

Strategic Procurement Of Library Collections

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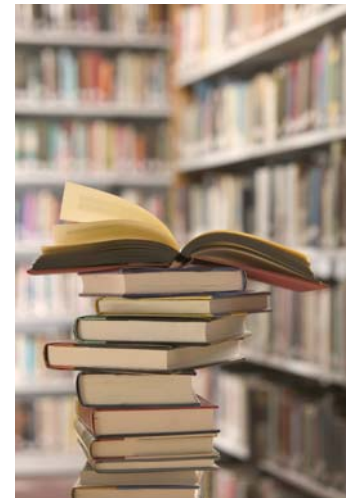
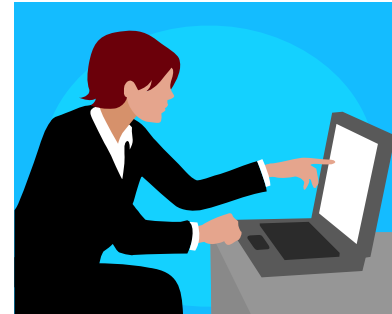
Yarra Plenty Regional Library



Strategic Procurement of Library Collections

Strategic Procurement:

- Is about finding the most effective, yet cost-efficient way of procuring goods or services.
- Is a structured framework
- Is a robust process that can be applied to any good or service



Strategic Procurement of Library Collections

The high degree of product customization that exists across all industries today puts enormous pressure on firms' supply chain operations

J. M Swaminathan (2001)



Library Supply Chain in Australia

Three typical models:

1. The library does all selection, cataloguing and processing in-house, often with very customised processing.

Economies of scale are not realised.

Delays before new titles are available.

2. The library fully outsources acquisition and supply of shelf-ready library material.

The library gains economies of scale and.

New titles go on shelf quickly.

Staff moved into customer facing positions.

3. The library purchases using a combination of the above.

The library gains some economies of scale, but may lose other benefits due to the retention of some in-house functions and processing requirements.





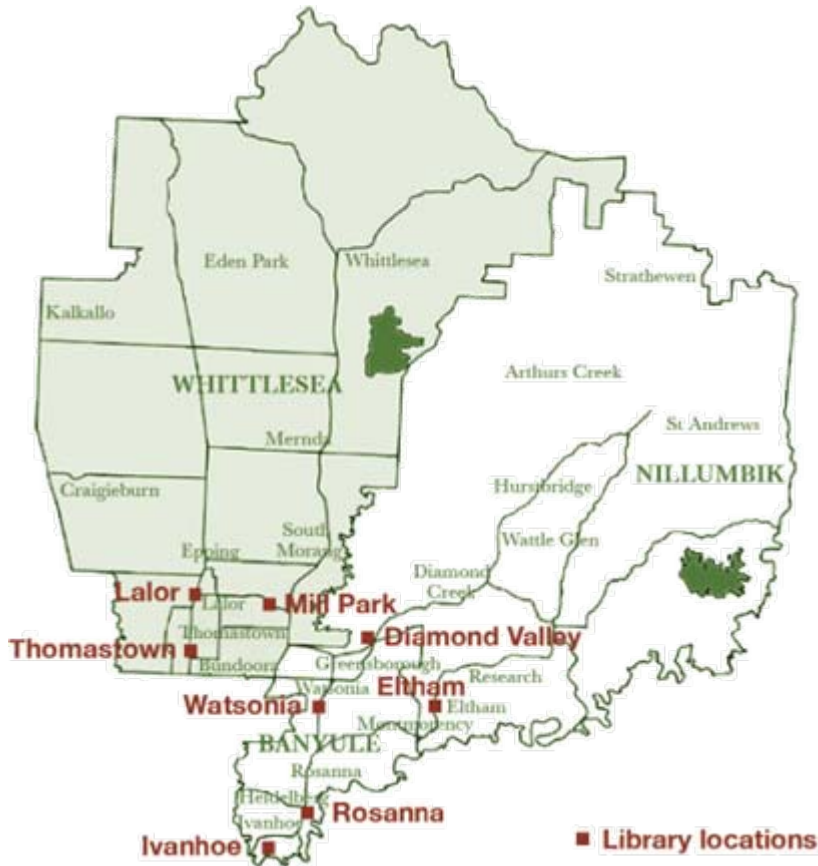
The Yarra Plenty story



Inform Educate Inspire Connect



Yarra Plenty Regional Library



- 983 sq km catchment area
- 300,000 population
- 156,000 members
- Major provider in Melbourne's North East
 - 8 libraries
 - Mobile Library
 - Outreach vehicle
 - Home Library service
- 100 (eft) staff, 143 volunteers



Yarra Plenty Regional Library

560,000 Items

- Books,
- DVDs
- CDs
- Audio books

3.7 million loans per annum



14 Languages in
collection

171 PCs for
public use



WILL IT WORK IN VICTORIA ?



