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Understanding the Library Marketplace: A Whimsical Ramble On Human Understanding

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counts receivable, a trend likely to accelerate as the conglomerizing continues and smaller players are forced to play a game with ever-changing rules they are powerless to influence. Content aggregators in the business of creating large databases of information by partnering (primarily) with publishers offer complementary digital libraries, insinuating themselves with varying degrees of success into the publisher-wholesaler-library-student dynamic. A major wholesaler is exploring e-book delivery and expects to go live with its e-book site within the year. Another wholesaler opens up a print-on-demand subsidiary which can now print a book on demand and fulfill an order *without the publisher being involved in the transaction at all*. A major university press is exploring the prospect of creating a print-on-demand function in its warehouse. Some publishers are developing pilot projects that could, if successful, bypass wholesalers for e-book distribution to libraries altogether, assuming the cost of supporting such a system isn't greater than the savings resulting for a direct sale.

In the short term, however, quantum change seems unlikely, even as the ailing economy forces everyone to review their partnerships with an eye toward greater revenue and efficiency. Publishers and wholesalers will likely continue to haggle over discounts, services once rendered gratis will now be performed only for those willing to pay a fee, and, as always, the major players—whether publisher, wholesaler, bookstore chain, or library—will be the ones to drive any real systemic changes. And the same calculations and restrictions that have always applied will continue to: Is it really economical to take a function that's being performed well by a partner back in-house? In a polarized industry where emotions run high, how formidable is the political risk of changing the playing field? (Consider the strong reaction the prospective purchase of **Ingram** by **Barnes and Noble** engendered among independents.) When does political expediency take a backseat to economic necessity? (Witness, for instance, the upcoming transformation of **PW Daily for Booksellers** from a gratis and very helpful—albeit lately somewhat ad-choked—daily update to a for-fee service.) Can we collaborate or consolidate without running afoul of antitrust laws? This last point is no small concern. An on-line multi-airline ticket Website founded on these grounds, and in the music world **Pressplay**—backed by **Sony** and **Universal**—and **MusicNet**—backed by **EMI**, **BMG**, and **AOL Time Warner** have prompted Justice Department investigations. Such a fate would seem to await the kind of consortial, multi-publisher, Web-based version of *The Reader's Catalog* ("The 40,000 Best Books") that **Jason Epstein** anticipates as a means for publishers to feature their wares together—since very few people buy books, according to their publishers—as a means of cutting out online booksellers.

Of one thing we can be sure: the accelerating power of technology to monitor usage and results will cast into ever starker relief the difference between those who genuinely add value and those who just take up space. On a small scale, one need only look at the effects on bookstore ordering of the ability of computers to track sales for confirmation of this. Whether one believes this to be good or bad, few books languish on the bookstore shelves the way they once did. And, at a time

when everyone seems to be analyzing their operations for ways to improve efficiency, if a publisher is not performing functions an author cannot, if a wholesaler is not serving its customers well in both directions, if a bookstore is not very clear about what it does that the chains and on-line booksellers don't, if a small research library suddenly finds its physical collection dwarfed or significantly duplicated by an on-line database, then it's clearly time to reevaluate one's *raison d'être*.

Understanding the Library Marketplace: A Whimsical Ramble

by Gary Shirk (President, YBP Library Services, Contoocook, NH)

On Human Understanding

We humans never fully understand anything at all. On our best days we grasp just enough to work through the day successfully. All too often, when we believe that we've got a handle on how the world truly works, we are baffled by our failure or startled by the degree of our success. We can account fully for neither one nor the other. There's a good reason for this. We're only human after all, and our understanding of real events is limited by the boundaries of human cognition and perception. We cannot make sense of the objective world. It is too complex, scaled both in size and time beyond our ability to comprehend it. Nor do our senses detect but a fraction of the sensory data available to us. Nevertheless, we are an arrogant lot. We build our world from a thimble full of illusions rather than an ocean of truth, then claim that the difference doesn't really matter.

We've been extraordinarily successful as a species because we have been able to perceive enough to survive—at least so far. But our successes are due more to how we process information than to our senses. We have become symbol creators and storytellers. Because we cannot understand the world as it is, we simplify it. First we create symbols to stand in the place of real objects or events, and then string those symbols together in a story that makes sense to us.

