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Anatomy of Another Sale: A Discussion With Becky Lenzini

President, CARL Corporation, and Chairman of the Board, The UnCover Company

by Katina Strauch

Some of the articles in this issue of *Against the Grain* are about takeovers, buyouts, mergers, and acquisitions. We were plugging away on it all when — lo and behold!! — **Knight-Ridder Information, Inc.**, a subsidiary of **Knight-Ridder, Inc.** (NYSE: KRI), announced on August 9 that it intends to acquire 100% interest in **The CARL Corporation** and total interest in **The UnCover Company**, a joint partnership of **The CARL Corporation** and **Blackwell Limited**. This transaction is subject to final negotiation of the definitive agreements, which are expected to be completed by the end of August.

Gasp! So — **ATG** being the wonderful, value-added journal that it is — we picked up the telephone and talked to **Becky Lenzini**, President of **CARL**, about it all and what the acquisition means for us out here in real-time land.

ATG: Wait a minute, Becky! I thought **Knight-Ridder** was into newspapers. Why in the world are they buying **CARL** and **UnCover**? Isn't this an unusual acquisition for them?

RL: It might seem that way on first glance, but there's a natural partnership between these three companies. **Knight-Ridder Information, Inc.** is the acknowledged world leader in providing electronic information access and delivery, and serves a world-wide market of information professionals. **CARL Corporation** has created a large network of library partners in public or academic settings, who now reach more than 17% of the U.S. population. **UnCover** completes the picture by providing delivery of actual documents into the hands of users, whether they are informational professionals served by **KRII** or lay users served by **CARL**.

In particular, **CARL** and **UnCover** will introduce a new combination of content, talent, and technology that will augment the **KR SourceOneSM** document business unit and advance **KRII**'s strategic mission in the field of document supply. For **KR SourceOne** and **UnCover**, this means the capability to deliver more articles, from more sources, in more formats, to more users,

leveraging the rapid delivery technology and broad content access to which both companies are committed.

In addition, **KRII** will bring broadened market reach, complementary content, and additional resources to enable **CARL** and **UnCover** to expand in new directions and to leverage many new products.

ATG: Selfish question. What does this mean for us out here in library land who have been using **UnCover**? What will change? Will our prices go up? Will access still be free? And how about the people who work for **UnCover** and **CARL**? Will everybody keep their jobs? How will the jobs change?

RL: Access to the **UnCover** database will continue to be provided free of charge. The fee structure for **CARL** and **UnCover** will remain in place and separate from **KRII**'s fee structure. No price changes are expected in 1995, but as **KR SourceOne** and **UnCover** are integrated, a single overall price structure will be implemented.

Both **CARL** and **UnCover** will be subsidiaries of **KRII**, but will remain as separate legal entities.

The **CARL Corporation** and **UnCover** will continue to be located in Denver and **CARL** and **UnCover** staff will remain in place. All existing agreements with contributor libraries and **UnCover** clients will be honored. This is also the case with publisher copyright agreements.

ATG: How will the look and feel of **CARL** and **UnCover** change? Will we still have free access to things like *Journal Graphics* from the same menu? What plans are there to change that?

RL: You won't see too many changes initially. You will still be able to access *Journal Graphics* as you have in the past.

ATG: *Dialog* is **Knight-Ridder Information's** main product. It is designed for the professional searcher not the end user the way much of **CARL** and **UnCover** are designed. For example *Dialog* uses a controlled vocabulary and **UnCover** is keyword and natural language. The *Dialog* databases are extensive and use multiple pricing schemes. Some are very expensive and some are inexpensive. Is the plan to mesh these two systems together? Can you give us any indication of what the current thinking is?

RL: **CARL** is really two businesses, as you know. The link between **KR SourceOne** and **UnCover** with its strength in document delivery is an obvious one. **CARL** itself brings expertise in the support of large library systems and networks. In this arena, we are well known for designing easy but powerful interfaces that make information easier to use. You are right to note that **KRII**'s traditional focus has been on the professional searcher. But we all know that the overall direction of the industry is toward the huge untapped market of individual users, and the opportunity is to be one of many putting information directly in the hands of the end user.

KRII is in the middle of renegotiating their product and supplier contracts so that they can bundle more together and develop different pricing models, and the company has developed easy-to-use Windows-based

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KNIGHT-RIDDER INFORMATION, INC.

