THE VALUE OF CORPORATE LIBRARIES

FINDINGS FROM A 1995 SURVEY OF SENIOR MANAGEMENT
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INTRODUCTION

It has been over five years since our last survey appeared on the perceived value of corporate libraries. During that time, much has happened within business and its environment, which has had and will continue to have a strong influence on information professionals. The three most powerful of these external trends are:

* The growth of computing power and the expansion of network capabilities, including the Internet and the WorldWide Web;

* A dramatic increase in target-marketing and sales of on-line products and services directly to end-users; and

* Massive corporate downsizing and reengineering.

These events have been accompanied by a level of hoopla and hand-wringing which makes it all the more difficult to gauge their impact. However, it is clear to us that the first two developments are of, at best, questionable advantage to librarians. The drastic decrease in price and rise in speed of computers allows IT expertise and experience to be widely dispersed within firms. Now, every manager with a budget is a target of innumerable vendors spreading an appealing (if deceiving) gospel: that every man and woman is a knowledge worker, and that all one needs to access the knowledge of the world is a computer and modem.

No profession knows as well as the librarian’s the shallowness of this position; it leaves the whole issue of information expertise and quality out of the equation. However, only a little over twenty percent of the senior managers we surveyed listed reference services (which includes answering questions) as the most valued service the library performs. For librarians hoping to preserve their function’s distinctive value in the new, wired-up world, much internal marketing and business case development will need to be done.

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The great waves of downsizing and reengineering undergone by many of our surveyed firms has also put great pressure on librarians continuously to justify their activities and budgets in terms of business value. Unfortunately, there is no universally acknowledged way to make this case, as this survey shows. But the need to prove the library’s worth will only continue to grow as a generation raised from childhood with computers assumes leadership of tomorrow’s “lean and mean” enterprises.

Unfortunately, within the profession, life goes on as usual. In spite of exhortations to change, and some new ideas for doing so, most librarians continue to operate in much the same way as when they started their careers. Responding to increased pressure, they fall into a predictable trap: working ever harder to do more of what they are doing, they fail to do the new and different things that would provide them with differentiation.

Reorienting the library to today’s business realities begins with a simple shift in perspective. Top executives in service and manufacturing industries are realizing that their most important competitive asset is their organizational knowledge—that what they own is less important than what they know. Yet how many librarians focus on internal expertise and knowledge (as opposed to internal documents)? A new position, the Chief Knowledge Officer, is already appearing in many firms and will soon be commonplace. A potentially huge area of value exists here for libraries, untouched by the MIS department and other competing functions.

Meanwhile, those librarians who continue to focus primarily on acquisition and distribution of information, in paper or on-line form, will likely be absorbed into other functions (perhaps MIS), or be increasingly relegated to the sidelines of an exciting business environment. Either fate is too severe for such a smart and dedicated group, and one with such potential value.

**A Note on Methodology**

In this study, we have attempted to better understand how US corporate libraries are valued by the senior management of the firms they serve. To achieve this goal, we sought the opinion of the individual, usually a director or vice president-level person, to whom the library manager reports. By focusing on those managers charged with providing corporate “cover” for the library, we expected to report an informed yet objective assessment.

We have for our survey chosen a large, diverse sample of corporate America, with the main bias being toward larger rather than smaller firms, given these firms’ tradition of having a library. An effort was made to solicit input from firms that had responded to the last survey, several years ago: nearly three-quarters of the firms surveyed here also participated in that earlier survey. A list of participating firms is included in the inside front cover of this report. In all, 103 senior managers chose to respond.

Three points about the survey population are worth noting here:

- Only three interviewees had ever been librarians or had any library training.
- Of the approximately seventy-five percent of firms surveyed here that were also surveyed in the last survey, less than ten percent were represented by the same individual (i.e., responsibility for oversight of the library had changed).
- Most target respondents were identified with the assistance of the librarians who, in facilitating access to their corporate management, expressed great interest in learning the results of the study.