In fact, neither the symbols nor the stories have much reality left in them. Our symbols are not reality. They are even less than what we perceive. In a forest of reality, we perceive a single cut plank, then extract a lone sliver from that plank as our symbol for it. We build our understanding from a collection of slivers assembled according to a story, a sort of blue-

print for a structure that works for us. In the end, our understanding of the world is a home built from a collection of slivers. We live quite comfortably in that home and rarely bother to remind ourselves that we truly live in the forest.

Okay, I know you're asking, "What does all this have to do with understanding the library marketplace?" It has both nothing and everything to do with it. If you're content with understanding it as it was, nothing. But, if you want to understand it as it is becoming, everything.

Imagine that one day you're seated comfortably in your sliver-built, story-built home and the earth shakes. Your home's foundation begins to splinter and the walls sway dangerously. A few slivers shake loose, and a sudden wind blows them away. You fear that the whole structure will collapse on top of you.

In the eerie silence following the earthquake, you stand in your home alive but shaken. The walls still stand but seem dangerously out of kilter. The roof is holding firm, but you're worried that another quake could bring it down. You suspect that you'll need new slivers and may need to shore up the structure with new supports, affecting its design. You are concerned that you will never be comfortable in the home again.

So, now ask yourself, how comfortable are you in the library marketplace today? Do you feel that something momentous has happened? Have you felt the floor lift up and fall? Do long-standing relationships seem out of kilter? Do you find yourself searching for new business models? Are the people you view as customers and suppliers as shaken as you are? Have you heard the oracles chant a song you've never heard before or seen the soothsayers casting bones to foretell the future?

continued on page 26

AUTHOR'S BIO

Gary Shirk is the President of **YBP Library Services**, a **Baker & Taylor** company, located in Contoocook, NH. He joined YBP in 1984 as Manager of Approval Plan Services. Since then his other positions at YBP have included Vice President of Collection Management Services, Chief Operating Officer, Chief Information Officer, and Corporate Director. Prior to coming to YBP, he was Head of Acquisitions at the University of Minnesota. He received his MLS from the UC Berkeley and his BA from the UC Riverside.

A Whimsical Ramble from page 24

I have. And I believe that you have too. We appear to be nearing a crossroad in the information, communications, and entertainment industry at which we must decide which way to turn. Making that decision will require that we understand the marketplace at a time when our symbols and the stories that bind them together may no longer explain much of the underlying reality. But few of us have the perspective to meet this challenge. We are caught up in the whirl of events, unbalanced by the push and pull of other marketplace players, and too much a part of the swirl to have the necessary perspective.

Have you ever tried to freeze-focus a single fence post outside your car as you pass at highway speeds? It's impossible. They stream by so fast that they merge into a blur. Our attempts to understand what's going on today in our marketplace are a little like that: we're so close and going so fast that everything is blurred. You can, however, freeze-focus a single fence post if you look at the fence on the side of the field furthest from your car. While your speed is unchanged, the fence posts seem to stream by more slowly and you can catch a single post without difficulty. So, our challenge is to change our point of focus, to create some distance, to gain perspective, and ultimately to create more appropriate symbols and stories.

To achieve this new perspective, we must sort out the emerging dynamics of the library marketplace for information and entertainment products by gaining some understanding of 1) the constituents in the marketplace, 2) the nature of competition there, 3) the forces of change acting upon the participants, and 4) the ways that ordinary people make choices in the market.

We must first appreciate, however, that our current understanding is not reality, nor will be the new understanding that we may develop. Both are based upon symbols and story—the map and not the territory. We'll simplify reality enormously in order to establish a common ground for communication and will risk, therefore, getting too far from reality to produce a satisfactory result. But what choice do we have? We're only human.

