rupert Murdoch merged Collins and Harper and Row — in many ways this gave the the taste of things to come in the publishing and library supply industries during the 1990's. I suppose I never really wanted to leave the library world, despite some of the glamour of general trade publishing. However, I could not resist the draw when I decided to join Faxon to run their fledgling operation in the UK. During this time the company sponsored my Diploma in Company Direction. However, the company was to remain fledgling despite our hardest efforts as the European Division was sold off in 1994 to SwetsBlackwell.

It was at this time that the Managing Director of a young British company, BMBC, approached me to run their sales operation. The business developed quite rapidly during a dramatically changing bookselling landscape in the mid 1990's, especially with the impact of the collapse of the Net book agreement in the U.K. I was appointed to the Board in 1996.

ATG: Can you tell us a little bit about the company's history and its overall philosophy?

AA: The Coutts Group has evolved from the merging of four companies, John Coutts Library Services in the U.S.A and Canada, continued on page 42

TEACHing Online: from page 36

- Don't put it on your open Website; use course management software that will authenticate the student.
- Make sure only students that are registered in your class (or grad assistants) can access course material.
- Show the performance only for a limited time period.
- Make sure students can't copy, download, or pass on to others.

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BMCC (U.K.), John Smiths (U.K.) and the books division of Martinus Nijhoff (Netherlands), giving the company four operational centers. The Group, Coutts Information Services Limited, was created in 2001 following the merger between Coutts and BMCC in 2000. By the time of the merger, Coutts in the U.K. had become a leading supplier to the academic library market in the U.K. and was a market leader in Canada, with a highly established customer base in the U.S.A. With its sister company, John Smiths, the Group has twenty-seven academic bookshops in the U.K. and one at the University of Botswana.

This mix has added breadth and depth to the Coutts service offering. The Group can also now lay claim to being the most youthful company — emerging from a ten-year-old British Company — to being the world’s oldest bookseller with the acquisition of John Smith & Sons — established in 1751. The youthful exuberance together with the expertise and mix of personnel from the library, publishing, bookselling and corporate sectors has given the Company a new dynamism that has seen Coutts reestablish itself in the North American market with new and innovative services.

The Company is now positioned to compete in the international markets and has developed services accordingly with a view to playing a key role in the North American market. As a business we do have a clear vision of where we want to be — a leading supplier of information to the library market. It’s a very tough market and to move forward we have to aim to be number one!

The Group has grown through supplying quality service that meet the needs of its clients — retaining and developing relationships with clients cannot happen through acquisition alone — we have to deliver service.

ATG: Who do you see as primary customers of Coutts? Are you organized to respond to a certain patron group?

AA: Coutts’ core customer base is the academic library sector. In the U.S.A we supply over 500 academic libraries. In the U.K. we are contracted to supply ninety percent of U.K. universities. In Canada we supply ninety-five percent of universities and higher education institutions. Coutts also has business in Europe, the Middle East, Africa and the Far East.

We also have significant clients in the government and health sectors and we are targeting on more and more clients in the corporate sector.

Furthermore, with our niche standing orders service, SOLution, as well as supplying the academic sector, Coutts has a large presence in the public library sector and the reputation of SOLution continues to grow. Our sales, customer services and technical services teams come from a variety of industry backgrounds. We are proud of the fact that we employ many librarians in the company and can provide professional support to our clients in the sectors that we serve.

ATG: How has Coutts responded to the presence of companies like Amazon.com? Have organizations like Amazon affected your business practices? How are you competing with the discounts offered by such groups?

AA: In some ways I would love to say that Coutts could become the Amazon of the library world — but we are compelled to make a profit!!! Companies like Amazon have certainly raised the game and expectation. The gentlemanly sport of bookselling will never be the same again, and neither should it be. Amazon has a particular need to fill in the library gaps. Libraries are under pressure to deliver to Amazon timescales as every professor and student will have had an Amazon experience. But enough of Amazon...

What Coutts needs to do is deliver to library requirements and expectations. Interestingly, many user groups are discovering that the online retailers are no longer giving these fantastic discounts and certainly not on academic/research materials. The way we have to compete is to become the lowest cost provider of a given level of service — and that “given” is defined in agreement with the library.

It has resulted over the years in the development and enhancement of traditional services such as approvals — and let’s not forget that vendors were providing on-line services before the dot.com phenomena began.

