chapter **3**

Focusing on the Bottom Line

One of the questions that often confounds librarians is why people don't make better use of libraries. After all, they're not only *free* but they provide an extraordinary range of materials, from scholarly research tomes to pulp fiction. Not only do they try to meet the needs of every age group, from toddlers to seniors, but they have worthy goals like creating an information-literate society. Libraries somehow manage to juggle all these roles without forgetting the paperback romance rack or the Harry Potter reader. Where else can people possibly find such great bargains all in one place?

The Bookstore's Single Objective

Bookstores too may wonder why they aren't reaching more potential customers. However, simply wondering does nothing to increase corporate profits. Knowing which segments of the population are buying books is information of enormous importance for the bookstore's profitability, hence its bottom line. If you were a fly on the wall at meetings of boards of directors, department heads, and even lowly clerks, you would hear much the same thought expressed in a variety of ways: how can we make more money? Although this is not an especially noble aspiration, it is clear and to the point. Sure, the bookstore's executives want to support community goals and otherwise make the world a better place, but they never lose sight of their one paramount objective—the bottom line.

Librarians, in contrast, have *lots* of goals and objectives, most of which are highly idealistic. The mission statements of libraries are full of such high ideals, and we as librarians have every right to be proud of our profession. Libraries, however, are at a serious disadvantage when compared to bookstores. We have no simple road map that takes us directly to our one paramount goal. Although high-minded and noble, our ideals can send us in an almost infinite number of different directions. There's little in our mission statements to tie us down to earth and force us to work toward a common goal.

Over the years, I've felt terribly frustrated by the variety of different goals that seem to coexist in the same library. Rarely has a profession held such high standards that seem to lead nowhere. When I was still a wet-behind-the-ears young librarian, I wondered why books were purchased that never reached the shelves until the information they contained was out-of-date. It seemed to me that elaborate procedures were developed to deal with contingencies that never occurred. While patrons left the library empty-handed, extra steps were added to the cataloging process just in case some day some user might want to know whether a particular volume could be considered a Festschrift or contained a foreword.

Yet libraries have long been staffed by well-educated, highly motivated people. Why didn't their combined labor and expertise add up to a more rewarding library experience for their customers? Even to a rank beginner like myself, it seemed as if my colleagues were headed in very different directions. When goals and objectives were in conflict, how did one determine which should take precedence? This was the question that even senior librarians seemed unable to answer.

In Search of a Bottom Line for the Library

Although the bookstore's monetary bottom line isn't usually relevant for a non-profit organization like a library, the *concept* of a bottom line is a good one. What is the one single value that should always come first? When different library priorities are in conflict, wouldn't it be desirable to have one simple, easily defined measure of success against which to compare disparate views? After years of trying, I have not been able to reduce the concept of a library bottom line to a single word or a single phrase. It is clear that the bottom line must be a measure of library effectiveness. It must be an objective measure, and that means it probably should be quantitative rather than qualitative. Otherwise, there would be no agreement about success or failure. After trying out different measures of success, I've concluded that there is probably none better than the total number of

people who use some service provided by the library. The comparison of this figure with the total population served by the library provides a pretty good indication of the library's effectiveness.

Most library administrators are less than happy with their usage statistics. Many report that circulation has dropped sharply in recent years. For the library to prosper, it must be recognized as important by decision makers in the community. That means that either these decision makers have had personal experience with the library themselves or the message has been brought to them by others who regularly use library services. It is, therefore, not enough to be able to proclaim that "X" number of people have checked out a book or attended a library program during the past year. We must know whether this number represents the community. In other words, we must compare this figure with the number of people who have not used the library. Our funding, and hence our survival, depends not on raw numbers but on the likelihood that any given individual in our community is familiar with the library and will support its needs.

How can we as librarians know when we are reaching these decision makers? How can we know when we are making the kind of impact on our communities that we would like to make? One answer lies in making better use of the information available to us. It is for this reason that collecting better statistical information is important. However, what kind of information should we be collecting? Bookstores too collect a lot of statistical information but with a clear end in mind. The bookstore wants to know how much money is coming in through the sale of books and other merchandise and how much is going out in operating expenses. To evaluate its success, the bookstore need only subtract its expenses from its sales receipts. Of course, there's a little more to it than that, but the fact remains: the bookstore has a clear bottom line, and success or failure is readily apparent.