Marketplace Denizens

Picture a vibrant open-air market like the kind you might stumble upon in Constantinople. The participants are many and diverse: craftsmen, merchants, bewildered tourists, recreational hagglers, street sweepers, bargain hunters, beggars, thieves, and bemused middlemen. In the library marketplace, it's not much different. We find the same participants, but we call them other names: users, consumers, authors, creators, agents, book manufacturers, standards committees, government regulators, copyright offices, system vendors, bibliographic utilities, aggregators, trustees, funding authorities, boards of directors, binderies, libraries, publish-

ers, and booksellers. Each is a necessary constituent in the complex process we call the library marketplace. They act on and are acted upon by each of the others; they come together to cooperate or to compete in ways both brazen and subtle.

It would take a much more comprehensive essay than this scant ramble to describe what each of these players brings to the marketplace and how they interact there. Each lives in its own sliver and story built house. But the slivers are not the same, nor are the stories. The day-to-day world that each group perceives is built from separate slivers of reality, transformed into a language of symbols, and tailored into personalized stories. The market dynamic is created where these symbols overlap sufficiently for communication and exchange to take place. What's notable about the market is not that dysfunction often occurs, but rather that exchanges take place to the general satisfaction of most who go there.

So, for simplicity's sake and time, let's look at how just three of the bazaar's inhabitants (libraries, publishers, and booksellers) perceive their role in the market. Imagine the cycle of "infotainment" creation, production, promotion, distribution, and consumption as a clock where creation begins at 12 and consumption ends at 11. Publishers would be sited somewhere in the 3-5 range, library booksellers to libraries at about 7, and libraries at about 9. While this model of relationships is overly simplified, it's probably sufficient for describing normal business relationships. (We're already building symbols!).

Libraries lie closer to the consumer than do publishers and booksellers. They manage the nexus between the library user and the library's collection of physical and electronic objects, facilitating search and retrieval and controlling the use of expensive or scarce resources. They are interested in collecting a share of the publishers' titles, but they don't have the resources to search through all the available titles, maintain relationships with thousands of publishers, and process tens of thousands of individual receipts, invoices and payments. They look to other marketplace participants for help. They are pre-occupied with questions like...

- Do we fund innovations or meet responsibilities to current constituencies?
- Do we abandon low use materials when a single use may contribute more to society?
- Do we own or pay for access?
- Do we standardize to economize or tailor services to our clients?

Publishers occupy a position on the cycle between authors and booksellers. They are primarily interested in assisting the author to develop marketable works, protecting the materials via copyright, then promoting and selling them. They accept financial risks early in the life of the work with the expectation of earning reasonable returns as the sales cycle reaches ma-

turity. Customizing their processes to meet the diverse needs of libraries is a daunting task and would take their eyes off the real job, publishing good books. For publishers, the questions are no less difficult:

- Do we support uneconomic but important titles?
- Do we plunge into e-books without a revenue safety net?
- Do we keep our price point low and increase the range of buyers or price high enough to allow sufficient discounts to the trade?
- In what subject areas are more books needed?
- How do we find authors whose books will sell in our primary market?

Booksellers are furthest from the processes of creation and use. They are the classic middlemen, serving the interests of both libraries and publishers. They accept orders from libraries; consolidate them with other orders to issue a single purchase order to a publisher; maintain specifics about the library customer; receive the materials or a confirmation of distribution; invoice the customer; manage customer and transaction details across the full range of materials supplied (pBooks, eBooks, audio, video, software, etc); customize delivery and physical containers; provide cataloging and other bibliographic information; maintain a history of transactions; and handle customer service and credit issues. Booksellers in the library marketplace struggle with their own set of questions:

- What does "quality" mean in our market?
- Do we compete on price or risk losing volume?
- Do we subsidize an uneconomic service to gain market share?
- Do we carry a publisher's title and promote it or not?
- Do we offer flat discounts and take a loss on some books or price each book to be profitable?
- Do we have a response to a competitor's new service?

While it would be tempting to believe that the market actually behaves with the regularity and order of a clock, the reality is far from it. The market functions more like a Byzantine bazaar, nearer to chaos than to order. Each participant looks across the bazaar and seeks advantages by dealing directly with one another. Authors publish and distribute their own works. Libraries buy directly from publishers. Booksellers publish and booksellers sell directly to the user/consumers. Still, the sales cycle continues round and round, but more like a carnival ride than a clock.

