February 1994

Biz of Acq / A Major Publisher Changes Course

Jack G. Montgomery
University of Missouri-Columbia

Follow this and additional works at: <https://docs.lib.purdue.edu/atg>

Part of the [Library and Information Science Commons](#)

Recommended Citation

Montgomery, Jack G. (1994) "Biz of Acq / A Major Publisher Changes Course," *Against the Grain*: Vol. 6: Iss. 1, Article 41.
DOI: <https://doi.org/10.7771/2380-176X.1532>

This document has been made available through Purdue e-Pubs, a service of the Purdue University Libraries. Please contact epubs@purdue.edu for additional information.

Biz of Acq

A Major Publisher Changes Course: Librarians Meet with Matthew Bender

Column Editor: **Jack G. Montgomery** (Technical Services Librarian,
Law Library, University of Missouri—Columbia)

I have to tell you that ALL of the editors for ATG have been wonderful over the holidays working away on ATG. I thank all of them. But Jack Montgomery has been beyond the call of duty. He sent in his column without benefit or computer, library, or house! He and his wife have been moving their lives from Cincinnati, Ohio to Columbia, Missouri but he still delivered his column. Thank you, Jack, happy new job and congratulations! — Yr. Ed.

Most of us in library acquisitions and collection development have had some experience with Matthew Bender and Company, a leading publisher of legal and law-related titles. Matthew Bender publishes such well-known titles as *Moore's Federal Practice* and *Collier on Bankruptcy*, as well as titles related to state practice and even internationally oriented titles such as *Doing Business in China*. Matthew Bender has earned an excellent reputation for its editorial make-up and depth of coverage.

However, the world has not always been rosy for Matthew Bender. As most library budgets began to shrink in the early eighties, librarians were forced to evaluate critically supplemented titles as a part of an overall program of budget restructuring. To their surprise and dismay, librarians discovered that the cost of supplementing Matthew Bender titles had increased overall a phenomenal 117% for the years 1987-1991 with an average annual increase of 21.51% according to a five-year survey of Matthew Bender's annual price lists for the period. As **Kendall Svengalis** indicated in the *American Association of Law Libraries (AALL) Newsletter*, "there isn't a law library in the country that can survive a 21% increase in law book costs year after year." Added to the issue of cost was the problem of the frequency of supplementation. The common perception was that the expensive releases did not contain enough new information to warrant the cost. Matthew Bender as well as other publishers of legal texts, supplement titles in order to provide the most "current" information. In the practice of law, changes in a ruling on law can be critical to the disposition of a case, so

the most current information must be available regarding a particular topic.

While the need for currency is vital, the legal researcher knows that a supplemented title cannot be trusted for currency due to the time necessary to process and editorialize the material, get the product to press, and then mail it to the customer. It is not uncommon for the information to be several months out-of-date. Therefore, these "secondary source" materials have value only as a place to begin your research of a certain topic. A competent researcher must always go on to search the current primary source material and probably utilize online sources such as Lexis and Westlaw in the final preparation of the case. Therefore, the law library community repeatedly questioned the usefulness of frequent, expensive supplementation for this type of material.

Without relating the entire history of this issue, the final result was that in most law libraries, many Matthew Bender titles were either canceled outright or placed on a scheduled buying program such as write-for-order. Write-for-order involves the cancellation of all supplementation for a title and then repurchasing that title on a two or three year basis, thereby saving the cost of supplementation and treating the title as a monograph.

The end result was that subscription rates for Matthew Bender titles in law libraries dropped dramatically over the last seven years. As an example, the law library at the University of Cincinnati reduced its subscription from a high of 193 titles to the present 43 titles. This rate of cancellation when applied throughout the law library world soon brought about a crisis for Matthew Bender.

In 1993, Matthew Bender responded to the crisis by restructuring the company including a staff reduction of 1,500 to 850 employees. As part of the restructuring program, Matthew Bender has invited groups of librarians to its corporate headquarters in New York City for what was a "no-holds barred" discussion of both the old issues and new ideas Matthew Bender had for its future programs.

Your column editor was part of the second group of law librarians brought

to New York on September 29th and 30th of last year. The rest of this article is a report of that meeting. After a welcoming dinner, discussions began the next morning in earnest. Matthew Bender's top executive including President and CEO **Alex Sann** along with two representatives from the DAI Communications Group met with eleven law librarians from as far away as San Diego, California. The librarians represented five academic law libraries, four law firm libraries, one corporate and one county law library.

The morning began with presentations of various directors as to various problems and new ideas. **Gary Goldstein**, VP of Marketing, Sales and Product Development began by asking, "What can we do to make a better impression on you?" Among the responses were: "address the problem of too much supplementation;" "freezing prices is not enough;" and "a consistent pattern of lower subscription costs will be a trust building incentive . . . the costs must come down."

Mr. Goldstein indicated that Matthew Bender is working on developing long-term customer relations not based on sales but on identifying our needs and expectations, better value, and a program of customer training including informational materials outlining Bender's policies and programs. Mr. Goldstein announced that all prices for 1993 and 1994 would be held at the 1992 level then presented the new annual buying program. This program has the advantage of providing the convenience of only one invoice per year to pay and a choice of which publications will be on this annual subscription. As a further incentive, a 10% discount will be offered for advance payment and Matthew Bender will pay for shipping and handling. Some firm librarians indicated that such a program might be great for academic libraries, but that their law firm accounting departments/systems could not handle a lump-sum payment and would require one check per invoice.

