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Interview with Charles Germain

Founder, PCG Inc.

by Katina Strauch (College of Charleston)

Interviewing people is incredibly interesting. I first met Charles Germain when he came into my library with a ton of books and journals under his arm. Over the years I have learned about his trip to Borneo with Earthwatch, how he once played piano in a ritzy hotel on Cap Ferrat on the French Riviera (and sometimes still plays at Nijhoff parties), how he was a photographer in India and Brazil, and how he likes to edit videotapes. And here is even more. — KS

ATG: Tell us about yourself and how you came to the United States?

CG: I was educated in a small town in France called Poitiers and when I was in my teens I wanted to be a missionary. You see, I was educated by the Jesuits and what happened was that my tutors had so much knowledge of Africa and China that I wanted to become a missionary so that I could travel like they did.

Basically what I did was that after I got the equivalent of a bachelors of arts degree (*license des lettres* in France), I taught for a couple of years, and then I was a photographer in India and Brazil for 2 years. By the time I was 25 or 26, I was bankrupt so I decided to do something more serious especially since I had a wife and two kids. So I went into international marketing which was a way to combine traveling and discovering foreign cultures, at the same time making enough money. I got a job working for a Dutch company in consumer goods and moved to Amsterdam where I got my MBA and learned Dutch.

By 1983, I was fluent in four languages (French, English, Spanish and Dutch) and had exposure to some other languages as well. So when Faxon approached me about opening a European office in Amsterdam, I joined the company. They thought I was the perfect candidate to run the European office since I was a southern European with many years of exposure to northern Europe.

ATG: You started Faxon Europe in 1983?

CG: It was an acquisition of Dekker and Nordeman so I initiated the integration of the acquired company into the Faxon Group, yes. I really enjoyed my work there, interfacing with many libraries all over Europe, the Middle East and Scandinavia. It was really a great time, a fabulous time and that was where I understood what a library was all about.

"Publishers are by nature more product-oriented than market-oriented."

ATG: So how did you end up in Cambridge, USA?

CG: In 1987 I got married again to Denise who is a very successful professional in this industry, Denise works for Readmore in the corporate market. She did not want to stay in Europe. So we moved to the U.S. in 1989. I like America very much and am now in the process of becoming an American citizen.

When I came to the U.S., I had no job and was basically a poor immigrant. I was lucky enough to be hired as a consultant by some European publishers in the US. This is the way that I had the concept of PCG, **Publishers Communication Group**.

ATG: It was pretty radical to start a new business in the hard times of the 1990s, wasn't it? How did you have the idea of PCG?

CG: After working on my own for two years, with very little staff (actually we were three), we incorporated PCG in October 1992. It was a bad time economically but a good time for the market opportunity. A lot of foreign companies are closing or cutting back activities in their American offices or cannot afford to have an American office, but they want visibility in the American market.

When I was working at Faxon Europe. I realized how little information and knowledge publishers have about the institutional library market. Publishers are by nature more product-oriented than market-oriented. They have some good knowledge of who the end users are, but they do not spend the effort to understand where the buyers (the libraries) are and who they are. This can explain the malaise that you see in the publishing community today regarding the library market. They had no clues, for example, that a journal could be too expensive for a library.

Publishers have sold journals but they have not been able to sell themselves. They don't sell their activities, their "added value" or their specific identity. They have not worked on their positive image because they are product-oriented. Publishers are not predatory, aggressive financial organizations; they have just never thought about their overall image. A publishing house is frequently a confederation of journals. Each journal is its own profit center and has its own market image and marketing manager. But the concept of the publishing house, with its own image, is frequently overlooked.

ATG: How much money did it cost to start PCG? Aren't you owned by Faxon?

CG: To start the business, as many entrepreneurs, I had the concept and the business plan, but no money. I needed \$130,000 to move from where I was to PCG. It is not a lot of money in the scheme of things, but I would have had to remortgage my house to pay for it. So it happened that I came into an agreement with Faxon. I want to keep the terms of this agreement secret so I will not say how many shares I have and how

many Faxon has. The dream came true. PCG was incorporated October 1, 1992, in Cambridge, Mass. And so far, so good. We began to be profitable a year later, in October 1, 1993, during the fifth quarter of operation.

ATG: What did you think were the business or market opportunities when you started PCG?