What Coutts aims to do that Amazon does not do, is to provide value added services to the institutional sector. We always need to strive to move up the value chain for the library. Budget cuts and outsourcing are key buzzwords that we hear throughout the industry — whether in the U.S.A, U.K. or any other part of the world. Libraries need cost effective solutions to help manage their processes. As a book wholesaler, our role is to provide those value added services in acquisitions and collection development, in order to streamline the supply chain and reduce not only the cost of the book, but also time and money in the supply process.

ATG: With your “Bookstream” and “Slipstream” aspects to your IApprove program, Coutts had made quite an investment in approval plans. How do you see the future of this traditional vendor service to libraries? New trends?

AA: As discussed in the previous question, we need to move up the value chain. Part of that process is providing services that will save time and be cost effective.

Coutts North America has supplied approval plans since its inception in 1969. What we have done is to re-visit the methodologies and user interface for the service — with a very successful launch of our selection support service, IApprove, at ALA/CLA in Toronto. The re-vamped service has been developed over a two year period in consultation and partnership with ten university libraries. I am sure that the library world in North America welcomes the fact there is clearly a choice of more than two vendors for approvals. We have a long standing infrastructure in place and Coutts has positioned itself to be that viable alternative.

The whole industry now revolves around volume and economies of scale — the same is true of the journals industry and we have seen the consequences for the market. Approvals form a major part of the Acquisitions process in U.S. and Canadian libraries — with major budgetary commitments. Very often these collections are tied in with firm orders. It is therefore inevitable that to compete in this sector we need to develop these services. What the revamp has achieved for Coutts and its clients is that comprehensive, core, interdisciplinary, university press, publisher or author specific plans can be set up and with data from our U.S., Canadian, U.K. and Netherland operations being made available on one platform and a common database. With its international centers Coutts is now able to offer book approval collections through Bookstream from the U.S.A, Canada, U.K., Netherlands, Belgium, Luxemburgh and the Scandinavian countries. The thoroughness of the process means that Coutts has the acknowledged lowest returns rate (less than two percent) in the industry for approvals.

Our Slipstream process for new title notifications can be set up at a greater depth of non-subject detail. The Web interface is so intuitive that it mimics the paper slip process right down to the level of circulating information to colleagues, whilst control still remains with acquisitions. Profiles for both Bookstream and Slipstream can be set up using LC or Dewey classification, tying in with traditional library classification systems.

With our various levels of on-line access, these tools can be used by acquisitions, collection development and faculty. It is all part of moving up the value chain.

What we need to provide is a level of service that ensures that the library can meet the needs of its clients — the students and faculty. By allowing faculty access to the systems at a controlled level, the information dissemination process can be much improved and time saved for libraries.

As there are more financial demands on libraries, the pressure will be to ensure that the library can provide its front end services, whilst finding cost effective solutions for back-room services. We are seeing more demands for such services and are starting to see libraries with smaller collections enquiring about using IApprove. The demand will certainly increase over the next few years. Coupled with providing shelf-ready cataloguing and processing services, Coutts aims to become an integral part of the library acquisitions and technical services team. The future in approvals is bright — for those who can stay the distance!

ATG: Tell us a little about your SOLution program.

AA: SOLution is the Coutts Standing Orders and Continuations service. Aside from the recent developments in IApprove, it is the one service that truly differentiates Coutts from its competitors. We have adopted a unique methodology that handles all aspects of the standing orders and continuations process, be it the publications annuals, yearbooks, monographic series etc. Our methodology to confirm publication date is the key to obtaining the publications on or before publication date and again the series continued on page 44.
vice has been developed in close consultation with libraries. We are now regularly signing up new Solution clients with many libraries expressing gratitude in at last finding a methodology that “falls between two stools.” As with Colonel Sanders, I don’t want to give away the recipe... but the sales team is always eager to demonstrate.

**ATG: So far, what has been your experience in dealing with libraries? Have there been any unexpected issues? What elements have been challenging?**

**AA:** On a pure library front — with having a library background I have not come across too many unexpected experiences. What is happening in the market across the world is that we are now dealing with far more purchasing and finance offices, as well as the libraries, as a result in changes in institutional purchasing and “protection” of the public purse.

