VALUING CORPORATE LIBRARIES

A SURVEY OF SENIOR MANAGERS
VA L U I N G
C O R P O R A T E
L I B R A R I E S

A SURVEY OF SENIOR MANAGERS

James M. Matarazzo, Professor
Graduate School of Library & Information Science
Simmons College
Boston, Massachusetts

Laurence Prusak, Principal
Michael R. Gauthier, Principal
Temple, Barker & Sloane, Inc.
Lexington, Massachusetts
This study summarizes the opinions expressed by senior-level managers at 164 corporations about their libraries and information centers and the information specialists who run them. By presenting this information in a concise report, the investigators have provided data useful for planning and strategy development by members of the Special Libraries Association.

The report emphasizes the importance of disseminating information from company libraries and information centers. Also highlighted is the need to develop and deliver effective services, especially those services that both respond to user needs and meet the overall goals of the organization. These key results bring to mind a thought Peter Drucker expressed in the Wall Street Journal:

The information-based organization does not require advanced ‘information technology.’ All it requires is a willingness to ask who requires what information, when and where.

Like all good research, the investigation raises questions that call for additional research, suggests new explorations, and proposes possible solutions to some of the problems identified. For example, the study notes that only three of the librarians at these 164 library/information centers report to an individual who has some background in library and information science. The finding thus raises questions about the career paths of information managers. Similarly, the senior-level managers interviewed heap praise on librarians and the roles libraries play, yet we know that salaries paid to librarians lag those paid to other types of information specialists in corporations. Why this occurs should be the focus for future research, as should other topics raised by the findings reported.

The results of the study thus should stimulate the reader to ask additional questions as well as present him or her with the realities and possibilities evident for libraries and information centers in a dynamic and ever-changing corporate sector.

The Special Libraries Association is deeply indebted to James Matarazzo and Laurence Prusak for the investigative research they undertook. Their contribution to the literature of our profession is most significant.

David R. Bender, Ph.D.
Executive Director
Special Libraries Association
ACKNOWLEDGMENTS

The authors acknowledge with gratitude the assistance of the following individuals: Carolyn D. Schroeder, Technical Librarian, Storage and Information Management Group, Digital Equipment Corporation; Debra Maher, Associate, Temple, Barker & Sloane, Inc.; Deborah Smith-Cohen, Assistant Librarian, U.S. Army Cold Regions Research & Engineering Laboratory; Mark Gabriel, Design Manager, Temple, Barker & Sloane, Inc.; Katherine C. Teele, Designer, Temple, Barker & Sloane, Inc.; and Donna B. Doucette, Analytical Editor, Temple, Barker & Sloane, Inc. Additional assistance on this project was received from Linda Willey, Robert P. Rich, and Sherry Roess.

We also thank Dr. David R. Bender, Executive Director of the Special Libraries Association, for his support and assistance with this project from its inception.

The survey was made possible by a grant from the Special Programs Fund (1987) of the Special Libraries Association and a matching grant from Temple, Barker & Sloane, Inc., a management consulting firm based in Lexington, Massachusetts. Additional funds were received from the Emily Hollowell Research Fund at the Simmons College Graduate School of Library and Information Science, Mr. Richard Goldberg, and CLSI.
We would like to thank the following firms for participating in the survey:

