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ATG Interviews Jim Rose

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ATG Interviews Jim Rose
President and CEO, Blackwell Information Services

Hey, y'all. I had the pleasure of interviewing Jim Rose at ALA Midwinter. I didn't know what to expect. What I encountered was a young, forceful, honest human being who was open to all of my berserk questions. Interviewing him was a pleasure and I am sure that all of y'all will have fun reading this too! — KS

ATG: So, who is this Jim Rose? What does he do? What’s going on at Blackwell?

JR: I am President of Blackwell Information Services, which is the Global subscription and supply business, which includes Electronic Services and Blackwell’s Online Bookshop. There’s also Blackwell Book Services which is run by Fred Phillip — that’s our book library supply business throughout the world. And then there’s Blackwell Retail run by Anthony Thompson. We’ve got 77 true retail outlets in the UK. So Blackwell’s is journals, books and retail. There is a board that oversees the approximately one billion dollar operation, and Julian (Toby) Blackwell chairs Blackwell Ltd., which is the holding company.

ATG: Blackwell’s is 120 years old and is a privately-held company. What else can you tell us?

JR: That’s right. We’re operating in over 160 countries. The other thing which is an interesting statistic — 95 percent of the ARL libraries in the US, UK, and Australia, use Blackwell’s in some fashion or another. That’s the penetration we have in the higher education institutions in three of the major Western countries of the world. You figure that in a place like Qatar there’s only one ARL library, so we’re 100 percent there. But UK, US, and Australia are the three dominant marketplaces. Blackwell’s is a very large company, very broad-based. I don’t think people really understand that since there are three units. In the information services and subscription side of the business, we’re well over $400 million in sales. We’re profitable in that sector. We’ve had tremendous wins this year — 1998. The University of Michigan came our way, Toledo, Bowling Green, Old Dominion, Appalachian State, many, many more — we’ve had our highest growth year in a number of years as far as history’s been going on because I think our service is very good, our sales force is very good. Tina Feick is, I think, the best in the business. We’re the number two agent in the US now. And I think the consolidation into Blackwell’s Information Services will just bring us more visibility.

ATG: Blackwell’s Book Services seems straightforward enough. So does Blackwell’s Retail. I guess that Blackwell’s Information Services seems a little more blurry in terms of what you are talking about.

JR: We’ve had many debates about that issue because books are information as well. It’s really interesting because people have commented on the name. We used to be B. H. Blackwell but that doesn’t fully describe what we do. We thought about Blackwell’s Periodicals but that means different things in different parts of the world. So does Blackwell’s Subscriptions and Blackwell’s Serials — we do more than serials. We do information services because publishers are our customers. We do a lot of market information and market research for them. We do a lot of promotional work. We are core subscription agents as well as information services. We went through all those iterations to bring some clarity to it and that’s what we came up with.

ATG: Where does Blackwell’s Publishers fit into this whole thing?

JR: People can get confused about Blackwell’s Publishers and Blackwell’s Science. But the publishers are run by Nigel Blackwell. Julian (Toby) Blackwell runs the distribution side of the business which is Blackwell’s Information Services, Blackwell’s Book Services, and Blackwell Retail. There’s some cross share holding between the two, but Toby controls the distribution and Nigel controls the publishers. They don’t dictate what we do, and we don’t dictate what they do. They’re separate operations. Of course, we have a very cordial relationship and I spend a lot of time with the presidents of both of those divisions.

ATG: Tell us more about yourself. What’s your background?

JR: I’m 36. I’ve been at Blackwell’s for over a year now. I joined them in December of 1996. I have an undergraduate degree in personnel industrial relations from Northern Illinois University in DeKalb. I got my master’s degree from Kellogg Graduate School of Business in Chicago. I graduated with honors. Finance and information systems is my background academically. I then went into consulting for about four years with a company called Touche Ross. I did a lot of information technology consulting, reorganization, process improvement, those kinds of consulting kinds of projects in Fortune 500 companies and not-for-profit companies and public institutions and so on. And then I left there and joined a company called A.C. Nielsen which is part of Dun and Bradstreet. Dun and Bradstreet is a multibillion dollar company. I believe they’re the largest information providers in the world with all their portfolios from A.C. Nielsen to medical research to Moody’s to Dun and Bradstreet Information Services. I was there for seven years.

