

# **Communicating Value Through Strategic Alignment**

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## **Abstract**

Innovation is a key growth driver for Maple Leaf Foods (MLF). As the Canadian packaged goods marketplace matures, the company must adapt to compete. The ThinkFOOD! Information Café is a library located in the ThinkFOOD! Centre, an innovation facility in Mississauga, Ontario, near Toronto, created to bring Maple Leaf Foods' product innovation teams together and to provide a venue to collaborate with customers. It was opened in April 2009 and after a year a need was identified to gain more widespread recognition for the value that the library offers to Maple Leaf Foods and its customers. This library supports knowledge sharing and cross-business unit collaboration. It is a central repository for Maple Leaf Foods' global food and culinary knowledge and helps to save time and reduce costs by ensuring that existing products are not reinvented. In order to support the company's "fast follower" strategy, information is collected to increase its connection to global culinary trends and enhance consumer insights. The library establishes a strong link between the value requirements of its internal and external clients and those of the organization and this is the foundation on which the delivery of superior customer service is based. Information professionals can help to develop opportunities in their organizations by creating demand for their services. They learn to link their deliverables to their customers' most pressing problems, adding value and becoming indispensable. This paper describes how to create value statements and value propositions for the key stakeholders of one's organization based on basic marketing theory. In order for the library to get organizational visibility and in turn influence, it needs to be able to show value and get recognition. The formula: Value times Recognition equals Influence is an important strategy to keep in mind. If the library does not get recognized for the value its services provide it will not be influential in organization. This added value helps information professionals to differentiate themselves from the competition by fitting into the organizational culture and creating the climate for successful implementation of innovation strategy.

## **Introduction**

Libraries (information / knowledge centres) are central to research and education; they ensure information access, foster innovation, encourage collaborative research, and promote information literacy skills vital to the success of their customers. However, libraries today face several major challenges including the effects of the digitizing of society and the continuing economic pressure on library budgets. The value of information centers is continually questioned due to lack of

recognition, budgetary constraints and perceived alternatives. Traditionally librarians (information professionals) and libraries have been modest about broadcasting their worth. In today's world it is essential to make clear the often unrecognized ways in which the library's contributions are instrumental in their customer's (patrons, clients) success.

Marketing theory is based on the exchange of value. In business terms, the 'value proposition' that a business offers its 'customers' is what the customers will exchange their (typically) financial resources for. To have a successful business model, an enterprise will exchange one form of value with another form of value, typically a product, function or service that enables the purchaser to create value for themselves (do something better, save time, feel good etc.), exchanged with money. In this 'normal' model of business, the value proposition is readily constructed from existing capabilities and is usually repeatable. The business model is the process by which the exchange of value is enacted<sup>1</sup>.

For libraries, the product typically is information and information services. Value is often measured using economic analysis and that is often based on market price. Since library services are not exchanged in markets as private goods and have no market prices, that approach is inoperable here. Libraries are thus often seen as a company's overhead. In this case approaches for valuing non-market goods and services need to be used. By being able to monetize the non-market benefits of libraries, these benefits can be balanced against the costs<sup>2</sup>.

Successful libraries understand their customer needs, know how to create customer value, successfully deliver value and manage customer value. In this paper, the role of the librarian / information professional in the understand-create-deliver-manage customer value cycle will be assessed.

## **Background**

Maple Leaf Foods is Canada's largest meat, meals and bakery company with sales of \$5.0 billion and operating earnings of \$222 million in 2010. 25.9% of its sales happen outside Canada making it a global company. There are approximately 21,000 employees across Canada, U.S., U.K. and Asia. Their brands include their flagship consumer brands *Maple Leaf*®, *Schneiders*® and *Dempster's*® and a family of strong regional brands. The ThinkFOOD! Information Café (library) is located at the ThinkFOOD! innovation centre in Mississauga, Ontario. The ThinkFOOD! centre is the only facility of its kind in Canada that is devoted to product development, brand innovation, food education, customer relationship development, consumer insight acquisition and global trend tracking.

The library was originally set up to be a physical space and online environment to house only food-related product development, safety and scientific resources. However it

has expanded in the last year to also service to other parts of the organization like human resources, marketing, six sigma and legal. It also supports research across the organization from a U.S. frozen bakery to a U.K. specialty bakery. A full time librarian is on staff to develop, coordinate and manage the ThinkFOOD! Information Café and its virtual library in order to streamline the company's knowledge assets and help with efforts to gain competitive advantage. The library's key stakeholders include marketing (retail and food service), sales (retail and food service), board/executive council, product development, corporate communications, consumers, MLF customers, corporate finance and human resources.

