

Beans, Bangs and Bucks: Diversified Revenue Streams, Effective Marketing and Skilful Management

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In 1991 I presented a paper at the Auckland conference *Will Libraries be relevant in 2000?* Last year in my paper *The Changing Landscape for (Research) Librarians: from Monasteries to Phone Booths* I was more confident about the future of libraries and librarians if we can face realities and be strategically smart.

Those of you who have heard me speak before in New Zealand will know therefore, that I have a few passions – I am passionate about searching and the role of librarians in finding and evaluating information; I am also passionate about the need for librarians to be skilled managers. This year my paper could be considered a continuation on these themes. But why such a silly title – *Beans, bangs and bucks!*

Why beans? Initially I was contacted a few weeks after Information Online in Sydney where Steve Coffman of LSSI – Library Systems and Services Inc. had presented the opening Plenary paper. I thoroughly enjoyed his paper¹ and was amused by his use of the New Orleans Mardi Gras street parade as an analogy for library funding. During these famous, crazy parades, float riders toss beans, fake aluminium coins and cheap strands of beads to the crowds who chant – “Throw me sometin’ Mistuh!” But some arms are longer and stronger, and so the distribution of the beans and beads is highly competitive and uncertain. Government funding of libraries is equally competitive and uncertain Coffman claimed.

Why bangs? Because in a highly competitive environment - the environment in which many, though perhaps not all, libraries now operate – it is vital to provide value in order to compete successfully. It is more than marketing. It is delivering and demonstrating value.

Why bucks? Because in a competitive environment, as professionals we can no longer avoid the absolute responsibility of being skilled financial managers.

¹ Coffman, S.: We are all agreed that life is better in the books. Information Online, 2003. www.alia.org.au/online2003

Let's consider the current competitive environment

Consider the demands on **government funding** today for education, the aged, health, security, defense – certainly in Australia and the US and I assume in other countries, the competition for government funding has probably never been so tough. And consider the claims of other sectors of the community – how can one deny that education, the aged and infirm deserve government support? How can one deny the need to ensure security?

Given the political pressures in Australia, it was inevitable therefore in the Australian Federal Budget for 2003-4 that the National Library of Australia was one of the institutions to receive decreased resourcing along with the National Gallery of Australia, National Museum of Australia, and the National Office for the Information Economy.² However, it is worth reporting that anecdotally some federal government libraries have reported increased funding in recent years following successful development of Intranets – i.e. highly visible services affecting the performance of their departments.

At a State level in NSW, the State Library has enjoyed increasing budgets – in 2003-4 up by 2.4% to \$71.4 million although some of this increase is apparently included in the nearly \$22 million for NSW public libraries – an increase for public libraries of over 5% in one year. In Queensland money has been allocated to redevelop the State Library building but staff report there are almost no funds for training staff³. According to the Local Government Association of Queensland “State government libraries are suffering from a constant funding decline since 1990”⁴

It seems that many NZ libraries have enjoyed strong government support despite some attempts to introduce some user fees in 2001.⁵

For **corporately funded** libraries – i.e. special libraries in the corporate, association, private health or legal areas – the competition for funds is also tough in most circumstances. The pressure on companies to deliver returns to shareholders is vividly demonstrated by the pressure for instance in AMP the large insurance company in Australia where it has recently been announced the library will be closing. Hospital libraries on the other hand hopefully are receiving more support given the direct value they can demonstrate in terms of reducing “adverse events”.

University libraries in Australia also report funding problems with CAUL (Council of Australian University Librarians) referring in their Strategic Plan 1999-2005 report “Funding reductions in real terms”.⁶ So while funding may not have actually decreased the costs have escalated so in real terms the funding is lower.

² <http://alia.org.au/publishing/budget.analysis/2003.html>

³ Private communication, September, 2003

⁴ <http://www.lgaq.asn.au/lgaq/lgaqhome.nsf/0/60f05dc6586dc5b94a256ac400299f4a?OpenDocument>

⁵ www.metronet.org.nz/lgaSubmission.pdf -

⁶ <http://www.caul.edu.au/caul-doc/strpln99final.html>

In the USA, the American Library Association has launched a campaign Save America's Libraries⁷ "Right now, America's libraries are facing the deepest budget cuts in history.