The Carnival

We can't understand the magic and mystery of the library marketplace without making an attempt to comprehend the forces that define competition there. **Michael Porter**, a business strategist who has written several books on analyzing and developing business strategies, be-

continued on page 28

believes that five factors provide structure to an industry. His five factors are again merely symbols on the map, but as good as any others we might use. As a library bookseller, I'll focus primarily on the vendor's perspective of the market. You'll enjoy the challenge of looking at the marketplace from your own point of view.

1. Character of rivalry:

Competition in an industry can be polite and subdued or vicious and aggressive. Rivalry is gentle when companies develop their business without having to steal customers away from their competition. Rivalry is vicious when, in order to grow, businesses must lure customers away from their competition. It is better to be in an industry where competition is little rather than great.

Twenty-five years ago, business rivalry in library book wholesaling could be best characterized as gentlemanly. Library budgets were strong (the damage really didn't begin until the early 1980s) and many libraries bought their books directly from publishers. Book wholesalers competed not so much with each other as with entrenched library acquisitions methods. Margin pressures were not great because, compared with non-existent or small discounts offered to libraries from publishers, book wholesalers offered an enormous advantage—better discounts, consolidated shipments, and a more thorough understanding of the customer's needs. Libraries responded by concentrating their orders with book vendors. In the 1960s the **Richard Abel Company**, a wholesaler who had pioneered innovative services to libraries (e.g. approval plans), had grown too rapidly to sustain itself and ultimately failed, paving the way for the success of a number of emerging booksellers (including **YBP!**). Librarians, who still remembered **Abel's** demise, wanted to allocate their purchasing among many suppliers to reduce risk.

Today, business rivalry has moved to the opposite side of the spectrum. It is now very aggressive. With the exception of just a few isolated libraries, all now buy from one vendor or another. Sales growth among vendors comes only at one another's expense. Each vendor struggles to drive wedges between the customer and their competition. They aggressively price services to new customers to grow the business, cut another's income, and ultimately reduce the number of competitors in the market. Vendors constantly combat predatory pricing tactics, damaging rumors, and sales campaigns targeting their customers.

2. Threat of new entrants:

When new companies can easily enter an industry, those already in business must constantly look over their shoulders to be sure they are not caught unawares. New entrants can emerge at any time to siphon away some of the revenue that might have otherwise gone to companies already in the industry. New entrants inflate the number of potential sources for each customer. This extra capacity tends to force prices down. If, on the other hand, it is difficult

for someone to start up, then all the present companies can breathe a little easier and focus on bringing value to the industry over the long term.

Some aspects of book wholesaling are easy to enter; others are much more difficult. On the monographic side, every bookstore can easily become a book wholesaler. They even enjoy special discount rates from some publishers. For approval and serials, some real barriers to entry exist due to the special bibliographic services they require. A bookseller who wants to compete successfully in these areas must understand library collection development objectives, the parameters upon which selectors make title selections, and the intricacies of volume/title relationships. They must also possess the technical infrastructure to support huge title databases, substantial metadata, extensive transaction files, systems to identify newly available titles from a host of publishers, programs to match hundreds of library profiles to individual title data, and—most important—the expert staff to run these systems.

In addition, a library expects its supplier to provide books “shelf-ready” which requires the ability to locate, store, and output customized catalog records and provide a full array of physical processing that ranges from affixing spine labels to inserting theft detection devices. Technology is bringing the basic level of these within the grasp of new entrants at relatively small expense—anybody with a PC, a CD-ROM reader, and enough money to buy low cost, public domain cataloging records from the **Library of Congress** on disk can provide some level of bibliographic records. But, the demand for specialized technical services continues to grow, raising the bar sufficiently and reducing the likelihood of new entrants in this sector of the market.

3. Threat of substitute products or services:

When your customers have alternative products or services that can meet their needs, your business is threatened by substitutes. If the effective alternatives are many, profits are more difficult to obtain. If alternatives are few or ineffective, profits are more easily acquired. Until relatively recently the book business avoided much of the threat of substitute products or services. For most of the last several hundred years, the only effective substitute was the magazine or journal. But these occupied a special niche—current information—and were not seen to be true substitutes for the book. Various “micro” formats (microcards, microfilm, microfiche, etc.) emerged as viable alternatives. But, these were not serious threats because they were too awkward to use effectively.