The survey instrument was developed by the authors with input from sponsors at the Special Libraries Association. Given the overlap with the earlier survey population, some trend analysis was performed, as noted in the text accompanying each chart. In several cases, however, new questions were developed to reflect a changed business and library environment.
The majority of firms surveyed have small library staffs as compared with past years. Seventy-one percent now have staffs of five full-time employees or fewer. Another fourteen percent have staffs of six to fifteen full-time employees; and nine percent have between sixteen and twenty-five employees. Libraries with staff sizes of more than twenty-five employees accounted for only six percent of those surveyed. These large staffs tend to be in firms marked by a tremendous amount of document acquisition and distribution, often in businesses that are information-intensive and subject to government regulation.

The average size of staffs shows a dramatic change from our last survey, when libraries with only one to five employees made up just fifty-five percent of the population. One possible explanation is a proliferation of libraries within firms. We know of many departments (especially in marketing functions) that now have dedicated library staffs, obviously smaller than the library tasked with supporting the whole business. Still, it would appear that, at least in terms of people, many libraries are being asked to do more with less. If so, the numbers point to the most critical question facing librarians today: if only five people are to be dedicated to improving the information environment of a large and diverse firm, how can they apply their time and effort to achieve maximum impact?
Number of Full-Time Employees in Libraries Surveyed

- 1-5 Employees: 71%
- 6-15 Employees: 14%
- 16-25 Employees: 9%
- More than 25 Employees: 6%
Even though corporate libraries tend to be small in terms of people, their budgets are growing by leaps and bounds. Fully two-thirds are now budgeting over $100,000 per year for library-related expenditures, and a good number of those (thirty percent of the total population) budget over $500,000. An information-intensive eighteen percent reported spending over a million dollars! Interestingly, there was no correlation among the relative sizes of firms, library staffs, and library budgets. Largest spenders are not necessarily the biggest or most profitable of businesses. And neither does the number of librarians, beyond their salaries, seem to have a direct impact on expenditures. Indeed, many firms may incur higher costs for electronic information retrieval as they cut librarian headcounts.

One disappointment was the large number (twenty-six percent) of senior managers who were unable to make even a ballpark approximation of the library budget. Is this lack of awareness a symptom of indifference—or worse, a failure on the part of library managers to make it a subject of discussion?
Evaluating the performance of the corporate library has never been a straightforward task. In the years since our last survey, no single standard of measurement has emerged as the best way to gauge the value of library activities to the business. In fact, in fifteen percent of the firms surveyed, evaluations appear to depend simply on the good will and intuition of the library’s immediate corporate manager.

Asked to identify the primary means used to assess the library’s value, the largest number, at thirty-six percent, cited the use of annual surveys and informal feedback from users. Such surveys are primarily designed to rate products and services provided by the library, but also to give users the opportunity to state what they would like to see the library provide in the future.

The measure cited second most often (by twenty-five percent of respondents) was the volume of requests handled by the library. For most senior managers using this measure, the library’s response time in dealing with these requests is also considered. Growing numbers of requests are seen as evidence of perceived value by the organization; faster response times indicate greater productivity.

A few progressive managers prefer to think in terms of the leverage the library provides. Time-saving is the key for ten percent; if using the library allows busy, high-salaried employees more time to do their specialized work, the library’s value is high. Seven percent look for even more direct cost savings. As some managers noted, the library is a great resource for identifying the least costly means of purchasing a product or service. Cost savings also accrue from centralizing the use of expensive information retrieval services, and placing them in the hands of skilled users. The same applies, on a lesser scale, to shared use of books and journals that might otherwise be bought separately by many individuals.