Special libraries are the basis of this paper due to the author's research and experience in this particular area; however the theory could be applied to any type of information provider. The terms "librarians" and "information professionals" are used interchangeably and refer to the deliverer of these services. The persons who are being targeted to use these services will be referred to as customers, stakeholders, clients or consumers.

## **Understanding Customer Needs**


All customers are not all created equal and should not be treated that way. Deciding the library's customers and defining their needs are the first step in creating value. Once the needs of the customers are understood, librarians are better equipped to attract new customers, develop innovative services, and customize research skills. With resource constraints, it is not feasible to be all things to all customers. Hence strategic questions need to be asked, such as: Which customer / segments should be served? And how should those needs be served? In order words, the library has to choose which market segments it wants to serve (target markets) and then tailor its marketing strategies and tactics to serve this chosen segment<sup>3</sup>.


Segmentation is the grouping of customers by specific characteristics. Market segmentation is also an indispensable tool for the library's strategic planning process. There is no single way to segment a market. Librarians need to try different segmentation variables, alone and in combination, to find the best way to view their clients' needs. The major ways to segment are by geographic, demographic, psychographic and behavioral variables. Demographic segmentation is what people usually think of when they are asked to define market segmentation. It categorizes people according to population or occupation characteristics. Common demographic sub-segments include age, gender, income, and occupation. This variable is used by public libraries to understand their customers. This is even relevant in a corporate library since this could definite both collection development and services provided. However while this might be an easy way to segment markets, it is not the most effective. This is because demographic variables do not differentiate between customer needs. Psychographic segmentation separates customers according to personality, lifestyle, values, attitudes or opinions. Geographic data divides customers by location. Segments can be defined by zip/postal code, city,

state/province, region, size, density, climate or country. Behavioural graphics is based on consumer behavior towards products and services. Sub-segments include time, place, occasions, benefits and product/service usage<sup>4</sup>. Using these segments we can get a better understanding of our users reading and learning styles. After completing segmentation analysis, libraries can better identify trends, patterns of usage, service, collection, and programming preferences, as well as barriers to using the library, most of which may have been previously not known<sup>5</sup>.

A growing number of public and academic libraries use off-the-shelf (OTS) market segmentation systems like BusinessDecision and LibraryDecision to help with their market segmentation. This is not always needed. Sometimes using simpler segmentation schemes may be more beneficial. The best way to segment markets is to examine customer needs and group those in some meaningful fashion. But realize that the “typical” customers are always evolving, so it is beneficial to regularly reassess their needs and the strategy of the overall organization and amend the library’s direction accordingly.

**Example of customers that look alike but behave differently:**

	<b>Demographics</b>	<b>Lifestyle</b>	<b>Needs</b>	<b>Attitudes</b>
	Woman, mid 40's, married, Director of Marketing, MBA	Two kids under 10, working mom, high stress job, competing priorities	Extensive research tool availability from remote locations, information access through smart phone, training on how to use databases, well developed library website and ease of use (intuitive).	Loves browsing through data herself, enjoys research, prefers reviewing reports and data and choosing what she thinks is relevant.

	Woman, mid 40's, married, Director of Marketing, MBA	Two kids under 10, working mom, high stress job, competing priorities	Ready reports, customized research requests, push information	All about convenience, rather have only what she needs given to her and not have to review all the research.
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Understanding the library's users can lead to a growth in the number of customers; realize a higher return on investment (ROI) in resources and services; and increase the utilization of these resources (e.g., books, DVDs, databases etc.) across a higher number of people (in business terms to amortize or leverage their "sunk" investment in assets). This will get more senior leadership buy-in and will lead to greater influence within the organization.

Value x Recognition = INFLUENCE<sup>6</sup>

## Creating Customer Value

After market segments are defined, suitable information products and services must be developed for each group. Customers are looking for relationships that deliver unique value. They want information services to solve their problems however; they also seek a level of satisfaction that goes beyond the intrinsic value of what they requested. By learning to tap into this deeper level of emotional satisfaction the library will increase customer loyalty and that will lead them to be more open to recommending the library's services to others. One way of gaining customer satisfaction is to provide "value added services". This could include customized research, ongoing current awareness services, training and programming that is relevant to the business and their ongoing learning and so on. Another way to view "value-added service" is the salient feature of having an internal information centre. This includes things like confidentiality, loyalty, knowledge of company culture, institutional memory, familiarity with customers and the competition, being informed as to client profiles and development of in-house training programs to name a few. When this is added together the library is positioned to provide its customers with quality services that they could not substitute with anything else.

