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Oregon Trails — Outsourcing Library Services: Principles, Practices, Perils, and Payoffs

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Introduction

Libraries have been contracting for services for decades but it has not been until recently that we have paid much attention to it as a subject unto itself. In the past, contracting for services was seen as a way to take advantage of economies of scale and outside expertise. Using outside services was not seen as an abdication of responsibility but as a smart way of doing business.

Because of recent highly-publicized cases at **Wright State University**, the state of **Hawaii**, and **Riverside Public Libraries**, outsourcing has become synonymous, to some, with downsizing. Some members of the **American Library Association Council** were ready to pass a resolution to identify those core values of librarianship that should never be outsourced. Cooler heads prevailed, as they say out West, and suggestions about appropriate wording led, not to a resolution, but to a presidential task force — “To advise the Association on issues related to outsourcing subcontracting and privatization of library services; to gather data and examine the literature on these issues and to evaluate the impact on library services and operations; to examine past ALA positions and how these issues relate to the **ALA Code of Ethics** and other Association policies; to provide an opportunity for general membership discussion at **Annual Conference, 1998**; and to provide Council with a comprehensive report with recommendations at the 1999 Midwinter Meeting.”

This task force may or may not produce a report that will be helpful to managers having to find creative ways to deal with day-to-day tasks that would not get done without some form of contracting for goods and services. The unfortunate thing about this task force is that it was born of a political need and was not an outgrowth of discussions about how we might improve library services through creative partnerships with those who have long provided libraries with goods and services. The fact that privatizing is included with contracting for services suggests that there is confusion about the two, but being more optimistic, it might give the task force the opportunity to clarify the differences and what the implications are for each one.

More than ninety years ago, the **Library of Congress** began selling sets of its catalog cards. Eventually, companies such as **Brodart** and **Gaylord** began to sell books already processed (we call them shelf ready, now). **Richard Abel**, with his approval plans, began to help libraries with the selection of materials and also offered cataloging with machine readable records, an operation that **Blackwell North America** took over and managed until this year. The Blackwell North America services included authority control, using Library of Congress Subject Headings, and computer output microform catalogs that were interim steps between the card catalog and the online public access catalog of today.

Back when the **Library of Congress** began selling its card sets, many large libraries had their own binderies. Now only a handful of such operations remain because it became too expensive for libraries to bind their own periodicals. Libraries also used to buy many, if not most, of their books and magazines from publishers and local bookstores. As volume increased, book jobbers and subscription agents arose to provide buying services to libraries.

In the early days of computers, librarians quickly saw advantages in this new technology and began to use it for keeping records, largely for circulation, acquisitions, and periodicals. A few large libraries with large institutional resources, designed systems that ran on mainframe computers but even they could not keep up with continuing costs as the operations that were supported became more and more complex and they either ceased operations or became private entities that offered their products to other institutions. Most libraries, however, contracted out for automated services from the beginning and never considered designing their own.

As more and more libraries became

automated, it became imperative that book jobbers, subscription agents, and even binderies automated their services in ways that interfaced with all the library systems in place. Some automated faster than others but none of the book jobbers and subscription agents had any real choices short of getting out of the library business altogether. So our traditional partners automated and interfaced and began offering services and management data that would have been prohibitively expensive under the old ways of doing things.

Despite this long history, tradition even, of libraries contracting out for essential services, many librarians today seem unaware of this history and don't understand the necessity of working with the business community to provide services that library patrons expect and that librarians want to provide at as high a level as possible. Major corporations that downsized as they outsourced have confused people into thinking that the two actions go together. Many have confused contracting out with privatizing. That might be considered the ultimate in outsourcing but it is not what we generally think of (or should think of) when we look for ways to provide services and goods for our patrons that we cannot or choose not to do for ourselves.

The recent public discussions over what did or did not happen in **Hawaii** and the earlier case where the **Wright State University Library** abolished its catalog department and contracted with **OCLC** for cataloging services, has contributed to the confusion, too, and has been the basis for unwarranted concern. In fact, those two examples are good illustrations of how and how not to outsource.

Both were risks, one was well understood, the other appears not to have been. One was successful, the other was not. Details abound about one, rumors and speculation continue about the other. The case of the **Riverside Public Library** being privatized is another issue altogether, but it is

*Perfection is in the mind's eye;
reality is in the workplace.*

not a new issue (Federal agencies have long contracted for library services.) and is not what is usually meant by contracting out.

Outsourcing, that is, contracting out for services, can be a good management technique that can reap benefits to all concerned parties. Libraries should not reject outsourcing for anything if it enables services to continue or if it improves services. On the other hand, libraries should not enter into contracts for services without understanding what they are doing, how to do it, how to assess it, and how to correct problems when they do occur.

