ATG Interviews F. Dixon Brooke, Jr.

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President and CEO, EBSCO Industries, Inc.

by Katina Strauch (Editor, Against the Grain) <kstrauch@comcast.net>

ATG: Congratulations! We understand that as of July 1, 2005, you became the third individual in EBSCO’s 62-year history to serve as president. In practical terms, how has your life changed?

FDB: As you know, I served as EBSCO’s chief operating officer for one year prior to becoming president. During this time, I worked closely with Jim Stephens to learn the components of our company with which I had not directly worked. This included several divisions within the EBSCO Industries’ Manufacturing Group, specifically commercial printers EBSCO Media and Tinker Business Forms, literature display provider Vulcan Industries, looseleaf binder and information packaging provider Vulcan Information Packaging and sign sales manufacturer Wayne Industries.

Prior to this transition, I had the responsibility of managing the General Services Group, which encompasses insurance company S.S. Nesbitt & Co., magazine publisher Grand View Media Group; magazine subscription services through EBSCO Reception Room Subscription Services, EBSCO Magazine Express and Vulcan Service; military products and services through Military Service Company; printing/binding/laminating equipment and supplies through NSC International; promotional merchandise through EBSCO Promotional Products; and publishing-related services MetaPress, Publisher Promotion & Fulfillment, EBSCO Consumer Magazine Services, Publishers’ Warehouse and EBSCO TeleServices.

In addition, I managed the EBSCO Subscription Services (ESS) component of EBSCO Information Services (EIS). This is EBSCO’s largest division (with more than 1,800 employees across 32 offices in 20 countries around the world), and it has been a demanding job. On July 1, 2004, Allen Powell assumed that management role, and this has made a big difference in the adjustment period to my new responsibilities as president and CEO of EBSCO.

In practical terms, my professional concentrations have shifted somewhat with the new management responsibilities, but the basic, day-to-day tasks are the same, if not at a more demanding pace. The ultimate goal is to ensure long-term stability through strategic growth and conservative management of financial resources. This has been one of the keys to EBSCO’s formula for success for more than 60 years. It’s my job to make decisions that support this philosophy to ensure that our company continues to thrive.

ATG: J.T. Stephens has said that he is delighted that you “come from within.” J.T. Stephens, by his own admission, did not manage precisely as his father did. How will your management style and results leadership change from those of Elton Bryson Stephens and J.T. Stephens?

FDB: Time will tell.

Since EBSCO was established in 1944, our company has evolved into a large, diverse and complex organization. We know that we are only as strong as the people who work for us, and for more than six decades we’ve been diligent in hiring numerous talented and capable individuals. Just as I will rely on Allen Powell and his team to effectively guide the EIS division, I expect to follow that same approach with other areas of the company. This philosophy — that the right people are the difference — is one of our core values. It is woven into the cultural fabric of the company, and the effort has resulted in explosive growth: our global workforce now includes 5,100 employees.

Empowering our employees to take initiative and exceed service expectations has rewarded us exponentially. It’s one of the reasons that more than 130 professionally-trained librarians have come to work for us, and that more than 180 employees have been with the company 25 years or more. The retention and caliber of EBSCO staff are excellent indicators that the current management philosophy works.

Another one of our strengths is in the company’s decentralized structure. Take EBSCO Information Services, for example. Each of the division’s 32 regional offices worldwide is staffed with personnel who speak the local language and understand the particular challenges faced by librarians in their areas, offering a uniquely personal level of service. This illustrates continued on page 73
our customer-focused philosophy, another bedrock principle that has helped EBSCO achieve its present level of success.

There is one change you won’t see: customer service satisfaction was the first and strongest building block of this business. In the words of EBSCO’s founder and my father-in-law, the late Elton Bryson Stephens, “Don’t, whatever you do, neglect a customer. Devote your entire energies and time while on the job, and off the job if necessary, to give the service so necessary for customer satisfaction.”

ATG: We know that EBSCO Industries is largely involved in subscription management and publishing. However, it also includes manufacturing—a fishing lure manufacturer, a muzzleloading rifle manufacturer, a specialty office and computer furniture retailer and a real estate company. In what other areas/industries is EBSCO considering expanding over the next 10 years?

FDB: Our first priority will be to reinvest in our existing businesses to keep them vital and strong. We, however, are willing to consider investing in other businesses if they appear to be attractive opportunities. That being said, our preference is to invest in businesses that complement our competencies.

ATG: Allen Powell, vice president and chief financial officer for EBSCO Subscription Services, has been named vice president and division general manager of EBSCO Information Services. He succeeds you. He is not from the Stephens family. How will this change the culture and ethos of the company?

FDB: I don’t expect you will see much change culturally. In the year and a half since Allen has managed the EIS Division, the culture and ethos of the company have remained in line with our core mission—to listen to our customers’ needs and to provide services that will address those needs.