I started out in Chicago, four years in Chicago with A.C. Nielsen international corporate office and then for the last three and a half to four years of that I was tenured in England. I was running the UK operation as well as being on the European Board. A lot of people ask me questions like — “how did they get this guy? He’s not a librarian.” The way I see it, it is very much a well thought out decision, if you will. When Toby Blackwell, the owner of the company, looked for someone like me, he saw the role of information technology as a huge undercurrent in this profession of librarianship. In our business we have many librarians from medical librarians to academics — we’re very strong across the globe with regards to our skill set in that area.

What I’m bringing to the table and clearly I’m just a contributor to it, I’m not Moses coming down from the mountain with the tablets — I have a perspective on information technology and customer service. My strength is bringing in an outside perspective on how people use information, how people use technology, and how customer service wraps around that. And my organization, which is very deep and established in the library industry, has that perspective covered, so between the complement of both of our skills sets, I think, is a very positive combination as we go forward. And that was the backdrop for me coming to Blackwell’s. Blackwell’s is a global business, but the huge bulk is in the UK and the US. Forty to fifty percent roughly is in the US.

ATG: What’s it like being an American and working for a very British company like Blackwell?

JR: It’s very challenging because of the difference in culture between Britain and the US. So someone like me who has successfully managed and grown a business in England is obviously a very strong asset. My origin is American and I have a strong under...
standing of the US marketplace and the US technologies and infrastructure. I’m a good balance of British and American and I think that’s the backdrop for why I came on board.

**ATG:** Let’s get this straight. You’re head of the serials side of Blackwell’s—that’s the old Readmore, right?

**JR:** Correct. I run Readmore and the old Readmore Academic, as well as B.H. Blackwell which is the old name. So I’m responsible for Blackwell’s subscriptions worldwide. And I’m on the Blackwell Ltd. Board of Directors for all of the businesses—the book services business as well as the retail business and the subscription side of the business.

**ATG:** What has happened to Readmore?

**JR:** In regard to Readmore, we had two Readmore—Readmore Academic out in New Jersey and Readmore, Inc. in New York City which was more for corporate, medical, and government accounts. In April we integrated those two entities so Readmore Academic doesn’t exist as a name anymore. The people are still there and the entity’s still there, but everyone’s now being served by Blackwell’s on a common system. They’re doing very, very well and the growth has been extremely good. We changed the name of Readmore, Inc. on November 1st to Blackwell’s. We’re very, very strong in the corporate area. We work with the likes of Boeing, Microsoft, Pfizer, Bristol Meyers, Smith Kline Beecham, Hewlett Packard, Dean Witter and Deutsche Morgan. We have just signed State Street Bank. We are experiencing huge growth in this sector. You see, Readmore wasn’t known globally and Blackwell’s is.

**ATG:** Do you think it’s necessary to keep corporate and academic operations separate?

**JR:** Yes. A corporate librarian is much different from an academic librarian. What their needs are, the information, the infrastructure, the reporting calls for a separate operation and separate technologies to accommodate their different needs. Obviously, a lot of these companies are multinational. As I mentioned earlier, I was just with State Street Bank. They have got people in Tokyo and London as well as the United States. Blackwell’s is doing global deals with this type of customer. We can run base technologies. As long as they have access to the Web, they can order from anywhere in the world, and we can deliver anywhere in the world. You can check the status of the journal anywhere in the world. So that’s a really powerful distinction that we wanted to get across by having consistencies with the name Blackwell’s. I think having Readmore, Inc., Readmore Academic and Blackwell’s confused people. Now we are clearly all one company that can draw on each other’s strengths.

**ATG:** What exactly happened to those old Readmore operations?

**JR:** We didn’t fire anybody; we didn’t shut any operations. We just changed the name for consistency and simplicity so now we’ve got Blackwell’s Corporate and Medical which is in New York and New Jersey is really Blackwell’s Academic. It’s all Blackwell’s, but the actual operations are really focusing on these sectors. And now we can start branding better, we can focus our R&D activities. For example, Electronic Journal Navigator really came out of the academic side but there is a strong application for the corporate sector. Corporations may need different contents—corporations don’t generally buy STM-type materials. But we can leverage the technology. By leveraging platforms, we’re doing Web-based ordering applications in our corporate sector. You just go out and order it yourself. We can take an order, track it, and pay for it—all on an individual basis. And that has application in the medical sector as well as in the academic sector. The changes haven’t really been any deeper than restructuring the operations under one name. Blackwell’s is Blackwell’s. The focus by customer segment is really key. It wasn’t designed to be a big deal. At shows like MLA, SLA and ALA we were telling people it was going to happen. We’ve had no negative feedback from it at all. A lot of people said it’s about time.