Knight-Ridder Information, Inc., formerly **Dialog Information Services, Inc.**, is the world's largest resource of authoritative electronic information for mission-critical decision support in science, business, news and other fields of endeavor. **Knight-Ridder Information** is a wholly owned subsidiary of **Knight-Ridder, Inc.**, a global newspaper and information company with 20,000 employees and revenues of \$2.5 billion. The heart of the company is one of the largest collections of digital information in the world, more than six terabytes of text and images located on mainframes and network servers in Berne, Switzerland and Palo Alto, California. Knight-Ridder Information's 200,000 customers include the majority of the "global 5,000" companies, along with research institutions, government agencies, business consultants, libraries, and universities.

HISTORY

Knight-Ridder Information grew out of **Knight-Ridder's** 1988 purchase of **DIALOG**, the leading online information service for professional information specialists. In early 1993, the company complemented **DIALOG** with the acquisition of **DataStar**, Europe's leading online service.

SOURCES

Knight-Ridder Information boasts an unrivaled collection of more than 600 databases. Scientific and technical databases draw from reputable sources, such as Derwent Information, Ltd., The Royal Society of Chemistry, U.S. National Library of Medicine, IMSworld, BIOSIS, Elsevier Science Publishers, Institute for Scientific Information, PJB Publications, Wiley Electronic Publishing, Prous Science Publishers, and U.S. Department of Energy. The company's intellectual property databases alone contain information on more than 15 million patents from over 55 parent-issuing authorities. Other resources include information on more than 12 million U.S. and international companies, from such sources as Dun & Bradstreet, Standard & Poor's, TRW, and Moody's, as well as summaries of articles from more than 100,000 journals, complete text from over 3,000 publications and directories, conference papers, books, and statistics from around the world.

PRODUCTS

KRII delivers information in forms ranging from hardcopy and fax to e-mail and CD-ROM. Products and services address a variety of customer requirements ranging from broad-scope information professional interfaces to a new family of job-specific end-user search tools. Information professional products such as **DIALOG** and **DataStar** utilize a powerful command language, while the new end-user search tools use an intuitive, graphical "point-and-click" interface to deliver the right answers directly to the user's desktop.

Other product lines include **KR SourceOne**SM, a comprehensive, worldwide document delivery service, and the **KR-Information OnDisc**TM family of nearly 70 CD-ROM titles.

DISTRIBUTION

Knight-Ridder Information offers its products and services directly to customers around the world, through more than 30 sales and support offices in major cities. A joint venture between **Knight-Ridder Information** and **Southern Electronic Publishing** distributes **DIALOG** in Canada, and distributors sell **DIALOG** in parts of Asia.

Third parties, such as **CompuServe**[®] and **Westlaw**[®], and software interfaces offered by companies such as **Individual, Inc.** and **Personal Library Software** also offer access to **Knight-Ridder Information** content.

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applications targeted to particular market segments, like information professionals, scientists, and business professionals.

ATG: *What happens to the marketing agreement that the **CARL Corporation** and **UnCover** had with **Blackwell**? Is it now null and void?*

RL: Technically speaking, **The UnCover Company** was a partnership between **Blackwells** and **The CARL Corporation**. In this transaction, **Blackwells** are selling their entire ownership interest, but retaining a marketing relationship.

Blackwells has made it clear that they remain committed to providing the highest level of products and services to its customers. They view **KRII** as offering increased levels of content, technology, and support that will provide enhanced services to **UnCover**, and have stated that they believe that there are further business benefits to be had once **UnCover** has the powerful backing of **Knight-Ridder Information**.

BH Blackwell and **Readmore Academic Services** will continue to market and sell the **UnCover** service with emphasis on the academic market and are the only journal subscription agent to represent **UnCover**. When feasible, **KR SourceOne** will also be available for **Readmore** to sell through the corporate market.

ATG: *How will this change how you spend your time? Will we see you anymore at library meetings?*

RL: Oh, you will probably see more of me! Under the terms of the purchase agreement, **Ward Shaw**, **Trish Culk**, and I will be with the company for at least three more years. We're all young (at least at heart!) and we want to continue our involvement with our exciting young companies.

*Editor's Note: Against the Grain interviewed **Becky Lenzini** in the September, 1993 issue (v.5#4), pages 16-18. — KS*

Knight-Ridder Information is located at 2440 El Camino Real, Mountain View, California 94040. Phone: (415)254-8800 or <http://www.dialog.com>. The **CARL Corporation** is located at 3801 E. Florida, Suite 300, Denver, Colorado 80210. <http://www.carl.org>.