ATG Special Report — Industry Consolidation in the Information Services and Library Environment: Perspectives from Thought Leaders

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During one of hundreds of dinners at **ALA Midwinter**, a few vendors and librarians got into a very, very frank discussion on the topic of industry consolidation. In a sense, this is a topic as old as the library itself or at least as old as corporate America post industrial revolution. Yet there are trends afoot both within and without the university and library space that shade the conversation now with unique nuance. For example, what does the very recent acquisition of **Baker and Taylor** by **Follett** portend for the library, given **Follett's** deep roots in running college bookstores? And with data growing exponentially, and the need to store that data growing at a somewhat similar pace, how long will it be before the big names in cloud computing see large (by our definition) library service companies as targets. Once this occurs the line between consumer products (video streaming services) and the library patron as consumer of streaming scholarship will really blur.

My column, *The Blurring Line,* has always been about exploring these trends and the people and companies pushing them forward. In concert with **Katina Strauch** and **Tom Gilson**, I put the following question in front of 30 or so leading thinkers from the library world; both librarians and leaders from library service companies:

> *Large companies grow larger through acquisition. Of course each acquisition is justified in terms of strategic fit, the need to offer "full service" to customers and complimentary services; but it is the need to grow that is the ultimate driver. Small companies either operate in unique niches and sustain their place or go head to head with large companies and generally lose. Of course the small companies operating in unique and profitable niches are the acquisition targets of the large companies seeking to grow larger. Perhaps it is a virtuous and useful process/cycle with small companies innovating in important niches and then going to scale through acquisition by the large company. Or, perhaps, innovation and customer choice suffer when the small companies are acquired. What if we were to remove our partisan hat for just a moment and speculate on the future state of the library content and services environment assuming the pace of consolidation continues and possibly quickens?*
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> *This then is the question: Think forward to 2026. Assume what you will about the changing needs of libraries. Consider the pace of consolidation and the nature of consolidation we have seen over the past 10 years. Factor in everything from demand-driven models to open access. In 500 words or less, please give us your take on the future impact of consolidation on the industry. Concerns like competition, pricing, the growth of startups, etc. are all grist for the mill. Please keep in mind that we are looking for your candid opinions on this crucial issue and naturally we'd be delighted if you could tell us something we hadn't considered or don't already know.*

We received a solid mix of responses, some very short and pith, others long and contemplative. In sum they paint a picture that captures a number of important themes: information consumers will rule and win. Cost per access/use will keep going down. The boundaries of the library and the companies that serve libraries will keep moving out. The cloud and open source, services, content will become more and more central.

In this issue of ***Against the Grain,*** we are publishing in their entirety 10 responses we have received so far. In subsequent issues we will publish more as we receive them from others who were asked to contribute. In the September issue of ***Against the Grain,*** I will synthesize the perspectives into a column that represents the overarching key take-aways for all of us as we consider the surprising and not surprising moves we see take place as part of industry consolidation in the library and information services space.

Response From — **Donald Beagle** (Director of Library Services, Belmont Abbey College, Belmont, NC) <donaldbeagle@bac.edu>

Because I see the IT revolution continuing through 2026 and well beyond, I see vendors using multiple strategies for ongoing repositioning. Consolidation-through-acquisition (CTA) is probably most evident in the for-profit subsector. Others are merger-between-peers (MBP), and strategic developmental partnerships (SDP). This last seems promising for the non-profit subsector.

Ameritech's acquisitions of **NOTIS** (1991), then **Dynix** (1992), seem classic CTA. Both can be viewed as virtuous. **Ameritech/NOTIS** may actually have been more fully-featured, but **Dynix** had leveraged the PICK Operating System to better exploit relational database potential, a functional and structural advantage that may explain why **Dynix** proved more durable as the composite brand. Similarly, **Sirsi's** acquisition of DRA (2001) seems classic CTA. But the merger of **Sirsi** and **Dynix** (2005) diverged to MBP. The merger consolidated market shares, but what of its subsequent acquisitions by private equity firms **Vista Equity Partners** (2006) and later **ICV Partners** (2015)? Were these driven by perceived need for investment capital to fund innovation? We now see an SDP between **SirsiDynix** and **Zepheira**, again potentially virtuous, because linked data (via BLUEcloud LSP) should benefit customers by leveraging library records out to **Google's** broader search/discovery marketplace. Key point: the "boundaries" or "borders" of LIS became more malleable, reflecting the inherent fluidity of digital media.