The Diversity of Library Services

Libraries, however, provide a much wider variety of services than bookstores. They include traditional ones like lending books as well as providing journals, newspapers, government documents, and reference materials for in-house use. In recent years we have broadened our lending role to include CDs, DVDs, and books on tape. One of our most recent and most popular services is providing Internet access. Although technology has become vastly more important to a modern definition of libraries, we continue to provide information, answer reference questions, and simply make space available for reading and study.

Once we get beyond those basic services, the range widens, and no two libraries are exactly alike. Some provide facilities for literacy and job training. Individual study rooms allow small groups to meet, study, and receive tutoring services. Most libraries house local history collections, and many provide support to local businesses. Libraries also house meeting rooms, serve as music venues, and provide space for art exhibits. In some communities, the library is the only safe and neutral space where people from different walks of life with different agendas can meet and talk. When we consult library literature, we find still other examples of libraries supporting lifelong-learning projects, sponsoring political candidate forums, maintaining websites that promote citizenship, and facilitating basic adult education.

If we tally all the numbers from all these different activities, we will probably end up with a truly astronomical number. Yet the statistics don't tell us very much. I would never advocate abandoning such record keeping, because our numbers look very impressive on our annual reports and included in our funding requests. However, they tell us little about our impact on our community as a whole. Once people make contact with a library, they gradually become regulars. They avail themselves of more of its services and participate in more of its programs. As we all know, one family, all by itself, can tote up several hundred ticks in our annual statistical tallies. When we simply add together our attendance figures, we are counting the same people over and over and over.

One of the reasons that libraries have no clear single objective is that they are so responsive. They are rooted in their communities and are the center of many local cultural activities. They have even taken on the responsibility of providing "things" and services that don't, at first sight, seem to have much to do with the library's traditional role. For example, it was logical that libraries would provide computerized databases since they were already subscribing to periodicals in paper. Later, Internet access was added because it has become such an important conduit for the transfer of information in the modern world.

Libraries have found that local residents need computers for other purposes, however, and so provide a wide variety of computer software programs like word processors, spread sheets, and graphics programs. Children have always been an important focus for libraries. As they became involved in activities that promoted reading, libraries further broadened their activities to include programs like "Books for Babies," story hours for toddlers, special programs for preschoolers, and enticing summer reading competitions for reluctant readers. As different groups have emerged and demonstrated their special needs, libraries have responded, providing large-print books and computer workshops especially for seniors and purchasing gay and lesbian literature as well as information about alternative lifestyles.

Do you begin to see why it is so difficult for libraries to establish a bottom line? Of course, other organizations have a variety of programs, and modern corporate conglomerates juggle dozens of different businesses under one management umbrella. In the profit sector, however, there is always the dollars-and-cents answer. How do we find an equivalent in the nonprofit sphere? We respond, of course, that we want to do a good job. We want to know that we are successful at each of these varied endeavors, but how? Which are the numbers that can guide rather than confuse us?

The Value of Library Statistics

Let's first take a look at the information the library currently collects. Most school, public, and academic libraries complete some sort of annual statistical report for either the state or the federal government. Such reports include questions like how many reference or interlibrary loan transactions the library handled during a given period of time. Much of the statistical information generated by such reports is both flawed and of limited usefulness. For example, it's very difficult to really keep track of reference transactions. All too often, reference librarians suddenly realize that they haven't been keeping track and quickly make half a dozen ticks on the tally sheet. If they feel just a little concerned that the number is not large enough or does not show them in a favorable light, then they might add a few more. It's true that sampling reference activity from time to time is helpful in scheduling personnel, but does the information gleaned tell you very much about the library or its impact on the community? Probably not.

What about information that is not collected manually? Library automation programs can print out a variety of different reports. For example, they can produce tables showing circulation of materials to different types of users. If the library has thought carefully about usage and has input relevant patron categories, such a report can provide useful information. The library can, with confidence, discover what percentage of books are circulated to children or to college students or to residents outside the city limits. Reports can also be generated showing circulation figures for different types of materials. If popular psychology books are circulating briskly, selectors have reason to purchase more of them. If circulation is low, then funds are better spent on other materials.

