December 2014

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Recommended Citation

Gilson, Tom and Strauch, Katina (2011) "ATG Interviews Randy Petway," *Against the Grain*: Vol. 23: Iss. 4, Article 15.  
DOI: [https://doi.org/10.7771/2380-176X.5940](https://doi.org/10.7771/2380-176X.5940)

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ATG Interviews Randy Petway

Executive Vice President, Strategies and Business Development, Publishing Technology

by Tom Gilson (Associate Editor, Against the Grain) <gilson@cofc.edu> and Katina Strauch (Editor, Against the Grain) <kstrauch@comcast.net>

ATG: You began your career in publishing after ten years in the financial industry. Tell us about yourself and your position at Publishing Technology. What drew you into the world of publishing?

RP: I’ve held a number of positions at Publishing Technology over the years, but I’m currently responsible for global strategy and product development.

My entry into publishing came not so much from an interest in publishing, but rather from an interest in information technology. My years in the financial industry were during a time when analytical tools were hard to come by. If you could build or program your own tools, you were at a huge advantage. Of course, my interest in publishing has done nothing but grow during my tenure in the industry.

ATG: Publishing Technology is the result of the merger of Ingenta, VISTA, and the Publishers Communications Group. What synergies are there among these companies? Are there unique services that the merger allows you to offer?

RP: The merger has left us uniquely positioned to provide software and services that span online and offline, print and digital, front office and back office, technology and business development. This means that any publisher, be it academic or trade, who requires a range of these products or services can work with a single trusted vendor.

At the same time, publishers and information service providers who require only one product from our entire portfolio still get the added benefit of our understanding of the overall business and technical landscape that these products and services must fit into.

ATG: You implied in another interview that academic publishers are a step ahead of the commercial mainstream when it comes to utilizing technology. Do you think that is still true? After all, Amazon just announced a deal with Overdrive to allow public library patrons to check out books on their mobile devices. Do you know if similar access is being contemplated by academic publishers? Should they consider it?

RP: My statement in that interview was really meant to compare where Academic and STM publishers are, relating to other sectors of the publishing industry (e.g., trade). I do think that one of the challenges faced by publishing as a whole is that competition for the eyes and minds of the world is no longer limited to other publishers. You must now be prepared to compete or work with groups like Amazon, Apple, Google, and the tiny (yet good) Websites that offer a great user experience that a consumer will expect no matter where they go on the Web. Publishing is about the creation and delivery of content. The digital world has greatly expanded to empower people to do both. We need to be prepared to face that challenge and seize the opportunities that it presents.

ATG: Competing with Amazon, Apple, and Google seems pretty daunting. What strategies do you recommend publishers employ to survive in this “brave new world?”

RP: I’m not sure that this is a simple issue of competing with the likes of Amazon, Apple, and Google. I think it is an issue of being where your customers (and potential customers) are. Some of that can be addressed through the sales channels provided by those groups, but some of it involves the publisher creating their own sales channels through things like author sites, genre apps, title sites, and apps. I don’t see these as competitive, but rather alternative routes to the same thing. The other question is who will manage the monetization of social media traffic through Facebook, LinkedIn, Twitter, etc. I don’t think it will always be appropriate or effective to allow a third party to service the needs of consumers in those channels, and would therefore suggest that publishers need to be there with apps, one click buying, etc. To use a buzzword, I think that for publishers to be successful going forward they will need to operate in a “cooperation” model where in some circumstances they are cooperating with these groups and others they are competing with.

ATG: Technology opens up the market to self-publishing. Even libraries are getting into the act by digitizing their archival collections. Is the self-publishing phenomenon a threat to established publishers? What other challenges do you see confronting publishers in adjusting to new technology?

RP: Self-publishing can be an incredible opportunity to publishers if we first take a step back and examine who the “self” is, or can be. We often think of self-publishing as an author who creates and publishes their original content. But, what about the person who creates a mash-up of cooking recipes from a number of different cookbooks/Websites, and then provides a copy of that custom cookbook to friend, family, co-workers, etc.? Haven’t they just “self-published” a title? Doesn’t that model open up new revenue streams and ways to interact with the consumer? The same can be said about professors who create custom course packs that are made up of both self-generated and publisher “owned” content.

I think the biggest technology challenge facing publishers at the moment isn’t really a technical issue at all. I think it’s a mindset challenge. Today’s world, or more importantly tomorrow’s world, requires a spirit of innovation and experimentation that is new to the industry. It’s what has driven other industries during the last two to three decades, and should now become the mantra of the publishing industry.

ATG: On the flip side, what are the opportunities that you are advising your clients to take advantage of as publishing moves more online?

RP: A few things really…

Take advantage of your ability to innovate and experiment. If you don’t have that ability then acquire it or partner with someone who can assist, but don’t be left behind.

Understand and exploit your brand. What is it that attracts your consumers to you? Is it your corporate identity, one or more of your imprints, specific products, your authors, your peer-review process, etc.? The answer is different for everyone, but the answer is key to determining where and how to invest your technology dollars.

Also, completely re-examine your interaction with the consumer or end-user. Even if your current publishing model is B2B, understanding and addressing the needs of the end-user will be critical.

ATG: What are the most effective techniques that a publisher can use to first understand, and then address end-user needs?

RP: I think there are two key techniques. One is to gain an in-depth understanding of how your content is consumed in traditional containers (a physical book or journal). Is it consumed end-to-end, in small chunks, in conjunction with other content? Is it also worth considering whether that other content is produced by you or someone else? Once you have this information you can work out what
your end-user likes, and what they don’t like. This in-depth knowledge can then be used to formulate the model for packaging and delivery in both digital and print environments.