But has this for-profit CTA activity hampered development and deployment of open-source products from non-profit SDP's, harming customers? I could only conjecture whether **Kuali Ole**, for example, might have followed a different trajectory had CTA activity been dormant. As *Wikipedia* states, "On October 29, 2009, the WikiLeaks Project obtained a document from **SirsiDynix** taking a negative view of open source projects as compared to proprietary products, including risks of instability and insecurity."[1] LIS community debate has ensued. But the subsequent emergence of **OCLC's** WMS suggests that the "Library ILS" is not yet a moribund arena for new product development.

Still, these are all updated iterations of a core legacy product. I see an even larger arena of future innovation looming beyond the borders of the industry's traditional identity, as evidenced by the *Chronicle*'s announcement of what I view as "modified CTA": the acquisition of *Lynda.com* by **LinkedIn**.[2] The *Chronicle* referenced an op-ed by **Ryan Craig**, described as "an education investor" titled: "LinkedIn Eats the University." This rhetoric was perceived as hyperbole by commenters (mostly teaching faculty) who were mostly skeptical and scoffed at the column's premise. But I saw no comments by librarians — odd since each enterprise is, in a sense, a digital library: **LinkedIn**, as a collection of data records on "human capital," coded for expertise (albeit far from perfected); *Lynda.com*, as a collection of instructional media to build expertise, especially in marketable skills. I view this as modified CTA because the acquiring entity (**LinkedIn**) not only expands its potential market, but also its underlying definitional identity. I would explore further, but I'm at my word limit.

Endnotes

1. "**SirsiDynix**," *Wikipedia*. Available at: *https://en.wikipedia.org/wiki/SirsiDynix.*

2. **Goldie Blumenstyk**. "How LinkedIn's Latest Move May Matter to Colleges." April 17, 2015. *Chronicle of Higher Education*. Available at: *http://chronicle.com/article/How-LinkedIn-s-Latest-Move/229441.*

continued on page 30

Industry Consolidation ...
from page 29

Response From — **Dennis Brunning** (Interim Associate University Librarian for Academic Programs, Arizona State University) <dennis.brunning@gmail.com>

The librarian in me wants choice and instinctively doubts consolidation increases choice. The investor in me, catapulting toward retirement at the speed of a Saturn Rocket booster, cheers any financial move that adds wealth to my portfolio. Those public companies that lead publishing still do well in that repetitive way that should bring a smile to the old reading this. Ask your broker.

The **Amazon** and **Apple** junkie in me worships the convenience offered by these tech companies. I don't care how they grow as long as they keep shipping free, choice relevant, and me happy.

2026 is so far-off in real and Internet years that I don't feel snarky or dumb to say that my ball don't have that much crystal to say for sure what "then" will look like. Who knows what the rules will be in a post-**Trump** world. But I will offer a couple of observations for this challenge.

One, we can only hope and pray consolidation is the solution to our industry's revenue problem. We want to remain paying customers of companies that offer us value, a value we can communicate to our bosses. Through takeover the industry can contain costs and leverage intellectual capital.

Two, consolidated or not, successful brands like **JSTOR**, **Elsevier Science Direct**, **Thomson-Reuters**, and **Springer-Link** need careful handling so we communicate to users that we run our business in their interest.

The best lesson in good library business — in the user interest — I learned from **Jim McGinty**, brilliant and personable guy in charge of all things **Cambridge Information Group** for many years. One day just before I introduced him at an **ICOLC** meeting in Scottsdale he revealed the truth. It went something like this: "Dennis, judge our value or any company's value by a simple measure — your cost per unit value should go down. Your getting use and we are delivering value. Achieve this and everyone wins."

Wise counsel and guiding words for what consolidation means or might mean 2026. If what my users want goes down in price as measured by use, what accountant could raise a red flag? It's time and motion bliss.

So industry, consolidate as much as you can afford to bring my costs down. Innovate as much as you can through consolidation and, well, through coming up with new efficiencies that blow the socks off how much I pay per unit you sell me. Any other relationship is just bad business.

Response From — **Tim Collins** (President & CEO, EBSCO Industries, Inc.) <tcollins@ebsco.com>

The library community landscape continues to grow and evolve, becoming more and more complex. The technologies, products and services utilized by libraries have changed tremendously over the last decade. During this time we have seen a great deal of innovation, a large number of new business entrants to the marketplace, and various acquisitions. And by all accounts, we can assume that a similar growth and transformation will occur over the next ten years. These are all signs of a healthy, dynamic industry, not dissimilar to any other industry that is advancing and prospering.

