Outsourcing "Down Under"

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Libraries have for years happily outsourced many of their routine operations, but the recent controversy over outsourcing collection development in Hawaii has brought the topic into sharp focus, as if we have suddenly crossed some invisible line of appropriate and inappropriate practice. At the 1994 Charleston Conference Michael Gorman sensibly warned us to be wary of words, like "outsourcing", which have come into common parlance as examples of the business jargon which continually corrupts our language. [Michael Gorman’s paper was published in ATG, February, 1996, v.89(1), pp.1, [16-18.]

The authors and publishers of management textbooks bring out new editions, new concepts, and new jargon every year, and it seems only yesterday that we were all involved in “total quality management” and “business process reengineering”. So perhaps the current vogue for outsourcing has been created in part by publishers, and in part by managers who justify their high salaries and give the appearance of meaningful activity by constantly restructuring their organizations in line with the latest trend.

I have undertaken a brief survey among my New Zealand and Australian acquisitions colleagues to see how outsourcing has affected our operations, and if there is any noticeable trend developing here. My survey is limited to those who responded to the messages I placed on email lists in each country. However from the responses I received, and from articles and conference reports I have read, it is clear that U.S. librarians are a long way further along the outsourcing road than those of us on this side of the world. In New Zealand and Australia we outsource physical processing, cataloging (most libraries purchase MARC records from the New Zealand or Australian Bibliographic Networks rather than have this done by vendors, because of our requirement to report holdings to these national databases), and on-off tasks like retrospective conversion of all or part of our library catalogues. Some libraries consolidate serials purchasing. Outsourcing selection in any major way, i.e. beyond the traditional standing order or approval plan for a minor part of the budget, is as yet an issue in only a few Australian libraries.

In New Zealand, as always, we trail along in the wake of worldwide trends, aping the practices of our colleagues overseas. However we sometimes overlook the fact that we are not only a very small part of the world, but are also a very long way from everywhere else, and should therefore be working out our own solutions.

The population is so small, and the industrial/commercial structure so small in scale, that some services have never developed and are unlikely to develop, for example, library supply. Australia can count the number of real library suppliers on the fingers of one hand, and New Zealand has none, except in certain specialist areas. As a country New Zealand is smaller than some of the Australian states, and does not have the markets for many commodities and services that are taken for granted in the USA. For example, there is no one here in the business of cataloguing or physical processing, and libraries even have to run their own binderies.

We do however have what seems to be regarded as an internationally distinguished market-driven economy, with which the idea of outsourcing is very compatible. Government services are being forced to adapt commercial models in a quest for operational efficiency, and more tightly focused services are driven by customer demand. To some extent the campaign has been driven ideologically rather than rationally, and market-oriented/commercial models are imposed on public service organizations willy-nilly. In at least one major New Zealand public library, readers were told that the library was undertaking Business Process Re-engineering to improve the quality of service provided. When the materials budget is also cut, along with opening hours and staff numbers, librarians and library users feel a certain cynicism when they read such remarks. The driving force is of course cost reduction, and the increasing pressure to do more with less.

"Outsourcing — a virus sweeping library management?"

In Australia some local government agencies have contracted out all library services, and this lead is now being followed in New Zealand by the Papakura District Council. John Shipp, Librarian at the University of Wollongong, has written that universities may also contract out library services, but there is as yet no evidence of this happening. A variation on the idea is “insourcing”, and some larger libraries have shown interest in taking over technical service functions for smaller organizations, although I have yet to establish anywhere this is already being done.

The principal advantage of outsourcing is popularly seen to be savings in cost. Outsourcing cataloguing is generally regarded as being hugely advantageous, saving cataloguers the effort of repeating work already done elsewhere, and cutting costs considerably. Cataloguers seem now to have accepted the reduction in their numbers that has inevitably resulted. However, the Australian Bibliographic Network notes that cataloguing records from some commercial operators are of poor quality.