**ATG:** I recently saw an article in the Bookseller called "An end to intermediaries." [See Bet you missed it, April, 1998, p. 79] It’s about electronic information, declining discounts, and the challenges facing subscription agents. I believe that you were one of the people quoted in the article. Would you comment on this whole phenomenon?

**JR:** I am optimistic about the role of subscription agents in electronic dissemination. Electronic Journal Navigator has 2,000 users currently and we are signing up people all the time. The discount situation is really interesting. Like I said in that article, margins are declining and I think the subscription business is becoming a lower margin/higher volume business. When I got into talking about discounts with publishers in Frankfurt, a lot of them used to help us sell more journals—not actually being their salesmen, but informing people about other promotional pieces or informational pieces—being a communication vehicle. Publishers clearly see value in that. The core proposition is still there for subscription agents. Librarians don’t like going direct and neither do publishers on the whole. Publishers would have to hire a lot more sales people and they would have to set up whole ordering departments. The whole underlying premise of why we existed in the paper world is still valid in the electronic world. We bring some considerable value, some objectivity, some efficiency to that buy-sell transaction process. I don’t believe in this disintermediation. I think roles will change, but that traditional framework will still be there.

**ATG:** Can we talk more about this? I don’t know if you noticed Chuck Hamaker’s article in the February issue of Against the Grain about e-journals? ["Chaos — Journals Electronic Style," pp. 90-91]. We have all these print journals that are available electronically, either for a fee or for free. But subscription agents as a group don’t yet seem to be able to handle electronic subscriptions. Right now, it is cumbersome to go through a subscription agent to buy electronic journals. It is more troublesome than it’s worth.

**JR:** The reality is paper is still clearly a dominant usage today and I think will be for the next number of years. Electronic is an opportunity for many things. So what we are doing today is providing tools like the Navigator which is a great vehicle if you don’t want to get Science directly on your desk or all that’s in Academic’s Ideal or Wiley’s Interscience Library or Springer Links, for example. It is an absolute nightmare to manage all these delivery tools. You’d like to have a single vehicle. You want access to that content clearly, but you want a single vehicle. And you want to access any format from HTML to PDF. You want access by password or by IP. You want it very open and very flexible.

I think that there are so many possibilities out there that we (the library community) must focus on what it really needs and also what it can pay for. To try to bring this answer out, let’s just look at the extreme example—suppose tomorrow morning when you woke up, every piece of content was digitized and it was free-free in the sense of it’s the same price in paper or electronic. What would you do? How would you manage that? How would you access it? How would you manage the copyrights to it? How would you keep track of it? There’s a whole set of issues that go with this scenario. I don’t think the library profession has continued on page 33
really thought these things through. It's not just paper or electronic.

**ATG**: We know that's true.

**JR**: There's a chart I draw where I try to highlight this thing. If you look at technology, capability has gone almost off the page. Now you've got full, fast, pay per view, Web-based delivery, whatever you want. And the possibilities are going to continue to grow. I think that technical capacity has clearly outstripped people's ability to absorb technology and the capabilities of that technology. I read an article recently about information technology. People are more concerned about the "I" than the "T" because the "T"s really taken off in people's ability to use information, and I call this an adoption curve — people's uptake of new technologies has gone something like this. Yeah, they got all the papers and they're getting a few free journals; they're looking at some secondary databases; they're out on the Web. But the gap between technological capacity and human use of that capacity has gotten quite significant, I think, right now. Most people are back at the beginning. The early adopters are obviously further along.

