

BLACKWELL'S BOOK SERVICES

CASE STUDIES IN INNOVATION

Blackwell's Technical Services In Action

BALANCING THE BOOKS



The University of Pittsburgh's Library System redesigned its key operational and organizational structures, including technical services, job descriptions, vendor and customer relationships, and employee culture. In the process, the library became an organization that not only adapted to but also thrived on change...and saved more than \$1 million in the process.



Rewind to 1994. The University of Pittsburgh, considered one of the nation's major research libraries, had an enormous library system, distinguished by world-renowned collections totaling more than 5.4 million books and papers, and more than 25,000 periodical subscriptions, distributed among 15 physical locations. The system was ranked 28th among the 108 North American universities that are members of the prestigious Association of Research Libraries.

Accompanying that size and stature was a capital- and people-intensive operation weighed down by insulated departmental silos, long-entrenched library practices, complacency, poor customer service, and a host of inefficiencies. All this detracted from the system's ability to take on the fast-emerging digital and Internet revolutions. What's more, leadership had become inconsistent and vulnerable in an environment marked by budgetary constraints and state-funding concerns.

Enter veteran library administrator Rush Miller, a career university librarian with a uniquely progressive, entrepreneurial philosophy. Miller's mantra? Success is all about continual change, improvement, and an ability

to take calculated risks. There were a number of challenges awaiting Miller as he embarked on a journey to address organizational obstacles and to position the library system squarely for future success.

Miller soon found himself creating and directing an effort to redefine the jobs of nearly 200 employees, breaking down territorial departmental barriers, adopting new technology-driven management systems, introducing outsourcing to both staff and outside vendors, and, in the process, saving at least \$1.1 million in overhead.

DEFINING THE PROBLEM

Despite its prestigious position, the library was grappling with many problems, some more apparent than others. For example, newly purchased books often remained uncatalogued for years because of backlogs. As a result, some departments and schools were unhappy with the library's ability to accommodate the needs of faculty and students in a timely manner.

To slash or reengineer—that seemed to be the question. But where to begin? Initially, Miller contemplated a

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more traditional quick fix. He thought he could simply slash about \$500,000 from the annual budget. But while that kind of program might have solved some short-term problems, Miller says he realized it wouldn't help the system in developing an entirely new culture that would thrive in the face of constant change. He realized that he would need to implement process reengineering and a continuous-learning environment to deal with technology changes and achieve better customer service.

A VIABLE LONG-TERM SOLUTION

Miller adopted a strategy that went far beyond cost cutting and would take much longer to roll out. His strategy would ultimately create a new and nimble organization that could react quickly to the changing library environment, deal with large volumes of incoming books more efficiently, and save a tremendous amount of money in the process.

Over the course of the next year, he spent most of his time talking to employees about the need for change and its inevitability. Instead of asking department managers and others to identify areas from which to cut costs, he asked one simple, visionary question: *What should the University of Pittsburgh Library System of the future look like?* Answering that question would require an intense strategic-planning initiative, involving the commitment of the entire staff.

CHANGE INITIATED

Miller began his official change process by bringing in Jean Ferketish, a change management professional, to help facilitate and guide the discussions needed to get the "buy-in" from employees, capture feedback, and create a workable strategic plan. Ferketish reduces the process of organizational change into three basic phases: creating the focus, preparing for alignment, and implementing the change. Once on board, Ferketish helped Miller and his senior team create a number of committees, each assigned to identify problems and potential solutions in certain areas of the library operation.

KEY COMPONENTS:

1. Involve Everyone Inside...

Naturally, the first thing each of the committees did was to gather materials for research, including management books and a number of human resources guides. The key, says Fern Brody, assistant university librarian, was involving as many people as possible. "We realized that communication was very important, and that we had to get a lot of folks really involved." Miller says all of the discussions were very "customer-focused" and "learning organization-focused," which meant many charged discussions about quality and excellence in service.

The people aspect of change, Ferketish contends, usually proves the most difficult part of any reorganization. So with the staff fully engaged, the next step was to address another key element: the processes and underlying technology needed to facilitate essential change.

2. Narrow the Focus...

Brody and her committees narrowed the scope of focus to three areas: technology, customer service, and book collections. How was the University Library System taking advantage of high-speed inventorying and archival computer software—or revolutionary Internet applications, for instance? Was it serving its customers—faculty and students—effectively and efficiently? And was it managing its expansive book collections to deliver fast and easy access to its customers? It didn't take the committees long to answer such questions and therefore see the need for major systemic changes.

The primary target was narrowed to one very large and cumbersome division: technical services. At its peak, the technical services operation was spread over as many as nine departments. At that point, staffers handled all new-book orders and special collections, cataloging all books not only according to author, but also topics and subtopics, general categories, and even specific, keyword descriptions. From a traditional mindset, such attention to detail was crucial to manage the system's many scholarly collections. From a customer service-

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oriented perspective, such perfectionism resulted in an inflated budget and piles of new but inaccessible books.

“One of the biggest problems was that it took a very long time after the purchase of a book to get it on the shelf,” Maher acknowledges. The library system typically acquires at least 10,000 new books a month. If a new collection came into the library that required, say, a librarian fluent in Hebrew or Polish, the system would simply hire a new person to do the cataloging. Expenses in that department skyrocketed, and thousands of books sat in a warehouse, entangled in cataloging red tape.

3. Consult an Established Outsourcing Expert...

Miller and colleagues decided to focus less on perfection and more on getting the books on the shelves quickly. While high-quality catalog records remained important, Miller believed it imperative to “get the book on the shelf in half the time and make books more accessible to students faster.”

Enter Blackwell's Book Services. Today, Pitt's library system has consolidated its work with one major book distributor, saving on paperwork and minimizing any issues of protocol and standards to a single source. Miller and staff also negotiated an interactive relationship in which Blackwell's catalogues all books and, based on parameters set by the library system, provides standardized electronic records, even before books reach the library system. The successful contract was negotiated on a per-book basis, with certain quantity guarantees, and also included a bulk discount on guaranteed book purchases.

Bottom-line result? Books made it to the shelves—and therefore to the end-users—in a fraction of the time that they had in the past. For Blackwell's, the relationship led to the development of a new value-added service to introduce market-wide, a win-win situation all around.

INVESTING IN THE FUTURE

The changes have had a positive and lasting impact. Most impressive is that the university's administration has shown a willingness to reinvest much of the \$1.1 million in overhead cost savings into the newly efficient library operations, funding innovative programs the system could manage only after the reorganization. The library system now has a new state-of-the-art storage and archiving facility, book preservation equipment, more computers, and a host of new scholarly book collections, among other additions.

“It's certainly better,” says senior vice chancellor and provost James Maher. “It's a model for change for a couple of reasons. First, it demonstrates good performance of a crucial unit on which all units of the university depend. Second, the change was made in a very cost-effective way, and the emphasis was on improving performance. It was so cost-effective that we didn't spend any money on the reorganization.”

Permission for the article “Balancing the Books” by Dan Bates, Provost's Office, University of Pittsburgh. Permission was granted by Rush Miller, Hillman University Librarian, University Library System, University of Pittsburgh.