Although this kind of information is useful, it does not provide the kind of clear guidance that a bookstore gets from its bottom line. Although computer stats are more accurate and therefore provide more useful information, circulation totals do not tell the real story. In general, automation systems do a better job of telling you about your collection than they do about your customers. How, for example, does the number of items circulated translate into the number of

customers who use the library? Where do those customers live? Are they repre-
sentative of the larger population?

Is it possible for your automation system to tell you not only how many
items were checked out but also how many customers checked out materials?
Many systems do not include this as a standard or "canned" report but may be
able to produce this magic number in the form of a customized report. If you
can get this information out of your automation system, you will find it much
more useful than raw circulation data. One customer may have checked out only
one item during the last year, but another, who is working on an advanced
degree or addicted to romance paperbacks, has checked out fifty. Is one cus-
tomer any more important than the other?

By a series of happenstances, I have been involved in implementing several
new library automation systems in the last few years. Each, whether a small sys-
tem like Follett or a massively complex one like Unicorn or Horizon, has some
provision for generating reports. When they first arrived on the market, I viewed
the infant library automation systems with enthusiasm. Maintaining manual
statistics is an onerous job, and as we've seen, the results are nearly always flawed.
Since computers are so adept at manipulating data, I reasoned, we would now
have access to sophisticated statistical analyses and so learn much about the
library. Well, it's true that we now have mountains of data, but do the automa-
tion systems generate real information that can be used as a basis for decision
making? Not very often.

It's true that the basic stats are easier to calculate and more accurate—the
number of items checked out, the total number of cardholders, and so forth.
Take a good look, however, at the "canned" reports that your system can gener-
ate. Would you ever dream of running most of them? Looking at the seemingly
endless list of report templates available in my current automation system, I
can't imagine why anyone ever wasted his or her time creating them. Probably, I
reason, they were created by computer programmers who knew nothing about
libraries. They saw that the data was available and determined to make use of it.
Then, on further consideration, I wondered if this wasn't yet another indication
of our overall confusion. Since we really don't know how to evaluate our success,
we develop ways to measure everything, hoping that it will all add up to a blind-
ing insight.

Equating the Bottom Line with Customer Satisfaction

Later we will be comparing Amazon.com's online catalog to a library OPAC. Our
catalogs consist of MARC records created according to the exacting cataloging

rules for which librarians, not computer programmers, are responsible. Librarians were only peripherally involved in the development of Amazon's enhanced catalog. If you've ever searched the Amazon catalog, you've found a wealth of useful information. Most of the information included in a library's MARC record, however, is of no interest at all to the customer and of almost no interest to the library staff. Hardly anyone really cares how tall a book is or how many pages are included in the front matter. Yet most of the record is devoted to just such trivia, of interest mainly to the rare book market.

The Amazon catalog exists for the purpose of selling books and other materials. To do this effectively online, corporate executives have concluded that the more they can tell customers about the books, the better. However, they don't mean how many pages are in the preface. In fact, if you look at a typical Amazon web page, you'll see only a very small section given over to bibliographic data. Most of the page consists of book reviews, opinions of other readers, sample pages from the book, audio clips from the CD, rankings that indicate popularity, and suggestions for other books and media that customers might enjoy. All this information is provided with the goal of bringing the customer closer to an affirmative decision.

Does the information in a MARC record assist customers in deciding whether this is a book or video they might want to check out? Not really. True, there are a few clues hidden in the record that the cognoscenti may be able to interpret, but that clearly is not the main focus of the record. While the Amazon catalog is fully integrated into the store's goals, the MARC record seems like an intellectual exercise that librarians have developed to test their skills.

If the library's bottom line is serving our customers' needs, how does the MARC record, which has occupied the entire work lives of countless librarians, relate to it? Certainly you could make a case for some of the record fields. However, if we were to see the catalog as Amazon does, our OPACs would be directed not at librarians but at customers. What are they looking for? Viewed from this perspective, it's hard to make a case for the time and expertise that have been put into it. In fact, you could make a much better case for substituting jacket blurbs and tables of contents for many of the more esoteric fields. This would require not expertise but merely an inexpensive scanner.