That's the kind of activity we're seeing in the industry. We've had Electronic Journal Navigator for over two years now and people have been talking about e-journals for many, many years. But now we're actually seeing people doing something, actually buying things or installing a system or forcing usage. They've been doing a kind of experimental learning and understanding over the last 24 months and now they're actually moving to using the technology. It makes sense. You don't go buy an HDTV, do you? You wait, you probably read something about it, maybe one of your friends gets one and you're at their house someday and it's kind of neat. It takes you a while. Everyone doesn't go out and buy a new technology tomorrow. That's just human nature. So my point is there's the economic side of it and there's people's ability to understand it and how do you integrate and adapt — what I call adopt that technology for an organization — and we're at that point.

**ATG**: So are you saying that libraries haven't really demanded e-journal access from subscription agents? When do we as a group this will come?

**JR**: Yes. Librarians are taking a very pragmatic approach and so are we. I think we have observed this e-journal phenomenon, done our research and homework and established that it is clearly a trend and not a fad. So now subscription agents can run a list for their library customers of what titles are available electronically. We can tell you what is free with a print subscription. We can do that right away at no cost to the customer. And I think this phenomenon will just get bigger as time goes on. Libraries will begin to purchase e-journals. Then we can say well, this publisher says if you want this title, it's paper plus 10%. I believe that libraries are in the process of coming to grips with the issue of e-journals. There are people who understand the issue now, who have analyzed the technologies available and know what they have to do.

Like I said, this is an evolutionary process. The organization and the implementation are key especially economically speaking. Adoption of e-journals will come with the whole adoption of technology in our environment. I think that is going quite well now. Subscription agents have put in place separate customer service departments that can buy e-journals, track e-journals, communicate on password management to our customers who are on that path, etc.

**ATG**: Tell us more about your global presence. You were talking about Australia earlier?

**JR**: In Australia, Blackwell's is the company for book and journal supply. We have a very strong position there and are very well regarded. Like I said earlier, Australia's going through so much right now economically in terms of education and budgets to a much greater degree than you see in the US which has forced them to do things. They're doing things with outsourcing, books and journals, and two of the major institutions there have gone through that — Griffiths University and Queensland University of Technology (QUT) and we partnered with both of those as the only people who can actually do books and journals and do all the technical services that surround it — MARC records and all the cataloging. They need shelf-ready serials. So those were huge victories for us but one of the libraries, Griffiths, told us that they were able to build a new library on the back of what Blackwell's saved them. It saved them so much they could then build a new library! That's a really powerful statement. Australia is a very strong market. There's a whole set of dynamics that are going on. I think that's the beauty of Blackwell's because we can see the trends that are going on in Australia and how they're playing out there and developing because outsourcing is now catching on in the US. The technical services are taking hold in that regard. People are actually looking at outsourcing because of the economic pressures that are being put on them. Technical services librarians are getting focused on the customer and they are trying to minimize or make more efficient these office-type activities. I think originally, a couple of years ago, librarians were concerned that they were outsourcing and therefore my job is gone kind of scenario. I just don't see it. We are actually using the Australians as a reference point in terms of how many people they laid off and how jobs have changed. I think the librarians feel happy because they feel they're adding more value to their core proposition which is helping their patrons get information, not sitting in some back room sorting through books to make sure they've got the right label. That's all important stuff and it needs to be done, but is that the best use of a well-trained professional librarian?

**ATG**: So what's the next step?

**JR**: We've got more challenges now because we have more sales opportunities. It's really turned out to be quite a positive force in the sense of giving people awareness again. And actually having some more dialogues with the futuristic and technological sectors has been very positive. I think the sky is the limit.

**ATG**: How do you keep up? What business materials do you read to keep on top of what's happening in the industry?

**JR**: Lots of ways. I read many things. I read general business information like Harvard Business Review, those kinds of things because I think that's important to put things in context with what other industries are going through — what they're doing with...
I interviewed Mo Shattuck early on a Saturday morning. He was as upbeat and cheery and very positive as you would expect of someone who is young and whose company has been in business for 125 years. Read on. — KS

ATG: Emery-Pratt was founded back in 1873. That was 125 years ago. Congratulations on your company’s longevity! Tell us more.

MS: We’ve been in business a long time. Emery-Pratt was founded in 1873 by Wesley Emery, as a retail bookstore, also selling items such as office supplies, greeting cards, wallpaper, etc. Several years later his son Archibald took the business over. In 1916 Archibald’s son-in-law, Hubert Pratt, joined him in the business. My grandfather, Burdette Shattuck and his brother Maurice, purchased the company in 1956. Consequently, there have been only two families involved with Emery-Pratt since it was founded.