When desktop computers, CD-ROMs, and digitized text appeared, the picture changed significantly. The technology offered exciting new capabilities for access and convenience that offset the difficulty in reading these materials. Improved capabilities AND lower cost per “information unit” made these new technologies effective competitors against books. Today, digitized text stored electronically or optically can be transmitted easily anywhere in the world.

Once protected from the threat of substitutes, the industry is now awash with effective alter-

natives. To make matters worse, the substitutes have provided entry to a new set of competitors—software producers, entertainment gurus, etc.—who often sell directly to the customer.

4. Bargaining power of suppliers:

When suppliers are powerful, they can force up the prices for what you purchase despite your efforts to keep them down. When suppliers are weak, they cannot. Suppliers become more powerful when they are the single supplier that provides the product or service that you need. If the product or service you must buy is essentially a commodity and available from many, you will be able to resist any attempts to raise prices.

A book wholesaler's suppliers are publishers. They are very powerful with respect to book vendors even while they compete fiercely with one another for authors and, less so, for editors. Copyright protections grant them a monopoly for the licensing or sale of the intellectual products they produce. If a bookseller's customer asks that he provide a specified title, the bookseller has only one realistic supplier—the publisher. Margins are generally not large enough for vendors to acquire the same title from another distributor. So, for the most part, publishers can nearly dictate business terms to all but the largest booksellers, e.g. **Barnes and Noble** or **Borders** whose in-store promotions can make or break a title.

5. Bargaining power of customers:

When customers are more powerful than suppliers, they can force prices down. When they are weak, suppliers can maintain or increase prices. Customers become weak when they have few sources for the product or services they want. Customers become strong when many sources exist for the service. If they are very powerful, they can beat down prices, force suppliers to provide free services, and require the supplier to bear most of the cost and risk of special services or projects.

Libraries with substantial money for book and serial purchases have become very powerful. Because the fixed cost of providing vendor services to a library account is high, industry profits are earned from a relatively small number of large accounts. As a consequence, many vendors compete for their business; and libraries, with so many choices, can easily negotiate favorable terms.

Libraries with little to spend (and unlikely to get more) are relatively weak. Normally, this would favor the vendor, who would be able to force acceptance of much more profitable terms. But libraries cannot afford to pay according to these terms. So, we have seen the emergence of consortia and other cooperative buying efforts in which the weaker libraries increase their bargaining position by borrowing the power of their stronger cohorts. They can do this because they do not compete with one another. Recognizing their weakness, they cooperate while giving up as little independence as possible. The smaller libraries have gained, and the larger libraries have lost very little.

What do you conclude about the library marketplace today? Do we have stable business relationships or a carnival of competition?

continued on page 30

The Winds of Change

Do you feel the breeze rustling the edges of the merchants' tents in the bazaar? That's the wind of change, a mistral—hot, heavy, potentially destructive—that will shatter what we know about the marketplace and scatter our house of splinters. Like our nightly news meteorologist we need to chart the direction, size, and speed this storm is taking.

If you haven't realized that the wind of change has its origin in technological innovation, I'd like to be the first to welcome you back from the desert island you've inhabited for the past five or ten years. You're long overdue for a visit to the real world. The changes that technology is bringing to our industry are enormous. Let's map it: direction—digitization, broadband convergent communications; size—huge, ubiquitous; speed—slower than we can observe, faster than we realize.

In the library marketplace, new technologies—principally digital text and the Internet—have challenged individuals and organizations. They offer huge potential but they require enormous investment in capital. Meeting the investment requirements is difficult because the effort drains resources away from the current business model on which the organization depends. Yet the new investment may be years away from producing the return needed to sustain the organization because it requires that you redesign operations and relationships substantially. For example, using ILS vendor or bookseller's ordering, cataloging, and reporting system effectively in most libraries requires changes to the way that computer systems and Internet access is allocated, compromises to traditional cataloging policies, redistributing or eliminating staff for many functions, standardizing previously customized processes, dramatic changes to established business relationships, shifting budget allocations, etc. Even planning such tumultuous changes precipitate collateral damages: loss of process integrity, performance lapses, shattered morale, and loss of experienced and knowledgeable staff needed to survive in the present.