Across the country, libraries are reducing their hours, cutting staff or closing their doors – drastic measures that were not taken even during the Great Depression." The site graphically illustrates the states where cuts have occurred and reports on some amazingly savage cuts to book votes.

Competition goes beyond funding - we are also competing for users

But competition is not just a financial issue. Libraries are also competing in terms of service delivery and attracting clients. According to an April 1999 Australian Bureau of Statistics⁸ report, more people visited libraries in the previous 12 months than art galleries, museums, popular music concerts, classical music concerts, theatre, and even the cinema. But I worry sometimes about statistics that are "library visits" – how many were successful I wonder?

A close look at reports and statistics produced by libraries shows now quite clearly that demand for services in some areas has been declining since 1996 when the Internet first became widely available to the general community. The National Library in Australia in February 2002⁹ charted the decline in inter library loan requests and there is a clear steady decline evident in the chart from a 1994-5 to 2000-1 and the NLA states "The decrease in requests has become quite rapid since 1996/7. There are a number of factors that could be influencing this trend, including the greater use of online resources, effects of budget pressures on libraries and the emergence of commercial suppliers". The NLA explicitly comments that the National Library of Canada's CISTI service is a key competitor. It is interesting to note our competitive environment is definitely global!

The State Library of NSW in its 2001-2 Annual report¹⁰ alarmingly reports declines of:

- 15% in staff assisted inquiries¹¹
- decrease in use of the Stack Service¹²
- 14% in onsite copying by clients¹³
- a fall in picture research¹⁴

For the first time in 12 years, the State Library of Queensland reported in 2000/1 a small fall in loans from public libraries per capita down to 10.74 from a high of 10.78 in the previous year.¹⁵ NSW public library visits are more or less static.¹⁶

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http://www.ala.org/Content/NavigationMenu/Our_Association/Offices/Public_Information/Promotions1/Campaign_to_Save_Americas_Libraries_Tool_Kit.htm

⁹ <http://www.nla.gov.au/initiatives/alctf/meeting8/trends.html>

¹⁰ Library Council of New South Wales. Annual report 2002.

¹¹ Ibid. p. 8

¹² Ibid. p. 8

¹³ Ibid. p. 11

¹⁴ Ibid. p. 11

¹⁵ <http://www.slq.qld.gov.au/pub/qldstats/loans.htm>

Although use of the State Library collections has declined sometimes by as much as 15%, the ABS statistics indicate interest in reading has increased. In September 2002 the ABS publication *Book publishers, Australia*¹⁷ reported “The total number of books sold increased by 24% from 105.3 million books in 2000-1 to 129.5 million books in 2001-2 – approximately 3.4 times the total number of loans in Queensland public libraries in 2000-1 Steve Coffman in his paper also reported a significant growth in US publishing both for books¹⁸ and for journals.¹⁹

In New Zealand I noticed Christchurch City Libraries have reported very significant declines in usage – a 50% decrease in reference inquiries between 1998 and 2002, and an even larger drop in research inquiries.²⁰

So while usage in some libraries is declining by as much as 15%, book purchases are growing by 24%. Add those figures together say – 24% growth + 15% decline = a rather substantial 39% swing away from libraries in some areas. This seems to suggest the issue is not about reading books or journals. The issues are about:

- how libraries provide their services and
- competition from more convenient or more attractive services.

The Internet as a competitive force

Yes the emergence of the Internet as a consumer resource in 1996 certainly I believe is having an impact. Larry Prusak who last year was a very popular Keynote speaker at LIANZA in Wellington, wrote in his paper *Where did knowledge management come from?*²¹ “... people increasingly have access to almost all the information they might need at any time and in any place (and, surprisingly, at low or no cost)...”. And if we are honest, we all know there is now a vast amount of very useful information available for free on the Internet as many of the references cited in this paper demonstrate! In my view it is not true to claim, as is claimed in a QCC-2000 Project Consultancy Report *The Future Role of the State Library of Queensland*²² “There is an enormous amount of information available on the Web but very little is factual, objective information”! This is absolute mythology! If one knows where to look, including on the Invisible Web, there is a huge amount of factual objective, authoritative information available for free and making claims such as this are not wise strategies to defend the position of libraries in my view.

