February 2002

Biz of Acq -- What Color Is Your Hat? Ethics in Library-Vendor Relations

Lawrence Nagel

Midwest Library Service, nagel@midwestls.com

Follow this and additional works at: <https://docs.lib.purdue.edu/atg>

Part of the [Library and Information Science Commons](#)

Recommended Citation

Nagel, Lawrence (2002) "Biz of Acq -- What Color Is Your Hat? Ethics in Library-Vendor Relations," *Against the Grain*: Vol. 14: Iss. 1, Article 27.

DOI: <https://doi.org/10.7771/2380-176X.3151>

This document has been made available through Purdue e-Pubs, a service of the Purdue University Libraries. Please contact epubs@purdue.edu for additional information.

Our services include:

- Book Approval Plans to meet every library's special requirements
- Standing orders for series and multi-volume monographs
- Subscriptions to periodicals with direct centralized mailing, subscriptions to on-line periodicals and TOC services
- Physical processing (library binding, bar coding, etc.)
- Web site providing on-line services and access to our database of Italian books, periodicals, Tables of Contents of monographs and journals and Full Text
- EDI services (offers, orders, reports, claims, invoices, etc.)
- Management reports and statistics
- Bibliographic information for new publications:
in printed form (and via e-mail)
 bibliographic cards (free of charge) sent weekly or monthly;
in electronic format
 USMARC and UNIMARC records via MIME, FTP, on floppy disk, or on machine readable tape
- Specialized bibliographies compiled on specific subjects

Via Benedetto da Maiano, 3
50014 Fiesole (FI) - Italy

Tel.: +39-055-5018.1
Fax: +39-055-5018.201

gen@casalini.it
<http://www.casalini.it>

Biz of Acq — What Color Is Your Hat? Ethics in Library - Vendor Relations

by **Lawrence Nagel** (Western Regional Manager Midwest Library Service 11443 St. Charles Rock Road, Bridgeton, MO 63044-2789) <nagel@midwestls.com>

Column Editor: **Rob Richards** (Technical Services Librarian, University of Colorado Law Library; Phone: 303-492-2706; Fax: 303-492-2707) <r-richard@stripe.colorado.edu> www.Colorado.EDU/Law/lawlib/rr.htm

Column Editor's Note: The library science literature exhibits numerous overviews of acquisitions ethics, largely written from the librarian's perspective. In this month's column, **Lawrence Nagel**, Western Regional Manager for **Midwest Library Service**, surveys the ethics of the book business from the vendor's point of view. He offers many valuable insights, especially regarding the ethics of entertainment.

As this will be my final column as editor of "The Business of Acquisitions," I wish to thank **Katina Strauch**, editor of **Against the Grain**, for her patience and support; **Jack Montgomery**, former editor of this column and supplier of magnificent encouragement; the numerous, gifted contributors to the column since 1997; **Michelle Flinchbaugh**, who has graciously agreed to assume editorship of the column with the next issue; and my superiors, **Prof. Barbara Bintliff**, Director of the **University of Colorado Law Library**, and **Georgia Briscoe**, Associate Director of the **University of Colorado Law Library**, who have generously granted me time to edit these columns. Thank you all for teaching me so much. — RR

"Always do right. This will gratify some people, and astonish the rest."
— **Mark Twain**

We all want to wear white hats, don't we? Each of us likely sees the hat on our own rack as pretty clean, and most hats probably are. My intention in this article is to offer a vendor's perspective on the ethics of acquiring and wholesaling books.

Ethics involves the ability to think clearly and critically through a challenging problem, and to understand the difference between what one has a right to do, and the right thing to do. For the purposes of this discussion, let us think of a spectrum, or continuum, of librarians' and vendors' business behavior, which moves from etiquette, through ethics, to legality.