We can learn a lot from looking at our current investments in eContent. Despite the hype, most of us realize that digital technology is applied at its lowest productive level at present. It is neither understood completely by those who produce it nor fully accepted by those who would use it.

Consider this: a book is a very complex and highly evolved technology. Its physical form derives from a marvelous adaptation to human sight and cognitive abilities. The book also exhibits an extraordinary evolution of typeface and printing techniques. Books are extravagantly successful because humans benefit fully from the technology. Comparatively, eContent is still early in its development, poorly suited to its uses, and relatively unexplored. Converting text to digital form and calling it an eBook may assist customer acceptance, but the technology has not been used to its fullest nor is it well

adapted to human use. At present, it's a little like buying a color TV and watching only black and white movies while standing on one foot.

Using electronic technology to produce and distribute materials that were first conceived, designed, and produced as printed documents is a trivial use of the technology. I'm convinced that digitized "text" eBooks would never have been produced at all if using technology to enhance content had been the real goal. Except for the appeal of the underlying economics, it doesn't make any sense. But, maybe the economic factors produce enough sense (cents) on their own. Once the infrastructure is built, it will cost less to produce and distribute an electronic item than a physical item. So, in order to hasten a return on investment, the market uses the technology at its lowest realization. The ultimate product of the e-technologies will not appear until the technology is used to its fullest and matched to human ways of experiencing and interpreting the world.

Ultimately, the form in which information is packaged determines both its content and distribution. And, conversely, its content and methods of distribution shape that form. The book as we know it has shaped our industry from creation to use. When electronic content evolves and becomes mature, it too will shape the industry. Conversely, the industry that grows up around it will contribute to the shape of eWorks to come.

Even in its early stages, advances in digitization and communications have come together as the most disruptive technology to have affected human communication since the printing press. This disruption is being felt in every industry, but in none more than in the library marketplace where each constituent is simultaneously mourning the inevitable passing of the old order and jockeying for position in the new.

Here's my thumbnail assessment:

Rivalry among booksellers—old timers and newcomers alike—is already vicious and likely to become more so. In recent years and probably for many years into the future, our society is willing to allocate to education and, by extension, to libraries scarcely enough to meet inflation. Because the resource pie is not growing larger and vendors already control most of the market, one vendor's growth must come at the expense of the other. For years, vendors have sacrificed margins to retain the market share needed to support fixed costs. They've invested more than they could reasonably afford to develop new systems and services, hoping to attract new customers away from their rivals. Those that manage to stay one step ahead, win the race; those that don't keep pace, lose and must seek markets where the competition is less fierce. In this way, the losing competitors will niche and re-niche, dying a death of a thousand cuts—and fighting for survival at each stage in the process. Newcomers will burden themselves with complexity as they seek increased market share and struggle to fit new products and services into old business models. As always, profits (or promise of profits) will attract competitors, and competitors will lower profits. It's the yin and yang of the ba-

zaar and will continue until stable relationships are re-established.

While the industry is not attractive enough to attract many new competitors, the barriers to entry are—for a good share of the business—relatively low. For example, booksellers bemoaned **Amazon's** entry a few years back. For simple transactions like firm order fulfillment, **Amazon** immediately captured a share of the business that previously went to established businesses. Any comfort that booksellers may have taken in the barriers offered by complex library-related requirements for approval plans and technical services may be at risk as new technologies and cooperative ventures between their competitors and bibliographic utilities like **OCLC** are established. Publishers and libraries fear e-content newcomers like **eBrary**, **Questia**, and **netLibrary** who bring new concepts and business models spawned in the murky waters of technohype and Internet ether space. Publishers are concerned that the business practices and distribution methods of these companies may disarm copyright protections and cannibalize revenues from printed books. Libraries, while acknowledging the advantages that eContent delivery may bring to them, are quick to note that business models that disintermediate their current supply chain might disintermediate them as well.