The challenge as always is to convince the library that you have a viable proposition. The excitement comes when you succeed. Having been involved with the "youthful" arm of the business when there were only twenty employees, working on the growth and development of the business has been the greatest challenge — in essence managing change. In comparison to the commercial sector, the library community is “conservative” and to make the breakthrough is the challenge. Seeing the results is highly rewarding.

**ATG: I see you are able to offer EDI services to your customers. What challenges have you experienced with implementing EDI?**

**AA:** Couts has been involved since the early days of EDI from the basic BISAC standards in the U.S.A. to the now more common Edifact standards. As a company our experiences have been quite different on both sides of the Atlantic. Though EDI has been around for a long time, it is only in the past few years that the North American market has demanded EDI solutions. In the U.K. Couts has been EDI trading since 1994 and over seventy-five percent of orders come in via EDI. We now also send EDI reports and invoices. In North America only about fifty percent of our orders are received electronically — either EDI or online. Take up of the EDI message in North America has been slow — probably because the vendor systems in this market have in the past been far more advanced than say in the U.K. market.

Despite EDI being a “standard” there always needs to be an element of programming to map the different systems and local information of an individual customer. One of the greatest challenges that we have as a supplier is for libraries to recognize the benefits of EDI in creating the seamless electronic transaction and also for the libraries to recognize that they are responsible for what they order. The principle of EDI is that books can be ordered all the way down the supply chain without manual intervention until the book is picked. The book industry is driven by the ISBN which indicates the book edition and format. If the incorrect ISBN is quoted i.e., a hardback ISBN instead of a paperback ISBN — the order needs intervention and therefore is no longer seamless. So until that is accepted, there are few cost benefits to the supplier in receiving EDI orders. In the U.K. market most libraries now accept that it is their responsibility to provide the correct ISBN — otherwise they receive the wrong book. Of course, there are occasions where no ISBN has been found, in which case the item would be rejected and we would manually source the book.

Where this should work effectively for the North American market is the procedure whereby the library can download a MARC record from the Couts database with all the order details — either as an order record placed on the Couts system, or as a potential order to be sent by EDI.

In order to improve the supply chain, Couts has not only been working with libraries, but also with publishers — receiving data feeds, electronic invoices and publisher status reports. EDI does bring key benefits to the whole supply chain: the library, the book wholesaler and the publisher — but only if the starting — the initial order — is placed under the correct ISBN.

**ATG: Can you tell us how pricing is structured for Couts services?**

**AA:** Couts structures its pricing based on the price and type of business — this ranges from flat discount for core approval plans to sliding discounts based on the order size. The same goes for Couts’ shelf ready services — it depends on the detail of the catalogue record requirement — you need a basic, CIP or derived record for detailed book-in-hand catalogue dependent on a library’s individual requirements. The same applies to processing — what are the requirements — book covers, spine labels, barcodes etc. Couts handles both cataloguing and processing in-house to the specific requirements of a library and we will agree an agreed charge with the library.

As mentioned earlier — it is an economics of scale business. If libraries place bulk business with Couts, they will be on at least as good as, if not better terms than with some of our major competitors.

**ATG: I’ve seen your Website and it looks great! How is your order on interactive Website working?**

**AA:** Thank you. We have worked hard to keep our Website clear and simple and we continue to partner with many libraries in North America and Europe to gain valuable feedback.

There are two key interactive ordering methodologies. One is through our on-line slip output Slipstream as described above. This enables the library to set up its own profiles and the interface allows you to create a shopping basket from the listed titles at the click of the mouse — that can be either ordered directly on-line or downloaded in a MARC format onto the library system.

Alternatively, titles can be selected from a straightforward search screen and dropped into a similar shopping basket awaiting to be ordered or downloaded. An important factor is that a selector or faculty member can select — but dependent on the level of security, they may not be allowed to actually release the order. Their selected file would, however, be transferred to acquisitions to authorize the release of the order.

**ATG: How many staff do you currently employ and how is Couts generally organized?**

**AA:** As I mentioned earlier, the Couts Group has four library supply divisions, U.S.A., Canada, U.K. and the Netherlands, together with a retail division. The Group employs almost 500 people with 300 working in library supply — split almost equally between the U.K. and Europe. Many of our personnel are qualified librarians — working in the areas of technical services (cataloguing and processing), bibliographic services and approvals and sales. Each division is a separate profit center, but the divisions work very closely together — for example, one of my roles is to ensure that we deliver the same Group services to the same standard worldwide. To achieve this we need constant communication with our European colleagues as we develop and integrate our services...

