Against the Grain

Volume 28 | Issue 3 Article 22

2016

Center for Research Libraries Profile

Recommended Citation

(2018) "Center for Research Libraries Profile," *Against the Grain*: Vol. 28: Iss. 3, Article 22.
DOI: https://doi.org/10.7771/2380-176X.7368

Straight Talk
from page 37

Redwood City, one of the most competitive and high cost locations where software engineers are constantly looking for the next opportunity is a challenge.

My final example of a private equity play is **OverDrive**, the Cleveland based company supplying digital content to libraries, primarily schools, public libraries, and public library systems. **OverDrive** caught the wave of the shift from print to electronic formats and experienced a dramatic growth spirt. It needed a cash infusion to help pay for expansion and for a new headquarters. In 2010 **Insight Venture Partners**, a private equity firm provided the necessary cash investment and became the primary shareholder and majority owner. In five years with continued growth **OverDrive** became a hot target and in 2015 **Insight Venture Partners** sold **OverDrive** to Japan's **Rakuten, Inc.** for $410 million. The **OverDrive** example is another great payday for a venture firm. Anytime you can turn $30 million into $410 million is an impressive win.

Back to my original question: Are private equity firms in the library marketplace good or bad for our industry? One thing is certain, a number of private equity firms have made investments in ILS, Book supply, and e-books that have yielded impressive returns. We can expect that private equity firms will remain players in our marketplace. In addition, private equity firms allow library service companies to raise much needed capital for expansion or for buying other companies.

On the other hand, private equity firms are focused on maximizing their profit potential and have little to no interest in growing, developing or even understanding our market place. A private equity firm most likely will have ownership positions in ten or more companies often in a variety of businesses. The library company they invested in is just a balance sheet to watch over and make sure that the profits grow. In some cases, the venture firm makes a wrong investment and after attempting and failing to find an exit strategy is left with the option of stripping the company of all its cash and/or other assets and simply walking away and leaving the company to fail. Recent examples of this type of venture play include both **Swets** and **Faxon**.

My money is on vendors that are long term players in the marketplace, who are conservative and who have a deep understanding of the marketplace. Libraries should avoid companies that are saddled with huge debt and pay attention to what is going on in the marketplace. The **Swets** situation is a prime example of too many people ignoring the warning signs. Investment banks were having second thoughts about **Swets** and in the end they stripped out all the cash, protected their investment and pocketed many libraries' prepayment payments. Several major U.S. libraries each lost more than a million dollars.

My final thought… All of these private equity firms are investing enormous amounts of money chasing deals all over the world. When you stop and think about it, the money they are using is mostly from retirement funds. Your state, university, or other retirement program is supplying the cash for the various private equity funds. I guess we can all sleep well at night knowing that someone is using our money creatively… or not!

against the grain **publisher profile**

Center for Research Libraries

6050 South Kenwood Avenue, Chicago IL 60647
Phone: (800) 621-6044 or (773) 955-4545
Fax: (773) 955-4339 • *http://www.crl.edu/*

OFFICERS: Bernard F. Reilly (President). Board of Directors at: *www.crl.edu/node/177*.

ASSOCIATION MEMBERSHIPS: ARL, **IFLA**, and **ICOLC**.

KEY PRODUCTS AND SERVICES: Cooperative collection development; print and digital primary source collections; licensing of databases and related analytics.

CORE MARKETS/CLIENTELE: Independent and academic research libraries.

NUMBER OF EMPLOYEES: 80

HISTORY AND BRIEF DESCRIPTION OF YOUR COMPANY/PUBLISHING PROGRAM: In March 1949, ten major U.S. universities entered into a formal agreement establishing the **Midwest Inter-Library Corporation (MILC)**, the forerunner of today's **Center for Research Libraries**. The founding institutions were the **University of Chicago**, the **Illinois Institute of Technology**, the **University of Illinois**, the **State University of Iowa**, **Indiana University**, the **University of Kansas**, **Michigan State College**, the **University of Minnesota**, **Northwestern University**, and **Purdue University**.

Today the **Center for Research Libraries (CRL)** is an international consortium of over 200 university, college, and independent research libraries. Since its founding **CRL** has supported original research and teaching in the humanities, sciences, and social sciences by preserving and making available to scholars a wealth of rare and uncommon primary source materials from all world regions.

ADDITIONAL ITEMS OF INTEREST TO ATG READERS: CRL is an umbrella under which many communities of interest collaborate, to build and share resources that support original scholarly research on all world regions. **CRL's** deep and diverse collections are built by specialists and experts at the major U.S. and Canadian research universities, who work together to identify and preserve unique and uncommon documentation and evidence, and to ensure its long-term integrity and accessibility for researchers in the **CRL** community.

CRL also hosts and supports the *LIBLICENSE* model license initiative and its active discussion listserv.

Rumors
from page 26

For 30 years, the **Software & Information Industry (SIIA)** has conducted the CODiE annual awards program and the CODiE program is the industry's only **peer-reviewed** awards platform. I understand that **ACI** beat out two strong finalists in this CODiE category: **Elsevier Reference Module in Biomedical Sciences** and **ProQuest Ebook Central**. **Pat Sabosik** the manager of the **ACI Scholarly Blog Index** has been in the industry for many years. I first met her when she was editor and publisher of ***Choice magazine***. On the personal side, **Pat** has a grandson in Greenville and she recently vacationed in Hilton Head! She is also planning a panel in Charleston during the **2016 Charleston Conference**!

http://aci.info/2016/05/18/aci-scholarly-blog-index-named-siia-2016-codie-award-winner-for-best-scholarly-research-information-solution/

On the Elsevier page — BA Insight and **LexisNexis Legal & Professional** have announced a strategic alliance that integrates **Lexis Search Advantage** natively into law firms' **Microsoft SharePoint** environments using the **BA Insight Software Portfolio** to

continued on page 46