



Proving Your Library's Value

Communicating Return-on-Investment

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Background

Missouri Dept. of Transportation (MoDOT) runs a small, special library.

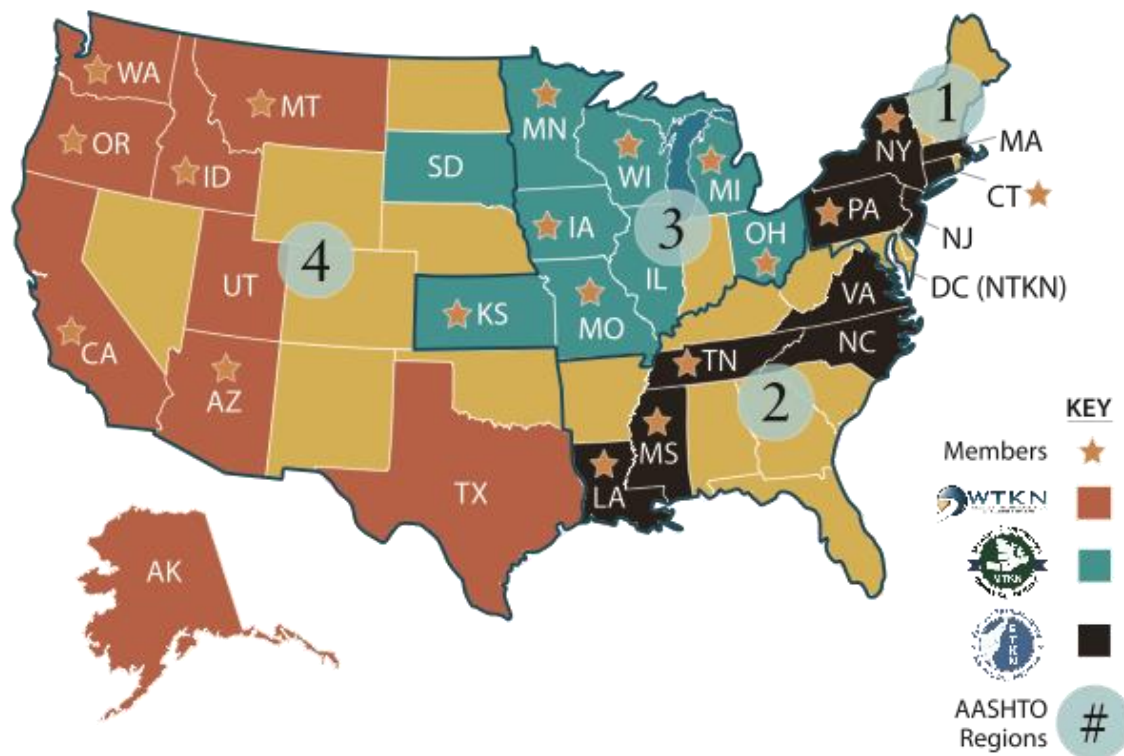
- Part of federal transportation research consortium called a Pooled Fund.
- Annual commitments to solve problems.
- Group votes to conduct special projects and buy database access.

Members faced intense pressure during 2007-2009 recession.

What is the way to prove value?

Transportation Library Connectivity

Pooled Fund Study – TPF-5(237)



Proposal

Return-on-investment (ROI) study proposed December 2011.

Wanted to justify the value of libraries.

- Driven by fiscal motivations.
- Our focus was made **explicitly** outcome-oriented.

Three were: (1) contracted special, (2) university library and (3) government agency.





Literature & Findings

Conducted a comprehensive literature search, review and analysis.

- Anecdotes and examples.
- Conducted patron survey (n=444) to supplement literature.
- Findings organized into thematic chapters.

Tailored to special libraries, but found crossover between the many different types.

Completely changed perceptions!

Major Results

Organizational alignment and communication is critical to success.

Library Use Value Calculator - Maine State Library

MSL Maine State Library

Library Use Value Calculator

Updated Spring, Nov. 2011

What is your library worth to you?

How much would you pay out-of-pocket for your library services?

- Enter in the left hand column the number of times per month you or your family use each service.
- Estimated total value of each service (if purchased) will be calculated on the right.
- Top value of your library use is shown at the bottom of the calculation.
- Tip: Not all services are used by all libraries.

