Question #13
To Outsource or Not to Outsource Technical Services in Public Libraries?

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Introduction

Big Valley County Public Library System (BVCPLS) serves about 650,000 residents; of those residents, about 318,000 are active library users who depend on the library’s latest and most advanced material and resources. Libraries are the major information source of the community, and will be relied upon heavily for meeting all users’ information needs. People are less willing to wait to read popular books, especially when visiting libraries. They want to come to the library with a reasonable expectation that there is a good supply of recently published material available for them to borrow. However, if the costs of processing new materials are too high and it takes too long for materials to be processed, it may be a barrier to the library users. This paper will answer the following questions: (1) How will BVCPLS determine what the existing costs are and the time it takes to process materials? (2) How do the costs and processing times compare to peer libraries? The focus of this paper is whether or not the technical service operations consisting primarily of the acquisition, cataloging, and physical processing of materials should be outsourced. The BVCPLS Task Force will provide an analysis to determine whether the library should outsource the processing of its new materials or re-organize technical services and identify its performance as well as to compare its costs with a set of peer libraries with the similar populations.

Background

Due to the budget constraints and the resulting staffing shortage, BVCPLS retooled the whole organization, resulting in fewer librarian positions but more staff in the systems department. The technical services currently prioritize all their functions and services. Some of those defined as low-priority or ineffective operations and services ceased entirely, some were put on hold, and some continued at slower pace. To order to improve the processing time, it may
be necessary to consider carefully restructure the existing workflow in technical services department and to utilize the skills of its staff more effectively. Selection and ordering are time-consuming and often complicated processes. Cataloging departments are slow and frequently have backlogs of materials that need to be cataloged. This backlog are sitting on a shelf in a back room of the library rather than circulating among library users. BVCPLS will need to acquire adequate funding, additional staff and materials, and time in order to prevent severe backlogging of up-to-date information.

Literature Review

Why would a library want to outsource? Hirshon and Winters (1996) identify and describe two categories of reasons in their manual – strategic and tactical:

- **Strategic reasons**
  - Enable library to focus on core operations
  - Ability to reorganize operations without having to undergo extensive retraining or analysis of details of process
  - Greater organizational flexibility
  - Creates opportunity to reassign staff to other duties

- **Tactical reasons**
  - Cost considerations
  - Needing specialized services which are not already found in-house
  - Avoiding difficult or unproductive work situations

Alvin discusses the history of outsourcing in libraries, from days of ordering printed catalog cards, to automating collections (Alvin, 1999). There has long controversy over using business model for libraries, and whether bottom line should be primary consideration. One
camp considers libraries businesses because they manage employees, finances, and facilities; they market their services and provide customer service. On the other side, those who consider libraries educational institutions with missions to provide service and access which should not be evaluated the same way as “profit-making enterprises”. News stories in professional publications tell of public libraries confronting budget woes with the possibility of outsourcing (Oder, 2006), being able to reopen because of outsourcing (Jackson County system reopens, 2007), and sometimes deciding against it (Bedford Mayor Nixes Outsourcing, 2007). An editorial in Library Journal decries “far too many examples of privatization of public services to the detriment of the public good (Fialkoff, 2008)”. According to Alvin (1999),

> [m]uch of the published work agrees that the key reason for outsourcing is to concentrate on essential functions or what the literature calls core competencies. Many libraries have realized that after years of trying to be all things to all people, they can serve their community and patrons better if they focus their energies on a service-oriented agenda. By targeting the most significant functions that support their service mission, libraries can direct more energy and resources into reinforcing those processes. (p. 266)

Outsourcing can be less controversial if focused on the technical processing section, which does not provide public service. However, one common concern is the idea of losing control over the collection; as Robertson and Cataggio (2007) put it, “How could suppliers know individual branch idiosyncrasies, community needs and local trends as well as do librarians (p. 22)?” Their response to this issue has been greater emphasis on developing branch profiles over selecting individual titles. Janet Swan Hill (1997) notes that while outsourcing is viewed by various people as “the only sensible thing to do, the hallmark of ignorance, or an indicator of failure to fulfill societal obligations”, the truth lies somewhere between the extremes.

