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Against the Grain

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Interview with Keith Schmiedl

President, Coutts Library Service <keith@wizbang.coutts.on.ca>

by Katina Strauch (Editor, *Against the Grain*)

Keith Schmiedl is one of those tall people. And he has had quite a career in libraries and bookselling. It was fun to talk to him. I know you will agree. — KS

ATG: So how's a bookseller like you doing in the library market right now? What's the status of library budgets and book buying?

KS: Conditions vary from country to country and we deal with 48 countries. In almost all cases there is pressure on book buying because of serials. There is also pressure on book buying because of the need to spend on alternate formats. In North America, there is perhaps greater pressure on operations and staff budgets and libraries are looking for different ways for us to help. We are also finding that approaches to the operational budget problems are becoming hot topics in other areas of the world. Outsourcing has reached Australia and Hong Kong as a strategy that libraries are adopting to deal with the budget pressures. Obviously different libraries are taking different approaches.

ATG: Can you give specific examples?

KS: Providing cataloging for libraries is becoming more and more important. We supply cataloging in MARC format, on tape, diskette, and via FTP, for example.

There is more and more interest in libraries in looking at circular data models. This is the ability to take new title information in machine readable form, load it into a desiderata file or www site where faculty and collection developers can look it over and fire it back if they want to acquire it. Libraries are doing this increasingly.

ATG: How do you feel about the book?

KS: There is still a lot of book buying going on out there. The book is going to be here a lot longer than I am because of its ease of use. Of course electronic formats have cut into book buying because people have to allocate funds to other resources.

ATG: Are you responding to requests for CD-ROM, video, and other multimedia?

KS: Yes. People ask us to supply CD-ROMs and videos more and more. Our object is to satisfy the customer; we're a

service business. Core services continue to be important, but value-added is also important to our customers' success and we want to be able to satisfy their requirements.

ATG: What's your main market and how is it changing?

KS: We started primarily as an academic book vendor, but we are attracting increasing numbers of public libraries. As an example, we are seeing more approval plans than we have ever seen before and public libraries are using them. Rather than being very broad-based, approval plans are more focused than in the past.

There are more and more expectations and uses of vendor technology. We are strong believers in EDI and we have customers up and running on X12, TRADECOMS and EDIFACT. The objective is to make the book business more efficient and to drive down costs for us all. We have led the pack in this area. We were the first book vendor to implement EDI (X12) in 1992. We have listened to our customers and worked with them in terms of satisfying their needs.

ATG: How many libraries are really using EDI? Is it just a buzz word?

KS: No, it is a truly significant technology that we currently use with about 60 customers. A number of people truly understand EDI and the benefits, while an-

other group thinks this is something they only need to understand in general because it is in the future. The major blocking point in implementation has been the ILS vendors' speed of implementation in that libraries have been dependent on having software available to them. EDI is not a difficult issue. It is much more a management issue than a technological issue.

ATG: Are publishers going along with the implementation of EDI?

KS: Yes, but it's been slower than I would have hoped since it is dependent on individual companies committing to the technology. Pubnet has helped. CTA in Canada and the networks in the UK have helped. The book and serial communities are certainly positioned to implement when they have trading partners with either publishers or libraries.

ATG: How did you get into the book business?

KS: I fell into it like many other people. I was educated in history and political science and considered working for the Department of External Affairs. Because of my contacts with the University of Saskatchewan, I became a textbook buyer for the University of Saskatchewan and then got my first job in libraries at the University of Calgary where I was the manager of acquisitions. It helped that I loved to ski since that is how I met the Chief Librarian at Calgary. It was through the library that I got interested in the vendor community and I have been with Coutts since 1976. At Coutts, I have seen some history first with **John Coutts** (who started the company), then Menzies bought Coutts, and then I was involved in a management buyout of the company when the Canadian government blocked its sale to Blackwells. The buyout was successful and I have been very pleased with it.

ATG: You have a lot of foreign business.

KS: Yes, we have a fair amount of export business and I travel into a number of different markets as part of servicing them. I want to see customers and find out what's going on for the future. I had to miss the Charleston Conference this year to go to Australia!

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ATG: *Coutts is unique in the North American context because it is a Canadian company.*

KS: Yes, we're Canadian, but we own an American company and we also have an office in the UK. This gives us some unique advantages. We have better access to each market and can export and import materials very rapidly across countries. It has advantages for our corporate, academic, and public library customers.

I have two partners in the management buyout — two senior people in Coutts. We actually pulled it together in a 6-week period and we owe its success to the library community. We paid off the buyout price in 36 months and we're very proud of that. That was in 1989, a long time ago.

ATG: *Ah, 1989. The year that **Against the Grain** was started. I remember it well. When was Coutts actually founded?*

KS: Coutts was founded in 1969 by **John Coutts**. It was privately owned til 1983 when it was sold to **Menzies**. The buyout was in February of 1989.

ATG: *How many people work at Coutts?*

KS: 150. We are proud of the fact that 40% of our staff has been with us more than ten years. We are a service business and people are important. Our ability as a company is vested in the personalities of the people that work here.

