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Not Fit For Print — Why Don't You Run This Library Like a Business?

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Why don't you run this library like a business? How many times have you heard that statement proposed as a solution for all that ails your library? While there are many things to be learned from the for-profit sector and some of it translates freely to tax-exempt or not-for-profits, there is much that simply cannot be done "like a business." Maybe, if they really thought about it, the proponents of business in the public sector wouldn't want what they would end up with if you did run your library like a business. With all the interest in outsourcing and contract management of public services, the subject certainly deserves some examination. What exactly does it mean to run your library like a business and can it be done easily? Are there differences between not-for-profits (NFP's) and the profit sector? Where do people fit in the equation?

Starting with the measurement problems, we see that some areas such as technical services or circulation seem easiest to measure. After all, if one person can process X number of books at Y cost, then we can compare the numbers to the alternative. Like so many things, this works when you pick at one part of the institution, but when applied to the whole it isn't so clear. Moving to the people part, we often find a perception that staff with protected jobs are unlikely to be fired for working slowly. So what we are often talking about is quantitative versus quali-

libraries more like businesses?

Profit! How should we measure it in a library? Did "profit" go up when circulation increased without adding more staff? Were you more profitable because more respondents to your survey said they were extremely pleased with your service? Was it because you got more books for your budget dollars than you expected? You see, none of these work for measuring profits since each of these is actually a disguised cost and not a profit. Since you can't hire a percentage of a person to coincide with a percentage increase in circulation, you will always be working your staff harder until you need a whole person so costs will look good and then bad when the next whole body comes on board. And, overworked staff aren't happy so your satisfaction ratings drop. If you got more materials than you were budgeted to handle, you will burden tech services and slow the processing so this is not a profit either. Why does this happen?

Your budget is fixed for the year and if you do very well then you may feel penalized rather than rewarded for your success. That isn't likely to happen in the business world where exceeding sales budgets usually results in added staff to handle

that some really dedicated librarians feel a bit pooped upon some days? So, maybe reason number one for libraries not being run like businesses is the budget/compensation system.

Reason two has to do with long-range planning and investment. While Wall Street critics love to say that American business lives from financial quarter to quarter, that simply isn't true. They are measured quarterly, but you can bet your money that they have long-range investments in market share, R&D, employee development and training, acquisition plans and global expansion. Your library would be severely whacked upside the head for expanding out of your prescribed service base even if you could sell the services and compete with private providers. As for long-range plans, it is not the norm that you will get a commitment for a five-year plan that involves funding with no known outcome for at least the next two years, and yet that happens all the time in business. Just look at the new drug companies that haven't made money for years and may not for years down the road. They get lots of investors. In fact, most of your requests for money are seen as increased costs and not growth plans with an expected return. The exception may well be the computers which were likely proposed as money-saving devices, but now represent sunk costs and overhead and are in need of upgrades.

We touched on employee training and development in the private sector and this is a huge investment by American business. Yet, most employees with a master's degree in business are prepared for the business of business. The accounting, management, marketing, production and related business topics were taught to them,

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tative jobs and believe me, the private sector has plenty of room for improvement there also. There are lots of officers of major companies taking home huge salaries while their firms lose money for the shareholders and there are plenty of public employees who have retired in place. So far there seem to be some similarities developing. If so, then why aren't

the success. Oh, and in the profitable business, it is probable that those employees who contribute to the extra business will get financial rewards, too. Every librarian who got a bonus last year raise your hand now! You see, the problem is that the reward for really doing a great job and the punishment for doing a lousy job are nearly equal in the public sector. Is it any wonder

and they need only the peculiar aspects of the employer to make them ready to go. Contrast that with an MLS where you were taught everything but how to run a library in a business-like fashion and you will learn all your management skills on the job. It takes longer and pays less and that is the bottom line. Because your skill/output can't be measured as easily, it is harder to market and place value. After all, how would it look on your resumé to say that you increased business (circulation) so fast and high that your staff was overworked and your clients unhappy because you couldn't keep materials on hand to meet their demands. As a result, most sensible library managers work toward growing into their budget rather than the business approach of selling your way into increased production and subsequent budget increases. That takes a lot of the risk out of the task. And there is where we find another difference between libraries and businesses. You aren't likely to go broke as a library and lose your house and first born child pledged to the bank for that loan. In fact, you can have a truly lousy year and still be paid and not face too many lay offs among staff, if any at all.

Your shareholders often don't have the option of selling their shares if they are unhappy. A taxpayer or student is pretty well stuck with the library they have, so they vote differently than a shareholder in a Wall Street business. Sometimes they complain to your funding authority or want to force their will on your choices of materials and declare you a public servant rather than a degreed professional manager. If I don't like the way IBM is run, I simply sell my stock and don't buy their products, but I can't do that with my local library.

So, you see, it isn't that easy to say, "why don't you run your library more like a business." I don't mean that you can't become more efficient and find ways to improve services without adding to costs. That you can always do. Maybe you really don't have to hold an annual contest to see which cataloger can go farthest out beyond the decimal. Perhaps there are more self service options for clients that don't drive up your costs and yet still provide outstanding service. It is possible that you can do long-range planning and get longer range financial support. There are ways to recognize employees who both excel and those who fall short, but you will have to be creative since

money isn't the only thing that drives them anyway. Besides, you probably can't use money anyhow. So, you can be more businesslike, but you won't be like a business any more than a business will be like a not for profit. There are many outstanding NFP's like the American Red Cross that can teach business a lesson or two, but the two simply aren't the same. And a final note. I don't want to go into my library and be seen as a walking dollar sign anyway. I kind of like my librarian and don't mind that I don't get any coffee or croissant with my books.

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