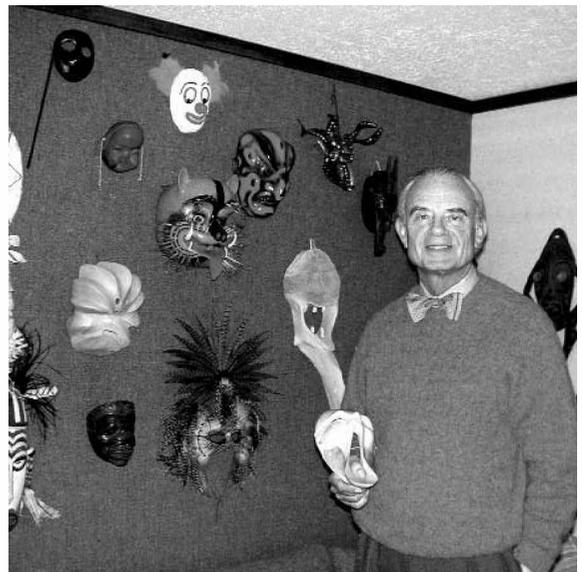


Profile: Jim Stephens

An interesting recent acquisition listed in the EBSCO Story (compulsive reading for those of us in this industry) is *Murphy Brothers Fine Crystal*. When asked about the rationale behind this, J T (Jim) Stephens, the President of EBSCO Industries, explained that when they bought enough from a particular company, it was sensible to buy the company. So how did EBSCO get from Elton B Stephens (Jim's father) selling magazines door to door to support his studies, to a multi-billion dollar company ranked in the top 200 privately held companies in the US? During World War II, military bases were in need of recreational supplies and Elton Stephens provided magazines, binders and display racks. These binders and racks had to be built so EBSCO formed two manufacturing divisions which grew from intra-company supply to be the leading US manufacturer of binders and information packaging, not to mention display and point of purchase units ... But back to the President of the company ...

John Merriman covered Jim Stephens' early life in his profile in *Serials* some years ago, and despite the now broad range of industries in the four EBSCO divisions: Manufacturing, Information Services, General Services, and Real Estate, you can be sure that there is little in the world of serials that doesn't still absorb and interest Jim Stephens.

At their offices outside Birmingham, Alabama, which look over lush green countryside, much of which was purchased in 1980 by EBSCO Industries, there is evidence of the diversification which has taken place over the past 70 years. Although well known as a secondary publisher, through the EBSCO Publishing Division, Jim showed off some of EBSCO's latest acquisitions in the primary publishing area. At present these are mostly in the trade outdoor sports area (did you know that EBSCO is the biggest producer of fishing lures and turkey calls?). However, when asked about the STM arena, Jim didn't rule out the possibility of EBSCO moving into professional publishing at some time in the future – "content is



Jim Stephens in his office, surrounded by the masks that he has collected on his travels over the years. He says they serve as a reminder of the diversity of the customer and publisher world within which EBSCO aims to please!

king". In many ways he sees the role of the publisher as an agent for manuscripts, and that isn't so different from the way that subscription agents manage information in the electronic era. Cultural bonds are being broken, and with the ARL SPARC initiatives, there may be more opportunities to break the grip of the major commercial publishers. He quoted the example of Robert Maxwell, who worked with the not-for-profit sector after the Second World War, to find out why the Germans had been so much better at publishing than the traditional English University Presses. Is there then a place for the for-profit and the not-for-profit publishers to work together?

In an era of consolidation, by publishers, agents, and even library in consortia, is the business changing? Jim Stephens believes that the most important thing is to stick to core values, and this is what the industry as a whole is losing sight of. Like nature (and here Jim has a LOT of experience) those that don't stay at the core are easy prey. Some agents have lost sight of their core

business, which is providing customer service to libraries, and they then become vulnerable. In the electronic world, the traditional services such as cash conversion, exchange transactions, and consolidation become less important; the lack of technology is critical and it comes down to the importance of marketing and sales. The entry costs of the information market are high, with barriers to entry being the costs of marketing and communications and technology.

Jim commented on recent events in both the publishing and subscription agent market. In so many cases the founding families are selling out to financial interests, who are generally clever and quick minded, but their core interest is in the bottom line and they are trading for financial value, rather than service to the clients. These interests exist in a cycle of 5-8 years (it should be noted that EBSCO is currently celebrating its 80th anniversary) using borrowed money, with the main element focused on servicing debt which essentially conflicts with using the money to develop internally. Many of the companies in the information industry are now 'fully mortgaged' and have lost their focus on the customer base.

In all cases a monopoly is a bad thing, whether it is the publisher or the agent. Also, the industry needs the counterbalance of Europe to the US, and with just one major player in the agency business, this can be a problem. In the publishing business Elsevier is also emerging as a monopoly. Bertelsmann thought they wanted to go into STM publishing with Springer, but have now decided to sell Springer and all their publishing activities. Options are Reed/Elsevier or maybe one or two big publishers, and the equity venture funds. Financial buyers are funded and interested, and have been the major bidders in all recent acquisitions.

So how does this affect EBSCO? Unlike these financial players, which are more vulnerable with too many unrelated eggs in one basket, EBSCO believes that you need an even closer connection with the customer. Publishers are trying to exercise their power by using e-publishing to collect direct orders from the customers. Recent developments with divine have seen even more libraries trying to place direct orders, but which publisher is set up with the necessary customer service systems? Elsevier have developed a direct sales and

marketing sales force, but how does their expenditure on this balance against their savings on payments to agents?

Jim Stephens argues that agents still have a critical role in e-dissemination, even though he questions the bogus use of language in referring to "electronic" - electronic is not different. There is insufficient distinction made between electronic distribution and electronic publishing. EBSCO sees its role as working on electronic dissemination, together with the publisher AND the consumer, with products like their forthcoming A-Z and licensing and registration services. The challenges are in accessing the information, making it easier to locate, navigate and use.

There are 8-10,000 electronic journals and 250,000 print journals; it is important to understand how the non-electronic journals might migrate to electronic distribution and how the agents can get involved. Using their own example of trade magazines, Jim Stephens believes the transition will be paralleling electronic and print for a long time. He also believes that there will be a continuing role for print, and it will continue to be the major medium of consumption in one way or another.

This vision has extended way beyond magazines to real estate including developing wildlife management and hunting areas, and new residential models such as TND (traditional neighbourhood development) with integrated communities and family facilities in sub-suburbia. Jim Stephens is a fan of Prince Charles's developments, and they use the same architect for some of their developments.

For those of you reading who have been wondering about Murphy Brothers – they supplied engraved goods as part of the EBSCO Promotional Products Division.

Jim's father, Elton Stephens, the founder of the company, handed over the Chair of the Board of EBSCO Industries to Jim Stephens last year, and this year Jim celebrated 40 years with the company. Jim's brother-in-law, Dixon Brooke, heads EBSCO Subscription Services, and Jim's son, Bryson, now manages an EBSCO manufacturing operation. This emphasises the focus on long-term management, little turnover and the importance of historical experience and vision. It will be interesting to see what Jim Stephens is enthusing about in ten years' time.