**ATG: How does Couts balance its time between the serials agent and the vendor aspects of the business?**

**AA:** Couts leaves journals to the specialists — we don’t have any desires to be involved in the journals business. What we do have desires to do is to keep good working relationships with the subscription agents as there are occasions when our paths cross. The one area of business that does overlap is standing orders and continuations — and we are convinced that Couts can and does offer a more comprehensive service than a subscription agent can — without an annual commitment. Most standing orders, monographic series, annuals and yearbooks are far easier for a book wholesaler to handle. We are committed to this area of the business through our highly successful Solution product and will continue to handle this type of business.

**ATG: Couts is obviously taking a position in the ebooks market. What role do you envision for ebooks in your future inventory?**

**AA:** As an academic book wholesaler we cannot escape the fact that what we are selling isn’t necessarily a physical book — but the information that is contained within the books’ covers. Inevitably we have to be able to sell that information in whatever format that it presents itself — otherwise we will fall behind the market. E-content is here to stay and will evolve. It is taking its time to get to market — however, in some sectors of the sciences we have virtually seen an end to purchases in print format.

As electronic content becomes more readily available on-line — is it a subscription product or is it a one off purchase? These are the issues that we will need to face. It is at this point that the boundaries between a book vendor and a subscription agent will begin to blur — who knows where it will take us — but we need to be aware of the possibilities and start the planning process. That has already begun with our...
involvement with e-content, working with the likes of ebrary and Starrref on other developing platforms.

**ATG: Where do you see Coutts going within the next five years? What directions will it take?**

**AA:** When I joined BMBC in the U.K. nearly nine years ago, we had a vision that we would become a key player in the library market with North American and European operations. Year by year that vision fell into place — almost down to the dollar value of expected turnover based on a five year strategic plan. The next five years are also mapped out and all that I can commit to is that we aim to keep the Coutts name going as a key supplier in the library industry. The market is evolving dramatically. The vendor landscape is unrecognisable from ten years ago. The library community is changing in its buying habits — tenders, consortia, purchasing officers working with acquisitions librarians, outsourcing.

We will inevitably move towards an information brokerage type operation. We will need to move yet further up the value chain with outsourcing and consultancy services as library infrastructures evolve and change. But in five years our core business will still be the physical book with a few interesting little additions.

**ATG: Where do you find your greatest sense of professional accomplishment?**

**AA:** Working in a sales environment there are three areas of professional accomplishment that I have and continue to experience: 1) Seeing our company grow from a fledgling operation to becoming a key name in the global library market. 2) Knowing that your customer appreciates your service and that you are complimented on this — that in itself is the best reference a business can have and is my preferred selling tool! 3) Making sales breakthroughs with key clients that prove to the market that we can deliver.

**ATG: Finally, what do you do with your “copious free time?”**

**AA:** I can tell you what I would like to do with my copious free time — get back to reading a lot more — reality bites too hard sometimes so I need my dose of fiction — but nowadays I fall asleep after two pages and am also looking to acquire bi-focals because the text keeps slipping out of sight. I continue to be an armchair sports fan and keep in touch with my favorite U.K. teams by having the BBC on-line ticker tape running across the top of my PC.

In the past few months my North American colleagues have encouraged me to pick up a golf club — so I have started on another potential addiction — but at this stage I am not sure how it is going to work out.

Living in the Niagara region, visiting the local wineries and taking in the occasional tasting has become something of a pastime during the summer months. I still love to travel and my frustration is with all the wonderful places that I see in passing whilst on business, thinking that I must get back there and inevitably don’t.

My wife has a great passion for American history, especially the Civil War — and is starting to slowly get me hooked — so Charleston here we come (again!)

**ATG: Andrejs, thank you so much for your time. Is there anything else you’d like to add?**

**AA:** On a personal level I have to say that the world of books has provided me with a career without a dull moment — and little did I realize that it would take me around the world. The experiences of visiting and working in different countries with different cultures are extremely challenging — but provide their own rewards. I might feel awful on a twenty-four hour flight back from Taiwan, but at least I have been there and bought the “T” shirt. <http://www.against-the-grain.com>