Collection development has been suggested as a core library service that should not be outsourced under any circumstances. And yet, there are very good reasons for outsourcing collection development and it can be done without sacrificing local involvement at every stage of the operation. Think of the public libraries trying to meet the reading needs of their immigrant populations when the libraries do not have adequate language skills on staff. What are they to do, buy the proverbial pig in a poke? Ask for donations in needed languages and hope they fill a need? Or do they contract with a company that has hired librarians with language and subject expertise to buy materials, on library specifications, catalog them, and ship them, ready to shelve to the libraries? Quality control may not be direct but the libraries in question should have been working with the ethnic communities they serve to develop collection development guidelines and they should continue to work with them to monitor the type and quality of materials that are being provided. Where is the abdication of responsibility here?

continued on page 66

Principles

Before outsourcing, a library should know why such a move is being contemplated. Is there a lack of expertise, as in the collection development example where language skills are lacking? Has there been a reduction in staff that endangers a service? Or is there a service that the library wants to provide but lacks the staff? Or is there a combination of circumstances that dictates a reorganization and offers the opportunity to do things differently? Sometimes this is a new administrator, sometimes it is the result of changes initiated from outside the library. Whatever the reason, outsourcing can provide answers, solutions, and opportunities without costing someone's job although the job might change.

Once outsourcing becomes an option, it is important to involve as many of the staff as possible and not in a perfunctory manner either. Consider that everyone on staff can offer something to the planning process, even those who tend to see the dark side of things.

If there are to be layoffs or reassignments, honesty is the best policy and the personnel department can be your best friend. The presence of a bargaining unit further complicates matters. It is beyond the scope of this paper to discuss this issue and those needing to address it should probably start with the personnel department of their institution. Each staff member will have a different expectation. A well-defined and executed planning process will develop some common expectations that will be the cornerstones for implementation of the plan.

Practices

Who is going to provide the service that is

being contracted out and how long is it going to take to make the selection? Is a request for proposal (RFP) necessary? Who will prepare it, who will receive it, and how will the vendor be selected, that is, what are the criteria that will be used to measure the capabilities of the vendors who respond to the RFP?

How long is the selection process to take and what will be the implementation period? How will success be measured; how will quality be controlled?

Quality control and critical thinking are important all the time, but especially when changes are being made and especially when the library is contracting out for those services. Agreeing in advance about quality and other expectations helps ensure a fair evaluation of the service provider and other changes that will result from contracting out.

The library and the vendor must both know what the rules are in advance. A contract that both parties help draw up is essential, not just to avoid the Hawaii syndrome, but so that each party is aware of its own and its partner's obligations and what to do when something goes wrong. No matter how well something is planned, things go wrong. Unforeseen circumstances arise. Perfection is in the mind's eye; reality is in the workplace. Aim for consistently high quality and look for patterns. Be prepared to work out the rough spots without hauling the vendor onto the *Jerry Springer* show. We should not be in that kind of business. You shouldn't even want your project plastered on the editorial page of *LJ* because if it is, you have not done your job.

Perils

Change equals risk and the future is unknown, but, as *Thoreau* reminds us, "A man sits as many risks as he runs." What are the risks entailed when contracting for services and how can we predict them when we cannot see into the future?

A thorough cost analysis is one way to discover hidden costs but be prepared to discover others that were unclear or unseen at the time the contract was awarded. Cost analysis is necessary if you want to reduce the number of surprises waiting for you in your outsourcing venture. There are one-time costs and those are usually the easiest to identify.

But don't forget about continuing costs — maintenance, inflation, upgrades. Be honest to yourself and your boss. Cost benefits cannot always (or ever?) be measured in dollars but invoices can.

Make lists of benchmarks and qualify those benchmarks, even if you have to make up some problems. Not floods, earthquakes, tornadoes — not even El Nino will suffice — but vacations, competing projects, priorities, etc., are facts of life and ought to be factored in. What are your worst fears? Put them on paper and talk about them. This is where those of dark-vision can be most useful. But don't let them discourage you. Regular meetings can be used

continued on page 70

Chemistry Bestsellers

from page 57

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Wayne, Carol E. *Photochemistry*. Oxford Univ Press, 1996. 0198558864 paper \$11.95

Biz of Acq from page 69

sales rep during a visit, he or she will probably be able to prepare the ground for its solution back at headquarters. However, you may need to go over it again with the customer service people. Be prepared for that possibility.

Identify yourself clearly by name and institution when you call. Don't make your customer service or sales rep ask your last name; it will be embarrassing for both of you. Similarly, don't expect that your rep can remember the person after whom your library is named. In other words, if you call and say, "This is Rick from the Jackson Library," you may well hear a cheerful but noncommittal greeting accompanied by the faint sound of pages flipping or keys tapping while the rep tries desperately to figure out exactly which Rick you are and which town or college has a Jackson Library. Instead, say, "This is Rick Anderson from UNC Greensboro." Then your rep can say, "Of course, Rick, I'd know your voice anywhere. How are you?"

Be assertive. Don't be apologetic about expecting excellent service. You should expect responses to your calls and email within 24 hours. If you request a service and the vendor cannot provide it, you should get a clear response and an explanation that makes sense. If the vendor makes a mistake, there should be an apology and the problem should be fixed quickly. These are fundamentals of customer service — if your vendor is not meeting any one of them, say so. If your vendor consistently fails to meet basic standards of service, consider taking your business elsewhere — even if it means giving up a discount point. In the long run, lousy service will probably cost you more.