The same Queensland report however, also states “Publishers who are making “real” authoritative information available electronically are charging highly for it.” Well this is partially true and one could add they are using the Web as a delivery platform. While

¹⁶ Private communication, October 2003.

¹⁷ ABS 1363.0 Book Publishers, Australia.

¹⁸ Bowker Annual Library and Booktrade Almanac, 2002

¹⁹ Ulrich’s International Periodical Directory.

²⁰ library.christchurch.org.nz/Bibliofile/2002/CYASReport02.pdf

²¹ <http://www.research.ibm.com/journal/sj/404/prusaaut.html>

²² http://www.slq.qld.gov.au/pub/qcc2000/future_role.htm

some fee based services are fairly expensive, some “real authoritative information” such as for example ASIC²³ company reports are available for very modest fees and available very conveniently at the desktop. Nevertheless it is valid I believe to argue that libraries are increasingly competing with our suppliers and no doubt many have felt some pangs of disquiet at the trend towards desktop delivery of information services by Ovid, Dialog, Factiva, Lexis Nexis, Proquest and others.

One could also argue perhaps that libraries are competing somewhat with online bookstores such as amazon.com and dymocks.com.au and the convenience of the Internet again comes into play. It is available at any time and anywhere!

So it seems there is the double whammy. Libraries are operating in an increasingly competitive environment and just when we need increased levels of funding to compete, many are faced with static or decreasing levels of funding.

Alternative revenue sources

So why do we in this new environment limit ourselves to old sources of funding only? Why not explore alternative sources for additional revenue? Why not examine if we can legally and wisely from a strategic point of view increasing our levels of funding from alternative sources? If public radio, museums, art galleries, schools, universities are all willing to accept additional funding from sources other than the taxpayer, why do libraries not explore these sources also?

Yes there could be risks! What impact will funding have on our copyright status? Will additional funding just let governments and other funders off the hook and allow them to accelerate the decreases in funding? Is there legislation in place enshrining the non-commercial status of our libraries? These issues must be explored.

Is there a philosophical rejection of seeking additional funding? If so, if patrons are prepared to pay to attend a football match, and even put money in the plate at Church, what precisely is the issue?

Is there resistance to the mechanics of collecting the money? If so, let us dismiss the myth that libraries are not already engaged in quite a wide variety of additional revenue raising. I know of many many examples of state, academic, government, public, and special libraries, that do some or all of these:

- Charge to use internet terminals
- Charge for using photocopying or microfiche copiers
- Charge for fines
- Charge for research
- Charge for document supply
- Charge for consulting

²³ Australian Securities and Investment Commission

But frankly many of these fee based services, I think are largely a waste of time and energy and this sort of revenue raising based on small transactions I do not support for most libraries because in my view they are unlikely to generate sufficient funds nor sufficient marketing clout to be effective. These transaction based ways of raising revenue often seem to cost more in terms of staff time than the funds they raise. Yes of course if there is a business like approach to offering value added services for fees and if the aim is for the fees recovered to be higher than the real costs including labour and associated overheads, there is no problem with libraries offering such fee based services. But it is when libraries offer extensive research for a song where the cost far exceeds the income that I think it is really unwise to play games in this way and frankly waste financial resources including staff time.

As an information broker, I do charge on a transactional basis and yes with a suitable accounting package it is not difficult. But I do not have a huge collection that is very difficult to charge out on a transactional basis. And I can support a small company in this way. I also think it is important for libraries to protect the free access to core services provided by most libraries.