Finally, only seven percent attempt to judge the library on the quality of information provided (including value added to publicly available information). This may have more to do with the difficulty of such assessments than with any preference not to make them.
Methods and Approaches Used to Evaluate the Library’s Value

- Time Saved: 10%
- Money Saved: 7%
- Internal Company Surveys: 36%
- Number of Requests Handled: 25%
- Quality of Information: 7%
- No Official Method: 15%
What becomes a corporate librarian most? In the eyes of senior management, it would appear to be communications skills and speed. As opposed to their accumulated knowledge of either the business or the tools of their trade, librarians were valued by thirty-six percent of senior managers for their “ability to interpret and respond quickly to requests from users.” Certainly, it is true that many, if not most, user requests cannot be simply taken at face value. Interpretation of complex needs must be done before they can be met with available resources. In delivering a response, too, librarians must be able to interpret or reformat information in such a way that it is easy to understand and as concise as possible.

Still, library work is not for the ignorant. Twenty-eight percent of respondents believe that librarians’ most important competency is the area that is left to their exclusive domain: the in-depth knowledge of information sources. What was deemed as useful was not simply the librarian’s awareness of a broad range of sources, but more importantly, the knowledge of their respective strengths. The ability to identify the best source of information for a given request is critical.

Meanwhile, a good fourth of the population thinks that the business receives greatest value when the librarian has a real understanding of its specific content. Business and technical knowledge covers the firm’s own services, products, processes, and performance—and also the broader industries and economies in which it competes. One theory is that librarians who have such understanding are better able to design and develop library services that anticipate the changing needs of the company.

The remaining eleven percent of answers were varied. Some managers chose not to respond or didn’t know. Importantly, only a few responded that the most important competencies had to do with acquisition and storage of secondary materials.
What Competencies of the Library Staff are Most Valued by Management?

- Business and Technical Knowledge: 36%
- Knowledge of Information Sources: 28%
- Ability to Interpret and Respond Quickly to Requests: 25%
- Other: 11%
Far and away, the most-valuable library service according to senior managers is the retrieval of information from on-line databases. Almost half (forty-eight percent) of those surveyed singled out this capability for praise—more than twice the number citing the second most popular offering, general reference services (twenty-two percent). Still, it is important to note that the managers placing greatest value on on-line database searches have seen a dramatic reduction in their ranks since the 1990 survey. At that time, seventy-eight percent called it the most valuable service. One force behind the decrease must certainly be the rise of networked databases. As more people gain desktop access to on-line services, and become more proficient in using them, the value of having the library conduct literature searches and retrieve necessary information falls.

This year’s survey shows most of the defectors from the on-line camp shifting their support to general reference services, where they believe the library is still able to add unique value. Gains also occurred in other areas. Eleven percent valued “current awareness services,” which place the library in a proactive role of providing information to users to keep them aware of what is changing in areas important to them and the business. Another ten percent responded that the circulation of journals and periodicals was the most valuable service (possibly because the cost-savings here are easiest to see). Not surprisingly, in this electronic age, only two percent placed highest value on the very non-virtual information access accomplished through interlibrary book loans.
Library Products and Services Which Provide the Highest Value to Firms

- Electronic Database Searches: 48%
- Current Awareness Services: 11%
- Reference Services: 22%
- Circulation of Journals and Periodicals: 10%
- Interlibrary Loan Services: 2%
- Don't Know: 7%
As asked to characterize the relationship between the library’s work and the strategic direction of the firm, most senior managers noted some level of influence. About three-quarters thought the library was contributing to formulation of strategy in some way by providing information valuable to the process. Only about a third, however, accorded it the highest influence of providing the information base used by management to make strategic decisions. A similar number (thirty-one percent) saw the library contributing to strategy mainly by keeping current on the latest research and technology that might bear on the firm’s strategy. In eleven percent of firms, the library helps strategists by conducting confidential research on new products and services.

The relationship between library services and strategy works only in the opposite direction in thirteen percent of firms, where managers report that the library simply falls into line with strategy already established, in order to keep its own services and products relevant. Fourteen percent saw no link between library activities and corporate strategy.
How Does the Library Contribute to the Strategy of the Firm?