Problems may arise, however, from the common notion that with recurrent tales of corruption in so many aspects of modern life, ethics often is what each of us thinks should govern the other

continued on page 70

Biz of Acq — What Color Is ... from page 69

person. But life today is probably more ethical in many respects than in previous ages. We have created more and higher ethical standards than in the past, and what may seem to be a decline in today's ethics is more likely a rise in acceptable standards. After all, in a broad and democratic sense, ethics is whatever society decides is the right way.

In this discussion I'll reflect on the hues of the hats we wear in various situations: from white, to shades of gray, to . . . black.

Ethics is a weighty issue, and I don't mean to be facetious, but let's begin with a small quote attributed to **Oscar Wilde**: "I can resist everything, except temptation."

Let's first consider what ethics is. *The American Heritage Dictionary of the English Language*, fourth edition (2000), offers two definitions of ethics that seem pertinent to our discussion: "[a] set of principles of right conduct," and "[t]he rules or standards governing the conduct of a person or the members of a profession."

Referring back to the color spectrum, let us suggest some shades of definition:

The White Hat: Here the wearer strives to maintain a code of professional ethics that recognizes human interdependency and relationships. Business activities are carried out with

honesty and integrity. Nevertheless, slight ethical smudges probably cannot be avoided, nor should they be harshly faulted.

The Gray Hat: Here the wearer adopts questionable ethical standards, such as:

- a) situational ethics, in which the end justifies the means;
- b) power ethics, which justify exploiting the weakness of others (e.g., a company's disclosing a competitor's financial problems);
- c) the ethics of duplicity, which permit pushing traditional behavioral limits for maximum gain (e.g., a vendor's proffering larger discounts without advising the library client, in detail, of reduced levels of service).

The Black Hat: Here the wearer's behavior is clearly unacceptable, illicit, or illegal. Examples include:

- a) falsifying information;
- b) quoting one set of terms but acting with others;
- c) exchanging expensive gifts;
- d) taking or receiving kickbacks;
- e) ordering books from one source but returning them to another;
- f) informing a favored source of confidential bidding information.

I would suggest that there are few, if any, black hats upon our collective heads. Yet declining business ethical standards in society at large may lure librarians and vendors towards questionable be-

havior. Consider this: In a 1989 survey conducted by **The Pinnacle Group, Inc.**, an international public relations corporation, 1,039 high-school seniors were asked how far they would stretch ethical standards in order to get ahead in the business world. No idealistic youths, these. When asked if they would be willing to face six months' probation on an illegal deal in which they made \$10 million, 59% said either "definitely yes" or "maybe." **Further:**

- 36% would plagiarize in order to pass a certification test;
- 67% said they would inflate their business-expense reports;
- 50% said they would exaggerate on an insurance damage report;
- 66% would lie to achieve a business objective;
- 40% would accept a gift from a supplier worth more than \$100;
- 23% would accept \$500 in cash from a supplier; and
- 32% would accept a free vacation.

Amitai Etzioni, a professor at **George Washington University**, confirms this evidence of low ethical standards among business students. While teaching ethics to MBA students at **Harvard Business School**, Etzioni found that business-leaders-to-be firmly believed in "consumer sovereignty" — let the market provide whatever (licit) products or services customers are willing to open their wallets for. Etzioni refers to **John Kenneth Galbraith's** argument that corporations actually produce or attempt to create demand for their products. We should ask ourselves if this is true in the library market. Etzioni laments his failure to convince MBA students that there is more to life than money, power, fame, and self-interest.

These reflections on business ethics in society at large provide a framework through which we librarians and vendors might look to our home fronts. Let us now consider the library acquisitions arena.

Several codes of ethics govern acquisitions librarians' business behavior. These include **ALA's Code of Ethics**, **ALAALCTS's Guidelines**, and **AALL's Ethical Principles**. These guidelines might be summarized by Article VI of the **ALA Code**, which reads: "We do not advance private interests at the expense of library users, colleagues, or our employing institutions."