Conversely, as Mr. Goldstein presented the CD-ROM program providing a group of titles on CD-ROM format only, many academics felt that security issues were too much for them to ac-

commodate. Matthew Bender's CD-ROM return policy indicates that if an institution fails to return the CD-ROM within the allotted period "you will be liable to Bender for an amount equal to one year of service on the most expensive publication included on the unreturned CD-ROM disc." Mr. Goldstein responded that CD-ROM subscriptions were targeted to the large law firms and firms under ten lawyers at a cost of 80% of the print subscription. Incidentally, a print subscription will be sold at 135% of the annual upkeep. This means you purchase the title and the first twelve months' upkeep at one price rather than buying, as in the past, the title and three months' upkeep. Also, CD-ROM subscriptions will often accompany the print subscription at no extra charge. Bender is also offering to replace the contents of recently canceled titles at no charge providing the subscription is reinstated.

With regard to Matthew Bender's new marketing approach, as of November 1992 all telemarketing and direct mail marketing was suspended and compensation for sales representatives will be based on account renewals and customer satisfaction.

When discussing the cost issue, **Ken Halajian**, VP and Editor-in-Chief, indicated that a large portion of their cost comes as a result of utilization of an outside pool of attorneys and judges as editors. Mr. Halajian stated that "the real cost is in reviewing the primary and legislative sources by our editors," and added "these are analytic tools and analysis takes time and costs money." He added that, "In the future, our customers will get current materials online."

After some discussion, **Neil Golden**, VP of Product Planning and Development indicated that Matthew Bender is in the process of reviewing all 500 of its titles and organizing them into forty-one product lines. Some of these have been organized into practice libraries of related titles offered at a price lower than if the titles were purchased separately. These practice libraries are also available on CD-ROM. Mr. Golden indicated that Bender is surveying and observing how attorneys actually do research on Bender and their competitors' products. He indicated that Bender will be looking at how similar products work together. In future, products will be designed for ease of use, section references and filing ease. Bender is also moving away from single page replacement to "chunks" of material. Mr. Golden asked if it would be valuable to include an estimate of

filing time for the release, and the librarians indicated that this new feature would be valuable for management of the filing process.

As the discussions progressed several topics and suggestions surfaced. The librarians suggested that in lieu of frequent supplementation a current information newsletter containing recent analyzed cases would better serve the patron at lower cost.

On the topic of Bender's indexing system, Ken Halajian acknowledged the inadequacy of Bender's indexing and the indexing of legal publications in general. When Mr. Halajian asked what features librarians would like to see, the librarians suggested structuring the indexes toward keyword searching. Mr. Halajian also indicated that Bender was aware of the problems caused by what is known as a phantom entry. A phantom entry can exist in an old index, yet no corresponding text exists in the newest release.

"... these meetings . . . demonstrate a new spirit of cooperation and communication between publishers and librarians."

The discussion then moved to suggestions for new products. While most librarians felt that Bender should concentrate on improving their current publications, there were suggestions for fifty-state surveys in areas of law such as the rules of evidence and mortgage foreclosure.

With regard to billing and invoicing, suggestions included moving away from invoices to shipping notices and monthly billing with a separate invoice number for each month's billing.

At this point, Bender's executive staff left and we met with the representatives of the **DAI Communications** group. DAI was the independent communications consulting firm hired by Bender to observe and analyze the meeting. **Angela Daily**, president of DAI, began by asking the librarians about their impressions concerning the presentation and Bender's new proposals. The responses followed several basic themes including the general favorable impression that the executive staff is sincere in their desire to better communicate with their customers and reform their operation. In the past, many librarians have sensed a communications gap between the sales representative and Bender as a whole. The

meeting overall had gone a long way toward restoring these lines of communication.

On the other hand, some librarians felt that Bender still needs to focus on the issue of tying their profits to the frequency of supplementation. Also it was generally agreed that purchasing new titles at 135% of the annual cost would not be popular as the supplementation is not considered a value in the first place.

It was also felt that the batching of titles into libraries would not be popular as most librarians have become accustomed to buying only those titles they need and would not relish maintaining extra volumes they would not have otherwise purchased.

One librarian questioned the role of **Times-Mirror**, Matthew Bender's parent company, in any new programs. If Times-Mirror demands the same high profit margins as in the past, will Matthew Bender really retain enough control to effect the types of changes necessary to restore its standing in the library community? Holding prices at 1992 levels will not encourage new relationships unless a consistent pattern of cost reduction can be established over a significant period of time.

The general consensus of the librarians, however, reflected a feeling of open-mindedness and optimism, balanced with a wait-and-see attitude concerning future relations with Matthew Bender. In a recent letter, dated November 12th, 1993, Alex Sann stated that Bender is "intently focusing on several of your suggestions, including selected price reductions, volume discounts, and more flexible practice library collections." Mr. Sann indicated that Times-Mirror completely supports Bender's effort and assured the librarians that "None of the programs we are offering involve gimmicks." He added: "... we aren't going to risk our long-term franchise for short-term greed." The letter concluded by thanking the librarians "for taking the time to help set us on the right course."

As a final point, these meetings with Matthew Bender demonstrate a new spirit of cooperation and communication between publishers and librarians. The meetings also serve to illustrate the power and influence the library community can assert if they make a concerted effort to communicate with each other and work together to address the issues that concern them. Clearly, librarians and publishers must finally work together. We are colleagues in the publishing industry, and our mutual survival depends on it. ☛