Our community is a close-knit one; one of long standing partnerships and friendships across libraries and the vendor community. And because we are closer to the details, we naturally have more interest, and even concern, about the changes that may affect us. In the retail world in which we all live, there is constant change, and acquisition, but the difference is that we tend to remain distanced from it. We purchase and enjoy a product. What we care most about is quality and value, and as long as these characteristics are upheld, it is of little consequence, or even interest to us, if that company merges with another.

Conversations and fears around consolidation in recent times are likely stemming in large part from the bankruptcy of a long-time library service provider and some well-documented acquisitions and mergers. While we use the term "consolidation," it is important to consider that as library needs have grown, there is a far more diverse range of companies operating in and supporting the library community than ever before. And while libraries must be attuned to the financial well-being of a company before investing in it in the form of buying its products or services (and there are many obvious signs to consider), when it comes to the aftermath of a merger or acquisition, like the retail industry, it's all about quality and value.

In many cases, mergers can help a small company to grow and improve. But, on the flipside, if a company overpays for another, or has motivations not in line with library interests, we may see a decline in overall value (service, support, enhancements, etc.). The sheer fact of a merger should not be the concern, instead, what is critical is whether the new entity maintains and consistently improves their product, provides quality service, and keeps pricing fair. Companies' actions speak louder than their words. And companies' actions are driven by their interests and goals. For **EBSCO**, we remain a family-owned company, committed to the library market. Yes, we create and sell products and services. But we create these products and services as solutions to challenges that libraries face and needs that libraries have. We are focused on achieving sustained growth and believe that we can achieve this only if libraries grow and prosper. In this way, our goals are completely aligned. We continue to strive toward an environment where the relationships between **EBSCO** and libraries, as well as **EBSCO** and other vendors — are strengthened. **EBSCO** has always been an intermediary. We have literally thousands of partnerships across the entire library-vendor landscape — from publisher and database partners, to ILS and eBook vendor partnerships. Often our competitors are also our partners. We want to create deeper in-roads with each partner — because partnership creates interoperability, and interoperability leads to choice for each library, and that library choice allows for the most ideal, customized scenarios for each library.

So, what is next? Well, for **EBSCO** we've never been more excited than we are now. We believe that we have found an approach to move library services to new heights, in a way that will address major challenges and goals of libraries, enable deeper meaningful collaboration and partnership among the library community, and create new opportunities for vendors.

For many months, **EBSCO**, together with **Index Data**, **Open Library Environment (OLE)**, and a quietly growing initial group of library advisors and partners, have been developing the first ever open source, next generation Library Services Platform (LSP). **OLE** is an international open source entity driven to re-envision ILS processes and workflows. **OLE** is contributing resources and expertise toward expediting the overall goals of the project. **Index Data** is taking the lead role in platform architecture and subsequent application development based on community input. It's a natural fit for the Copenhagen-based software development and services organization given their tremendous experience in open source technologies and community development. While **EBSCO** is providing financial support to ensure the project's success, the LSP is community-driven, with code available under an Apache license, allowing for broad use of the code across personal, academic and commercial purposes.

The fundamental principles of this Open Source LSP are predicated on the ideas of giving choice and control to libraries. The intent is to build this modular, cloud-based, multi-tenant, extensible platform that allows libraries to choose, adapt and plug and play the components and workflows that they want, and not be forced to use a bundled, pre-determined set of services. By the end of this summer, **Index Data** expects to deliver an open platform with complete documentation via GitHub. At that point, developers will have a "sand box" to play in. Moving beyond the base platform, **Index Data** is playing a lead role for the collaboration in developing a fully-functional suite of applications that will be available to be used at no cost by any library. It will be a "ready" LSP solution. However, any library can use all of these applications, some of these applications, change and extend them, add their own, etc. Any library or vendor can host the solution — or the LSP can be deployed on local infrastructure.

continued on page 32

Industry Consolidation ...
from page 30

Further, any vendor can not only create and contribute to the open source community, but create for-fee applications that plug into the LSP — again creating more options and choice for libraries. **EBSCO**, as well as other vendors, will offer hosting and support services for the Open Source LSP. This way, libraries will not only have a single point of contact for implementation, maintenance and support, but concerns for libraries with limited technical staffing about the viability of an open source solution are alleviated. We believe that libraries using outside vendors to host this open source platform will have an ideal next generation library services infrastructure catered to their needs and workflows — at a much lower cost than a traditional ILS. Libraries with the technical staffing to host and support on their own can implement a custom solution at no additional out-of-pocket costs.

