September 2001

Inside Pandora's Box: Management of Gifts to Libraries, Part III: "Trade-for-Credit" Agreements

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Recommended Citation

Montgomery, Jack G. (2001) "Inside Pandora's Box: Management of Gifts to Libraries, Part III: "Trade-for-Credit" Agreements," *Against the Grain*: Vol. 13: Iss. 4, Article 30.

DOI: <https://doi.org/10.7771/2380-176X.3620>

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Management of Gifts to Libraries, Part III, Consignment/Trade-For-Credit Agreements

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This article is the third in a series of reports on programs for managing the volume of books donated to library. In the previous article by Howard Bybee of Brigham Young Libraries we saw how an institution can develop an internal business that can generate much needed funds through online Internet sales and internal distribution and management of the process. A second article by Pat Ditzler and JoAnn Dumas involved the successful operation of the traditional library book sale. This article will offer another possible scenario for libraries wishing to become involved in profitable management of their donated resources: the "trade-for-credit" scenario. — JM

Planning is critical:

It is important to be fully aware of your needs, requirements and options before deciding how and even if you wish to venture into this area of gifts management. You are, in effect, beginning a small business and as such, need to begin with a business plan.

You can begin by asking yourself the following types of questions:

A. What do you wish to accomplish by engaging in such a program?

B. What will be the benefit to my institution? What costs? Time? Labor? Supplies?

C. Do you have sufficient people and resources to accomplish our objectives? How do you propose to budget their time and your resources to this project?

D. Are there any institutional policy or administrative decisions that would prevent you entering into such a program or, in the case of consignment selling, prevent your entering into a business arrangement with a commercial enterprise?

E. Do you have the support of the appropriate institutional and management persons to inaugurate such a program? How does your institution deal with gifts now? You may also need to do a series of presentations in order to sell your idea to those above and below you in the supervisory chain.

F. How do you propose to measure the health or success of such a program?

The importance of initial planning cannot be over stressed. Like your basic budgeting process, this plan will be your road map, your guide to successfully managing any project of this nature. Also, like the budget, it will allow you to maintain control over the process and report and give important feedback as to the project's progress and problems.

Despite the fact that most libraries consider themselves a service or support institution to a public, special or educational institution, the library is, in effect, another type of business within the concept of a service industry. Like any business, it manages people and resources to generate a product or a service. Sadly, we still find those in the profession who find this concept distasteful or somehow beneath our mission to our patrons. This idea is rooted in our history and comes from a perceived notion of the benevolent patriarchal institution, funded largely in the past by aristocratic patronage and delivered by mostly gentlemen scholars. We were somehow apart, separate from the vulgar ideas of business, unsullied by the need to be cost effective or entrepreneurial. Those days are clearly past us and, as state support for higher education in particular has universally eroded over the past two decades, libraries are scrambling to justify their existence and often to generate a major part of their own revenue. Today, instead of the gentleman scholar's patronage, we need keen entrepreneurial instincts, savvy business sense and commitment to effective management to be able to respond to today's fast paced and changing world of information.

I can personally remember hearing about the existence and importance of a library's developmental officer for the first time mentioned as a novel concept. I have also never worked in an institution that had all the economic resources it needed to operate at its full potential. Every library institution with which I have been involved has gone through significant episodes of financial deprivation, cutbacks, losses in collections and personnel. It was out of this environment that I started, as a department head, to look back on my years in the private sector for guidance. With my background in small business management, I started to look at aspects of my operation

with a awareness of the need for responsible fiscal management, operational productivity, attitude to service and creative ways to possibly generate revenue.

The Missouri Experience:

My first experience in asset generation came about seven years ago when I took over as technical services librarian in a mid-sized Midwestern law library. One of the first things I noticed was a huge storage area filled with unprocessed donations. Approximately six ranges were packed with all manner of donated texts and journals. After I got over the shock, the first chore was to put all of this chaos into some meaningful arrangement. When this was done, we realized that the storage area contained an entire range of various duplicate serial runs. The decision was made to try to "trade" these runs for credit toward future purchases.

Credit was sought in that any money made from the outright sale of these runs would be treated as income and would have to be turned over to the university. This would not benefit the library in any manner. On the other hand, there existed no records of receipt for any of these runs and they had, in fact, never been a part of the library's collection. We checked with the appropriate institutional officials and secured their blessing for our endeavors. A list was created specifying title, extent of the run and condition. The list was mailed to several large firms who specialize in offering law serial back runs. Instead of asking for money, we requested credit that could be applied to new serial purchases we may wish to make in the future based on an agreed percentage of the value given our serial runs by the vendor.

During our review of the serials collection, we also discovered that several previous serials cancellation projects to accommodate budget cutbacks had left the library with many gaps in its serials holdings. Over the next two years, we were able to "trade-for-credit" and realize savings of nearly fifteen thousand dollars. We were also able to restore nearly all the gaps in our periodical collection as well as replace those volumes which had become damaged or simply worn out. The periodical collection of an academic law library tends to be heavily used and hence, there is an ongoing need for replacement.

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Through this program we were able to restore the periodicals collection to its former state of completeness and even add to back runs of titles we purchased as a part of our regular collection development process.