Measuring the Library's Success

Considering the number of detours the library profession has taken on the road to customer service, how can we find the right road? As with an auto trip, it is not really possible until we have clearly identified our destination. Even though

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we lack the bookstore's bottom line, we can surely identify a single objective toward which all libraries should progress as quickly as possible. Street numbers or addresses make it easier to find specific locations, so let's give our destination a number. Let's say that our goal is participation by half of our community in some library activity in the next twelve months. The following is a very brief, very incomplete set of directions for arriving at your destination:

Determine your library's service population. If yours is a city library, then this would be the number of city residents. If yours is a university library, then total the number of students, faculty, and staff.

Create a report in your automation system that will tell you the number of individuals in your service area who have checked out some item in the library collection in the last twelve months. Be sure you work out a way to exclude customers who are not included in this service population. Most systems can do this, but you must designate a field in the patron record for residents or nonresidents, students or nonstudents. If this is not possible, you might sample customers some morning at the circulation desk, asking each if he or she lives inside the city limits, attends your university, and so forth. Let's say that three-quarters of those you sample are included in your service population. If your sample is a sizable one, you can, with some trepidation, assume that the same percentage applies to checkouts. The point is to compare apples with apples.

Determine how you will count other services. There is usually too much data to count manually, and it is difficult to adapt your automation system for this purpose. Therefore, it is important to develop reliable sampling procedures. First, work out a way to identify the people attending library-sponsored events. They might sign their names on a sheet or fill out cards when they arrive. Sample the names to determine the percentage of program attendees who are new to the library and have not used any other service during the past year. It is only the number of new people who can be counted toward your community participation goal.

Consider how you will calculate Internet users who are not already included in circulation and program attendance counts. You might choose to use the sampling technique above, or you might actually adapt your automation system to include Internet use. Many libraries have some way of checking out a card or other object that entitles a customer to use a computer. The item is bar-coded so that computer users can be included in the circulation report. Remember that it is more important to know how many residents use your computers than to simply know the number of times the computers were used. Of course, some of your users don't have library cards, but they are often travelers. If locals don't have a library card, they can be encouraged to apply for one.

Consider other services the library provides. How can you identify customers who are not already counted? Remember that you needn't go on counting them month after month. What you need is a good representative sample. Since this will probably mean collecting the names of the people who use these services, be sure that you explain what you're doing and why you're doing it. Otherwise, customers could view your sudden interest as an invasion of their privacy.

Verify your findings. No matter how careful you are in gathering statistics, errors are inevitable. One way of verifying your findings is to sample a group attending an activity that has nothing to do with the library. For example, you or another staff member might volunteer to sell tickets for the Rotary spaghetti dinner at a table set up at the local shopping mall. The point is that neither the event nor the place is in any way connected with the library. While you're making change, ask ticket buyers to complete a brief questionnaire—just a question or two. You might ask when they last visited the library or whether they've visited the library during the past year. Extrapolate the results of this sample to the library's service population. In other words, if the library serves 12,000 people and one-third of your spaghetti-craving respondents visited the library during the past year, then you might conclude that about 4,000 residents are library users. How does this compare with the statistics you have been collecting within the library?

Collecting Only Useful Information

Does it sound as if this is going to be a lot of work? You're right. It will be. However, remember that our libraries are already in gear to collect vast amounts of data that we include each year in our annual reports. Much of that data is of absolutely no value, so we might want to consider substituting more relevant numbers. Now that we have identified our destination, we shouldn't have to waste our time with these many dead ends, but parent institutions as well as state and local governments may have other ideas. Take a good look at every piece of data you're collecting. Ask who needs it and how much work is required to get it. If you are collecting any statistical information that is not being used in decision making, is not especially helpful for public relations, and is not required by some other agency, then you should probably stop collecting it.

Remember that there's no point in using valuable staff time unless you have a clearly identified destination. That means when you get there, you stop. You don't need to see the same results over and over. You gather statistical information to help you make decisions about your community, and, of course, it is

helpful to see whether library use has increased since last year or last decade. However, as one looks at the pages and pages of figures that most libraries collect, one has to wonder whether they will ever make the slightest use of them.

Once you have a clear picture of the segments of the community your library is serving, you will want to find ways to reach and attract those segments that are not being fully served. To do so, it will be necessary to take a good look at the library experience itself and the way customers perceive the library and its staff. It's time, therefore, to move on to the subject of customer service.

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