So, as we consider industry consolidation, we hope that an open source movement will continue to break down the walls that cause concern, and give more control back to libraries. Opportunities will be created for existing companies to diversify their offerings by creating applications that plug and play with the Open Source LSP, and for new companies to emerge around support services, new applications, greater connections with faculty, enterprise systems, etc. And best of all, it gets us on a collective path, by providing the impetus and momentum toward a greater collaboration among the library and vendor population.

Response From — **Peter C. Froehlich** (Director, Purdue University Press, and Head, Scholarly Publishing Services, Purdue University) <pfroehli@purdue.edu>

Trends to watch are non-linear moves, machine-driven obviation, and the macro-market corrections that ensue from both — to which even the megafauna that result from traditional M&A will be subject. Players to watch are the omni-models: **Google** and **Amazon** and their ilk.

I'll throw out a few examples of future events that might illustrate these trends (because guesses are fun). Apologies in advance if these examples are hackneyed or missing due citations to current or recent work: I'm behind in my reading and am likely missing many good citations and better thinking.

In the future:

- **Amazon** 2026 gobbles libraries like **Amazon** 2006 gobbled bookstores
- Acquisitions (in libraries) continues its "merger" with Acquisitions (in presses)
- Public Media enters Publishing/Education — lest a merger with Public Media prevents
- We see an increase in phrases like "ecosystem bloat" and/or **Rube Goldberg** machine metaphors being applied to higher education — as we begin to describe the post-information age "turn" and whole industries become apps (metaphorically speaking)

Amazon 2026 gobbles libraries services "market share" like Amazon 2006 gobbled bookstore space: **Amazon** enters new countries selling books; i.e., its core strength, it then learns the lay of the land to see what services it can best offer next. **Amazon** has a lot to offer. **Amazon** 2026 could be building and buying content providers, offering big data management services, leveraging Echo/Alexa to build high-impact teaching assistants, and more. It might have *seemed* prognosticative-fancy to imagine **Amazon** entering higher education, ten years back, but now, with new **Amazon** Campus and **Amazon's** OER discovery tool pilot, the entryway should be clear.

Acquisitions (in libraries) continues its "merger" with Acquisitions (in presses, especially university presses): Driven more by moves in commercial houses like **Elsevier** and others, by 2026 we should be seeing a deeper partnership in libraries and presses to explore recommendation algorithms for not only research and discovery but also in publishing decisions. *...guessing many have written on this; my apologies for not listing all of our better thinkers here.*

Public Media enters Publishing/Education — lest a libraries/press merger with Public Media prevents: Public (or Open Access) Radio and Television have moved online relatively more easily than text-based publishers (or content producers). Where will Public Media go from here? The multimedia move to add text to video, etc. seems one worth exploring. I'd imagine we'll see publishing ventures from Public Media expanding, unless possible appetite and interest in such exploration is preemptively met with publisher and publishing-led offers to partner/merge.

We see an increase in phrases like "ecosystem bloat" and/or select Rube Goldberg machine-like metaphors being applied to higher education: **Nature** abhors a vacuum, but technology abhors complexity. At some point, perhaps a tipping point of sorts, commercial players like **LinkedIn**, **Facebook**, and **Google** may take a long look at the higher education space that they have each expressed expectations of replacing, and begin leveraging some framing words to advance their cause(s).

Response From — **Nancy K. Herther** (Librarian for American Studies, Anthropology & Sociology, University of Minnesota, Twin Cities Campus) <herther@umn.edu>