CG: I saw four business opportunities. There is a general business environment that is favorable to consulting firms. Organizations have cut down on personnel and even white-collar workers have been terminated or laid off. Organizations are moving from being function-oriented to being task-oriented. The advantage of a consulting firm is that there are no upfront costs, there are no fringe benefits, no severance pay. The next century is going to be a great opportunity for consulting firms in general. At PCG, we can offer a lot of expertise in the library market for a cost that is affordable to mid-size publishers due to the fact that the labor costs and also the overhead is actually shared with other publishers.

The second opportunity is that publishers are in the process of acknowledging the library market as the primary distributor of scholarly communication to faculty members, students, and industrial researchers. Traditionally, publishers have invested a lot of their promotional dollars toward scientists and scholars but not so much toward the library market which has been taken for granted. The large cancellation programs that we

have seen during the last 5-7 years (and are still seeing), and all the complaints about the cost of journals and books, all those issues, have come as a total surprise to the publishers. Publishers want to correct this and PCG can help them.

Third, there is also a gradual shift of power in the institutional market from faculty members to library selectors. Of course this varies from library to library, but due to budget limitations, faculty members cannot order whatever they want any more. The decision-making process is much more collegial in a team that includes the librarian at the center. This restructuring of power/decision-making has been evident. No faculty members volunteer to cancel a journal; the library has to take the lead. This shift of power has changed the library environment.

Fourth, the market is saturated with promotional material and this is in an institutional market that is understaffed and literally polluted by flyers, and advertisements, advertising, commercial literature that nobody has the time to read. So it is time for publishers to implement new sophisticated promotional tools and that is exactly what PCG wants to do.

ATG: Where is PCG located? How many employees do you have? What do you do exactly? What are your achievements?

CG: We are located in Cambridge Mass, exactly between MIT and Harvard. We have seven full time people working in different areas — the mailing campaign, teleservice, on-site calls to libraries, and administration for the publishers.

Currently we are a consulting firm specializing in the promotion of publications to the U.S. institutional market. We are specialists in the library market. Our service covers different areas from intelligence and information-gathering regarding library purchasing patterns and selection processes and criteria, to developing and implementing highly sophisticated and efficient promotional programs.

We have achieved profitability at the fifth quarter of our history and we project profit for the coming years. Because of multi-year contracts, we have orders up to December 1995.

We are a transatlantic firm. We represent European publishers, but not only French or British ones. We have suc-

ceeded in representing publications from different countries — France, Holland, Britain, Scandinavia, Germany, Austria, and the former Eastern Europe. It is rare to be European like this. Usually the French represent the French, the Germans represent the Germans, etc. I am very proud of this. We are truly international.

We have developed successful and affordable promotional tools for medium-sized publishers that are going to help them in the global marketplace.

ATG: So you help publishers to promote their materials to the library market as well as helping them keep abreast of what is happening in the library market. Do you deal largely with large academic libraries and do you promote only print books and journals? Who are some of your clients?

CG: We have two primary customers with multi-year contracts. These are **Gauthier Villars, North America** and **Scandinavian University Press, North America**, which represents one third of the business. The other part of the business is really made up of loose schedules of marketing programs from publishers out of the U.K., and Holland, and a customer from Eastern Europe just signed a contract with us last week.

Ninety-five percent of the titles we are promoting are in English. Norwegian and French language journals are almost irrelevant. We promote largely print journals and books but CD-ROM and e-journals are not excluded.

Foreign publishers are really internationalizing their journals, publishing in the English language with international editorial boards. Actually Gauthier Villars and Scandinavian University Press are prototypes of mid-sized foreign publishers that we can really help in the modern global community for a price they can afford.

ATG: What unit of currency do you deal in?

CG: We charge our direct expenses, overhead costs and fees in U.S. dollars.

ATG: You're talking largely about selling to the American market. What kind of libraries are you dealing with?

CG: We deal with academic, corporate, federal and medical libraries. We normally close our relationship with a

Publishers Communication Group is a consulting firm for European publishers to communicate with the American library market. It is located in Cambridge, Mass., 875 Massachusetts Ave., Suite 81-84, 02139. Voice: 617-497-6514. FAX 617-354-6875.

PCG was conceived by **Charles Germain**, a Frenchman who is becoming an American citizen. Charles is married and has three children, one in France, one in Amsterdam and another in Brazil. This, along with his travels, has given him a truly international vision. Last year, Charles became a grandfather. This broadened his perspective even more.

publisher in a multi-year renewable contract. First we identify the potential market for the publication and then we pinpoint the decision-maker per targeted institution. Next, we collect data regarding the purchasing patterns and selection criteria, growth areas of the collection, electronic needs, document delivery policy. Then we implement communication tools — the mailing of samples, on-site visits to libraries, teleservice to resolve specific problems and administration of ongoing mail, email, fax, telephone calls. We receive a lot of calls from the library market, also from scientists.