I share the view that Coffman has proposed that it is worth exploring these sources of additional revenue:

- Retailing – book stores, cafes
- Memberships
- Venue hire – hiring meeting rooms, cafes, auditoria
- Sponsorships and bequests for special collections

Retailing

There are many examples of successful retailing in the “cultural” sector: -

- Some libraries already have introduced retail outlets. The Bookshop at the State Library of NSW for example specializes in Australian publications and in 2002 reported an increase of 12% in gross sales.
- The Art Gallery of NSW like other art galleries overseas also runs a successful retail outlet.
- The Australian Broadcasting Corporation has many retail outlets that are highly successful. “ABC Enterprises gives all its profits from these deals back to your ABC. For the 2001-2002 financial year it returned a handsome \$9.25 million to the corporation, in excess of the \$8.75 budgeted”²⁴
- The Powerhouse Museum in Sydney, and indeed the
- Museum of New Zealand Te Papa Tongarewa

all have merchandising outlets supporting the main activities of each institution and contributing revenue.

Coffman²⁵ has identified several retailing opportunities for US libraries including:

²⁴ Ham, P. Shier’s ABC legacy. *The Australian*, 31 October 2002, <http://www.theaustralian.news.com.au/printpage/0,5942,5382621,00.html>

²⁵ Private Communication, September 2003

- Vending machines contributing \$0.50 per visitor
- Sales per visitor at the Walters Art Museum café in Baltimore are \$3.32 contributing \$830,359 in gross sales.
- Café at Ferguson Library, Stamford which yields \$45,000 in rent alone

Memberships

Coffman has also been exploring the potential for additional revenue raising from memberships and has found that public radio stations like KUOW which provides a “public service to help inform, educate and entertain the people of Seattle” now no longer relies on tax revenues for most of its operating budgets. They have developed millions of dollars in sponsorships and individual memberships so that today only 14% of KUOW’S revenues come from taxes. Current research he is undertaking is examining the profile of donors to public radio with the profile of library users. It will be interesting to learn to what extent they correlated. Coffman’s view is that museums, zoos, orchestras and lots of other public cultural and educational institutions have learned they can stabilize and increase their funding by developing non-tax revenues, so maybe this is an opportunity for libraries to explore.²⁶

Venue Hire

The Powerhouse Museum in Sydney in 2002 reported over \$4 million in sales of goods and services including \$511,000 for venue hire, and \$665,000 for shops, and \$225,000 for leased operations.²⁷ The National Library of Australia has a venue hire program as does the Art Gallery of NSW. Venues such as auditoria that are not being used constantly can be very useful revenue earners. But even smaller local libraries probably have opportunities to hire venues for meetings and other functions.

Sponsorships and donations

The University of New England published *Fundraising Guidelines* in 2002²⁸ setting out the rights of donors and sponsors, probity issues, procedures for approving acceptance, receipts, records and the management of donor relationships.

There is no doubt that sponsorships can be very lucrative sources of revenues and offer “win/win” opportunities for both the sponsor or donor and the recipient organization. But clearly the process needs to be managed professionally. Nestle for instance in Australia contributes nearly \$500,000 to the State Library of NSW for the Write around Australia - a creative writing program involving 50 public libraries and 18,500 primary school students. Clearly this is excellent publicity for Nestle and a great project for public libraries.

²⁶ Coffman, S. Examining the potential for annual membership programs in public libraries. 2003? Unpublished?

²⁷ Museum of Applied Arts and Sciences. Annual report 2001-2. p. 33

²⁸ <http://www.une.edu.au/offsect/Fundraising%20Guidelines.rtf>

So in terms of BEANS, at a time when many libraries are experiencing either static or declining funding in real terms, the question that needs to be asked is should libraries start to explore additional revenue streams just as universities, museums, public radio and many other cultural institutions do around the world? But instead of trying to base the additional revenue earning on small transactional activities such as small searches, loans, maybe the core free services should be protected and revenue earned in other ways that do not interfere with the free service delivery.

Service delivery – with a bang?

In a competitive environment, with sometimes declining usage, it is difficult to argue for additional funding if users are voting with their feet, and as appears to be happening in some libraries at least, using the libraries less and less.

We have already referred to the convenience of the Internet and to the fact that there are useful resources available for free on the Web. Yes there are fee based services delivered via the Web and sometimes the licenses for online fulltext electronic sources are quite costly. But is convenience the only issue?

