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Qinghua Xu

Abbott Laboratories, [qinghua.xu@abbott.com](mailto:qinghua.xu@abbott.com)

Marija Markovic

Abbott Laboratories, [marija.markovic@abbott.com](mailto:marija.markovic@abbott.com)

Christine M. Stamison

Swets, [cstamison@us.swets.com](mailto:cstamison@us.swets.com)

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# The Buck Stops Here: The Importance of ROI and How to Demonstrate Value in a Corporate Library Setting

*Qinghua Xu, Information Scientist, Library Systems, Abbott*

*Marija Markovic, Team Lead, Portfolio Management, Abbott*

*Christine M. Stamison, Senior Customer Relations Manager, Swets*

## Abstract

With the economic downturn, libraries need to show a return on investment on each dollar they receive, especially within the collection development budget. Library's collection development decisions for e-journal and e-book purchases need to be based on detailed analytics, for example, review of usage statistics reports and cost-per-use calculations. The process of gathering statistics from dozens of supplier platforms and then creating custom cost-per-use reports is manual and time consuming. Additionally, in corporate library settings, ad-hoc reporting, historical trending bears significance. At the end of 2010, the Library acquired a product to be implemented in 2011. The benefit of the new product was that it could "gather stats" automatically. Additionally, the Library staff did its own customization and imported historical data for creating trending reports for budget analysis and uploaded cost and usage data for e-books.

The presenters will discuss the importance of libraries showing ROI and how the library creatively put together a product they needed in order to prove its value to its financial and upper-management teams. The presenters would also like to open a discussion of how other libraries are showing their return on investment.

Please note: While Ms. Markovic was not able to attend the conference her analytical results were instrumental to the outcome of the study.

## Qinghua Xu

Xu began by describing the Global Management Team in which she works. This team manages the entire collection lifecycle from collection development/content selection and budget planning, to contract negotiations and content delivery. The team manages numerous tasks, including those for e-books, e-journals, and databases. While some of the affiliate libraries order a limited number of print subscriptions, the majority of the collection is electronic. The Global Management Team also oversees the collection's web presence, including the browseable journal and e-book title lists (A–Z lists on the library's web site) and lists of journals organized by subject area that also have search functionality. The ILS system and the open URL resolver also fall under the purview of this team.

The presenter then detailed the content budget planning methodology that takes place within the library. Content budget planning is determined by

year over year price trends and company guidelines. Library Journal's price increase projections published every April is always higher than the company guideline. This type of climate calls for an increased need in transparent pricing models from suppliers and, in turn, very transparent decision making for the management/finance department's reviews. Xu remarked that all purchases must have a financial justification. Merely saying that a division or a department needs a new resource is not enough. There has to be a resource trial (if available) and an ROI analysis (either based on usage or on document delivery statistics).

Xu then delved into the usage statistics analysis that the team gathered for collection development and detailed all the discrepancies that came along with this. Not all content providers/publishers provided COUNTER compliant reports or reports in identical formats. There were still content providers/publishers who were not able to provide any usage statistics. In

those cases, the alternative was to use statistics from the Open URL link resolver or web page statistics. In other words, usage statistics analysis can be cumbersome as one is often dealing with “Too many sources, too many formats, too little time.”

The team also looked at ROI analysis, calculating cost-per-use for each of the contracts. While the ILS Acquisitions module held data for both current and past journal purchases, the records for e-book purchases were not as detailed as those for journals. Furthermore, data for databases was unavailable which complicated the ROI analysis further.

When considering the pros and cons of their methodologies, the staff discovered the following. The pros were that they were tracking all the necessary data, and the ROI analysis showed compelling value of subscriptions versus Pay-per-view (PPV). On the other hand, there were many more cons, especially on the impact on workflow for both gathering usage statistics and determining ROI. Xu detailed the workflow impact of gathering usage statistics.

While reports were Excel in format, the staff had to manipulate different types of data within the report. Data came from their ILS Acquisition records and downloaded usage statistics. They added formulas for both projected total year usage and cost-per-use analysis and added other criteria as necessary. Finally they consolidated all this information into a single report created for management—with information on a contract level, not title level. There also was no easy way to create ad-hoc reports.