Librarians get a broad understanding of the organization that they work with due to being brought into a variety of projects with different departments. Often individuals get so involved in their own areas of expertise that they often stop thinking about the industry as a whole and how other areas could impact their own. Librarians can bridge this gap in a variety of ways. One way is by creating and providing general industry trends presentation (e.g. foodservice trends, retail trends, social media trends). This provides an added service and can enlighten the organization as a whole. Employees may often not know what they are looking for or what the missing link is in their

research. The library's users might think in silos and even though they might be provided with access to all available research they may not intuitively think of looking for it in the right place. Librarians are able to direct people in the right direction by either conducting searches or training and deciphering what they might be asking for.

## **Delivering Customer Value**

### **Constructing a focused and balanced value statement**

A brief value statement needs to be created so that one can say with focus exactly what the library can do. This brief statement would, in fact, create a positioning for all that follows. This value statement not only tells the customers what the library can do for them but also what the library's motivation is (what they can in turn do for the library). Often the customers do not fully understand what a librarian can do for them. Value statements briefly summarize this for them. While value statements are qualitative in nature, value propositions are quantitative. The following value statement template can be used to help construct these expressions of value and then apply them to create and deliver customer value<sup>7</sup>.

### **Value Statement Template:**

Based on our experience in (*doing what, generally*), we have the ability to (*Contribute what, specifically*) resulting in (*type of business improvement*) for (*customers*)<sup>8</sup>.

#### **Examples:**

Based on our experience in building dynamic research collections we have the ability to provide insightful and actionable information resulting in timely, fact-based decisions by Maple Leaf employees.

Based on our experience in information consultancy, we have the ability to connect users to internal experts or, external, resulting in best practices and technology being applied in our product lines.

Based on our experience in institutional collaborations and resource sharing networks, we have the ability to provide resources that we do not currently hold resulting in wider access and time and cost savings for employees of Maple Leaf Foods.

Based on our experience in facilitating user learning services, we have the ability to provide one-on-one training, lunch n' learns, webinars, book signings, and book clubs resulting in greater awareness of our internal and external resources for Maple Leaf Foods employees.

Based on our experience in information acquisition, we have the ability to locate targeted content, ensure proper licensing, lower pricing and deliver this content resulting in wider access of all our paid resources for Maple Leaf Foods employees.

## Value proposition

The library needs to show what it does and for whom in order for the customer to fully understand its role. The value proposition is the best vehicle for this. For example, in the case of a corporate library, the focus is typically on providing information resources to all the employees.

The librarian must also have a clear understanding of the competition. Often, the digital world is seen as the biggest competitor and, at first glance, internet search engines such as Google seem like they can provide the same service for a lower cost. But a search engine provides thousands, if not millions, of results and the vast majority of them will be irrelevant or unreliable. For example, a recent Google search for market research on pies gave over 2.6 million results but most of them were about pie charts on a huge variety of unrelated topics. Results such as this will obviously frustrate any user. The library, on the other hand, can use proper market research databases that are usually available by subscription only and that require a trained user to properly find the required results. The customer can then be given a summary report of only the most relevant information. The value proposition should address this.

### Tool: The Value Proposition

The following tool is an example of one that can be used to help a library build a value proposition that clearly outlines for whom its services will be provided and why it is the best possible resource<sup>9</sup>.

#### Part 1: What we do

#### Example:

For (Target Market):

- Sales (foodservice)

Who want (what is the problem we solve for):

- Understanding the market and the customer
- Differentiation

Our product is a (what is our portion of the “solution”):

- Understanding the market and the customer
- Information generation

That features (key benefits provided):

- Deep dive on market research.
- Develop fact based stories (market and food trend reporting / forecasting).
- Visual representation of what value looks like (library).
- Allowing sales to focus on their

As measured by (how do our customers know we are delivering):

core competencies

- Increase sales
- Successful negotiation
- Increase usage of the library's services

## Part Two: Why We Will Win

Unlike (our main competitors)

- Other libraries / library consultants, market research companies customized services, research and advisory firms (e.g. Nerac)

Our product provides- key points of difference (reason and emotional)

- Dedicated librarian/researcher
- Purchase of targeted research information
- Team focused full time on MLF business and focused on the same outcome

As supported by- what makes our difference possible?

- Physical spaces on location
- Collaboration with marketing, PD, sales and customers under one roof.
- Seamless usage of research and facility due to the cross functional collaborative team
- Senior management support

As protected by- why the competition can't easily overcome

- No additional spending required
- Our strong relationships with certain customers
- Safe, secure environment to work, develop and innovate
- By our investment to date in physical and human resources.
- Confidentiality, trust
- In depth knowledge of customer and company needs

And available at- why it's easier to get than the competitors.