We are lucky to have a dedicated staff. **John Laraway** has an impeccable reputation for integrity. This is a service business and our service is based on the people who work here.

ATG: *You offer approval plans and firm order processing?*

KS: Yes. We are a full service vendor — we do firm orders, we have a full range of approval plans, new title programs, we maintain monographic standing orders, and have a full suite of value-added services. There aren't that many vendors servicing the marketplace that have our full range of services.

ATG: *You are a relatively small operation compared to some of the big companies out there. It seems like we had more "start up" companies ten years ago. Why is it getting harder to enter this marketplace?*

KS: This is not an easy marketplace right now. Libraries are becoming more demanding and more sophisticated. They

have big expectations. The information world is getting tougher and we have to find innovative ways of serving the needs of libraries.

There are a lot of good, small, regional vendors out there, but the barriers to entry are getting higher. Specifically, it has become an intensely competitive marketplace. Discounts have been given at unprofitable levels although they have reached a peak. Margins have narrowed. It's not an easy task to run a profitable business in the current marketplace. The investment pot is quite small and you can't afford to make very many mistakes.

ATG: *Where are we headed? What will the marketplace look like 10 years from now?*

KS: We are experiencing a natural evolution of services. There's more partnering in order to come together as a workable whole, to draw libraries and the people who provide services to libraries closer together. The challenge is to find what role the book vendor can play in the distribution of electronic information. It's not entirely clear what our role will be. We have to listen to our customers and observe what's happening in the marketplace.

ATG: *Can you talk about your (Coutts) Internet presence? You are in the process of bringing up a homepage. How are you proceeding?*

KS: Our database is accessible over the Net (via telnet), but we are in the process of developing a homepage. I don't want the homepage just to be advertising. I want it to be a useful site that people will revisit. There's a market reaction — "gee, what's wrong" — if you don't have a homepage. I don't believe this is a thoughtful reaction. Technical snobbery doesn't accomplish anything. We want our homepage to be really useful.

Our computer system is called **Wizbang** and was named in **Lyman [Newlin's]** honor. **Lyman** was not terribly enamored with technology and got frustrated with it. He was always saying: "Why don't you let the **wizbang** do it." Of course, now he is more into computers. I see that he even has an email address!

ATG: *At the 1996 Charleston Conference Rump Session, we were talking about the Internet and the expertise and resources that are available in other countries. There was a lot of international interest in this — people from Russia, Hong Kong and Germany attended. Is access to the Internet more hierarchically controlled?*

KS: I heard about that discussion. Access to the Internet may be more hierarchically controlled in some other countries,

but it is always difficult to make sweeping generalizations. Many other countries don't have a widely spread technological base and may find it difficult to recruit people with expertise.

The Net provides for greatly expanded access to information and for more information. Some overseas markets may not easily access available resources but we have access and can thus assist them in some areas.

We were recently having a conversation with a Turkish customer about a technical problem. In trying to figure out the issues, we determined that there were 15 computers interposed between us. Tracing back through that chain was an interesting exercise.

ATG: *Tell us about your corporate business.*

KS: We do a fair amount of work in the government sector, not so much in the corporate sector. We are a **Fedlink** vendor. That's an example of partnering among vendors and a group of libraries. It gives a vendor access to a large community, but we still have to deal with that community on a one-to-one basis.

ATG: *The partnering model — which I guess is what's happening with a lot of consortia now using electronic resources — has that aspect, I suppose. You have to provide a price for a group of libraries, but when it comes to technical support, etc., you have to do this on a one-on-one basis.*

KS: That's right. For example we were successful in winning a **CUNY** contract for 18 libraries, but we had to work with each library individually and meet their needs.

It's my belief that we are all in the information business and though the world is changing all around us we have to find a way to work with it. We need to analyze the changes, communicate with one another, and work together to come to agreement. Not every organization is good at everything. We need to work together. This is not a trite statement. One purpose of human cooperation and interaction is to do our best to find a solution.

ATG: *You're getting involved in some new things? Tell us more.*

KS: We are becoming the exclusive American distributor for **Cogito Video**. They do a series of science and technical videos. It's a new area for our sales people to learn about.

ATG: *Well, tell us about what you like to do in your spare time. When I saw the*
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without walls, and the instant access to complete libraries (not even the entire Nutshell library is online). They should memorize this sentence in Marilyn Gell Mason's "The Yin and Yang of Learning": "If the claim that everyone will have access to everything quickly and efficiently is not now true, the questions remain, *if it were true, would it be desirable?*" [emphasis mine].

These are all readable essays guaranteed to make the reader think. For librarians, reading James H. Billington's "Libraries, the Library of Congress, and the Information Age," and Susan Goldberg Kent's "American Public Libraries: A Long Transformative Moment," will give them hope and bolster their courage as they explain to funding sources why they still need buildings and books. Billington is eloquent in his defense of the American library system. "If you look at our public library system, each of its four distinctive features currently faces a unique threat. First, for democracy to be sustainable on a continental scale in a multicultural society, it must be based on the dynamic use of knowledge.