The Kentucky Project:

When I arrived at my present position, I found a similar situation with regard to donated monographs. In addition, while attending an ALA program on gifts management, I learned of a program at the University of Iowa managed by **Kathy Vachel** who sold donated books on a consignment basis through a local used book dealer. Building on that idea, I decided that we could replicate a law library model of "trade-for-credit" in this environment also. It took quite a bit of selling, so to speak, to find a dealer and convince them of the viability and mutual value of such a program and to secure the approval of my superiors here at Western Kentucky.

Among the questions I needed to answer were the following:

Who would make the lists of titles, describe their condition and appraise their value?

Where would the stock be kept? Who would handle payment for shipping?

What percentage of the sale price would be profitable to both parties?

What kind of financial reporting would be required to keep the auditors feeling secure about such a program?

How and by whom would the credit be applied?

Also, it was decided that these were to be monographs that had never been accessioned or ever been a part of the collection or duplicated titles already in the collection. Titles withdrawn from the collection are not eligible for this program as they must be sent to surplus. Titles donated to the library are reviewed by the subject bibliographers after an initial verification against our holdings. Only those rejected by the bibliographers or duplicated in our collection can be eligible for the "Trade-for-Credit" program. We also check the title in the collection to be certain that the duplicate title cannot be used to replace a worn or missing copy. In short, only if we can determine that the title would have no applicable value to the collection, does it fit our "trade-for-credit" criteria.

Once these and many other issues were settled we decided to go into a partnership with **BUSCA**, a book vendor in Ithaca, New York, who was looking to get into the used book sales environment. After verbal negotiations, a memorandum of agreement was signed by both parties. In exchange for a percentage of the sales price in credit, we would create the list, appraise condition and assign the estimated value. To assign estimated value, we used the online price found for the same title found on databases like **BiblioFind**, usually taking a median price based on several titles in similar condition.

As we create the list, we move the books to an empty range and they are stored alphabetically by title. We then e-mail the list to

BUSCA which posts our offers on the Internet environment. As a title is sold by **BUSCA**, they alert us via e-mail to drop ship the title to the buyer. **BUSCA** has agreed to pay the shipping costs. Reports are supplied on a quarterly basis and we notify **BUSCA** when and to what title to apply the available credit. As we are offering titles once held in storage by our **Kentucky Museum**, **BUSCA** maintains a separate account for those titles which gives the museum additional buying power in a very depressed economy. Please remember that none of these titles have ever, at any time, been a part of either the library's or museum's collection, duplicate materials already in the collection or have been rejected for the collection by the subject bibliographers. We have, as of this date, submitted lists containing approximately 200 titles to **BUSCA**.

At this time, after a slow start, the program is running smoothly and we in the library are beginning to realize the benefits of this program to our collections and our institution. Planning, preparation and permission are key elements to making a program of "trade-for-credit" a success. We still are moving slowly but steadily toward our goal of enhancing the collection with materials otherwise useless to the library and at a pace we can manage without any measurable interruption to our normal schedule of ordering, receipt and payment. If anyone is interested in developing such a program, please feel free to contact me regarding the details of our experience at <Jack.Montgomery@wku.edu>.

Postcards from Bremen — a.k.a. Oregon Trails

by **Tom Leonhardt** (Director, Information Resources Center and University Librarian, International University Bremen, Germany) <twl@iu-bremen.de>

Moin, moin! (That's low German or Plattdeutsch for Good Morning). It's Sunday, 8 July 2001 and I'm making time for myself. What better way than to sit at my desk with a cup of coffee (roasted right here in Bremen) and write a postcard to friends and colleagues and readers I have never met but who share my interest in libraries and all of the things that make them work.

After two months on the job, that is planning and working to establish library services by no later than 10 September 2001, I've given a lot of thought to what makes libraries work. The answers I have come up with aren't surprising but putting them together in the right order has become a bit of a challenge for many reasons, some understandable and some that are downright frustrating and beyond my control.

If you have never tried it, you might not know how helpful it can be to sit down and start writing. I write long hand and find the

direct, physical connection from brain to hand to pen to paper helps calm troubled waters and the respite itself is restful.

And writing is a way for me to try and organize my thoughts and test my ideas when it's time to revise my first draft. Writing is hard work, too, but when writing for myself, the release and relief that comes at the end is to the brain what a long walk or run is to the body.

I was advised, when I first accepted this job, to make time for myself. That has been difficult to do but the truth of that advice came late to my ears. I hear it now and am taking it to heart. When you read future postcards, you will know that I am taking time for myself.

There is a lot that I could say about what I have done so far to establish library services in very short order but I will be brief for the moment. If I have nothing else on 10 September 2001, no staff, no books, no journals, I will at least have an **OCLC** membership and **FirstSearch**. That is what I have now and on that foundation I will build other services.

I won't say a lot about German academic libraries, either, because I don't know much about them except that I think there are some differences and similarities. I look forward to learning more about them but that will take time.

To be honest, I am more interested in German bookstores and the German book trade than the libraries. I have already had delightful meetings with two local book jobbers, one who imports titles, mainly in English, is called **The Missing Link** (www.missing-link.de) and one who deals mainly in highly specialized and scholarly (is there a difference?) books and journals called **EBO-Fachliteratur** (www.eobuch.de). I am also, at long last, about to work closely with **Knut Dorn** and his colleagues at **Harrassowitz** (www.harrassowitz.de) in Wiesbaden just a four- or five-hour train ride away.

It's time to pour another cup of coffee and then go for a walk before it rains. Tschuess!