It is interesting to observe how Virgin Airlines was able to enter the Australian aviation market and compete successfully with Qantas²⁹ by exploring different ways of offering aviation services:

Virgin	Qantas
Low fares	Higher fares
Lower labor costs	Unionized high labor costs
Boeing 737s and Airbus	Multiple types of aircraft
Flies selective routes	Multiple routes
Cabin crew perceive their job is marketing	Cabin crew perceive their job is cabin crew
5 or less types of airfare	11 different types of air fare
No business class	First, business and economy class
In June 2003 the fully flexible fare Melbourne to Sydney was \$209	In June 2003 the fully flexible fare Melbourne to Sydney was \$331
Meals available for purchase	Meals provided

Coffman compares traditional bookstores with Barnes and Noble. The traditional bookstore has a limited selection of titles, opens from 9 – 5, no café, few amenities, and many have gone out of business in the past 10 years. Barnes and Noble has 175,000 titles, opens from 9-11 7 days a week, is a nice place to ‘hang out’, has lower operating costs, and is experiencing huge growth.

²⁹ Based on a similar comparison by S. Coffman comparing “Traditional airlines” and Southwest Airlines. Private communication.

I wonder what opportunities are there for a library to review how they deliver their services and to become as innovative in the presentation, marketing and delivery of services as Virgin and Barnes and Noble.

The role of marketing

What Virgin and Barnes and Noble have done is to analyse their respective markets and designed products and services to meet the changed market needs. In 2003, I am sure no librarian believes that marketing is simply a question of preparing a newsletter or some other promotion! Every professional librarian today knows that traditional marketing can be represented by the 4 P's:

- **Product** – finding out what products and services are required by our clients
- **Price** – determining what price the customer is prepared to pay – and you can consider your budget is the price your funders are prepared to pay. If they are reducing your funding that is a very clear indication. If they are increasing your funding, be careful they may have another agenda that may not be sustainable.
- **Promotion** – our way of communicating with our clients and potential clients about products and services available
- **Place** – a hard concept to understand in relation to libraries – but basically where and how do we deliver our products and services. These days of course the products and services can be delivered physically within the library or with mobile libraries or electronically via the Web.

So what Virgin and Barnes and Noble have done is identified what products are needed, at what price, they communicate via the Internet and with interesting arresting advertisements, and are delivering their products with panache. I think it is absolutely intriguing to observe Virgin cabin crews who clearly believe their “product” contains an element of entertainment and fun – not just transport - as they actually try on long flights to entertain the passengers.

In the competitive environment facing libraries, it is increasingly important to make sure our marketing is as skilled and professional and innovative and is responsive to changing market needs.

What are our products and services? Lending books? Access to fabulous collections? Access to the world's knowledge? Yes all of those. But do we also have services that will minimize risks for businesses? And minimize the risk of adverse events in hospital libraries? Of assisting with litigation in law libraries? Of providing entertainment for public libraries? Of providing access to self-learning for many libraries? Of providing opportunities to trace family histories? Of offering guidance on the most useful resources on the web? Of encouraging young people to enjoy various media in fields of interest to them such as sport – written, film, audio? There are many many products that different libraries can offer beyond the stereotypical ones of access to loans and collections – no matter how splendid the collections may be from a librarian's

perspective – products and services that may be more appreciated by our customers in this Internet age.

Therefore we need to examine what products and services do our customers need? Which segments require what services? How should we deliver these?

Eva Cox well known in Australia as a social commentator and feminist chaired research funded by the State Library of NSW and the University of Technology in June 2000 relating to public libraries.³⁰ In this report there are several extraordinary comments made in my view:

- “... the major users of public libraries are the elderly (27.8% of users surveyed were over 60 years of age) and school children/youth (24% of users surveyed)”³¹
- “Some libraries ignored their (i.e. youth) presence ...and did not provide services for them. Others actively discouraged youths from utilizing the library... [by] constantly quietening them; using video surveillance in areas in which they sit; and utilising security measures, such as council ordinance workers and police officers who wandered through the library at irregular intervals”³²
- “... there are instances where staff have suggested to older users that they stay away from the library at times of high usage by young people, thus creating a perception that youths and children are to be avoided...”even though older clients did not complain about youth apparently”.³³

Quite apart from whether publicly funded libraries are legally entitled to totally ignore 25% of their legitimate client base, just consider these 3 statements from a marketing perspective.