The emergence of electronic technologies has, for the first time, brought effective substitutes to the market. Books and periodicals had a good run but are no longer the only game in town. Several generations now living will cling to them, but will the **MTV**, **GameBoy**, and **Playstation** generation?

The bargaining power of suppliers is waxing. From the perspective of booksellers, publishers wield a lot of weight due to copyright protections and the unique characteristics of intellectual property. Realistically, only one source for a particular title exists: the bookseller's customers will accept no other in its place. From the perspective of libraries, their bookseller suppliers are also gaining strength. Having become dependent upon booksellers to provide complex, customized services, libraries have felt their power diminish. Furthermore, what might have once been a large number of indistinguishable suppliers of book wholesaling services has declined in recent years. Libraries are right to worry about the demise of booksellers. When large numbers of suitable booksellers set up their tables in the market, libraries can easily negotiate favorable terms. When they do not, the task is much more difficult.

The power of customers is both waning and waxing. Relative to printed materials, publishers see that their customers, booksellers, are declining in number and concentrating their buying power. This gives them increased bargaining power as they command more of the traditional means of distribution. But electronic books and distribution methods may allow publishers to leap frog the distribution chain and sell directly to libraries and the ultimate consumer. Booksellers already observe their library customers allocating precious collection development resources to new electronic substitutes

continued on page 32

A Whimsical Ramble from page 30

AND asking that they develop means to track and supply these. Resources needed to fund growth in traditional distribution channels are chasing elusive profits in new technologies. Everyone fears that they will be left behind.

Caution is warranted here. Drawing vectors on the map of the library marketplace helps us to visualize what may be happening, but let's not get too wrapped up in the convenience of this artifice. The denizens of the objective world interact in the territory, not the map. The convenience of lines and symbols gives way there to the sight, smell, hearing, taste, and touch of individual beings interacting singly and in groups within the full compass of their thoughts, emotions, and memories. The mathematically precise and predictable map gives way to the irrational, messy, and unpredictable real world. Where weakness might be predicted, power is observed; where competition is inescapable, we see cooperation; and where all seems certain, we experience uncertainty.

The Human Sliver

The library marketplace is a complex behavior system, open to the diverse systems of each participant's parent organization and to society as a whole. Fundamental to the movements we observe as "market behaviors" are the collective actions of individuals, each acting according to their own symbol and story systems.

We'll have to bring this back down to earth to understand why this is important. Decisions we make everyday in the marketplace—the selling price we set for a title going to press, the approval we give to spend money developing a new service, the decision to select one vendor

or another—are based on our perception of how the real world works. It may be perception based on only a shadowy understanding of the real world, but it is all we've got.

Would you knowingly make a decision today that would terminally harm your organization tomorrow? Would you shut the door on the opportunity of a lifetime to accept a dead end job? Few of us would, but it happens all the time. Why?

The limits of our ability to understand the real world means that we always must act under conditions of uncertainty. The level of uncertainty may be small or very large, but some uncertainty exists in all that we do because of those underlying limitations. We are, each of us, making decisions today that will define the shape of the next generation's world. Even decisions not to act become decisions in fact as the acts of others shape the world without our contribution. What's left for us, despair? Are wise decisions impossible?

A friend of mine once said, "A wise decision is an unnatural act." What is natural are the high-risk, shoot-from-the-hip, testosterone charged, weepy, angry, dumb and dumber decisions. If right decisions are impossible and wise decisions are unnatural, we are left with making the best decisions humanly possible. We make them when we fully appreciate the uncertainties involved and guide our decisions based upon carefully considered principals.

What are your business decision principals? How do you guide your daily decisions? If you haven't already done so, take a few minutes to write them down. Think about how they might change the decisions you make. Consider their consequences for your organization. Do you focus on efficiency alone or is effectiveness equally important? Do you opt for the low cost

option or seek high value? Are long-term relationships important to you or do you constantly search for the best deal? Do you value tested solutions or do you favor the next new thing? Do you consider long term impacts or does thinking through the short term impacts suffice? Are you open to new ideas or do you feel safer with tried and true concepts?