ATG: Are you doing anything with researchers or end users?

CG: Oh yes, I forgot to tell you about this. We go to scientific congresses and exhibit the journals of the publishers who want to do so. We also contact potential authors as well as U.S. coeditors. What we do is to increase the awareness of potential authors to the existence of those foreign journals. We also develop programs with the coeditors to acquire papers, articles and to promote the journals. Regular publisher stuff.

ATG: Let's talk for a minute about electronic resources and document delivery. Your mid-sized international publishers do not work in this manner, do they?

CG: We are basically helping the publishers to tell what is going on in their market. We need to understand the technology used and how best to disseminate the data. We also survey the use of current electronic products, CD-ROM and online electronic journals.

We try to map out what in each library is the core collection versus the peripherals because that is part of the problem for electronic delivery. The peripherals are more and more the journals that libraries are going to order article by article via document delivery or interlibrary loan. The core collection is the one that is going to be licensed for electronic use for the libraries that are going to go the electronic way.

ATG: How about the long term? Is part of your plan to open an office somewhere in Europe?

CG: Yes, maybe. There is room to grow. There is market opportunity even with the big publishers. This is some-

thing that is going to be developed in the years to come. One of our next projects is to serve U.S. publishers in the U.S. The next step may be to serve U.S. and European publishers in the European library market. You see the potential fields of growth.

ATG: Tell us the difference between doing business in America and in Europe.

CG: In general Europe and the U.S. are not that different. I believe that there is a Western entity that engulfs North America, Europe, Australia and New Zealand. Nevertheless the way of doing business is different. When I was in Europe, I realized that the entrepreneur is perceived more as a predator taking advantage of a market opportunity and labor, whereas in the U.S. the entrepreneur is more like a hero whose actions and ideas are going to create jobs and ultimately serve the community, state and nation by creating wealth.

Another difference is that Americans are more future-oriented and fundamen-

"Publishers have sold journals but they have not been able to sell themselves."

tally optimistic. Europeans are more history and tradition-oriented and therefore tend to be more nostalgic and perhaps jaded. Americans are very self-assured people; they share information much more than Europeans do. They are not afraid of the new information world or the information highway. Americans are very confident that computer technology is going to bring happiness. In Europe it is different. Europeans tend to hide information because information is power. Why? I think the Europeans have been victimized by strong governments from Napoleon to Frederick the Second to Mussolini to Franco to Hitler and also Communism in Eastern Europe. It has left many scars in the social tissue.

In the U.S. you don't have that in your history. People are very confident that no powers are going to take control of information. Americans are so casual about the whole information environment. I'll give you an example. When I came here, I had a problem giving my credit card number over the phone. I started doing it because it was the Ameri-

can way but it is not the European way.

There is a law in France called "liberté informatique." The objective of the law is to make sure that no organization or French citizen will be put in an information database without their prior consent in writing. In the U.S. there is no law that obliges a corporation to ask your authorization in writing before they use your name. The point I want to make is that Europeans don't have the same assurance. The U.S. citizen is confident that the country will never be a dictatorship and that no one will take over the country and its information for ill usage. Europeans don't think that way. If you read the European press especially in small countries, they feel they can be swallowed by dictatorships from other countries at any time.

ATG: Can you tell us more about Charles Germain and his family? What are his hobbies? What does he like to read? When will he become an American citizen?

CG: I am in the process of becoming an American citizen and I am glad because I really love this country. I have one brother and two sisters who stayed in the "old country" (Poitiers). My mother is still alive and she recently retired to an old farm in the country with chickens, rabbits, and vegetables. My grandfather went in the Army to leave the farm and now my mother has moved back. Isn't that amazing?

I like to travel, especially in the wilderness. Last year I went to Borneo, the rain forest, because I find the wilderness a fantastic spectacle that really takes you back to earth where you understand the meaning of death and life. I try to play piano and also to edit videotapes.

Over the last two years I have read mainly U.S. history, non-fiction. I haven't done it so much for citizenship as to understand this country better. Lately I have developed a profound admiration and respect for Thomas Jefferson. He had so many talents from architecture to music to poetry to mathematics. He was also a global kind of person for his time. I used to read a lot of French poetry and even published poems. In the 70s in Paris a book of my poems was published called *Sables et Lumieres*. ☞

Hey, y'all, isn't that enough! — KS