Vision for the Future

“ informed, connected, inclusive
communities with libraries highly
valued and well used “



Growing Trends

- Online service delivery
- Libraries as community hubs
- Flexibility
- Better integration of services with member councils
- Effective partnerships
- Model of best practice and excellence
- Value-added partnerships



The Process

Strategic plan + cost benefit analysis
led to outsourcing of the library's
acquisitions and technical services

=

ECONOMIC AND STRATEGIC SENSE



Other Motivating Factors

- Public library collections – more homogenised
- Experienced library suppliers
- Development and review of specifications and profiles bring rigour and accountability to collection building



Implementation issues

- Staff Scepticism
- Fear of losing control of collection
- Role of Collections Manager
- Teething problems



IMPLEMENTATION

SEAMLESS
AND
WITHOUT
FUSS !!



Statewide Collections Audit and Blueprint Project – Victoria

- Strategic Asset Audit of Victorian Public Libraries
- Content and Access in Victorian Public Libraries: a strategic blueprint 2006-2010



Audit findings included:

- Collection development and management is often based on anecdotal evidence and intuition
- Strategic management of collections can only be accountable and viable with intelligent use of statistical evidence
- Strong encouragement for library services to consider library resource procurement through outsourcing and consortia arrangements



OUTSOURCING WORKS!

- Saves money
- More efficient- books get on the shelves more quickly
- Library maintains control of collection
- More time to strategically manage and innovate

Brisbane City Council Library Services

- 32 branches + 1 mobile (another branch in 2007/08)
- Population >970,000; members >400,000
- Approx 10 million loans p.a.
- Approx 840,000 holds p.a.
- Over 5.5 million library visits p.a.
- 1.37 million items
- High turnover of stock



Outsourced Acquisitions & Technical Services July 1999

- This process is now well-understood, mature and managed in partnership between BCCLS and the library suppliers.



Strategic Procurement BCC

The BCC Strategic Procurement approach involved a number of steps:

1. Sourcing Group Baseline

- Definition of Category goods and/or services
- Identifying the spend baseline

2. Hypothesis Development

- Key hypotheses
- Key issues and constraints

3. Internal Analysis

4. External Analysis

- Market dynamics
- Trends and implications



Strategic Procurement Research

External research included:

- 📖 purchasing models for libraries (nationally and internationally)
- 📖 investigating the bookshop supply chain
- 📖 industry journals
- 📖 online research
- 📖 discussions with Australian and overseas librarians, leading library suppliers, bookshops and a senior manager from Thorpe-Bowker (publisher of Global Books in Print and Australian Bookseller & Publisher).



UK – Stock procurement

- UK Department for Culture, Media and Sport & Museums, Libraries, Archives Council – PKF report July 2005

Public libraries: efficiency and stock supply chain review

Recommendations included:

- Supplier selection
- Standardised processing
- Flat management structure within Library Services - more customer facing roles
- One cataloguing system (National bibliographic database)
- Libraries purchasing books together

- Latest report August 2006:

Better Stock, Better Libraries: transforming library stock procurement

- Innovate buying and managing stock
- Invest the savings into more books and extra services
- Improve their services to customers



How could BCC Library Services improve its stock procurement?

With current practices considered to be Best Practice, how could that be improved?

The next step for BCCLS was to re-examine cataloguing and processing requirements.

- ? Was the level of processing still required?
- ? Was there a way of reducing cataloguing costs?
- ? Would going out to tender give BCCLS a better deal?
- ? Would it be better to directly negotiate within current contracts, which were barely more than half way through the allocated timeframe?
- ? Could purchasing be further aggregated by joining with bookshops or other library services?
- ? Could BCCLS and suppliers work together in a win/win situation for improved discounts or reduced costs.



Direct supplier negotiation

As part of the negotiation, each supplier was required to respond to questions on:

- ✓ Their ability to influence publishers and distributors to obtain the best discounts
- ✓ Whether aggregated purchasing with other libraries would affect the discount or guarantee of supply
- ✓ Would standardised cataloguing & processing (with other library services) reduce costs?
- ✓ What value-adds they provide
- ✓ How do they monitor and react to changes in the industry?
- ✓ Is there a way to minimise the number of invoices for processing through consolidation or e-invoicing?



Strategic Procurement Recommendations

Cost avoidance outcomes were also an important part of the Strategic Procurement process, including:

- outsourced Supply of Shelf-ready Library Materials.
- avoidance of potential CPI increases for cataloguing & processing
- reducing the number of invoices for processing through consolidation of the thirty-two branch's invoices.

The Postmarket Submission recommendations were to:

1. Keep current Shelf ready contracts in place.
2. Review processing to minimise costs
3. Consider aggregating with other libraries for cataloguing and processing
4. Consolidate invoices where possible



The next step

- We all use the same cataloguing tools:
AACR2, DDC, LCC, LCSH, MaRC
- A National Bibliographic Database (Libraries Australia) already exists
- Public Libraries purchase 80% the same titles, so economies of scale are very achievable
- Centralised acquisitions, cataloguing and processing already exists in some states of Australia
- Standardisation of cataloguing & processing already happens on a national basis in UK and Holland



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Risk Matrix

The biggest risk lies in NOT creating standards

'The high degree of product customization that exists across all industries today puts enormous pressure on firms' supply chain operations'. Swaminathan



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Will you join us?



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