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Bob Schatz, Manager, North American Sales, Everett's

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ATG: Tell us about yourself. What companies have you worked for? Where did you go to school, etc.? What’s your background? What do you like to read? Hobbies? Family? Give us a picture of your normal work day.

BS: I’m a born and raised Portlander, with the exception of a couple of stints outside the city. My parents were born here as well. I attended Lewis & Clark College as an undergrad; after Mike Markwith made it famous and before Monica Lewinsky made it infamous. I got my MLS at the University of Oregon, which closed the department the year after I graduated. You can draw your own conclusions. In between those degrees, I spent a summer at Harvard in a program called the Publishing Procedures Course, which is still given every year, I think.

My library work was all before my professional degree. When I got my MLS there was a deep recession. Coupled with the $14 I had left in my checking account, my initial post-graduation work was not in libraries. After a time, I went to Academic Book Center looking for leads on library jobs and ended up starting there for $3.75/hour inputting 20,000 addresses into a computer for a direct mail marketing program. I left twenty years later as Vice-President of Sales to take a position as Manager of North American Sales for Everetts, where I now work.

I live with my wife and daughter, who just turned fourteen on New Year’s Eve. We’re down to one dog and one cat (from a high of three). We also own a horse, but he doesn’t live with us.

My work is a mix of lots of travel, visiting libraries to tell “the Everetts’ story” and working out of a home-based office planning new trips, doing follow-up, and trying to think up things to put in my column for Against the Grain.

ATG: Do you want to tell us more about Everetts? Number of employees, location, etc.?

BS: Everetts started in 1793. From its original base near St. Paul’s Cathedral in London, the office now resides a little further southwest of there in an area of London called Parson’s Green. We have just under one hundred employees who concentrate on providing firm order, standing order, and subscription fulfillment services. Most of the material we supply is from the UK, but we also sell a lot of publications from other parts of Europe as well as from former British Commonwealth countries. It’s a great mid-sized company, small enough to be intimate, yet large enough to support the necessary technologies that go with being in library supply.

ATG: What’s going on in the bookselling business these days? All these mergers...

BS: There’s been a lot of discussion by booksellers at Charleston Conferences over the years that the amount of services libraries expect to be given away would drive some companies out of business. To some people, I think this came across as just crying wolf. It turns out, though, that these issues were quite real: the costs associated with being a library supplier are going up and the profit margins are going down. Facing up to business realities that were put off for so long can’t be put off any longer. The years where bookselling could function outside the rules applying to other types of businesses are behind us...I think for good.

ATG Can you elaborate? What kind of environment do we have now?

BS: Librarians didn’t impose this situation on booksellers. I believe we imposed it on ourselves. In an effort to differentiate our services and buy your allegiance, library suppliers have given away computer interfaces, increased discounts even when our discounts from publishers have not been increasing, waived shipping charges, and on and on. Yet there are few economies of scale in academic library supply; most transactions are for single discrete items, so increasingly volume does not necessarily equate to being able to do things more cost-effectively. Thus, all these give-aways just lead to lower profit margins. Somehow booksellers each feel that they could last longer than anyone else and would somehow thrive by outlasting the competition. While encouraging libraries to ask for more and suppliers weakened their economic infrastructure to such a point where it made more economic sense to merge than to try to remain independent.

ATG: At the recent Charleston Conference, John Secor of Yankee Book Peddler (he has an article in this same issue of ATG, p. 75) said that booksellers need to start charging for some of the services that they have been giving away. Will the market support this?

BS: Resources are scarce in this market. Twenty years ago, when I started in bookselling, there was a lot more money flowing into higher education. Virtually all the money going to libraries for materials got spent on books and journals, with journals playing a much smaller role than they do now. Today those dollars are diluted by rampant serials inflation, the price of purchasing new technologies, and an increasing number of non-print materials. Where there was once more than enough commercial activity for booksellers to cover their internal costs, even if they were not the best business managers, now there is no room for error. Like you, material suppliers have to pay for much more with the resources that are available, most particularly ever-increasing technological systems, and somehow maintain record-high discounts to customers. It’s an unworkable model. John is right, I think, that suppliers will have to ask libraries to help rethink some of these strategies.

As an industry, I think we made a mistake giving so much away. Now that I work for a overseas supplier, Everetts, I can see that the European booksellers have a different perspective than the American booksellers. The long-standing companies in bookselling in Europe — Everetts, Casalini, Harrassowitz — have developed the discipline to say no to a business opportunity if it involves giving up too much. I think that, along with adhering to very high service standards, is why these companies have lasted so long. Everetts, for instance, dates back almost to the American Revolution.

ATG: Many of us, especially in academic libraries, are concerned that there are not enough companies out there to purchase from. It reminds me of my bank. When we moved to Charleston 22 years ago, it was a nice, family bank. Now that same bank has been gobbled up so many times that it is one of the largest banks in the U.S. The personal service is not there anymore. From the medium-sized company perspective, is this a competitive advantage for a company like Everetts?