Library Services	Number of Services	Value of Service
<input type="checkbox"/> Books Borrowed		\$ 0.00
<input type="checkbox"/> Playbooks Borrowed		\$ 0.00
<input type="checkbox"/> Children Books Borrowed		\$ 0.00
<input type="checkbox"/> Audiobooks Borrowed		\$ 0.00
<input type="checkbox"/> eAudiobooks Loan Requests		\$ 0.00
<input type="checkbox"/> eBooks/eAudiobooks Downloaded		\$ 0.00
<input type="checkbox"/> Magazines Borrowed		\$ 0.00
<input type="checkbox"/> Movies Borrowed		\$ 0.00
<input type="checkbox"/> CDs Borrowed		\$ 0.00
<input type="checkbox"/> Museum Passes Borrowed		\$ 0.00
<input type="checkbox"/> Magazine/Newsletter Use in Library		\$ 0.00
<input type="checkbox"/> Meeting Room Use per Hour		\$ 0.00
<input type="checkbox"/> Auditorium Use per Hour		\$ 0.00
<input type="checkbox"/> Adult Programs and Classes Attended		\$ 0.00
<input type="checkbox"/> Children's Programs Attended		\$ 0.00
<input type="checkbox"/> Computer Use per Hour (i.e. Internet, MS Word, etc.)		\$ 0.00
<input type="checkbox"/> Reference Questions Asked		\$ 0.00
Total of Services		\$ 0.00

Comments

For more information

- How does this calculator work?
- How do I use this calculator?
- How do I use this calculator?
- How do I use this calculator?

ROI (calculation of dollars saved) not ideal.

Better to look at **value** created by the library.

One size can't always fit all!

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ROI vs. Valuation

Past focus on return-on-investment using calculators.

Result expressed as a ratio of costs to benefits such as **4:1**.

Assumes value can be effectively quantified or assigned a single and objective amount in dollars.

Determined it's best to focus on value as it includes ROI.



Toolkit Design

How we organized findings highlights how they apply to other libraries.

1. Introduction
2. Planning and Preparation
3. Building Your Case
4. Communication
5. Conclusion
6. Appendices

Report is freely available online for those who are interested.

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Planning & Preparation

Two key parts: alignment and long term data collection.


If you decide to undertake a study, tie findings to your organizational values.

Speak with management and develop a long-term plan.

- Alignment and Guiding Documents—Have you reviewed your employer’s guiding documents? It’s imperative to know what they say so you can position your library.
- Target Audiences—Identify who you are “selling” your library to. This will usually be supervisors and decision-makers, but sometimes the audience is different. What do they expect? What is their preferred method of communication?
- Success Stories—At some point you need to present success stories. What type of stories will resonate? Do you have any, and what do you need to collect them?
- Library Metrics—Transportation managers love metrics. Do you collect any that can supplement your stories? Do they align with your audience? Only collect data for activities that matter.
- Testimonials—Success stories and metrics are useful, but testimonials add a personal touch. Identify any patrons who might be willing to provide them.
- Documentation—It’s easy to overlook annual reports and budgets. If they are available, analyze them for proof of your assertions. Aim to tell a coherent, progressive story.
- Time—Few librarians have free time. Realistically, how much time do you have to dedicate to advocacy work? Consider scheduling it on your calendar.
- Effort—You need to make a judgment about the amount of effort to invest. Do you think it will justify the reward?
- Working with Stakeholders—Does your organization permit working with stakeholders? Determine the pros and cons of including management in your effort.
- Telling Stories—Are you comfortable telling stories? If not, familiarize yourself with the art of storytelling, because any effort to demonstrate value requires this.
- Professional Literature—Our profession puts a premium on learning. Have you reviewed the recent valuation literature? Does it support the arguments you are hoping to make?

“Begin with the end in mind.”

{ COVEY, 2004 }



Building Your Case

There are six different methods we identified by which you can ascertain value.

Each approach offers it's own way to show what your library does.

1. Anecdotes
2. Social Impact or SROI
3. Metrics and Statistics
4. Surveys
5. Contingent Valuation
6. Calculators



Anecdotes & Stories

Identify benefits that your library's work brings. Does it:

- Save time?
- Save money?
- Improve the efficiency of time spent?
- Inform decisions?
- Provide access to unique resources?

Anecdotes and stories stand out. Don't overlook them!

Tie into a larger narrative.

Social Impact or SROI

Consider the broader social implications of what your library does.



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Metrics & Surveys

Probably collecting statistics via OPAC or another system.

Don't use exclusively.

Excellent for benchmarking and comparing environments.

Surveys best for gathering data from a large group of people.