Dilemma at the Crossroad

In New Hampshire we breed a species of biting horsefly that is unusually large and persistent. They can be prodigiously focused and will pursue you for miles on a quiet evening's wooded walk. Some days ago as I exited our parking lot, I noticed that one had landed on my windshield directly in front of my eyes. Focused on some insect pursuit beyond my reckoning, the fly remained on the windshield as I drove into the stream of local traffic.

I soon became as fixed on the fly as it was on the windshield. At 20 MPH, it had not moved; nor had it moved at 30 MPH. The fly seemed to have buried its feet into the windshield, unwavering in its belief that the windshield was a stationery perch and that it was caught in a momentary gust of wind. At 45 miles per hour I ramped onto the highway and accelerated further. I was determined to shake the fly from its perch. I was mesmerized, glancing between fly and speedometer and waiting for the fly to give in to the wind now rushing past at 50 MPH, then 55, then 60.

The fly was unshakeable, its fragile gossamer wings were stretched back, its body low and contorted as it fought the ever-increasing air pressure. My eyes now focused solely on it; the fly seemed to fill up my line of sight. 65 MPH. I was fascinated by its ability to cling to the windshield at this speed. 70 MPH; 75 MPH; 80.... I lost all sense of where I was. My attention was totally fixed on the fly that struggled desperately to maintain its grip. Suddenly the rear of a UPS van filled my windshield just feet away. I braked and swerved. Breathing erratically, I checked the windshield. The fly was gone.

Am I the horsefly when I cling tenaciously to an outdated understanding of my reality, fighting the ever-increasing wind of change? Am I the driver so entranced by the struggle that I fail to act?

I read once that what separates human beings and animals are the thoughts that occur between action and reaction. What separates the enlightened participants in the library marketplace from the hopelessly bewildered is the same: the thinking we do between one participant's action and our reaction to it. In the coming years, we will make decisions that will change the course of the industry forever. We're at a crossroads where the future will be shaped by forces that we can't yet understand and for which we have only inadequate symbols and stories that have yet to be written.

Woody Allen, the film director and sardonic philosopher, might have had the library marketplace in mind when he observed, "More than any other time in history, mankind faces a crossroads. One path leads to despair and utter hopelessness. The other, to total extinction. Let us pray we have the wisdom to choose correctly."

Rumors from page 18

In accordance with its mission to support, represent and promote the development needs of new, student and existing members of the **Library and Information Profession**, the **Career Development Group** is planning a one-day seminar on **eBooks and ePublishing**. The seminar will take place at **Library Association Headquarters**, London on Wednesday 28th November 2001 between 10 AM and 4 PM. Taking part in the day will be leading speakers in the field including: **Louis Edward's**, DNA Collections Manager, eBooks and Primary Research Data; **Susan Wilson-Higgins** (I wondered where this wonderful woman was!), Commercial Director, Lightning Source UK Ltd; **Christine Love-Rodgers**, Assistant Librarian Learner Support, Open University; **Anthony Watkinson**, Consultant, Visiting Professor in Information Science, City University and author of recent *Resource Report on Electronic Solutions to the Problems of Monograph Publishing*; **Linda Vendryes**, Vice President of Coutts Electronic Division. <http://www.la-hq.org.uk/directory/training/map.html>.

Looks like there is a new copyright bill being considered in Washington which has the support of **Fritz Hollings** (D-S.C.), the chairman of the Senate Commerce Committee. The bill would embed copy protection controls in nearly all consumer electronic devices and PCs and covers all forms of digital content. <http://www.politechbot.com/docs/hollings.090701.html>

I remember way back in the early 1980s when **Christian Boissonnas** first chastized me for not using email! Well apparently 2001 is the 30th birthday of email. Read all about it at: <http://news.cnet.com/news/0-1005-200-7464674.html>.

This is from **Edupage**, October 12, 2001 and the **Chronicle of Higher Education Online**, October 10, 2001 — **Mascot Network** is going out of business. The portal service it offers to students at dozens of colleges will be closed by the end of the week. More than 50 colleges use the Mascot service, according to the company's Website, including **Columbia University** and **Wayne County Community College** in Michigan.

continued on page 38