As far as physical processing is concerned, Australian librarians all report cost savings from outsourcing, but for some reason this is not always the case in New Zealand. Most librarians are happy with the quality. The major drawback appears to be an inability by vendors to follow particular instructions when non-standard procedures are requested, e.g. to cover only those books with dust jackets, or to use particular materials. Costs may increase when, for example, everything has to be covered rather than only those high use or attractive items which would be selected by staff in-house. When libraries do try for a selective processing service trouble follows, and one librarian reported that they were reviewing the use of library suppliers as processors because they were unable to provide a consistent service. This library uses several vendors for this work, all claim to be able to meet the requirements, but in practice they make frequent errors and need to be constantly reminded of...
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with their correct loaded record in such an
efficient manner that it would offset the costs
incurred by the Library for paying for some
CIP upgraded records for titles not kept.
And of course, once we get our new cataloging
workstations, with OCLC’s Passport for
Windows as well as our online catalog’s
Windows version for cataloging, we may
need to rethink our cataloging procedures
and workflows for updating our OCLC
holdings and generating spine labels. It certaintly
is possible that the additional costs of ob-
taining Blackwell’s LC MARC with Books
with CIP upgrading service may be offset
by the increase in cataloging of other new
materials and gifts that could be done by the
Department’s Library Technical Assistants,
preventing the Library from accumulating
any large backlogs of uncataloged materi-
als. As always, there is still much to be
explored and assessed when looking at
outsourcing so that quality is not sacrificed
for quantity.

Future Plans

We do plan to experiment with three
shipments where Blackwell’s supplies LC
MARC with Books with CIP upgrading to
determine how many titles still need editing
by us. Perhaps a trained student worker
supervised by a Library Technical Assistant
would be able to match most of the titles

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their instructions. Still, it seems that librar-
ies which are happy to have all material
processed in a standard way are generally
pleased with the results.

In most New Zealand and Australian
university libraries academic staff play
an active role in selection. Increasingly they
have the option to mark records in a vari-
ety of databases and transmit them elec-
tronically to the library, and subsequently
the vendor, but most still rely heavily on
printed sources. Many academic libraries
use slips approval plans extensively, but
in New Zealand there are few books ap-
proval plans in operation. The University
of Auckland has a small approval plan for
selected contemporary German authors,
but distance from suppliers and budget
and currency fluctuations have made any-
thing else seem too difficult to contemplate.
At this university the academic staff
have always taken a prominent role in
selection, which has the advantage that
they obtain the material they want for their
research, and the Library has the
benefit (without any cost) of subject
experts in building the collection. There
has, therefore, been no pressure to move
towards more approval plans. When the
budget is tight, selection decisions be-
come critical, and academic

staff and subject librarians rightly prefer
to retain control of this process.

In the September, 1996, ATG [v.8#4, p.23] Judy Evans wrote about the major
approval plan the Australian National
University Library has set up with Aca-
demic Book Center. In addition the
Griffith University Library has entered
into a partnership agreement with
Blackwell’s to supply shelf-ready mate-
rial from overseas. They are establishing
a purchase plan, and hope eventually to
obtain 60% of their material from a profile
that will be so tight that checking before
supply will become unnecessary. Other
Australian librarians have told me that
they too are moving towards a greater use of approval plans and shelf-ready supply from over-
seas vendors. In one case at least, this
came as a direct result of staff reductions
following cuts in government funding.

It is too soon to have an evaluation of
the success of the selection plans in Aus-
tralia. But the disadvantages of this kind
of outsourcing may also be related to cost.
Currency fluctuations of even a small
amount can make a huge difference to
libraries which spend around 80% of the
budget overseas, and this can wreak havoc
with approval plans. Another disadvan-
tage is that using overseas vendors in
outsourcing arrangements takes away jobs
from local residents, and gives them to
workers in another country. This is al-
ready widespread practice in New Zealand,
where the dismantling of tariffs has led to
manufacturing closures and the export of
jobs to cheap-labor Asian countries. The
ideology has a strong grip here and is
increasingly taking hold in Australia as
well. These reasons may be unique to li-
braries outside the USA and UK, but we
would share concerns about the loss of
control and flexibility, the loss of local
expertise, and dependency on the
outsourcing vendor. John Perry Smith
(ACQNET 5#3, p.25) noted that approval
plans “inject a element of bu-
nality into the major research collections
of our country”). In ACQNET 7#18 Cliff
Urr made the point that quality issues are

“Outsourcing selection ... is an issue in only a few
Australian libraries.”

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