Abbott Laboratories
Actua Life & Casualty
Agway, Inc.
Air Products & Chemicals, Inc.
Alcoa-Calvera Co.
Alexander & Alexander Services, Inc.
Allied-Signal, Inc.
Almax, Inc.
Aluminum Company of America
Amex, Inc.
Amerada Hess Corp.
American Express Co.
American International Group, Inc.
American Management Systems, Inc.
American Telephone & Telegraph Co.
Amtek, Inc.
AMP, Inc.
Anheuser-Busch, Inc.
Apple Computer, Inc.
Architects-Daniels-Midland Co.
Armstrong Rubber Co.
Armstrong World Industries, Inc.
Avon Products, Inc.
The B. P. Goeckler Co.
Bain & Company
Ball Corp.
Bell Atlantic Corp.
Bethlehem Steel Corp.
The Boeing Company
Boise Cascade Corp.
Borg-Warner
Bristow Associates
Campbell Soup Co.
CBS, Inc.
Cheesbrough-Pond's, Inc.
Chi Systems
Cincinnati Milacron, Inc.
The Coca-Cola Co.
Columbus Gas System Service Corp.
Combustion Engineering, Inc.
Commonwealth Edison Co.
Compaq Computer Corp.
Computer Sciences Corp.
Consolidated Edison Co. of New York
Consumers Power Co.
Contel Corp.
Continental Illinois National Bank & Trust Co.
Control Data Corp.
Coopers & Lybrand
Cray Research, Inc.
Cubic Corp.
Data General Corp.
Dayton-Hudson Corp.
Deere & Co.
DeLuxe Check Printers, Inc.
Digital Equipment Corporation
Dow Chemical Co.
Dow Corning Corp.
Dow Jones & Co., Inc.
E-Systems, Inc.
Eastman Kodak Co.
Eaton Corp.
Ecolab, Inc.
Engelhard Corp.
Equifax, Inc.
Ernst & Young
Ethyl Corp.
Farmland Industries, Inc.
Federated Department Stores
Florida Daniel, Inc.
General Dynamics Corp.
General Mills, Inc.
General Motors Corp.
General Public Utilities Corp.
Georgia-Pacific Corp.
Gillette Co.
Goldman, Sachs & Co.
GTE Corp.
Gulf States Utilities Co.
Harvest States Cooperatives
Helene Curtis Industries, Inc.
Henkel Process Chemicals, Inc.
Hercules, Inc.
Hovis Associates
Hospital Corporation of America
Ingersoll-Rand Co.
Inland Steel Co.
Int'l Corp.
International Paper Co.
Irving Trust Co.
ITT Corp.
James River Corporation
John Hancock Mutual Life Insurance Co.
Johnson & Johnson
Johnson Controls, Inc.
Kemper Corporation
Kerr-McGee Corp.
Ketchum Communications, Inc.
Kline & Co., Inc.
Land O'Lakes, Inc.
Lawrence & Horwath
Libbey-Owens & Ford
Lockheed Corp.
Loral Electro-Optical Systems, Inc.
Manville Sales Corp.
Marathon Corp.
Marriott Corp.
Massachusetts Mutual Life Insurance Co.
May Department Stores
McDonnell Douglas Corp.
McGraw-Hill, Inc.
MCI Communications Corp.
Mead Corp.
Mead Data Central, Inc.
Media General, Inc.
Medtronic, Inc.
Mercer-Meilinger-Hansen
Metropolitan Life Insurance Co.
Minnesota Mining & Manufacturing Co.
Monsanto Co.
Moore Business Forms, Inc.
Morrison-Knudsen Co., Inc.
Motorola, Inc.
Mutual Benefit Life Insurance Co.
National Semiconductor Corp.
Nationwide Advertising Services, Inc.
Navistar International Corp.
NBD Bancorp, Inc.
NCR Corp.
New York Times Co.
NL Industries, Inc.
Northeast Utilities
Novell Corp.
NYNEX Corp.
Occidental Chemical Corp.
Ogden Food Products Corp.
Ogilvy & Mather
Ohio Edison Co.
PACCAR, Inc.
Pacific Resources, Inc.
Pennwalt Corp.
Philip Morris, Inc.
PPG Industries, Inc.
Prudential Insurance & Financial Services
Rockwell International Corp.
Rokon & Hanz Co.
Roper Group, Inc.
Safeway Stores, Inc.
Scott Paper Co.
Sears, Roebuck & Co.
Security Pacific National Bank
Sherwin-Williams Co.
A. E. Staley Manufacturing Co.
Stanley Consultants, Inc.
Sunkist Growers, Inc.
Texas Eastern Corp.
Thom McAn
TRW, Inc.
Union Carbide Corp.
Unisys Corp.
Varian Associates
Wal-Mart Stores, Inc.
Warner-Lambert Co.
Wells Fargo & Co.
INTRODUCTION

The Special Libraries Association, in a report from its Task Force on the Value of the Information Professional, highlighted a need for additional research on how the corporate world values information. Specifically, the task force recommended a study of the value placed by senior executives on both the information professional and the corporate library/information center. We conducted this survey in response to that recommendation. The survey focused on two issues: emerging trends for special libraries, and how the work traditionally associated with those libraries is valued. We hope our findings will help corporate librarians in formulating plans and strategies.