- Located close to where most employees work
- Support locations remotely
- Close too many of our large

- customer headquarters
- Provide in house training
- Internal library website with easy access to all our resources that are already institutionally licensed

Libraries have an opportunity to reinvent their customer relationship and to create meaningful relationships with potential customers. Libraries that become customer-centric – those that start from understanding their customers’ needs and develop products, services, and programs to meet those needs – will ultimately find success as a 21<sup>st</sup> century.

## **Managing Customer Value**

The delivery of the service is not the end of the process. It is essential to follow up with the customers to ensure that they got what they were looking for. A lack of clarity in the initial request for the service or inadequate understanding of what was delivered might lead to an assumed shortfall and dissatisfaction with the service<sup>10</sup>. What the customer requested and the librarian thought was requested might differ. Or, what was delivered and what was perceived to be delivered might differ and these gaps could lead to an unsatisfied customer.

The librarian should always follow up with the customer to get them to open up about how they felt about the service provided. This is often done in the form of a customer satisfaction survey but that can be impersonal and not provide the customer’s true feelings. Upon delivery of the service the librarian should speak with the client. Did they get what they were asking for? Many customers are shy to complain to the service provider and the librarian may never know that they are unhappy unless they are asked. If it is found that the customer is not fully satisfied with what was delivered, the librarian will have to probe to find out what was lacking so that it can be provided it to satisfy the need. Or perhaps the customer got what was needed but they did not fully understand what they got. Rather than appear ignorant or uninformed many customers may feign an understanding that is not there. The librarian should dig a little deeper to make sure the customer can use what was provided and, if there are gaps, educate them.

Once the librarian knows that the client’s need has truly been met and they fully understand and can use what was provided it can be shown that value has been provided and the customer is satisfied. Satisfied customers are the library’s best advocates. The library will be the first place they think of when they have a future need and, more importantly, they will do a lot of marketing in the library’s behalf by providing testimonials and referring additional customers.

The library had provided value and the customer has recognized this and is promoting the services. As was noted earlier, the product of these two factors is influence. Satisfied customers leads to more recognition and the influence of the library

can only grow. This will naturally lead to even more projects, more satisfied customers and so on in a virtuous circle of increasing influence.

## Conclusion

Libraries have to help their organizations understand their value. They need to speak to their customers and understand their needs then segment them into similar sub-groups and define each sub-group's needs. It is essential to develop products and services to meet these needs then sell the customers on the benefits of using the library rather than other sources. Once that buy-in has been received, the library needs to deliver on what was offered and follow up to ensure that the customer is truly satisfied. If the service did not deliver as expected the librarian has to reevaluate what was done and deliver a new solution. A satisfied customer can then be used to recruit new customers and provide testimonials to the organization's decision makers. Libraries need to make marketing a core part of their strategy so that the connection between the services provided and the success of the overall organization becomes an obvious part of everyday encounters and the value of the library is clear.

## Endnotes

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<sup>1</sup> Gary Armstrong et al., *Marketing: An Introduction* (Toronto: Pearson) 2011: 6-12.

<sup>2</sup> Joseph Matthews, *The Bottom Line: Determining and communicating the value of the special library* (Westport: Greenwood) 2002: 1-5.

<sup>3</sup> Marc Futterman, "Finding the Underserved: Close Examination Using Market Segmentation Can Reveal Useful Surprises about the People Your Library Is Leaving Behind," *Library Journal* (2008), accessed April 20, 2011.  
<http://www.libraryjournal.com/article/CA6602835.html>

<sup>4</sup> Ajay Sirsi. *Marketing a roadmap to Success* (Toronto: Pearson, 2010): 49- 61.

<sup>5</sup> Kau Ah Keng, Jochen Wirtz, and Kwon Jung. "Segmentation of library visitors in Singapore: learning and reading related lifestyles," *Library Management* 24(2003): 20 – 33.

<sup>6</sup> Jim Holden. *The Selling Fox: A Field Guide for Dynamic Sales Performance* (New York: Wiley, 2002): 83-85.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

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<sup>9</sup> Alan Middleton, “Tool #2: The Value Proposition” (lecture, Marketing Leadership Program, Schulich Executive Education Centre, Toronto, March 17, 2011).

<sup>10</sup> Ajay Sirsi. Marketing Led Sales Driven: How Successful Businesses Use the Power of Marketing Plans and Sales Execution to Win in the Marketplace (Bloomington: Trafford, 2005): 13-29.