Be reasonable. You and your vendor are equals in a business relationship. If you expect your vendor to move heaven and earth to

satisfy your every whim, you'll probably be disappointed. But you should expect efficiency, courtesy, and effectiveness, and be willing to provide the same yourself.

Once you've established a service, you should expect a regular (usually annual) maintenance visit from your sales rep. This visit will give you the opportunity to find out what new services are being developed, to address service problems, and to renegotiate terms. The worst thing you can do during these visits — both to yourself and in the eyes of the vendor — is to squander the time you have with your sales rep by being unprepared or unorganized.

When the Rep Makes Maintenance Calls

Keep your appointments. If you have to miss an appointment, warn the rep as far ahead of time as possible and/or make alternate arrangements. Again, this is basic courtesy. If you wake up sick, send email or leave a voice message as soon as you can drag yourself to the computer or phone. If a last-minute conflict comes up, try to have someone else sit in for you with the vendor. At the very least, make sure that someone is available to explain the situation. Bear in mind that your rep has probably traveled a good distance and is trying to get as much done in as short a time as possible — if your meeting falls through, he or she can probably make good use of the time if given sufficient warning.

If there are problems to address, be prepared with specific information and, preferably, examples. When your sales rep returns to headquarters with your complaints or problems, the in-house staff is going to ask for as much specific information as possible. The more you provide, the more quickly you'll see results.

Understand that the sales rep's job is to sell. Don't be offended when the rep tries to sell a new service or asks about budgets or your satisfaction with competing vendors. If you can't or

would prefer not to answer such questions, just say so clearly and politely. If your rep is pushy, takes it personally, or otherwise doesn't respond well to that approach, complain to the company.

Let your "no" be "no." If your answer to a sales pitch is "no," just say so clearly and politely without trying to dodge the question or spare the rep's feelings. Again, you should expect your rep to take a "no" gracefully.

Be realistic in what you ask for. In the immortal words of Steven Wright, "You can't have everything; where would you put it?" At the same time, don't be afraid to ask for things that the rep hasn't yet offered — vendors are constantly trying to see the future, so they want to know what you need, even if they can't provide it yet.

In Conclusion

The bottom line is boringly simple. It's the golden rule: think of your vendor as a partner in a professional venture, and do unto your vendor as you'd have your vendor do unto you. It's a given that each of you is going to try to gain as much as possible from the other — you'll be trying to increase your discount and get more services (preferably at no additional charge), and the vendor will be trying to increase its share of your budget. But that doesn't make you enemies, nor does it even preclude a happy, warm, and mutually beneficial relationship. 🐾

Further Reading

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Oregon Trails from page 66

to prepare our worst case scenarios but to be truly profitable, they should focus on preparing responses. What about unexpected results or consequences of the change? Libraries should anticipate problems and crises and have planned responses for those things that are known risks. By preparing for problems in general, unforeseen problems will be easier to deal with.

Build a cushion into your budget, not just for cost overruns but for unforeseen or even anticipated contingencies — your disaster list, for example. But don't base your cushion on FEMA money. Management disaster areas don't qualify for any kind of bailout. Have a written contract that you (and your legal office) and your vendor develop together, agree to, and sign. This agreement is needed by both sides. The contract should clearly delineate how the service or product is to be evaluated in no uncertain terms. Penalties for non-compliance ought to

be clear, reasonable, and measurable in ways that both parties can understand.

Payoffs

If you plan well, work hard, adjust to circumstances, solve your problems, and eat all of your vegetables, you are bound to have some successes, but don't assume they will introduce themselves. Look for them, identify them, understand them, build on them, and ABOVE ALL, PUBLICIZE THEM. Knowing or learning how to measure success is essential when evaluating a project. Such analysis is necessary for making those adjustments that solidify success and that bring about other beneficial changes. As planning, implementation, and failures are shared, so too should successes be shared. Don't assume that everyone sees the same thing and that everyone will agree that satisfactory results were achieved. Publicize the successes and explain in as much detail as possible what the payoffs are.

Mention your successes in meetings, hallways, newsletters, press releases. This recognition assures participants that it was worth the

pain. Recognizing success does not deny problems but when they are solved, you have more successes to publicize and build on.

Afterword

Contracting for services is really all about change. How can we do things better is a question that librarians ought to be asking themselves as part of their daily routines. That is really what defines critical thinking: why, what, how, when. Even if no changes are made, we should learn from the questioning and answering. We should know why we do things for that is a reflection of our philosophy of librarianship. We should know what we do (our policies and practices) so that we can see if they fit our philosophy. We should know how we do things to see if they fit our philosophy and if we can improve on them. We should know when we do things for the exceptions to the rules really define who we are and should stem from a philosophy that is positive and vital and that thrives on change as a constant in life and promotes a constancy in change that is essential to good library service. 🐾