THE SURVEY SAMPLE

In conducting the survey, we followed an approach different from that commonly found in today’s self-referential professional literature. Rather than interview the librarians, we interviewed those individuals to whom the heads of libraries report. In this way, we sought to obtain objective evidence that corporations value libraries and information centers.

The corporate officials interviewed represented different functions and had different titles. The most common functions reported were finance and administration, marketing, and information services. Titles ranged from manager to senior vice president.

The survey sample of 164 companies was developed from an in-house analysis based on contributions of for-profit sectors to the Gross National Product (GNP). In this way, we obtained a sample approximating the contributions of each major sector of the GNP and representing the spectrum of American business and industry. We also avoided undue concentration on “information intensive” industries or, conversely, on struggling industries or those with libraries under obvious survival pressures. The interview list has a range and balance that reflects the scope of business in the United States.

The largest firms in each GNP sector were selected for interviews. We chose the larger companies because they were deemed more likely to have a fully functioning library and to have used those services for some reasonable period of time. This methodology seemed best, since we sought thoughtful and seasoned commentary from those interviewed. Our expectations were borne out by the respondents. Because the executives selected for interviews frequently have the task of justifying the library to upper management, many already had given some thought to our questions and were well prepared to answer them.
EXECUTIVE SUMMARY AND CONCLUSIONS

The survey findings characterized the current position of corporate libraries as follows:

*The typical corporate library is a centralized unit staffed with fewer than five full-time employees. It is designed to identify, acquire, and disseminate information. Users of these libraries place the highest value of service on database searching as a means of information delivery. The most frequent user groups are in marketing/sales and technical departments. While the development of effective services is rated highly, there is little consensus on which of the library services brings the most value to the firm or on how to evaluate the library’s impact.*

On the basis of the comments we received during the course of the interviews, as well as an analysis of the data, we have concluded that:

- Librarians evaluate their performance based on standardized library methodologies. Their managers use far different, and often subjective, evaluation criteria.
- There is little managerial consensus on how the library adds specific value to the firm’s performance or how value should be measured.
- Librarians have little say on the firm’s information policies and mission. Few respondents could state what exact function the library performs within the firm’s information structure.
- Growing end-user usage of database systems and other information technologies will have a serious impact on business operations as well as on the role of the library within the firm. Will the librarian perform as purchasing agent, gatekeeper, network manager, internal trainer, information specialist, or chief information officer? Librarians and their managers have done very little planning on this critical issue.
- There is still a strong reservoir of goodwill and affection for the library and librarians—often based on an intuitive “feel” that the service is valuable and worthy of continued support. However, in the increasingly volatile business climate, it is questionable whether libraries can grow based on these forms of approval. Considerable work must be done to ensure future growth!
REASON FOR INITIAL ESTABLISHMENT

The need for quantitative and qualitative information and its subsequent identification and dissemination led companies to establish information centers. These reasons were cited more often than any others by the respondents in the survey.

The responses also reveal a contradiction between the value sought from the centers and the methods of measuring the value received. For example, although no respondent cited cost control or employee productivity as a reason for establishment, libraries often are asked to justify themselves using such categories. The contradiction can perhaps be explained by the difficulties inherent in measuring qualitative factors.

Relatively few respondents cited analysis of data as a reason for establishment, indicating a need for improving library capabilities in this area. Librarians are rarely viewed as analysts; the acquisition, organization, and dissemination of information do not imply that librarians possess the knowledge or skills needed for data analysis. Adding these skills, where appropriate, would enhance the value of the libraries/information centers. Further research on this issue should be conducted to help librarians develop services and products in this area.