- Some libraries are prepared to totally ignore 25% of their potential users – ie. Youth who will in time be their older users!!
- If young people are not encouraged to use public libraries, how then do libraries expect them to feel strongly about libraries when they are older?
- Some libraries have difficulty in segmenting their products and services according to client segments based on age and interests

Can you imagine Virgin airlines or Barnes and Noble being willing to totally ignore 25% of their market – especially a market segment that as time goes by will become another important group of clients – the older users? And where will the youth who have been

³⁰Cox, E et al: “A safe place to go”: libraries and social capital. Sydney, 2000,

³¹ Ibid. p. 14

³² Ibid, p. 16

³³ Ibid, p. 17

denied services and harassed by video surveillance and other measures turn for their recreation and their information?

According to its introduction, *A Safe Place to Go: Libraries and Social Capital* was part of a wider set of studies relating to Social Capital and Public Policy in Australia and included in the concept of “social capital” were “the attributes of public space and services that may contribute to the development of [interpersonal]relationships”... and how public buildings and other places that may be shared with strangers, can either contribute to or diminish the opportunities for developing relationships of trust.”³⁴

So it has a fairly specific focus in terms of interpersonal relationships and public spaces. But it goes on to state:

“Public libraries have traditionally offered users access to information and knowledge as well as access to people who assist in finding these items. For those without substantial private libraries, public libraries offer resources to match those of better endowed private citizens. Their physical structure offers a place which signifies easy access to other users, spaces for reading, and the opportunity to ask for assistance.”

My reactions to this statement were:

- Yes it WAS true that libraries originally offered unparalleled access to knowledge but is this still true in an Internet age? And is that all? Are we so wedded to the past that we cannot reinvent our roles for today’s environment? After all the costs of book publishing have diminished over the years and think of how accessible amazon.com and other online bookstores are. Think how useful the free Web can be also despite its drawbacks and risks of sites that are not peer reviewed nor evaluated.
- Is the physical structure – the PLACE from a marketing point of view still a strong claim? Are the PLACES that libraries provide attractive, comfortable, convenient and friendly? While undoubtedly there are success stories of wonderful libraries that are vital, exciting, and absolute magnets for lots of people who want to do what one does in libraries – seek information and read – there are also scores of libraries that are dreary, boring and incredibly regimented with queues and rules and video surveillance and amazingly bureaucratic old fashioned procedures. Do libraries have to be sterile and old fashioned? Or can they be places where there are multiple activities, where you can even order a beer or a glass of wine with lunch if you wish? As a special librarian 20 years ago in the corporate sector, I recall one of our top executives chiding me because our two special libraries had “no ambience”. I rejected his comments at the time – but now I realize that presentation of the libraries is part of the marketing mix – it is part of how we deliver our services and if the libraries are dull and uninviting, this makes our jobs of attracting and keeping regular users so much harder.

³⁴ Ibid p. 4

- On the other hand libraries do have wonderful opportunities to build on the personal relationships between library staff and the users and to provide unique outreach services.
- And what about the opportunities to use the Internet to enhance access to libraries and their services? Some libraries have developed wonderful portals providing links to evaluated free websites. Many are now enabling online reservation and renewals. How convenient the Internet is for promotional purposes now!

What do we have that is Unique?

There is another key success factor – the need to identify the USP of libraries and of librarians – Unique Selling Proposition.

“A unique selling proposition (USP) defines your competitive advantage. You must identify what makes you different from your competitors and emphasize these advantages in your marketing”³⁵

What is it that libraries can offer that is unique? The Cox report claims that Libraries are a “safe place to go” and I guess that is true. Is it unique? I doubt it. In the total scheme is being able to claim that libraries are safe a strong argument for our services? Others involved with public libraries have referred to libraries being “popular institutions in society” – but again these do not appear to me to be unique values.

Our USP surely must be the ability of our staff to understand the published information and publication landscape and how to find publications and how to evaluate and deliver reliable published information *on any topic to all our clients*. I hope this is wide enough to capture knowledge of both fiction and non fiction for all age ranges and in all disciplines. For special librarians there will be some specialized knowledge in our parent organizations’ fields. There will also be subject specialists in large library environments.