ATG: When did Emery-Pratt become a library distributor?

MS: Emery-Pratt began distribution to libraries shortly after the business was purchased in 1956. Our first account was the State Library of Michigan. Michigan State University was one of our first academic accounts.

ATG: How many people work at Emery-Pratt? Tell us about your facilities? What kind of services do you offer?

MS: Our offices and warehouse are located in Owosso, Michigan. We moved here from Lansing in 1966 due to urban renewal in downtown Lansing. We have approximately 50 people including several outside and telemarketing sales representatives.

We offer a variety of services to help our customers with their ordering: 1.8 million titles from over 70,000 sources, custom invoicing, comprehensive reporting, cataloging, paperback binding, standing orders, duplicate order alert, electronic ordering, publisher prepayments. We will go to any source to get materials that a library requests. We will accept orders any way that they are sent to us: mail, fax, phone, PC and email. We work with automation vendors (DRA, Innovative Interfaces, Dynix etc.)

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the Internet, electronic commerce, how they’re managing change. I read a lot of general management business material. Specifically on the industry I’ve also got five people who are out there either going to conferences, exhibits, reading listervs, literature, seminars, subscribing to journals. We have a research department that looks at market trends and usage. I’m an ALA member so I get all the library journals. I go to many, many conferences and seminars throughout the year and speak at many of them. I’m on the STM publisher’s committee so I’m very close to the publishers and I get all the STM updates and publications. And I spend a lot of time in the marketplace. I talk to a lot of customers. I listen to what they have to say.

ATG: Did you encounter a lot of resistance when you got your job at Blackwell’s? I mean, you are from outside the industry and all that.

JR: Not at all. I really, really enjoy the people in this industry, because they’re very intellectual — a general statement but obviously very intellectual just by the nature of what they do. They’re usually very cooperative. They usually have lots of suggestions and are very helpful. How I was received in the industry was — “here’s this guy who doesn’t have an MLS but who has perspective so let’s try to work with him.” That was great. People have been very helpful and supportive and I really appreciate it.

ATG: Is Blackwell’s stable? I mean, it’s a family-owned business, a privately held family-owned business. Some of us remember what happened at Faxon which was a private family business. Faxon was a very profitable company and then it was torn apart with family squabbling. And I know that some of the changes that have taken place at Blackwell’s over the past year have been perceived as the result of family squabbles. Do you want to make any comment?

JR: Oh yes, I’ll comment on it. It’s helpful for me to hear what the market perceives. And I also encourage you to ask Toby this question when you interview him this summer. Most people say, and what Toby would say if he was here, is — We’ve been in business for 120 years and we are committed to this industry. The Blackwell family is passionate about this business. It’s still very much a family held business.

One of the reasons that I enjoy being at Blackwell’s so much is because it is privately held. I worked for a Fortune 500 company — Dun and Bradstreet you’ll remember — and you always get those quarterly earnings needs and short term pressures on earnings and therefore you don’t invest in the business in the long term. As Toby said, it’s his name over the door. If it was your name, you would take a different focus.

If you’re just CEO of XYZ Company and you get a paycheck and you get some stock options, you do things differently, you behave differently. But when Toby hears a customer’s changes or that somebody had a bad experience at Blackwell’s, that cuts to the heart. It’s his name and he’s very passionate about it. The response is from the heart as well — that we want the best for our customers.

At a recent board meeting, we approved over $15 million for investment. Toby wants the business here for another 100 years. The family is looking at the longer term. We’re not looking to get earnings for the next quarter and watch our stock price go up. The number one priority for the family is for the business to be here for another 100 years. Making money is important — obviously the business needs to be profitable, but if it’s a choice of doing something in the short-term to make an extra hundred thousand, or of doing something for the long-term benefit of the company, they would choose the latter. It’s a very long-term commitment.

NB — I didn’t want to end this interview without talking about Blackwell’s Bookshop in Oxford which is dear to all of us who have visited there. Jim was telling me about the last time that Bill Clinton visited the Bookshop — apparently he always visits every time he is in England. It was an impromptu stop and the Secret Service closed off the whole shop. BUT there is a picture of Clinton in front of the shop. I hope we can include it with this interview! — KS

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