Why was the library initially established?

![Bar chart showing reasons for initial establishment]

- Acquisition Control
- Organization of Information
- Dissemination of Information
- Analysis
- Other

Percent of Survey Responses

- Exclusive (only reason cited)
- Inclusive (cited among other reasons)
No common organizational mode emerged among the libraries at the 164 companies surveyed, although use of a central library—with or without satellites or archives—proved to be relatively typical. Thirty-one percent of the companies have a central library with satellites, 24 percent maintain only a central library, and 20 percent support a central library with an archive. In addition to those with central libraries, 20 percent of the companies reported using only satellite libraries, and 5 percent have libraries serving a small unit or individual, or collecting only a specific form of literature.

How is the library service organized?

- Central Library
- Central Library with Archive
- Central Library with Satellites
- Satellites
- Other
Staff size among the special libraries is weighted clearly toward the small. The majority (55 percent) of the libraries and information centers in the survey have staffs of five full-time equivalents or fewer. Another 21 percent have staffs of 6 to 10 full-time equivalents. Libraries/information centers with staff sizes of 11 to 20 accounted for 13 percent of those surveyed, and 11 percent reported staffs of more than 20 full-time equivalents.
The primary users of corporate libraries and information centers are technical staffs. Marketing and sales forms the next largest group of users, followed by operations/administration (which includes use of law and tax libraries). Such results should surprise no one.

Among the user types cited in the “other” category were systems/MIS personnel, investor relations staffs, and a separate “CEO library.”

Who are the main user groups of the library?

- Technical
- Marketing/Sales
- Operations/Administration
- Manufacturing/Production
- Other

Percent of Survey Responses
CRITERIA FOR EVALUATING LIBRARIES

No criterion used to evaluate libraries received even a 40 percent plurality in the survey responses, but “quality of information” seems to be the single most important component. In addition to citing quality as an important criterion, the respondents frequently mentioned other issues related to service quality, such as accuracy and timeliness (summarized as “other”).

Interestingly, a substantial proportion of the respondents declared that they had no procedures for measuring the value of the library. This issue should be studied further, given that the library is often perceived as a “discretionary” business need rather than as an essential operation such as accounting.

Libraries face an additional problem because they lack formal measurements for evaluation. In other operations, the labor/management ratios, productivity measures, and even sales volumes can be used to determine “value.” But libraries often exist simply because a firm is so information-intensive that it could not survive without a library, or because a CEO or other highly placed individual argued for its establishment and insists on its maintenance. Without formal value measurements, the library may face difficulties in justifying its continued existence, especially if the individual who argued for and defended the library leaves the firm or transfers to another operational area.

What criteria do you use in evaluating the library's impact on the firm?

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Exclusive (only criterion cited)</th>
<th>Inclusive (cited among other criteria)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Saved/ Increased Productivity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Better Information for Improved Decision Making</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Percent of Survey Responses

0  10  20  30  40  50
MOST VALUABLE TYPES OF INFORMATION

Print materials still show good value, but databases are valued more highly. Almost 80 percent of the survey respondents cited database searching as a key service.

The increased importance of databases presents some potential problems for librarians because it leads to increased pressure for end-user searching. Vendors promote the end-user-initiated search for commercial reasons; end users, especially those with computer knowledge, often see no need for an intermediary to do the searches. In some fast-paced environments, the use of a librarian can be viewed as a hindrance—a gatekeeper who adds little value in the database search.

The practice of letting end-user searching occur has proven on occasion to be quite expensive to firms, due to seriously inexperienced and ill-trained searchers. In several cases, the firms eliminated the practice and went back to giving the library the monopoly on database searching. However, more frequent and better training by vendors, consultants, and librarians may make this practice more viable.