Here are suggestions for how librarians might apply this principle in three areas of relations with vendors:

- 1) **Entertainment (lunches, dinners, refreshments, etc.):** Don't allow entertainment subtly to affect your judgment. Rather, use objective

continued on page 71

Biz of Acq — Assessing ... from page 68

mentioned contain primarily references to print texts. The comparative bibliographies from WorldCat, as well, include mostly print titles.

Yet a focus on print does not necessarily render this kind of evaluation obsolete, so long as we, the evaluators, do not consider ourselves bound to a single format. For example, the book-bound evaluation of our high technology law collection may suggest that we need a comprehensive guide to Internet law, such as Emeritz's *Internet Law and Regulation*. Investigation of this title would show that it's available via the World Wide Web. A trial of this Internet service may reveal its value to a faculty member who often works off-campus. As **Gail Daly** observes, evolving collection development standards "need not represent a drastic new approach to library evaluation. [We] must merely recognize

and evaluate the different means by which libraries now deliver the same resources and services [we] have always offered."

A final note: as I've said, this collection assessment, and the methods for conducting it, are a work in progress. Clearly there is room for a more systematic way of finding and evaluating our "electronic holdings." However, given the current foment of electronic publishing, we have not come up with one. (Any suggestions are, of course, appreciated.) We would also like to modify our use of EndNote to search for titles that had been acquired by a certain number or group of libraries — something to replace what some of us affectionately remember as Peter Ward's Hot Sheets. Finally, and perhaps most importantly, our collection evaluation will never be complete without a dialogue with our primary patrons, our students and faculty, to find out how well our collection is meeting their needs. 🍌

criteria, such as documented quotations and standard performance measures, to determine business decisions. Be aware of reasons for making decisions.

- Don't seek the "free lunch"; Library customers should neither allow themselves to be enticed by a vendor, nor invite a questionable proposal from a vendor. Unethical offers are seldom made without some hint of receptivity.
- 2) **Conference Receptions:** Vendors offer receptions chiefly in the spirit of goodwill, and to provide a place for librarians to relax, socialize, and talk informally with vendors.
- Don't accept a personal invitation from the host company if you have strong reasons for not doing business with the firm, or if you are openly critical of the firm. On the other hand, librarians should not feel obliged to attend vendors' receptions.
- 3) **Business Dealings:** Bargain in good faith, based upon honest, clear, and mutually understood terms, and with the approval of appropriate decision-makers;
- If the library or the publisher causes problems or errors, don't blame the vendor (although a vendor may be able to help find a solution);
- Pay invoices promptly. Ethically troubling consequences of past-due accounts include financial harm to the vendor and higher costs to libraries;
- If a vendor provides no-cost selection tools, such as approval or new-title notification services, the library should honor the vendor's need to receive orders for selected titles;
- Honor volume commitments, to every degree possible; Provide a fair, mutually agreeable order mix;
- Make appropriate returns promptly; Avoid over-encumbering, which leads to a vendor bail-out;
- Don't sacrifice quality for perceived low cost;
- Never seek a donation from a vendor before agreeing to do business (quid pro quo).

In summary, practice acquisitions librarianship in a business-like manner, and expect your vendor to uphold the same standards. Insist upon excellence in all facets of the vendor services you purchase, and in turn communicate clearly and candidly your needs, expectations, and intentions — as well as your assessment of the vendor's performance.

Now let's look at those enterprising folks, the vendors. Vendors are for-profit organizations. Earning a profit is not only ethical,

but essential; libraries depend on healthy firms which will be there tomorrow, next year, and far into the future. Moreover, while some vendors are staffed with library professionals and people with a keen interest in books and libraries, the successful company must also sail a tight ship of business practices — sails trimmed for long-term financial stability — and eschew the tendency to jockey for the "fast buck."

The book vendor's business is service, acting as a liaison and buffer between the library and publishers. The vendor's challenge is to play the role of a Janus (in the Roman sense of a passageway), without being "Janus-faced."