I personally don't see the private sector as giving up on the academic marketplace — nor should they. They offer economies of scale, marketing prowess and the ability/deep-pockets/functionality for innovation. Clearly the consolidation and huge profits have created their very reasonable reputation as robber-barons. Their tenacious refusal to address the extreme crisis they have created is certainly something the industry needs to address and resolve. Today academe — and all the more so academic libraries — are embracing new, available Open Access tools and systems to be able to offer some type of internal publishing capability. Few libraries have the experience, talent or ability to take on the high-quality professional publishing that has developed over many decades (or longer) in university presses, association/disciplinary or commercial publishers. Technology has created a window of opportunity and academe is hoping to stake a claim in future publishing. Without major investment, we are bleeding those precious, limited library budgets from services/collections in favor of moving into untested territory. It is yet to be seen whether or not they would be able to replicate the quality or reputation of what we have now or be able to continue to innovate and reinvent publishing over time. The idea of repositories is easy — getting folks to be able to use these without traditional indexes to find key information has yet to be demonstrated. Cloud computing and storage are available, but are we really willing to bet the future on **Google's** "deals" for technology or have such faith in **Google's** intentions and algorithms to replace tried-and-true discovery systems and indexes? The issue for libraries, at the least, is what will be pushed aside for the sake of taking on this publishing role. The **ARL** Strategic Thinking and Design is a bold statement redefining the academic library... however, it comes at quite a cost: the assumption that "in 2033, the research library will have shifted from its role as a knowledge service provider within the university to become a collaborative partner within a rich and diverse learning and research ecosystem." All of this needs definition and clarity — and, if I may say — buy-in by academe at-large. Are academic libraries no longer a "knowledge service provider with the university?" Is there any research to show that faculty and students are independently able to perform high-quality research and instruction without the key assets provided by libraries from traditional well-vetted databases, highly trained professionals and resources? Instead "libraries" are to become a "collaborative partner" in what they see as "a rich and diverse learning and research ecosystem?" I find this foggy future as troubling as the potential of an ongoing commercial stranglehold on library budgets. This critical issue deserves far more discussion in all quarters than has been done to date. Deconstructing what libraries are and do now — or the primacy of trained information professionals as key players in this ecosystem — seems to be a very slippery slope along an uncertain path into an unknown future. We are betting the store on an extremely uncertain future as libraries continue to divert precious funds and alter priorities into these areas.

continued on page 33

Industry Consolidation ...
from page 32

Response From — **Matthew Ismail** (Director of Collection Development, Central Michigan University) <ismai1md@cmich.edu>

Libraries, publishers, and vendors occupy very different niches in the scholarly communication ecosystem. Libraries have traditionally been intermediaries between their users — faculty and students — and the content providers who publish and package the books and serials libraries purchase on behalf of their users. Content providers, however, produce materials that meet the needs of faculty and students with or without libraries, whose contribution in the university context has largely been framed by the fact that they pay the bills for subscriptions and books and organize them for discovery. One of the ironies of the championing of open access publishing by librarians — in the name of social justice and against the corporate control of information — is that it is largely the subscription model of access to information that has maintained the library as an essential intermediary with publishers, who could collect article processing charges from other university offices than the library.

It is my view that, by 2026, the scholarly communication ecosystem will have shifted considerably. Given that many traditional library services, such as the cataloging and processing of books, have already largely been outsourced, it is likely that this process of integrating library collections and services with vendors will only expand in the future.

The consolidation of vendors and publishers will probably be so advanced by 2026 that they will be looking for more opportunities to grow — and that will lead them to offer cost-effective, nimble, customer-focused, and convenient cloud library services based on user needs. A company such as **EBSCO** or **ProQuest** could approach community colleges, liberal arts colleges, and small universities and offer the administration an opportunity to access a curated cloud library (eBooks, e-journals, streaming media), a 24/7 reference call center, and a suite of online tutorials, thus outsourcing the work of most librarians and library staff. Indeed, **ProQuest**, **EBSCO**, and an online education company such as **Udacity** could join forces to offer targeted education that could siphon a percentage of students completely out of the traditional university system.

This consolidation of libraries into the vendor space would probably affect smaller libraries at first, but there is also every opportunity for vendors to offer access to services such as the reference call center (perhaps even consortia-wide) to those larger universities which still maintain a substantial print collection, archives, and the staff needed to support the specialized research that would tax an online system. Onsite staff can deal with printer questions and the like.

Most libraries today believe that their long-term mission is to provide information literacy, not building and maintaining collections. Thus, many believe that the future of the library profession is secured by offering information literacy to help students navigate the world of information. The question is whether cash-strapped colleges and universities will be tempted to hire private companies to expand into the sphere of libraries to perform many of these services, in addition to offering the online collections that are their core business. It seems likely that, by 2026, this process will have begun.

