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sotto voce — Some Thoughts on Change

by **Bob Schatz** (Manager of North American Sales, Everett's)
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Two questions keep coming my way: 1) what the hell is going on, and 2) what does it all mean. The first one is easier to answer than the second.

What's going on is that library supply, like virtually every other industry in America, is undergoing shrinkage and consolidation. The battle for market share is so fierce, and the economics of supply are so tight, that the only way some companies can survive is either by buying another company's customer base, or selling out to those with the financial resources to take advantage of opportunity. One of the harsh realities of today's world is that service comes at a price, and, seemingly, fewer and fewer companies can afford to pay that price.

Whether these changes are positive or negative depends on your sensibilities and the particular experiences you may have. Big is no guarantee of great service, nor is it necessarily a recipe for disaster. We've all had experiences, good and bad, with big companies: My father-in-law was driven out of business trying to compete with **Nordstrom**. While that was traumatic, both he and his customers are now better off for it. He's a successful salesman in men's clothing at a Nordstrom in Portland, free of the worries that plagued him as a small businessman, and his customers now have a wider array of choices in clothing than he ever could have offered them. Win/win.

On the other hand — On the way to setting up my new office, I went shopping for a laptop computer. Thinking that I'd get my best deal at a computer "superstore," I waited twenty minutes to get the attention of one of the few salespeople in the place. When I finally got him to stop

long enough for me to ask him some questions, he actually told me he'd help "if it wasn't going to take too long"! Adding insult to injury, he knew nothing of the machine at which I was looking beyond what I found out for myself from the brochure on the display case. For me, size did not equate to better service, more choice, or a better price. After this frustrating experience, I found another, smaller electronics store where I received individual attention from a knowledgeable salesman and found a laptop that more than met my needs, and at a

price matching the superstore's. Sometimes big is better, sometimes not.

As more and more business in

library supply becomes concentrated in fewer, larger enterprises, choice falls by the wayside. Personally, I think this is something to worry about. First of all, let me state that I know that not all small-and-medium-sized companies deserve to survive. In the harsh light of day, one cannot say that every vendor currently serving libraries is doing a job worthy of continued existence. That's just a fact of life. Still, there are a number of mid-sized suppliers who deserve to survive. They earn that right every day by providing their customers with valuable, individualized service. The question in my mind

tion in times of adversity. It's the all the eggs in one basket thing. When tough times, or the inevitable buyout, affects a large service provider, having other ongoing vendor relationships helps spread the negative impact. Just as few investors purchase only one stock, no library these days can afford to do all their business with just one vendor. Being able to spread business around, though, requires a market where numerous companies can survive.

I think of business as a model of democracy. On the one hand, customers, like average voters, want the best deal possible for their own self-interests, so are inclined to vote for those who promise the biggest tax cuts. Yet, we also want things like quality education for our kids, which may suffer when tax revenues are reduced, so we sometimes exercise options that end up being for the greater good of the community. Even if one decides in favor of tax cuts over education, it is still important to have the opportunity to make those choices, and that requires the presentation of more than one option.

In business, we are fast losing our options in more industries than just library supply. Convenience, and the allure of state-of-the-art technology, make large players in any marketplace attractive to consumers. Yet, it is hard to find companies in any industry that do such a good job at everything that they can serve all of their customers' needs. To often, though, the ease of transacting all one's business with one

enterprise wins out. Whether we realize it at the time or not, we vote with our dollars and sometimes have no one else but

ourselves to blame when we end with fewer choices about where we can spend those dollars. (At other times, even fully supported companies fall victim to buyouts, and there's little anyone can do about that.)

Is this a world where smaller businesses can survive? If quality is more than just a concept to admire, the answer is "yes." If, on the other hand, doing business with high-quality, specialty companies is just more effort than consumers can dredge up, fewer such companies will survive, and along with them, the benefits that they bring to the marketplace. My hope is that libraries will freely choose to keep their future choices open by making sure that worthy smaller companies get a piece of their business. In a democracy, there are distinct benefits to all when a loyal opposition is encouraged to thrive.

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mat. IBM preferred the physical structure of Toshiba/TW's disc and its capacity for greater storage, but liked the Sony/Philips method of processing the digital signal and storing the data on disc. Toshiba balked at first, but then agreed to a unified format. In a rare instance, the voice of reason held out and the consumer benefited for once.

What are the main features of the DVD-Video?

DVD has the capability to produce near-

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is whether enough libraries will return these companies' commitments by giving them enough business to survive.

On the one hand, it is not the librarian's job to guarantee the survival of any particular company. Lord knows, you all have plenty of other things to worry about among your professional responsibilities without having to add "guarantee survival of good companies" to the list. Still, you cannot separate wanting to have vendor choices with the actions that will make those choices available to you in the long run.

Why is it important to have choice in the marketplace? There are several reasons: First, supplier diversity spawns competition, and that promotes innovation: big dogs give smaller dogs something to chase, and smaller dogs force big dogs to run faster. Second, market options provide libraries with a fallback posi-