According to Xu, the need for transparent planning, purchases, and analyses prompted several projects that put the library’s collection under a magnifying glass. Therefore, in 2010, the library was tasked with three overlapping ROI projects:

1. Evaluation of collection by topic/subject portfolios, for example, chemistry, conducted by management and subject matter specialists;

2. Documentation of purchase planning and decision making processes via guidelines, KPIs (key performance indicators, such as searches, minimum article download needed to renew/justify a resource) conducted by management and content management team; and
3. ROI analysis of the journal and e-book collections conducted by electronic resource librarians

Xu remarked that all the projects were carried out in sync and that steps of the projects did seem to overlap. Involvement of subject matter experts and management in the excessively detailed work of downloading usage statistics reports, consolidating lists, and checking and triple-checking all the data paid off. The level of detail work and the time involved was recognized.

When it was time for the library to re-engage in subscription renewals with its vendor, Swets, the vendor demoed its usage statistics product called SwetsWise Selection Support. The tool provided information that aided title and collection development decisions such as the automated process of downloading COUNTER-compliant usage reports by platform and the functionality of uploading non-COUNTER reports. Additionally, pricing for prior years could be entered for trending analysis and reports: price-per-use, trending, impact factor reports, and so forth.

Xu showed examples of SwetsWise Selection Support reports. She remarked that cost-per-use reports can be run at the package and title levels. For the purpose of easier management of data by contracts, the library created “packages”/bundles of titles by contract. This allowed the creation of reports on a title level and the contract level in a single file.

As is the case with any new product, implementation was not a simple click of the button. Xu explained:

- The library had to upload data—purchase information with individual titles, prices (where available) and holdings. Initially, the library requested holdings and cost

information reports in a specific CSV/Excel format from content providers and publishers. Furthermore, the plan was to abandon the ILS Acquisition module completely, to repurpose staff time. Note that the Acquisition module is not used in the same way as it may be in an academic environment. The Acquisitions module is a mechanism for record keeping not initiating purchases. It was not a surprise that the Technical Services staff had concerns about abandoning the module as it was important both for current and historical record keeping. After finding accuracy issues with reports sent by content providers, the library decided to go back to updating its ILS Acquisition module. The data report format from the Acquisition module worked better with the upload into Swetswise Selection Support than those of the content providers'. Moreover, the library was able to easily upload the prior 3 years.

- The library rarely buys traditional “packages.” More often, they pick customized title lists for both journals and e-books. For the purposes of easier management of data by contracts, the library created “packages,” that is, contract title lists.
- Some of the affiliate libraries still purchase print. For those titles that had print and electronic holdings, staff had to manually separate the costs—the product automatically associated titles by ISSNs and bundled the pricing together.
- E-book records were not as detailed as those for journals. The library had good records of journal purchases, which was not the case for the e-book purchases.
- At times, there was a delay with statistics availability either from the content providers or the upload of reports into the product, as well as other issues with usage statistics data. If any reports were missed during the monthly upload of statistics data, the library received an e-mail alert describing the problem at hand.

Implementing SwetsWise Selection Support took time and effort. Xu remarked that staff had to learn a new product and adjust to new processes. At times, staff had to switch gears midway through the process and rethink what they had done. Certainly, this was the case when considering abandoning the ILS Acquisitions module and trying to rely on content providers/publishers for record keeping. In addition, staff kept a close eye on accuracy of data, statistics availability and worked closely with Swets technical experts to resolve any issues.

After a year of product implementation and using the information for the most recent budget planning and collection development, the library saw a positive difference. The record keeping and reporting are now available in a one stop shop environment. Reports can be downloaded easily. In addition, Excel allows more functionality for the organization’s finance-driven environment.

To conclude, Xu outlined the lessons learned in automating the collection development process and ROI analysis:

1. Identify requirements—identify all elements an organization needs for its collection development, content budget, and ROI analysis;
2. Plan well. Add time for investigating products on the market, in-house development, time for implementing the product and staff involvement and development;
3. Allow time for switching gears and rethinking the process; and
4. Track issues, suggest improvements.

Xu remarked that if you take the time to follow the lessons learned in 1–4 above, you will have a good process of using ROI to showcase the value of the library regardless of the setting (academic or corporate).

### **Christine M. Stamison**

Stamison spoke from the point of view of a vendor in the information industry and explained how crucial it is in today’s economy to stay pertinent.

She remarked that it was necessary for the private sector to strengthen its resolve and take on the libraries' imperatives. Quoting from Carol Tenopir, the University of Tennessee, Stamison stated that libraries have the challenge of demonstrating value in order to stay viable. She highlighted the following paragraphs:

The economic crisis that has put pressure on budgets is one reason for the pressure to demonstrate the value of the library. Couple that with a downturn in some perceptions of the value of the library and we have what can be called a "value gap." The value gap occurs when the cost of library collections and services increases over time, while the perceived value declines.

