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# Issues in Vendor/Library Relations -- Review of Managing Suppliers and Partners for the Academic Library

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- In the spirit of “aggregating supply”, many consortia and library cooperatives have instituted 1-2 day interlibrary borrowing. See NExpress for an example (<http://www.wellesley.edu/Library/NExpress/>).

These are just examples, of course. There are many more initiatives underway: links to OpenWorldCat records from Google search results; improvements in searching that range from NCSU’s new Endeca-based OPAC and graphical interfaces such as TLC’s AquaBrowser to FRBR-ized results from RLG’s RedLightGreen; all manner of digital repositories hosting everything from theses to massive data sets; and a renaissance in Special Collections discoverability. New undertakings appear every day. (Shameless Commerce Division: R2 has developed a half-day seminar highlighting many of them.) In short, many of our colleagues have entered the fray, and are showing librarians to be world-class competitors. Long may they run, because we’re engaged in a marathon, not a sprint:

*“The knowledge society will inevitably become far more competitive than any society we have yet known.”*

— Peter Drucker 

## Issues in Vendor/Library Relations — Review of Managing Suppliers and Partners for the Academic Library

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**Ball, David** *Managing Suppliers and Partners for the Academic Library*. 2005. London: Facet Publishing. ISBN 1856045471. 184 pages. \$99.95.

Reviewed by **David Swords** (Vice President, International Division, YBP)

For academic libraries around the world, a shrinking number of viable suppliers; the need for internal efficiencies; electronic information; and, often, consortia are changing the forms of acquiring, storing, and delivering books and journals. **David Ball**, University Librarian at **Bournemouth** in southern England and a major actor in the UK’s largest consortium of academic libraries, has written a timely book about relationships between libraries and their suppliers. **Ball** has in mind a UK audience, and the UK market is distinct. Parts of the book will be of little help to readers in North America, Australia, New Zealand, or elsewhere. Stylistic shortcuts, especially **Ball’s** extensive use of abbreviations (HE, HEI, FEC, HEFCE, LMS, VLE, JACC, PLSI, NESLI, and others) some-

times come between a foreign reader and easy comprehension. A large part of chapter one, and virtually all of chapters six and seven will prove too specific to the UK for librarians who work elsewhere. And **Ball** finally says less about how to manage suppliers than his title suggests. Nonetheless, the book stands as seminal in explaining the forces that are deepening interconnections between academic libraries and their suppliers.

Our business delivers books, but we quite specifically sell services, the means to collect and acquire books in ways particularly adapted to academic libraries. We are in the business of workflow support. **Ball** clearly shows how the shift from product to service underpins the col-

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laboration between libraries and their suppliers. In the past, for example, much of a library's work was acquiring, processing, protecting, and handling physical products. Today, as often as not and with the tide in the direction of outsourcing, libraries hire suppliers to process, protect, and catalogue their books. In a new development, **Radio Frequency Identification (RFID)** technology diminishes the need for librarians to handle physical books at all. These and dozens of other innovations in the environment conspire to put all of us, librarian and supplier alike, in the business of providing service rather than of shepherding products.

To set the stage for his description of relationships with suppliers, **Ball** examines each link in the information supply chain, beginning with publishers and the high cost of academic journals. In the UK a Research Assessment Exercise ranks university departments every five years. A considerable part of the score is based on publication in peer-reviewed research journals, and the departments with the best results receive large sums of money. Thus, the cost of journal subscriptions has risen virtually unchecked, despite initiatives such as open access, because of the status that journals confer and the rewards they bring to authors and their institutions. **Ball** notes that users do not pay for the information, insulating demand from costs, and he offers an important lesson in pricing:

"If the publisher discounts the library price of a must-have journal by 50% it is most unlikely that subscriptions will double. Some libraries will take an additional copy; there will be fewer cancellations; but the subscriptions will not rise hugely. Instead, libraries will spend the savings on other titles, generally from other publishers. By discounting, the publisher has lost profitability and decreased market share.... [Conversely] if the library price of a must-have journal is doubled, some subscriptions will be lost but ... by no means 50%: other journals will be cancelled instead. By raising the price the publisher will increase profitability and market share."