Response From — **Alison Mudditt** (Director, University of California Press) <amudditt@ucpress.edu>

I'm approaching this question as a publisher who has worked for global conglomerates and now runs a large university press — though a small player by scholarly publishing standards. Over recent decades scholarly publishing has evolved in such a way that a handful of large organizations control the most valuable content. In a mature and relatively flat market, this ability to roll up an enormous amount of "must-have" content into large packages has enabled these organizations to dominate library spend, driving out smaller publishers and limiting the amount of budget for experimentation with new models.

Unchecked, these trends will strengthen the monopolistic power of large, global players and make it harder for new entrants to gain market share. Yet the paradox is that our markets are also fragmenting at a time when these global organizations require increasingly large markets to drive both growth and profitability. And so I see two trends that can offset this seeming inevitability:

> The first drivers are those moving us towards democratization of access. Whether this leads us into a truly "flipped" OA world or not, it's clear that user expectations are shaped by the commercial web. And that means ease, convenience and immediacy.
>
> Secondly, there is a growing gap of confidence and trust in publishers. While at this point we tend to all be lumped together, there are growing opportunities for smaller organizations to leverage their strengths — trust, brand recognition, close relationships with their audiences — to capture and retain authors and audiences with tightly integrated offerings in ways that cannot easily be replicated by large commercial competitors.

So while current M&A activity seems likely to continue, I think that user demands and behavior, along with increasing levels of innovation from smaller and new players, could upset the dynamics of an increasingly mature and consolidated market over the next decade.

Perhaps the biggest challenge for publishers and librarians alike in all of this is the growing challenge of discovery and access. If there's one thing we can all learn from **SciHub**, it's that we are collectively doing a poor job of making it easy to find content — even when users have legitimate access. There seems to be a growing gulf on this issue between content providers and users, and it's a gap that one could easily imagine being filled by one of the tech giants if publishers, libraries and service providers aren't able to solve the problem. Whatever the eventual solution, the big winners in all of this are going to be users — whether they are readers, students, researchers, or professionals — who will enjoy access, tools and prices that are better than ever before.

Response From — **James G. Neal** (University Librarian Emeritus at Columbia University, New York) <jneal0@columbia.edu>

In 2026, there will be no library information and services industry targeting products and services to the library marketplace. Content and applications products will be directed at the consumer. Open resources for learning, research and recreation, and open source applications supporting innovation and individual and organizational productivity will be more dominant in the global economy. Self publishing and niche technology development will dominate. Libraries will be integrated into these creative environments, and play the role of convener, enabler, distributor, and archive.

Response From — **Audrey Powers** (Associate Librarian & Librarian for College of the Arts, University of South Florida, Tampa Library) <apowers@usf.edu>

When asked to give my thoughts about the future of library content and services in light of consolidations occurring in our industry, my first reaction was rooted in the ever increasing rise in the cost of journals, or for that matter, any library resource with a recurring cost. How dare they [companies] acquire more companies and then raise the cost of journals when libraries are struggling to survive? The question raised a sore topic.

I know we have been observing this occurrence with more and more frequency, but at that moment I realized I needed to acquire a more holistic view of the situation, without jumping to conclusions or viewing this phenomena from a myopic perspective. Those thoughts sent me on a mission to contact a small, but representative group of people with varying perspectives.

We are all aware of the fact that librarians, and libraries, grapple with the rising cost of acquiring content, shrinking library budgets, and offering content in the most discoverable manner possible. As companies acquire companies, does this diversify their products and services

continued on page 34

Industry Consolidation ...
from page 33

and benefit libraries, or does it inflate their prices and water down their offerings? When companies become larger with the acquisition of other companies, does it inhibit innovation? Or can one liken this trend to the closing of a store in a small, rural downtown because Wal-Mart just opened up on the outskirts of town?

I suspect there are many reasons why large companies are subsuming smaller companies and my hope is that it will benefit *all* stakeholders.

During **Katherine Skinner's** keynote talk at the **2015 Charleston Conference**, *Needle-Moving Collaboration: From Act to Impact*,[1] her comment, "the publishing industry is going to implode" struck a raw nerve. My immediate reaction to this comment was she is right!

How can this be avoided?

Scholarly communication is the responsibility of many stakeholders and will impact all of us in the industry. How can we make sure this is a *win/win* situation and avoid implosion? It begins the acceptance of the premise that "we think local, not global" and that we need to "shift attention from institutional concerns to a system-wide transformation and build bridges across relevant players." We need to recognize that we are interdependent and our success as an industry is directly related to each other's success. As the scholarly communication community undergoes a system-wide transformation, we need to know that "our problem" is the problem of each and every one of us and that collaboration is an essential component of the solution.