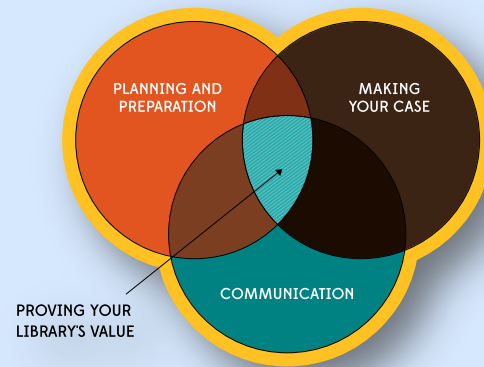
Quantitative and qualitative.

Contingent Valuation

How to quantify financial (or other) value of services that are **not** for-fee?

What if library didn't exist.

Possible to combine with surveys to estimate value in dollars.





Calculators

Useful if your supervisor and/or institution values clear, simple calculations.

Takes statistics and determines an amount on a per-use basis.

- Inter-library loans.
- Online database articles downloaded.
- External meetings or classes hosted.

Dependent on many presumptions and definitions.

A DIFFERENT KIND OF STORY

The Unintended Consequences of Perceived Value by Using an ROI Calculator

“A few years ago as part of a justification for a major purchase, I was tasked by my supervisor to come up with some return on investment (ROI) figures for the library. My research led me to the National Network of Libraries of Medicine ROI ‘retail value’ calculator (<http://nnlm.gov/mcr/evaluation/roi.html>). I quickly realized that I either had or could accurately estimate the required data to plug into the calculator. The ROI of our library to our organization was beyond significant: it neared 240%. My supervisor was very pleased and all the figures were included in the budget proposal.

Unfortunately, when the proposal was submitted for approval by upper management, the deputy director overseeing it immediately demanded that the ROI information be removed. She indicated that the 240% ROI figure could be used as an argument to cut the library’s budget in half while at the same time argue that the library could continue to be of significantly more value than its operational costs.

Perhaps I should have anticipated that showing a high cost/benefit ratio for the library could be interpreted as the department getting more than it needed.”

Suggestions: Use a more realistic 1:3 ratio; don’t rely on hard metrics alone, use them to illustrate stories. Hard metrics by themselves do not represent the full value proposition the library brings to the organization.

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Presentation

Consider your audience and how, when and where to make a pitch.

Say what **they** want (not you).

Craft a narrative and integrate your evidence when appropriate.

Focus on the big picture and pick a delivery mechanism.

Select Language

Language matters!

Special Library Association (SLA) alignment project keywords may be useful.

WORDS AND TERMS

Don't Use

Acquisition
Collection Development
Cataloguing
Information Analysis
Library Instruction
Reference
Taxonomy & Metadata
Online Searching

continued on next page

Use

Classification
Customer Assistance
Market Intelligence
Organizing
Purchasing
Research
Selection
Teaching



Integrating Content

Tie everything together and use data as supplemental evidence.

Different delivery options you can consider include:

- Conversations.
- Metric Dashboards.
- Podcasts.
- Presentations.
- Research Reports.
- Videos .
- White Papers.

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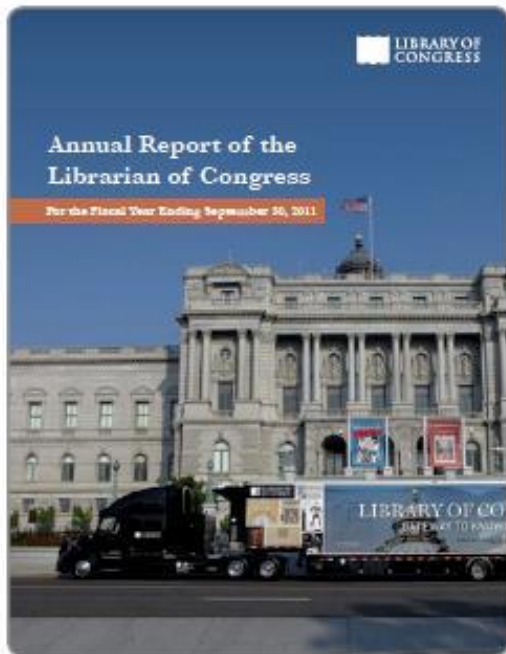
Considerations

Planning process matters too!

Familiarize yourself with ways to ascertain value.

Think about what you want to say and do it in your audience's preferred language.

Ensure alignment with overall organizational goals.



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Where to Now?

Review your organizational mission statement and vision.

Not a one-time effort.

Think about framing everything you do in this context.

Tie to performance reviews and job titles.



Contact Information

Have any questions? Feel free to contact me or my co-authors!

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