

D&M has a road map -- and now, deeper pockets

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When an e-mail arrived from Douglas & McIntyre last week announcing that the company had been sold, I felt my stomach sink. D&M is the Vancouver-based publishing house launched in 1971 by Jim Douglas and Scott McIntyre. It's one of the country's most respected independent publishers, carrying both the Douglas & McIntyre and Greystone Books imprints and such popular authors as Wayson Choy, Douglas Coupland, Bill Richardson, David Suzuki and Paul Quarrington. You really can't get much more Canadian.

But as the press release trumpeted, a group of three Vancouver investors had acquired a majority stake in the company, and not only will McIntyre stay on as publisher and CEO but so will vice-president and Greystone Books publisher Rob Sanders and the rest of the D&M team. The publishing program is unchanged, no one's packing their boxes and the company remains in B.C. hands. I can't dispute the announcement's upbeat tone.

"It was a great honour to have some investors understand the value of what we've done," says McIntyre. "The fact that they are British Columbia investors is very sweet."

The private investors are led by Mark Scott, 46, a former managing director of investment and corporate banking for Scotia Capital, and his friends and former clients Rod Senft and David Rowntree -- the founders of the Vancouver private equity firm Tricor Pacific Capital.

The deal sees Scott become D&M president, acquire the largest corporate share (all parties declined to provide actual figures) and invest a "serious portion of his personal equity," says McIntyre. "Mark is taking a real risk. This isn't a lightweight. This is really about building something for the future."

The plan was hatched last summer when McIntyre and Scott met at a book club. Scott, a lifelong reader and a collector of first-edition titles by Paul Theroux, Yann Martel and Rohinton Mistry, had always itched to join the book industry but had never found the right opportunity. Despite McIntyre's repeated warnings that publishers have notoriously low profit margins, he wasn't deterred. "[McIntyre] has got a good business," says Scott. "Although it is a very difficult business, he has a good one."

Scott's new full-time gig will see him scope out possible publishing acquisitions from the U.S. and Canada. "I don't want to give the impression, though, that we're going to be out splashing a lot of money around," says Scott. For now, the soft-spoken president is focused on learning the business. He attended the Frankfurt Book Fair in October and expects to spend "the next 20 years" getting up to speed.

McIntyre says he has been publicly discussing succession planning for at least 15 years and believes that getting equity into Canadian publishing houses is not an easy task. The D&M deal does offer some hope for other national firms, but in the meantime McIntyre (who turns 63 tomorrow) will be working harder than ever to keep his company growing.

"I am not tired and I'm not going anywhere, and I love what I do. But biology alone says, 'You better start making some plans.'"

With plans and deeper pockets in place, is McIntyre sleeping better at night? The deal was just inked on April 30, but after 36 years, he's used to the ups and downs. "I'm somewhere between exhaustion and joy."

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In a recent New York Times story, Andrew Adam Newman reports that audiobooks are being used to drum up excitement for printed books that haven't even been written. Mignon Fogarty, the host of a top-rated podcast called Grammar Girl, recently signed a book contract with Henry Holt & Company. The book is months away from press, but after taping a segment for The Oprah Winfrey Show, she quickly recorded a short audiobook that hit the iTunes bestseller list after the show went to air. It's a profitable experience that is apparently leading publishers to rethink the audiobook format.

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