We need to sit down together, find neutral ground from which we can focus our energies, and work through our concerns collaboratively. We will not be successful if we attempt to solve this for our individual selves, individual institutions, or individual companies. According to **Ms. Skinner**, scholarly communication is the problem of many stakeholder groups. We need to coordinate our efforts, collect and present publishing data in a transparent manner, and work together to address this problem in a collaborative manner to affect a change that benefits everyone.

Endnotes

1. **Skinner, Katherine**. (2015, November). *"Needle-Moving Collaboration: From Act to Impact."* Paper presented at the **2015 Charleston Conference**, Charleston, S.C.

Response From — **Stephen Rhind-Tutt** (President, Alexander Street) <rhindtutt@alexanderst.com>

Internet-based businesses are pre-disposed towards large consolidation and small independent players. The clue as to why is in the name — networks are more efficient and more valuable to their users as they get larger. Smaller sites can survive and even thrive, but they tend to do so by serving niches. So we see systems like YouTube — a massive global network that serves billions of individuals, with successful channels serving individual constituencies.

The customers for much of higher education are students who want to learn faster, more efficiently and at low cost. Today diverse and separate businesses serve that need including Learning Management System companies, online universities, courseware companies, and textbook publishers. Most of the businesses in the library space serve this need too — aggregators, library system vendors, journal publishers, book publishers, and subscription agents. The Internet is pulling all of these business together. Sometimes they collaborate to serve customers using standards and licensing agreements and sometimes it happens by consolidation, but the underlying forces are inexorable, especially when these organizations needs the same skills, when there are efficiencies of scale and when customers demand the benefits of network effects.

We're seeing this play out in libraries. Over time and with the Internet library system vendors and aggregators have grown ever closer. Both seek to improve the efficiency and effectiveness with which an institution delivers content to its patrons. Both need their products to excel in search, discovery, delivery, order processing, user interfaces, quality content, manipulation, and analytics. Customers favor one interface and one system — a single, high functionality way to deliver patrons content — not a series of separate systems, so they're looking for systems that answer both needs. Since both business are doing much of the same work, consolidation provides economies of scale and creates network benefits. It's unsurprising that **ProQuest** and **ExLibris** merged. I expect we'll see more consolidation in the future.

The same is true in so many areas. A new $1m journal publishing system would cost a big 5 journal publisher less than $400 per journal. For a society publisher with 20 journals the same system would cost $50,000 per journal — clearly prohibitive, even before factoring in the value of sales forces, the benefits of cross-searchability, easier discovery, delivery platform and so on. Expect more consolidation as learning companies realize the importance of discovery, of reference content and of primary sources. By 2026 online learning systems will have features like automated adaptive learning, and automated diagnosis of where students are struggling. A vendor of such a system may decide exclusively to acquire a major publisher with the idea that it'd confer unique competitive advantages. Or it may be that a major publisher decides to acquire such a system because it'd protect their publishing revenues. As long as it's cheaper, more efficient and you can deliver more value by consolidation it'll happen.

Do we need to worry that by 2050 there will be one massive global library learning system aggregator, book agent, discovery service, OPAC, book and journal publishing behemoth that charges universities unaffordable amount? No. Not in my opinion. Why?

Firstly, I believe customers get what customers want. I can think of no historical examples where this doesn't happen in the long run. Sometimes it may take legal intervention, as it did with the robber barons in the early 19th century, but it always happens. A mega-service will only happen if it serves customers.

Secondly, there are many, many counter forces. As markets develop, new skill sets become important, many of which are better done by smaller, independent, fast moving, fast reacting organizations and individuals. The African savannah has elephants and mice, lions and insects and they all fit together well. In my example above of the journal system publisher, it may actually result in new service organizations that deliver sales and publishing tools to smaller organizations so that they get benefits of scale.

In the early 1990s there were over 250 organizations engaged in microfilm publishing. Anyone remember **Primary Source Media**, **Scholarly Resources**, **Norman Ross**, **IDC**, **Bell & Howell**, or **Kraus**? By 2005 almost every one of these companies had been acquired. Why? Because electronic publishing required different skills and because there were substantial economics of scale. Was it a bad thing? No, because the acquiring companies invested in and improved the titles they bought. They developed software, systems and processes that drove down costs and enabled large collections to go digital. Scholarship was enhanced. Content was preserved. Customers got what they wanted.