Positioned in this portal between the publishing and collecting arenas, here is what the vendor must do:

- Be versatile in meeting numerous library requirements, while coping with an array of less-than-palatable publishers' practices;
- Deal with the costs of erroneously-sent and defective books; inaccurate publisher status reports; pre-payments and claims for books never received (often never shipped, despite being prepaid); denial of returns even for erroneously-sent, defective, or damaged books; and often cumbersome returns procedures;
- Accept responsibility for library returns that often result from pre-order searching errors. Although the customer is not always right, the vendor must avoid saying the customer is wrong;
- Mediate successfully between librarians and publishers, yet ensure one's own long term success through sound business practices. That is, earn profits ethically.

Here are some suggestions for vendors in their relations with librarians:

- Be honest about what you can and will do, and cannot or will not do;
- Do what you say you will do, at the price you offer;
- Use discretion, etiquette, and honesty when referring to competitors;
- Control entertainment costs. Avoid extravagant or lavish gifts. Libraries benefit by lower costs;
- Do not attempt to exert inappropriate influence within a library's organization in order to sway customer's decision;
- Work with appropriate personnel. Going over or around the principal library contact may harm the business relationship;
- Avoid drop-in visits, which are usually an imposition and potentially an insult. Schedule meetings with clients and keep appointments;

- Be knowledgeable, informed, resourceful, and always professional;
- Do not presume what a library's collection does and does not need; and
- Know the account: its history, staff, special requirements and characteristics, collection interests, and current programs.

Entertainment seems continually to prod librarians to ethical reflection, as evinced by the library science literature on this topic. My view is that business entertainment is sanctioned by centuries, if not millennia, of custom. Today's society certainly encourages the tradition. Indeed, entertainment, conference receptions, and exhibiting at and supporting library events are legitimate expenses for vendors. A symbiotic library-vendor relationship can certainly involve entertainment. The question is: how are discretion and limits applied?

In conclusion, a mutually beneficial relationship in any business activity should be an ethical one. Vendors and librarians alike seek a productive working relationship. So, let's don our white hats, keep them dusted off as best we can, and focus on the similarities in our respective missions. By pursuing ethical business relationships, we will engender measures of mutual trust and respect. 🐼

EndNotes

1. Vital Statistics: Hey Ma, Get Me a Lawyer!, *Newsweek*, Oct. 30, 1989, at 10.
2. Amitai Etzioni, Money, Power, and Fame, *Newsweek*, Sep. 18, 1989, at 10.
3. Code of Ethics of the American Library Association (adopted June 28, 1995; Web site last modified Dec. 13, 2001) <<http://www.ala.org/alaorg/oif/ethics.html>>; Guidelines for ALCTS Members to Supplement the American Library Association Code of Ethics (adopted Feb. 7, 1994; Web site last modified Nov. 17, 1998) <<http://www.ala.org/alcts/publications/ethics/ethics.html>>; American Association of Law Libraries, Ethical Principles (approved Apr. 5, 1999; Web site visited Dec. 24, 2001) <http://www.aallnet.org/about/policy_ethics.asp>.
4. Articles that center on the ethics of engaging in vendor-provided entertainment include: Christian M. Boissannas, The Cost Is More Than That Elegant Dinner: Your Ethics Are at Steak, 11 *Library Acquisitions: Practice & Theory* 145 (1987); and Georgia K. Briscoe, The Dilemma of Publisher Giveaways, *Against the Grain*, Feb. 2001, at 24. Donna Goehner offers a valuable discussion in Vendor-Library Relations: The Ethics of Working with Vendors, in *Understanding the Business of Library Acquisitions* 137, 140-141 (Karen A. Schmidt, ed., 1990). The topic is also raised in Scott R. Bullard, The Ethics of Working with Vendors: A Report on the RTSD RS Acquisitions Librarians/Vendors of Library Materials Discussion Group, 11 *Library Acquisitions: Practice & Theory* 373, 373-374 (1987); and Joseph W. Barker, ALCTS ALMS Acquisitions Administrators Discussion Group, San Antonio, ALA Midwinter Conference, 18 *Serials Review* 142, 142 (1992).