ROI is one approach to meeting the challenge of demonstrating value. The basis of ROI studies is to quantify and demonstrate the library's economic value to the institution. For every euro or dollar or yen spent on the library, the university receives euros or dollars or yen back in the form of additional grants income or donations, or long-term value to the community from an educated workforce, more productive faculty, and more successful students and graduates.<sup>1</sup>

Stamison's goal in the presentation was to discuss more quantitative methods of showing ROI and to explore a new type of metric based on social media citing called altmetrics. To begin, Stamison discussed ways that libraries themselves, and in partnership with vendors, can show value and ROI to their stakeholders. First, each library needs to define what they mean by "value." The library should make a list to determine what is important and what their imperatives are. How is funding decided? What ROI does your library need to show to continue to receive funding? These are essential questions libraries need to answer. Additionally, the library must determine what, if any, in-house support they would need to gather the necessary data/metrics. Gathering data can be

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<sup>1</sup> Tenopir, C. (2010). Measuring the Value of the Academic Library: Return on Investment and Other Value Measures. *The Serials Librarian*, 58, 1-4, 39-48.

a full time job and libraries may need to put aside a budget for products that can assist them in gathering the necessary information.

### *Assessment Metrics for Collections*

Stamison outlined a number of assessment metrics libraries can use to show the value and ROI of their collections. The first metric she mentioned was COUNTER ([www.projectcounter.org](http://www.projectcounter.org)). With each release of COUNTER, the reports become more comprehensive and more precise. A new version of COUNTER, COUNTER 4, was published this past April and will become the standard in December 2013. Reports will cover journals, databases, books, reference works, and multimedia content. This new version will also offer reports on Gold Open Access Journals (those that authors pay to be published), archival packages, multimedia packages, usage of mobile devices, and much more. Stamison noted the fact that there are many products on the market that offer these statistics and that libraries can also do this themselves if they have a sushi server.

Combining COUNTER compliant usage data with price-per-use is another assessment metric that can give libraries additional information to defend collection budgets. Price-per-use is easily derived by dividing the use of the journal by the cost of the resource. If the library has the staff, this can easily be input on a spreadsheet with COUNTER compliant usage data. If not, there are products on the market that can compare usage and cost-per-use.

Impact factor is calculated based on a 3 year period and is the number of times a published paper is cited up to 2 years after publication. Therefore, the more times an article is cited, the impact to the discipline is higher. For this reason, this metric is commonly used when deciding on tenure and promotion for faculty. Obtaining impact factor can be expensive but there is another type of impact used by Scopus called Sciamago ([www.sciamago.com](http://www.sciamago.com)) that is based on Google PageRank. This information is freely available at the website but it entails title-by-title lookup. It would be a time consuming task for staff to look up information on each title. Stamison remarked that the only product on the

market in which COUNTER compliant usage statistics, cost-per-use, and the Sciamago impact factor information are all available is in SwetsWise Selection Support.

Another assessment metric Stamison discussed was Eigenfactor. Eigenfactor (<http://www.eigenfactor.com/>) was developed at the University of Washington, and the Eigenfactor score of a journal is an estimate of the percentage of time that library users spend with that journal. The Eigenfactor ranking system also accounts for difference in prestige among citing journals with citations from highly ranked journals weighted to make a larger contribution to the Eigenfactor than those from poorly ranked journals. All else equal, journals generating higher impact to the field have larger Eigenfactor scores. This information is also freely available on the website, but it also entails title-by-title lookup for each title. Stamison remarked that she was not aware of products that contain this information.

The final assessment metric Stamison discussed was alternative metrics, or altmetrics. Altmetrics is the creation and study of new metrics based on the social web for analyzing, and informing

scholarship (<http://altmetrics.org/manifesto/>). As a growing number of scholars use Twitter, Facebook, blogs, Mendeley, and so forth, to share and collaborate on research, there are new opportunities to track the usage that comes about from these platforms. This is actively happening outside of traditional scholarship, and this metric would not be captured in COUNTER. As such, these altmetrics are complementary to the other metrics discussed. Stamison remarked that Public Library of Science (PLOS) is actively tracking altmetrics, and then she showcased a couple of screens from Mendeley Institutional Edition powered by Swets that were examples of altmetrics.

To conclude, Stamison urged libraries to look at their organizations' mission and from there define what value they could add. She continued by noting how crucial it is for libraries to consider the amount of support they can expect to receive. While there are many tasks that an organization can take upon themselves, they may have to fund some initiatives to outsource to others. Lastly, with the impact of social media, Stamison urged libraries to consider altmetrics to help show ROI.