In discussing eBooks, **Ball** suggests the complexity of the world libraries face and the maddening of unintended consequences. He points out, for example, that libraries are likely to replace their short-term loan collections of physical books with eBooks. Doing so makes lots of sense for accessing and handling the material. But increased access of the short-loan collection will cause at least some students not to buy textbooks. For publishers to replace a loss in textbook sales of only 10% would require doubling their sales to libraries, and "Library budgets may, therefore, become the victims of the success of the medium, as publishers increase

the price of electronic textbooks to compensate for the loss of revenue from students."

As for physical books, **Ball** considers selection "a core professional task, since stock is so closely identified with learning, teaching, and research." A proponent of the idea of approval plans, he understands their advantages as well as their dangers. But **Ball** has a misconception about them, believing that approval plans amount to outsourcing selection in the same way that physical processing can be outsourced. In North America librarians would mostly agree that approval and slip plans organize and allow them greater control of selection, tending to enlarge the possibilities for collections rather than shrinking or homogenizing them. That approval plans hardly exist in the UK could well be the result of the belief that they cede a core competency to suppliers. On the other hand, UK libraries have outsourced processing and

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cataloguing probably more extensively than is practiced in North America.

About outsourcing **Ball** says, "Because of the substantial investment required of suppliers, and the integration of suppliers into library systems and processes, there is a trend towards long-term relationships with a few large suppliers." In the UK virtually every academic library is a member of one of seven regional consortia that select major suppliers for all of their universities, a practice that has further shrunk the number of suppliers. In the supply of books, for example, **Dawson's**, which is almost unknown in North America, Australia, and New Zealand, dominates in the UK. Keenly aware that the combined effects of outsourcing and consortia have created the specter of monopoly, the British consortia have begun to encourage new suppliers to enter the market.

Worldwide the general practices libraries use to choose their suppliers do not vary greatly. But slight variations in how libraries apply those practices have a great deal to do with making good choices. For example, virtually every RFP asks suppliers to list three to five references. Given that any serious contender can find three to five advocates in the wide world for its services, we cherry pick those who will say predictably nice things about us. **Ball** suggests that a better approach is to ask for a more complete list of customers, identifying several whose situation is similar to that being undertaken by the issuer of the RFP.

In the United States and Canada libraries

typically issue an RFP and then require respondents to appear and present their case in person. A common complaint among librarians that results from this approach is that every vendor begins to look and sound alike. By contrast, in the UK representatives of a consortium visit the suppliers and inspect their premises, often in detail. Nowhere, however, do libraries seem to tie the RFP to the presentation suppliers make. In a proposal, the emphasis is on describing how we do things. In a presentation, whether on our premises or yours, libraries could insist on seeing how vendors specifically do what they have described. If the questions in the RFP are the right ones, a clear demonstration of how suppliers carry out what they say could prove revelatory.

In most countries, the UK included, the tender process is directed by procurement professionals. **Ball** describes their contribution, outlines the parts of a good process, and offers sample scorecards used to evaluate respondents. Because price is nearly always an important element of the tender, and certainly consortia are aimed at securing the best

prices possible, **Ball** considers pricing carefully and offers innovative thinking. For example, he proposes that distributors, rather than offering a standard discount off of list price, could charge what they pay for a book plus a fixed amount. (In a variation on this practice, our company once offered to return to a consortium any profit greater than a certain amount per book. We lost the bid.)

On the other hand, perhaps even more radical practices are in order given the deep, essential, abiding relationships that eventuate from tender processes. The most innovative we have seen was not a tender at all. Three years ago the **University of Ottawa** concluded that demands of efficiency required its libraries to adopt approval plans, with which they had little experience. Over the next two years the university set up and monitored approval plans with contending suppliers.

At the end of the experiment the library made its choices and only then asked about and negotiated discount for the ongoing business. Implicit in the process seemed to be that no RFP could substitute for direct experience and that an efficient overall approval system outweighed the relatively small differences in discount likely to be offered by suppliers.

The topic that Managing Library Suppliers addresses is critical. In explaining market dynamics **David Ball** has made an illuminating start that deserves to be read by academic librarians. But to arrive at best practices for choosing and managing suppliers of journals, eBooks, ILS systems, and books other authors will need to follow his lead. 🐘