- **32%**: Provides Information Base for Strategic Planning
- **31%**: Keeps Current on Latest Research and Technology
- **14%**: Conducts Confidential Research on New Products and New Ventures
- **13%**: Library Mission is Aligned With Corporate Strategy
- **11%**: Does Not Contribute to Company Strategy
On the assumption that all corporate libraries perform basic acquisition, storage, and retrieval of secondary material, we asked senior managers to name an additional type of service provided by the library. Their responses make it clear that libraries are broadening their traditional focus to encompass more value-added services. Less than one-fifth of senior managers were unable to name any additional services.

In the majority of firms, additional library services are designed to take the library’s information gathering and dissemination activities farther downstream. Synthesis of research material collected, for example, means it is presented to users in a more concise and directly relevant form. Rather than merely providing information, the librarian goes a step further to analyze it and make decisions on its value to the user. Thirty-four percent of senior managers observed this kind of synthesis occurring regularly.

Similarly, in a quarter of firms surveyed, libraries are going a step further in disseminating information by becoming proactive in their approach. Such proactivity generally takes the form of current news alerting services. Instead of waiting to respond to inquiries, these librarians recognize that, in many cases, users can’t be expected to ask for information they don’t know exists.

In some firms, the library has added services that don’t so much push their work downstream as bring users upstream. In ten percent of firms, the library offers training sessions for users to enable them to use software packages, perform database searches, and generally engage in library self-service. Another thirteen percent publish newsletters (often electronic) to make users more aware of the library and its services.
Services Provided by Surveyed Libraries Other than Acquisition, Storage, and Retrieval of Secondary Material

- Synthesis of Research Material: 34%
- Training Classes: 25%
- Company Newsletter: 13%
- Current News Alerting Services: 18%
- Nothing: 10%
Looking to the future, the majority of senior managers voice strong support for increasing the search power of the people: fifty-three percent want all users to have networked access to on-line databases. Another six percent cast their vote for more end-user training, presumably to make those users more self-sufficient. Naturally, this development would constitute a mixed blessing for librarians. By diverting the many routine requests where the library is truly an unnecessary middleman, it would free up resources to perform more value-added work. But in doing so, it might also get users out of the habit of using the library where it truly does stand to add value. Less demand overall might also hamper the library’s ability to expand services. For the business in general, end-user searching also has its downside. Because occasional users will never become extremely efficient in on-line work, costs will be greater for a given amount of information retrieved.

Apart from the twelve percent who wished for nothing more out of the library than its current offerings, the remainder of respondents saw future value in three major categories: research capabilities (fourteen percent); internet capabilities (twelve percent); and competitive intelligence services (three percent).
Products and Services Managers Surveyed Would Like to See in the Future

- Internet Capabilities: 14%
- Networked Access to On-Line Databases: 6%
- Competitive Intelligence Information: 3%
- Training for End Users: 12%
- Research Capabilities: 12%
- Nothing: 53%
Corporate librarians may also see their managers’ assessment of weaknesses as a mixed blessing. Asked what is missing from the library “tool kit”, a large number (twenty-nine percent) of senior managers could not name a thing. Of course, this is good news if it reflects a general satisfaction with the level of service being provided with current resources. On the other hand, it may bode ill for librarians’ own wishes to build or acquire new, more powerful capabilities.

Most managers were able to name at least one area of need. Most often cited was the need for additional electronic services (by twenty-three percent of respondents). For some, this is as simple as creating the capability to distribute information by electronic mail. Other managers have higher hopes, and would like to see all library resources (including books and journals) available on-line. Hand-in-hand with electronic services goes the skill in employing them. Thus, twenty-one percent also cited a weakness in the area of technological expertise.

Few respondents were willing to say that their library’s problems came from a lack of warm bodies. Just fourteen percent thought additional staff was needed. Similarly, only eleven percent of these senior managers cited a lack of business knowledge as a problem. Finally, research skills are not perceived to be missing from our nation’s corporate libraries, except by two percent of respondents.
What is Missing from the Library "Tool Kit"?

- Business Knowledge: 11%
- Technological Expertise: 21%
- Research Skills: 2%
- Additional Staff: 14%
- Electronic Services: 23%
- Nothing: 29%