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Library Vendor Relations

Zary Shafa
University of Dallas

Glenda Thornton
University of North Texas

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Issues in Vendor-Library Relations

VENDOR EVALUATIONS: DO LIBRARIANS AND VENDORS SHARE THE SAME PERFORMANCE STANDARDS?

by *Zary Shafa* (University of Dallas)
and *Glenda Thornton* (University of North Texas)

The Vendor Study Group (VSG) is made up of five acquisitions and collection development librarians from the North Texas area: Zary Shafa, chair, Julie Alexander, Kris Murphy, Glenda Thornton, recorder, and Audie Vanderhoof. The VSG was formed by the Acquisitions and Collection Subcommittee of the Association for Higher Education of North Texas (AHE). AHE is a regional, not-for-profit, educational corporation, providing diverse support services to over 20 public and private colleges and universities in partnership with several private-sector corporation and public libraries.

Have you ever wondered if your vendors understand which of their services are the most valuable to your library? Possibly some of the services on which they spend so much time and effort are not really important to you. Or maybe we, as librarians, do not appreciate what a vendor must do to remain in business. If vendors provided every service that librarians wanted, it is conceivable that vendors would simply go out of business. Therefore, it would be beneficial to both vendors and librarians to further explore each other's expectations.

These questions were asked by the Vendor Study Group (VSG) in preparation for conducting a vendor performance evaluation on in-print domestic titles in the North Texas area in 1989. In reviewing the literature, the VSG found very little information concerning the vendor's viewpoint on

vendor evaluations. What do vendors consider valid points of comparison? Do librarians and vendors share the same view? The VSG decided that it would be useful to poll vendors and librarians alike in an attempt to answer some of these questions.

In order to obtain the vendor's viewpoint, the VSG developed a simple questionnaire to use in collecting the needed data. First, a list of commonly used vendor evaluation criteria was compiled based upon a number of published studies. This list included (1) fulfillment rate, (2) discount, (3) turnaround time, (4) problems with vendor, (5) service charge added, (6) vendor cancellations, (7) postage charged, (8) claims by library, (9) reporting frequency, (10) number of reports issued, and (11) representative visits. This list formed the first part of the questionnaire. The vendors were asked to rank these items in order of importance. The second part of the questionnaire solicited vendor suggestions on additional criteria that could be used by librarians to evaluate vendor performance. A final section called for vendor's comments on vendor evaluations conducted by librarians.

A group of 37 vendors were selected from the *AHE Vendor Directory for Acquisitions Librarians* (see earlier issues of *ATG*) to receive the questionnaire. This group represented the vendors most frequently used by AHE members. In order to compare vendor responses to librarians, the VSG sent a similar questionnaire to the acquisitions librarians at 20 AHE libraries in the North Texas area. While 17 of the vendors responded, eight returned questionnaires with data ranked. The VSG found these responses very informative and believe that they can stimulate communication between vendors and librarians to arrive at mutually agreeable services.

The accompanying table (next page) shows the comparison of performance criteria as ranked by librarians and vendors. As illustrated by this table, fulfillment rate was ranked as the most important criterion by both groups. On the other hand, the vendor representative visit was the criterion with the greatest difference of opinion between librarians and vendors. Librarians ranked vendor representative visits low in importance, while vendors ranked them high. Both groups considered fulfillment rate, discount, turnaround time, and problems among the most important criteria for performance evaluation. On other criteria, there was a difference of opinion between librarians and vendors.

When this data was broken down according to the vendors' geographical range of service (international, domestic, and foreign) the vendors' rankings were varied with the exception of fulfillment rate, which remained the most important criterion.

In response to the request for further criteria for evaluation of vendor performance, both librarians and vendors listed additional items, including four in common. These four were:

- (1) ability to provide electronic interface for online ordering,
- (2) return policy,
- (3) vendor willingness to track down hard-to-find publishers/titles, and
- (4) vendor accuracy.

Further criteria suggested by vendors included:

1. Range of vendor services, such as ability to handle standing orders and subscriptions, ability to supply notification slips, and other special services such as management reports and automation.

2. Customer services including ability to research orders and provide supplemental information, accessibility of customer service personnel, response to customer recommendations, experienced customer service staff, and availability of 800 numbers.

3. Technical aspects such as turnaround time for problem resolution, clarity and flexibility of invoices, and packing.

4. Reputation with other librarians as well as past/present performance in a given library.

5. Vendor's financial status and company stability.

Additional criteria suggested by librarians included:

1. Vendor willingness to make a special effort for rush orders.

2. Size of vendor inventory.

3. Drop-shipments.

4. Length of time vendor will carry balance due before adding interest or sending past due notices.

Comments from the vendors on vendor evaluations conducted by librarians included the following:

1. Vendor evaluations are often too subjective and don't compare apples to apples.

2. Vendor studies rarely include legitimate status reports (e.g., OS or NYP) in evaluating fill rates.

3. Many vendor evaluations do not accurately relate order mix to discounts (a difficult task!).

4. The postage charged by vendors is not the decision of the vendors, it is the postal authority tariff. There is an international convention for book rate postage. It is almost equal all over the world.

5. Many evaluations have a tendency to substantiate whatever the

evaluator is looking to find. It is very rare that an impartial and unbiased evaluation is both performed and then acted upon. This is due, in large measure, to the fact that it becomes extremely difficult to quantify intangible criteria. For example, what if a vendor sends five incorrect editions? This is a problem which can be corrected. However, another vendor processes your entire order according to the wrong specifications. Only one problem ... but of considerably greater seriousness.

6. Although there have been some excellent studies, vendor evaluations tend to fall in two major areas. First, since fulfillment is one objective statistic, it is critical that order samples be equivalent. This is nearly impossible given the wide variety of publishers, titles, and availability. Second, because price factors are another objective factor, wholesaler evaluations tend to focus on this area. Study validity breaks down again because of the imprecise definitions for categories of books and the wide variety of buying discounts available to wholesalers. To be valid, random sampling of orders to each vendor is critical.

7. Evaluations are necessarily subjective (and therefore not projectable to other institutions) because library book supply is a service business in which many key factors are difficult to measure objectively.

8. Few studies have managed to address the issue of price vs. cost, i.e. a given book's price, including postage, handling and service is \$10.00 from vendor X and \$10.25 from Vendor Y. What is the cost of internal operations to deal with Vendor X vs. Y?

9. All sales of British titles are affected by the Net Book Agreement which precludes the giving of discounts, and causes British vendors to sell at publishers' list prices.

Recently, Baker and Taylor also conducted a similar evaluation of appropriate criteria for the evaluation of vendor services. The Baker and Taylor study confirms many of the findings of the VSG survey, especially regarding fill rate, discount, and sales representatives. These two studies underscore the importance of a continuing dialogue between vendors and librarians concerning the needs and expectations of librarians on the one hand, and the vendors' interpretation of librarians' needs on the other. ☛

TABLE

VENDOR PERFORMANCE CRITERIA AS RANKED BY LIBRARIANS AND VENDORS

CRITERIA	LIBRARIANS (n = 16)	VENDORS (n = 8)
Fulfillment Rate	1	1
Discount	2	4
Turnaround Time	3	3
Problems With Vendors	4	2
Service Charge Added	5	10
Vendor Cancellations	6	6
Postage Charged	7	11
Claims by Library	8	9
Reporting Frequency	9	7
No. of Reports Issued	10	8
Representative Visits	11	5