"Second, this knowledge must be *openly accessible* to all people.

"Third, public libraries expressed the *growing pluralism* of American society. I like to call them temples of pluralism, places where a great diversity of people gathered.

"Fourth, public libraries were, nevertheless, a *unifying force* in the communities where they existed."

Billington also offers warnings about "all the miscellaneous, unsorted, unverified, constantly changing information on the Internet..." a warning echoed by John Gohl in *Educom Review* (January/February 1997, p. 4-5): [re junkmail on the Internet] "However, I must confess to the same skepticism asserted by author and Yale computer scientist David Gelerntner, who says it's ludicrous to suppose that Internet access will fix or even address the main problems of education: Everyone knows what you do with the Web: You surf, sliding from site to site at the click of a mouse button. Exactly which problem will Web-surfing attack? Our children's insufficient shallowness? Excessive attention spans? Unhealthy fixation on in-depth analysis? Stubborn unwillingness to push on to the next topic until they mastered the last? We need less surfing in the schools, not more. The Web is a great source of pictures — are we trying to cure our children of excessive interest in the written word? Depraved indifference to glitz and snazzy graphics?"

Gelerntner's rhetorical questions are equivalent to the following direct one: What is the purpose of the World Wide Web?

This issue of *Daedalus* and the Benton Foundation report are indicative of a trend that picked up steam in 1996, even as the number of Internet users supposedly doubled, and that is a trend towards healthy skepticism about the ability of the Internet and the World Wide Web to solve the problems of librarians, booksellers, subscription agents, and publishers or drive them out of business.

The juxtaposition of the titles of these two publications, appearing in the same year, encourages me. It tells me something is in the air and it goes beyond the small community that gathers in Charleston and in ALA conference cities. The Benton study will be read by policy makers throughout the United States and the *Daedalus* issue will be read (I hope) by academics, college graduates, national policy makers, and newspeople (I have referred two reporters to both publications so that their understanding of the issues they were writing about would become clearer and more complex than they were aware of.). There is hope, after all, that the palette will contain color and that we will understand that there are not really so many either/or situations within the human comedy, and the dilemma (at worst) of the book, the byte, and the building coexisting harmoniously is not one of them. Part of the problem is that we have argued about the issues and not had honest open dialogs. We have argued with more emotion (not necessarily bad) at our disposal than facts. Don't confuse me with the facts, we seemed to be saying to those we disagreed with. The facts you cite don't make up for your stupidity and ignorance.

Finally we have some facts to look at in the Benton Foundation report, an inquiry "about libraries and the challenges they face in the digital world. But [the report] is also about every noncommercial institution — from public TV to the freenets — that provides information to the public. It uses libraries as an exemplar of what can happen to even our most cherished public institutions when they face the onset of the digital revolution, a seismic societal shift. The report's findings about the intersection — and divergence — of library leaders' visions with those of the public hold lessons for everyone who values and wants to promote the public sphere of information and communications.

"The Benton Foundation had several key collaborators in the design and management of the Conference in May 1996 and in the preparation of this study: Leigh Estabrook, Dean of the Graduate School of Library and Information Science at the University of Illinois; Lake Research, a Washington DC public opinion firm; and the Tarrance Group, a survey research firm based in Alexandria, Virginia. Additional survey data were obtained from the Roper Center at the University of Connecticut."

Reading this report is reassuring in some ways because the public trusts libraries and depends on and supports them for many things: "providing reading hours and other programs for children; purchasing new books and other printed materials; maintaining and building library buildings; providing computers and online services to children and adults who lack them; and providing a place where librarians help people find information through computers and online services."

But lest we become complacent, the study found that "the youngest Americans polled, those between the ages of 18 and 24, are the least enthusiastic boosters of maintaining and building library buildings. They are also the least enthusiastic of any age group about the importance of libraries in a digital future. And they voted to spend their money on personal computer disks

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movie *Fargo* I thought about you. It was so snowy and cold. But I guess you like the cold.

KS: Sport skiing is a great passion of mine and it's a family activity. My wife Jan, two children, and I all ski. Our daughter got her first pair of skis when she was eighteen months old, fourteen years ago. We tease our son (now a teenager too) as a

slower learner because he was born in the fall and had to wait until he was two. I also love motorcycles and I spent years racing cars. My other great passion is music and records. I think that records sound better than CDs because the sound is closer to the real thing. I have a modest collection of about 5000 albums.

ATG: What do you like to read?

KS: The latest book I have been reading is *Snow Falling on Cedars*. I'm an avid

reader. When I read soup can labels I know I haven't been reading enough. In an ideal week I read 4-7 books. 🐼

Well, y'all, this interview ended as Keith was going off to direct a television crew in a local cable television fund-raising auction. He was particularly interested in the 1997 Harley motorcycle that had been donated, but said he wouldn't bid on it! Pretty cool, as my daughter would say.