BS: Definitely. There are legitimate roles for companies of all sizes in this market. Libraries deserve diversity in size and type of companies offering them services, and should be able to pick among vendors to meet their varying needs. Sometimes, in the searching for bargains, though, I think some libraries have lost sight of smaller companies that are able to deliver a higher-value, more personal-level of service. It’s analogous to grocery stores and banks, where as consumers we end up transacting our business on their terms, not ours. If we can maintain a competitive environment, I think that will be best for everyone.

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everyone; it keeps companies of all sizes focused on the needs of their customers.

ATG: Okay, then, have you seen a growth in your business because of the mergers?

BS: Most definitely. Everette is a growing company with a great reputation. As I said, my official title is Manager of North American Sales. As the name indicates, my primary responsibilities are representing Everette to current and prospective library customers in the US and Canada, as well as advising the company on how best to serve the long-term interest of this market. I think that I took this job at a good time. Librarians are anxious these days to understand their vendor options in this very changing marketplace.

ATG: Is Everette primarily for academic library customers or does it have a broader customer base?

BS: In the US particularly, the focus is on academic libraries large enough to need books and journals from the UK and other parts of Europe. Unlike Academic Book Center, Everette publish both books and journals to libraries. Part of the attraction for me was the chance to learn more about the journals side of the business. Until I joined the company, I was unaware how significant Everette's service is to law libraries and even bookstores. In some cases, we also serve medical and public libraries. Both the service and customer bases are quite diverse.

ATG: How many book vendors can we have in the marketplace to keep the activity economically viable?

BS: I guess I'd be inclined to turn the question around and ask how few options are librarians willing to live with? From my vantage point, the market needs enough players to meet the diverse range of library needs, and to maintain enough competitive tension to keep everyone working at high levels of proficiency. Personally, I'd hate to see much more erosion, though I suspect there may be more. And, for obvious reasons, I hope libraries continue to embrace the legitimate role that smaller, specialist companies play in the service arena.

ATG: Can Everette really make a go of it in the U.S. market? What's different about them that would make them a good vendor for a U.S. library to use?

BS: Let's not forget that Everette is over two hundred years old and already making quite a go of it in North America. That's a lot longer than anyone else in this business has had to develop contacts and expertise in the supply of books and journals from the US. Everette is a highly respected company with a significant customer base. Those things are only earned through hard work and excellent service. Compared to less experienced, or less flexible companies, I think Everette is in an ideal position to serve the North American market.

ATG: What sort of global customer base is Everette working with? Do you personally have a role in that?

BS: Everette's customer base is international: Asia, the Middle East, and Australia/New Zealand are just as significant to the company as the US and Canadian markets. While I have contacts in Australia, New Zealand, and Hong Kong, my role, at this point, is to expand our base in North America. There's plenty of opportunity here on which I can focus my attention.

ATG: What's coming next to book sellers? What's in the future?

BS: What I suspect and what I know are two different things. What I know is that business/technology/service environments change so rapidly that any guesses about the future are just that: guesses. What I suspect is that library supply will continue to be a tough business, made no less so by publishers continuing to squeeze our margins as a way to maximize their own profits. Someday, hopefully not too late, they'll wake up to the fact that we provide them as great a service as we do our library customers, saving publishers millions of dollars in distribution costs.

It would not surprise me to see more consolidation in book selling as weaker companies suffer the effects of eroding margins, impossible price competition, and the demands of keeping up with technology. I'm especially worried by price competition in the market now. As we've already discussed, the American companies have traditionally participated in this more than the Europeans. The current trend of buying market share at any cost is a death wish just waiting to happen. While there may be some short-term gains for a few lucky libraries, capturing unprofitable business destabilizes the entire industry. If we don't watch it, the victors in the market will have nothing to show for their triumphs. Ultimately, libraries will be the big losers, because there will be few if any companies left to provide them with services they need.

ATG: Are you thinking of partnering with any online booksellers?

BS: I assume you mean companies like Amazon. No doors have been closed to this, but what would it accomplish? Online booksellers do a great job of selling an individual item needed in a hurry, but they do so at great expense to the library. To meet larger library needs, companies like Everette are ideally suited to assist right now: comprehensive coverage of a wide range of publishers and their publications, backed up by effective Web-based technologies. This includes value added services like slip and approval plans and standing order services. What we bring to the transaction will never be available from places like Amazon.com, and that's a willingness to individualize the service to meet specific library needs.

ATG: At this past Charleston Conference, there was a lot of discussion of eBooks. What is the role of the traditional bookseller with the e-monograph or book?

BS: I guess the role might be something similar to what subscription vendors currently provide with regard to obtaining e-journals for their customers. If e-publishers will provide a reward structure for our helping them sign up libraries for their services, there may be an opportunity to work together. If not, and libraries want us to play some kind of intermediary role, then we'll have to figure out how to charge for the service. Licensing will, of course, play a complicating role in establishing any working arrangement with e-Book publishers.

ATG: I am sure that you are aware of the NetLibrary initiative. What do you think of it? Is there room for any partnering with traditional booksellers in this model?

BS: Again, I really don't know. A lot depends on whether booksellers are invited into the process and rewarded for their efforts.

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