Anyomi (1999) investigated the use of outsourcing in public libraries throughout the state of South Carolina, but found only a small number of libraries (ten out of twenty seven
respondents) have outsourced cataloging functions. The trend toward outsourcing has been increasing in the United Kingdom (Ball, 2003) and Australia (Robertson & Catoggio, 2007). The Albuquerque/Bernalillo County Public Library System has been outsourcing selected item record creation and physical processing activities since 1992 with a very low error rate of less than one percent (Haber, 1997). The Fort Worth Public Library’s outsourcing experience initially required a significant amount of the library staff’s time for quality control monitoring, but eventually, the fifth vendor they contracted has worked very well (Dixon & Bordonaro, 1997). One interesting aspect of the Houston Public Library’s positive experience with outsourcing, authority control processing of the entire database produced “better service without a substantial increase in ongoing costs (Rollins, 1997)”. A survey of urban libraries in the United States showed that 71 of the 72 respondents reported outsourcing of some kind, and half of the respondents expected to outsource more functions in the future (Urban Libraries Council, 1999).

There are numerous bookselling vendors offering supplemental or replacement services for library technical service functions. These vendors hire qualified librarians to perform the same functions as in-house librarians. They are able to check for duplicates, offer the ability to use in-house funding codes for accounting via their electronic order records, which in turn can be used for reports of expenditures. Physical processing capabilities include placing security strips in books, applying ownership stamping, labeling with bar codes and call numbers. Contract acquisitions opportunities allow the vendor to supply books according to a profile provided by the library. Specifications may include audience, subject, format, languages, reading level, or price. Cataloging services include generating MARC records, copy or original cataloging, and authority control. Depending on services ordered, books can arrive “shelf-ready”. Alvin (1999) points out one drawback to this method is that the library surrenders a certain amount of quality
control. Ron L. Ray’s report of the Technical Services in Public Libraries Discussion Group from the 1997 American Library Association (ALA) Midwinter Conference reiterates the need for communication between the library staff and vendor to achieve success (Ray, 1997). George Coe, writing from the perspective of a bookseller, emphasizes the need for vendors to employ people who understand library jargon and the world of librarianship; in fact, he states that book vendors should hire librarians (Coe, 2006).

Rather than recommending outsourcing, Sheila S. Intner’s article, “A technical services makeover”, suggests making technical services more visible to all library workers and the public. It is hoped that this will increase efficiency of technical services work while glamorizing it. While many of Intner’s suggestions seem superficial, she does suggest placing technical services areas in proximity to information desks to “make possible an interchange in staff that goes both ways”, allowing the different departments to cover for each other and cooperate (Intner, 2007).

The decision of whether or not to outsource can be made easier by using a checklist such as that of Kascus and Hale (Commercial Technical Services Committee, Association for Library Collections and Technical Services, 1995). David Ball, in his article “A weighted decision matrix for outsourcing library services” has developed a weighted decision matrix to be used as a tool for judging the suitability of library services for outsourcing (Ball, 2003). Interest in outsourcing in libraries is a result of many factors, namely, budget restrictions and length of processing time. Ball (2003) goes on to say that in recent years there has been a significant trend towards outsourcing and externalization, therefore the weighted decision matrix was developed to help judge the potential within an organization for outsourcing. The purpose of the matrix is to aid in the process of decision-making, whether or not a service is a suitable candidate for outsourcing. Based on research, nine cultural, economic, and functional factors were identified that merit
consideration when assessing a service for outsourcing. In addition, it would be wise to consider Matthews’ suggested questions: “Does the service ‘define’ the library? Are the costs for providing the service high? Is the turnaround time to provide a service greater than customer expectations? Has performance been declining of late? (Matthews, 2007)” Comparing costs and processing times of “peer” libraries also helps enlighten the way to taking a better approach.

Analysis

For eighteen years now, BVCPL has saved some duplication of efforts and expenses by placing all of the county’s technical services operations at its main library. Even so, the repetitive and time-consuming tasks of acquisitions, cataloging and physical processing do not necessarily need to continue to take place on such a large scale within BVCPL. Professional catalogers and acquisitions librarians usually rank at the top of the pay scale in the library. The technical services department may be perceived as a drain on the library’s budget. Economic pressures, including a five million dollar deficit in the county’s budget, call for investigation of ways to save even more money in all county departments.

The literature on outsourcing has shown that using outside vendors, particularly in cataloging, acquisitions, and physical processing of materials, is a good method for saving money without compromising library services. Public libraries already outsource finite projects, such as retrospective conversions and backlogs and many materials such as serials, foreign language materials, archival materials, and items in non-print formats. Research indicates that the majority of outspoken librarians believe that public libraries will outsource more technical services operations in the future. Today's librarians are being asked to expand services while making the best use of the public’s always decreasing funds (Hirshon & Winters, 1996). Outsourcing in public libraries has become common enough that error rates are quite low, and
fears of losing control of collection development on the local level can be removed by sharing carefully detailed branch profiles with the vendor. For example, ten public library systems in the state of South Carolina have used outsourcing cataloging functions for the following reasons: opening day collections, cost effectiveness, removal of backlog, improve staff efficiency, shelf ready books, and personal issues (Alvin, 1999).