Another technique is to gather intelligence from how users consume other types of content, websites, music, video, etc. These are the things that shape their experiences and expectations. I think we would be foolish to ignore them.

ATG: You have said that publishers need to do some serious cost modelling. What does that mean, and how do they do it? What are the most effective strategies that publishers can use to monetize their content as they move from print to electronic delivery?

RP: I think we need to come to terms with a shift in the price point for published product, and then start to model out cost and profitability equations from there. The net result might be that the surface suggest downward pressure on revenues and/or profits, however I think the digital world opens the door to new revenue streams and business models that haven’t existed in the past. This could drive us back to level ground, if not into a growth model.

I think the mantra remains innovate and experiment. Finding new ways to package, disseminate, and connect your content with the right consumers by leveraging things like the semantic Web is the key to monetizing the intellectual property that has been amassed by publishers.

ATG: We don’t want you to give away any trade secrets, but can you give examples of how some publishers have been or might be successful in doing this?

RP: There are some great examples out there. For instance we have a customer who has published congressional staff directories for years. Recently they’ve taken that content, repurposed it, and enhanced it, leveraging access to additional content and new digital delivery models. This has left them with a “new” product that provides incredible value to the customer and an expanded revenue stream for the publisher.

ATG: Are publishers moving quickly enough to adjust to this transition from print to online access? Are they taking full advantage of the new markets that mobile devices like iPhones, Kindles, tablets, and other reading devices offer?

RP: No, I don’t think we are moving quickly enough, but I’m also not sure what quickly enough would look like. The reality is that print still provides the bulk of the revenue and cash required to drive digital programs. I think we are at (or may have crossed) the tipping point, which means that navigating the transition from one to the other may be the single largest challenge facing publishing executives today. That said, one thing that appears very clear to me is that the consumer is hungry for the convenience, price point, and reading experience that digital (and associated devices) can provide. If there’s one thing that history has taught us, it’s that the consumer will not be denied, so publishers will need to either step up, or step out of the way.

ATG: It sounds like the attrition among publishers could be fairly significant as they make this transition. Does this mean more consolidation in the industry? Won’t this require that smaller publishers meet the “mind-set challenge” that you mentioned earlier in order to survive? How can they begin developing that mindset?

RP: I’m not so sure about attrition. We might find that to be the case amongst groups we’ve historically considered to be publishers, but at the same time, I could envision many new entrants into the business of producing content. Small publishers certainly have some challenges, but they also have the advantage of being in a position to be far more nimble. I think developing the mindset comes down to leadership and partnership. You need leaders who embrace and promote change. Change is a difficult thing, and the landscape is changing rapidly, so finding partners who can provide direction, advice, and support is imperative.

ATG: Where do libraries fit into all of this? Should publishers bypass libraries and focus totally on the end user? Are libraries still a viable market for publishers as we move into an ever-increasing electronic world?

RP: In the same way that I believe books aren’t just about paper, covers, and binding, I don’t think libraries are just about walls, shelves, and ceilings. So, even if our fundamental notion of what a library is changes, we will still need the professionals, standards, and processes that have made the borrowing of content, sharing of content, discovery of content, and support of research possible. In fact, I think the proliferation of content will make this more important than ever. In my opinion focusing on the end user and working with libraries (as well as any other part of the supply chain) are not mutually exclusive.

ATG: Randy, we really appreciate you taking the time to talk to us and share your ideas on these issues.

RP: It was my pleasure.

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IN MY SPARE TIME: I enjoy spending time with my family, playing and viewing sport and travelling.

HOW/WHERE DO I SEE THE INDUSTRY IN FIVE YEARS: I think we will completely reassess what it means to be a publisher and then focus on the core competencies that are implied by that answer. Is publishing the manufacturing and warehousing of a title, or is it really about the acquisition and creation of content? Is it about the distribution of content or about the connecting of content to users where a third party (non-publisher) handles the mechanics of delivering the content itself. I think we will answer those questions in the next five years and then see an industry that looks considerably different in terms of who the players are and what role each one plays.

ATG: The astute and on-top-of-it professionals that we’ve been interviewing have been talking about the dangers of libraries and publishing becoming two different businesses. You have said that publishers need to become libraries. Is that still the case?

RP: I think we need to come to terms with a shift in the price point for published product, and then start to model out cost and profitability equations from there. The net result might be that the surface suggest downward pressure on revenues and/or profits, however I think the digital world opens the door to new revenue streams and business models that haven’t existed in the past. This could drive us back to level ground, if not into a growth model.

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Western Carolina University, has just moved to Thousand Oaks, California and Sage! The astute and on-top-of-it Elisabeth will be Market Research Analyst (newly created position) to support online product development. In her new role, Elisabeth will lead research efforts in the library market on new and emerging trends in online products. Her efforts will tap into the needs of academic librarians and help shape Sage online products to meet those needs. Elisabeth received her master’s of library science from UNC-CH and her MBA from Wake Forest University. She is currently pursuing her Ph.D. in Information Science from UNC-CH. For her move out West, Elisabeth was accompanied by one of her cats, Dixie, her husband Mike, and Newman (the other cat) is on his way. Congrats, Elisabeth!
http://www.sagepub.com/press/2011/august/SAGE_newmarketresearchanalyst.sp

Is the Big Deal Unsustainable? This was one of the MultiGrain discussion topics in May. Did you see it? ATG’s “I Wonder Wednesday” continued on page 59

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