Allen has been with EBSCO for 15 years. He was originally hired as a management trainee and made his mark at EBSCO early on. He proved himself to be a quick study and diligent in all areas of responsibility. During this time he has been an extraordinarily valuable colleague and a true asset to the company.

His keen sense of the importance of maintaining high service standards and his superior understanding of our processes render him well-qualified to succeed me in managing the EIS Division. His priority will be to continue providing high-quality services to our customers. Under his leadership, many internal changes have already been implemented to effectively address the evolving needs of the market.

ATG: Realistically speaking, can EBSCO Industries remain a family-owned business? For how long? Any plans to go public?

FDB: EBSCO can absolutely continue to remain a family-owned business.

Our balance sheet is strong. We have no problem with our capital needs. We have historically met all of our obligations in a timely manner and expect to be able to continue to do so.

Current management is our family’s second generation. There are 14 members of the third generation ranging in ages from three to 40. Six of these family members have,
or are seeking, their M.B.A.s. Our entire family meets annually to discuss the business and this helps keep everyone connected.

We have no plans to go public.

**ATG:** Yahoo lists Quebecor Inc., Reed Elsevier Group plc, and The Thomson Corporation as your main competitors. Comments?

**FDB:** I find this to be very interesting and a little humorous. The world of commerce these days oftentimes creates situations where customers and their suppliers appear to be in competing businesses. For example, Quebecor Inc. is a large commercial printer and as such can be viewed as a competitor to EBSCO’s commercial printing division, EBSCO Media. The reality is that EBSCO Media is a sheetfed offset printer specializing in high-quality small- to medium-size multi-color jobs. Quebecor is a much larger operation with Web press capability and processes jobs that EBSCO Media could not handle efficiently. EBSCO’s Grand View Media Group has been a customer of Quebecor because of Quebecor’s ability to efficiently print our large print run publications.

Elsevier is the largest STM publisher in the world. EBSCO is a very large customer of Elsevier. If we’ve learned anything over the years, it is that content is king in the publishing world. Since Elsevier controls the content, it is a gigantic stretch to say that EBSCO competes with Elsevier. In recent years, Elsevier’s policy on the distribution of its electronic content has created an environment that we feel is at odds with the preferences in the marketplace and in this sense, is competitive. In our view and over the long run, Elsevier’s current policy of forcing libraries to deal directly with Elsevier on e-content will diminish services and be more costly to libraries.

**ATG:** Looking into your crystal ball, what predictions do you have for the future of libraries and the information industry? In particular, how do you see the role of the agent evolving?

**FDB:** We see a continued movement toward electronic access to information. Libraries, publishers and agents have been confronted with the need to become more e-journal savvy. The more we can work together to streamline the process of ordering, delivering and maintaining e-journals, along with the multiple, detailed processes that each of these steps require, the easier it will be for all parties involved. The agent’s role is always evolving. The migration from print to electronic is not a trend. It is a shift in the way we do business. Adaptability is paramount.

Librarians and publishers alike appreciate the value the agent brings to the e-journal ordering and managing process. These include administrative efficiencies, customer service and more. There is more to ordering and servicing e-journals than reaching price agreements, and both sides of the equation realize this. It is more than a transaction — it’s a relationship. Many follow-up responsibilities are involved, and these are exactly EBSCO’s strengths. It’s a continuous learning curve to discover more efficient ways of helping our customers manage the entire e-resource life cycle (see diagram).

EBSCO invests continually in business improvements aimed at positioning our company to be a viable player as industry changes occur. We understand that to remain viable, our value must be clearly demonstrated to our customers and suppliers on a continuous basis.

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**F. Dixon Brooke, Jr.**

F. Dixon Brooke, Jr. has been with EBSCO for 32 years.

He became general manager of EBSCO Subscription Services' Birmingham regional office in 1974. In 1980, he became general manager of the three subscription service centers: Publisher Services, Title Information Department and Information Systems and Services. In 1987, he assumed additional responsibilities as general manager of EBSCO Subscription Services in the United States and Asia and began overseeing the division’s advertising and sales promotion activities.

In 2002, all of EBSCO Subscription Services, including the European offices, came under Brooke’s management as well as EBSCO’s General Services Group of business operations. Brooke is a member of EBSCO’s 100% and 200% Sales Clubs and the EBSCO Founder’s Club. On July 1, 2004, Brooke was named EBSCO’s Chief Operating Officer and one year later, he was named EBSCO’s president and CEO.

Brooke is a third-generation Birminghamian. In 1970, he earned his B.S. in Business Administration from Auburn University. Brooke has been active in community affairs, education and banking. He is an outdoor enthusiast and enjoys travel with his wife Dell and their three grown children, Dixon III, Nelson and Carter.