**Technical Services Workflow Analysis**

The BVPLS technical services department consists of one supervising librarian, three cataloging librarians, three acquisitions librarians, and five part-time library assistants. It also comprised of three major units. The first unit is Acquisitions, which orders, receives, and pays for materials for the library’s collection that bibliographers have selected. Acquisitions acquire materials from all over the world in numerous and various languages from a conglomerate of publishers and vendors. Additionally, they receive gift collections donated to the library. After processing received materials, Acquisitions unit sends them on to next unit, Cataloging. Materials are held in cataloging for a short period of time waiting to be distributed among the catalogers in accordance to their subject specialization. The professional catalogers search for existing records in OCLC or other bibliographic utilities to edit new materials according to the library policies and upload them to the BVCPLS online catalog. If no record is available, the catalogers create original records. After the materials are cataloged and bar-coded, they are sent onto Preservation. This unit prepares the materials, such as labels, security strips, binding, and mending, to be shelved in the library’s collections.

BVPLS first analyzes its current state of effectiveness. An analysis would allow the library to assess what changes needed to be made and will help reorganize the library system to be at its maximum efficiency. The BVCPLS has over 2 million cataloged volumes of books and
15,000 serial titles. There were 10,175 volumes added to the collection in 2007. The total collection expenditure was $370,675. It is estimated that selecting, ordering, cataloging and processing each of these items in-house costs $36.43 per title. The total hours to complete all of the cataloging was 48,331 hours. The average time per title to complete the original cataloging in house is 4.75 hours. According to Duchin (1998), the cost for the OCLC PromptCat service cost about $3.99 per record. If the library would outsource the cataloging, it would have saved the library about $7,733 per year. When compared the total expenditure per capita to other peer libraries, BVCPLS is much higher than the comparison group average and the national median (see Figure 1).

Figure 1: Peer Libraries Survey.  
Source: The Institute of Museum and Library Services

Recommendation

In order to provide the greatest possible number of information resources to the library users, and to eliminate duplication of effort, libraries across the whole BVCPLS collaborates to create shared collections. Collaborative efforts would increase the potential cost-effectiveness, shorter processing time, and elimination of duplicate efforts with centralized processing. The bottom line of outsourcing is not whether the library saves money but whether it improves services or collections. At the minimum, outsourcing should result in an improvement in the efficiency and cost effectiveness of services and collections. If a deficit in quality occurs, BVPLS will re-evaluate the decision to outsource or look to a different vendor.
A successful outsourcing venture will depend on clearly communicating the libraries needs and expectations to potential vendors, determining which vendor will provide the best service for the specific functions needed, and carefully creating a contract to reflect those expectations. Outsourcing acquisitions, cataloging and physical processing tasks would allow BVCPL staff to devote more time and resources to its mission of serving the public while reducing technical services costs. Library staff should prepare detailed profiles of all branches, listing the characteristics of the neighborhood population including income, education level, ethnicity, languages and age. Other items to specify in the profile should include:

- Cost limit per title
- Percentages indicating an approximate allocation of funds per category or genre
- List of authors and illustrators whose works will be purchased regardless of reviews
- List of series in which new titles should be purchased

Special criteria – the Mobile Library, for instance, would specify item size limitations in its profile, because of the height of the shelves on the vehicle.

A follow up analysis and assessment will determine if the initial analysis was successful in solving the problem. The follow up analysis will involve interviewing the staff to find out if the new changes are working well for them, and interviewing the library users to find out if the BVPLS meets their information needs.

Conclusion

Public libraries are often faced with the problem of slow material processing time and budget cut. Library users have high expectations of patrons to see new materials on the shelves as soon as possible. Utilizing the staff’s skill in the most efficient manner possible will create a more effective workflow, and this will solve the slow material processing time problem. The
BVCPLS Task Force analyzed the processing of its new materials and identified its performance. This study also reviewed and compared the costs with a set of peer libraries with the similar populations to determine outsourcing might benefit the library. With a reliable vendor and an explicit contract, BVCPLS will analyze the financial savings, receive current imprints in a timely manner, improve the accuracy, consistency, and speed of cataloging, and make the best use of its librarians’ expertise by expanding services that only professional librarians can deliver. A follow-up analysis and assessment including interview and surveys will be conducted. If the contracting of technical services does become more accepted by BVCPLS, librarians will insist upon higher standards and their demands will likely improve the quality of services and products provided by vendors. Perhaps more importantly, outsourcing may enable librarians to better meet the library users’ information needs.
References