Cutting costs and boosting efficiency should be an integral part of librarians' efforts to demonstrate the value of using an intermediary in database searches. In validating the intermediary's role, librarians should stress the following:

- The increased proliferation of databases and the problems in choosing the right one
- The need to apply specialized skills to the search process, which is more than simply following procedures
- The need for in-depth knowledge of database pricing to control costs

What types of information supplied by the library does the firm find most valuable?

<table>
<thead>
<tr>
<th></th>
<th>Exclusive (only type cited)</th>
<th>Inclusive (cited among other types)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Syndicated Studies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Books</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Journals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic Databases</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Percent of Survey Responses

7
VALUE OF SERVICES

Librarians usually spend considerable amounts of money, and management must have a clear vision as to what the organization receives for that investment. Management does not ask, “How good is the library?” It asks, “How much good does the library do?” On the basis of the responses to this survey, librarians must do much more to demonstrate value.

When asked to say which library services added the most value to the company, nearly two-thirds of the respondents either did not know or chose not to respond. This lack of knowledge is especially serious because these individuals not only exercise management control over the libraries but also are the chief evaluators of the library manager and services. These same individuals also may be asked to justify library budgets and to defend against any proposals to reduce library expenditures. Some remedial efforts toward demonstrating the value of specific services would seem prudent, given the survey responses. Perhaps the library manager should conduct appropriate studies, then convey those results to upper management.

What library services add the most value to the corporation?

- No Response
- Dissemination of Information
- Combination of Other Responses
Librarians generally rated high in the five major categories assessed for the survey. More than 70 percent of the respondents rated the librarians high in developing effective services, delivering effective services, and responding to changing needs. More than 60 percent gave the librarians high ratings in making the company's staff productive.

Ratings on controlling expenditures were lower, although still relatively favorable: More than 40 percent of the respondents rated librarians high in this category, and those who gave them lower ratings acknowledged that librarians cannot control all the related costs. This lack of control may occur because others, such as the controller's office, make the financial decisions. Or it may occur because library expenses run below expenses for other functions, so that cost control is deemed less vital in libraries than elsewhere.

Comments on the survey questions indicated the importance of developing and delivering effective services. Some respondents pointed out that added value comes in the development of customized services, not in the creation of menu-type selections. The services deemed important include those customized and tailored for specific users or specific divisions within the company.
The respondents showed a clear appreciation of the growing importance of information technology for corporate libraries. That appreciation, in turn, influenced other responses. For example, an expectation that corporate staff would grow with no concurrent growth in library size can be explained by the increasing use of information technologies rather than the more space-consuming print products. Information storage space can be created without increasing the physical size of the library. That expectation might also explain the anticipated growth in library staffs and budgets.

The role of computer applications in libraries and information centers will also grow, leading to a potential recasting of current operations. For example, will the library become a function of and report to an MIS-type organization or directly to a CIO (Chief Information Officer)? Will librarians themselves aspire to CIO status?

What trends do you see in corporate libraries over the next five years in terms of staffing, budgets, computer applications, library size, and general impact on the operations of the business?

- Increase
- No Change
- Decrease

![Bar chart showing trends in staffing, impact on business, budgets, computer applications, and library size.](chart-image)
RESPONDENTS' COMMENTS ON EMERGING TRENDS

The summary of comments we received on the question about emerging library trends provides a glimpse of other expectations. A sampling of these comments follows:

STAFFING
- More end-user involvement will mitigate staff growth.
- Growing centralization and consolidation will reduce the number of separate libraries.

IMPACT ON BUSINESS
- A library’s impact grows when the library is strategically linked with other functions, such as marketing.
- Libraries will provide more value-added services and broaden their traditional services to increase impact.

BUDGETS
- Libraries will be required to justify every dollar spent based on real business needs.
- CD-ROM and full texts available on-line will help keep library costs down while broadening services.
- The ease of using CD-ROM technology products will enhance service offerings while reducing library space requirements.

COMPUTER APPLICATIONS
- More end-user involvement in database searching and retrieval can be expected.
- Awareness and use of new technologies will enhance the library’s status.
- Librarians will be required to know more about business-related computer applications.