Once our USP is established clearly along with the needs of our clients, then one can identify a range of products and services that reflect our USP for various groups of library users and find ways of telling them about the services and of delivering them both physically and virtually. But the key is that they need to be unique. Part of our USP for instance is that we do understand the Web, and we do know how to find legitimate information on the Web and when not to rely on the Web but to either use hard copies or fee based services.

Invest in staff

This means of course that we must invest in training. We must make sure that our USP is fully protected. Our staff must be more competent users of the Web and other

³⁵ http://www.1000ventures.com/business_guide/marketing_advertising_usp.html

information resources than our clients! Any client can pop a few words in a Google box. Our staff need to know when to use Google, when to use Teoma, when to use Alta Vista, when to use a metasearch engine, how to delve into the Invisible Web, when to use a service such as Factiva or Dialog. The information landscape is vaster and more complicated than ever before. We and our staff need to be expert navigators of this new landscape.

Each library would benefit from developing a strong brand, and by being able to deliver consistent messages too. Marcus Evans, Chairman of Carlson Marketing Group in the UK advised³⁶ at every contact with an organization, customers need to be met with “trust, value and information”. “Staff have to...live it and believe it every day. And they are often the primary touch point between your customers and your brand”. So training them effectively and praising them is essential.

We also have to be able to demonstrate that we deliver value. Value can be many things but is based on the benefits we can deliver to our clients:

- The knowledge of library staff about information resources
- The ability of library staff to understand client information needs and satisfy those needs
- Fast and uncomplicated service – service that respects the time constraints of our users
- The ability to deliver accurate and evaluated information. Unless a high recall search is needed for perhaps a research or legal reason, information professionals should be able to deliver information that accurately meets the needs of the users. Linda Cooper, an information broker in the US once instructed her subcontractors to write one or two sentences about every article they included in search results explaining why they had included those articles in the search results and if they could not write anything to justify inclusion, they were to leave them out. They were not to “dump” a whole lot of material that was not highly relevant on the clients to sift through.

Finally how do we manage our libraries? How do we manage the bucks?

In my view every library manager should be able to competently analyse a Profit and Loss account and to be able to understand the dynamics of their accounts. Special librarians for example need to be able to understand:

- Have their budgets been loaded with overheads that are not rightly theirs?
- What impact will reducing the collection have on the bottom line?
- How can some costs be legitimately charged to other cost centres?

We all need to be able to attempt demonstrating a Return on Investment and we all need to be constantly attempting to reduce per transaction costs.

³⁶ Evans, M. Building loyalty from the front desk up. *Ad News*, 25 Aug 2000, p. 19

We are not alone with these challenges. A range of other professions – CIO's, HR Managers, Competitive Intelligence staff – all are being challenged these days to demonstrate ROI.

But there are other ways we can also demonstrate value to our funders. A key way is to be able to demonstrate productivity improvements. How has Virgin for instance been able to demonstrate a lower cost per passenger kilometer? How could Barnes and Noble reach their sales levels with lower operating costs? How can we as library managers achieve goals more cost effectively? What productivity gains have we been able to achieve by increased use of technology? How can we reduce waiting times for stack services with less staff? What use can we make of warehouse systems for stack services? To me, we lose credibility if we cannot manage our financial resources well and if we consistently go over budget.

Conclusion

In conclusion, libraries now operate in an intensely competitive environment where it is necessary to compete with many worthwhile services for funds. Therefore we need to explore ways of increasing our funding with some sizeable alternative revenue streams including sponsorships, memberships, retailing and venue hire.

Libraries now compete with convenient attractive resources that also deliver books or information such as online bookstores, the Internet, even radio and television. If we want to thrive and grow we need marketing expertise to identify the products we can deliver to different market segments, at a reasonable cost, to be able to sell the services and deliver them with panache, with style, conveniently and with comfort. We need to be able to respect our clients' time pressures and recognize they are currently enjoying more and more convenience delivered to their desktops or to their home computers.

Finally we need to be skilled managers willing to embrace change and able to manage responsibly sizeable budgets.