



How to get the most from your investment in book stock

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This paper is presented as a 'debate' based on their discussions and subsequent emails.

introduction

Since the mid 1990's the use of management information to support decisions in stock management has become easier, especially through the smartsm service that has developed from George Kerr's evidence based stock management work in West Lothian. Bringing it into the selection and procurement of stock has taken longer and the beta testing of smartsm's new 'procurement' module gave George an opportunity to review progress with Geoffrey Smith, who has been a supportive critical friend since he came to West Lothian to see George's work using management information when he was working with CPI as their lead consultant in libraries and book trade studies.

For those readers who do not know him, Geoffrey Smith is a library user who has been interested in the use of management information to support decisions in stock management over many years, building on his experience as a librarian in Leicestershire and other libraries, as a library bookseller and using the knowledge he gained with CPI. His work there, including some for the Audit Commission, the LA/NAG Guidelines on Stock Management in Public Libraries and the series of CPI Stamford seminars emphasised the key role of management information all through the stock management (including procurement) process but recognised that accessing it through the library management systems could be labour intensive.

Geoff and George met in Leicestershire in April 2009, where they looked at how smartsm had progressed and demonstrated the development team's thoughts on procurement.

THE BACKGROUND

Geoff

Since we first met much has changed - most public libraries now have stock management policies, recognise the importance of stock as a key council asset that must be managed well, understand the part stock plays in achieving council objectives, welcome the involvement of users and respect their expectation of finding a constantly changing selection of interesting titles displayed in the library. All these are accepted as mainstream matters.

Another change is that realising the potential of using the data in the library management system to complement and support decisions (validating the professional judgements) advocated in the LA/NAG Stock Management Guidelines, the Audit Commission reports, and SLIC's PLQIM assessments has been made much easier through buying in to the smartsm service.

As important, is that experience has allayed the earlier fears that we were 'de-professionalising' by advocating 'stock management by impersonal statistics that ignored professional experience, knowledge and values and were only based on use by our present users.

So for me 'evidence based stock management that adds value but does not make the decisions (review, purchase, promote, relocate, refurbish, replace, relegate or dispose) but informs and supports them' has arrived, and smartsm is developing to contribute management information and title availability data to the selection process.

But I have some questions –

Good library management expects its stock management decision support tools to be embedded in all the stock decisions, in all libraries, and to be owned, respected and used by front line staff. It can't just be an imposed management system because it is the key to continuous improvement of stock and service by learning from stock use and users. So what is happening in the thirty current users of the smartsm service, how much are librarians and their staffs using the range of facilities in smartsm, not just as system-wide central management tools but by library staff locally in improving services – and who owns it, just senior management, or local librarians?

George

Because the various subscribers are all at different stages in their smartsm implementation plans, I can't give a definitive answer to this. What I would say is that, in promoting the underlying EBSM methodology, I have always stressed that it is a total solution. The various strands are closely inter-related and it does not really make sense just to concentrate on some aspects at the expense of others. For example there are tools in smartsm which promote movement of existing stock from low use locations towards service points where current provision is insufficient. There are also tools which identify appropriate stock procurement levels for individual stock areas in libraries. Both of these tools need to be used together. Obviously it makes sense to move existing stock to begin to fill gaps in provision first before moving towards procurement. By doing so, existing stock use will be maximised and the amount to procured will be reduced, thus freeing up scarce funding for other purposes. There are many inter relationships like this within smartsm, so I always strongly urge subscribers to implement the whole package gradually in order to gain maximum benefit and I think it is fair to say that most users have now moved quite a long way towards to total implementation.

I also urge subscribers to give 'ownership' of smartsm to all staff. Because smartsm uses 'software as a service', tools and action plans are available to all staff who have access to an internet browser. Thus it is entirely possible to devolve action to whatever level is deemed appropriate within the local authority's management structure. Of course, particularly in the new procurement module, it may be that purchase decisions have to be taken centrally although based on local evidence. smartsm's flexible structure allows for this or for very local decision making. We don't wish to be prescriptive here since every authority faces different problems.

Geoff

I do understand that implementing smartsm is a journey towards good library management. I see smartsm as a tool to empower local library staff to improve services. I'm sure that smartsm masterclasses and continuous development are ways of ensuring that this is understood.

COMMUNITIES AND THE STOCK OF THEIR LIBRARIES

Geoff

Building up the data required for stock management – on Council policies and priorities, on the communities served, their needs, the libraries, the type of stock they hold, on shelves and on issue, how well it is used etc.- was another vital but time consuming job. The NAG supplier selection specification work is a good framework for this, but the information has to be collected and kept up to date – good libraries do change! How have you developed smartsm to facilitate this? Does it help build up the annual stock procurement requirement plan that makes the case for the stock budget? Does it provide the information for the constant improvement of the requirement plan?

George

As I explained earlier, the essence of smartsm is its ability to assess use of current stock in great detail – and then recommend purchase action (or sometimes stock movement) to achieve stock profile change to better meet demand. What is more, the detail is now available (even for non categorised libraries) in BIC code if required and I believe, very importantly, the detail is also very local. Every local library's needs, gaps, current overprovision etc are identified, and action plans are built up within smartsm to include all local needs together in an amalgamated specification (and remember the specification concept is equally important for in house or supplier selection).

While planning the new procurement module, we decided to take full account of NAG's key principles for producing specifications.

For example we have allowed for the creation of specs per genre and subject.

There is now an easy to use tool to ensure that specifications include or exclude specific authors, publishers, subjects etc which have been identified as requiring such action, by smartsm's other tools.

Using smartsm's evidence based 'Popular author' tool, required quantities for standing orders can be created which reflect current demand much more accurately (because smartsm can flag up bestselling authors whose popularity is on the wane).

Geoff

This takes the development of stock action plans into an exciting phase – but we both know that plans based on data are enriched by the professional ideas, experience and intuition that enables good library services to anticipate the needs of their communities.

BENCHMARKING FOR IMPROVEMENT

Another of the benefits I see from smartsm is that it can help in benchmarking libraries within services, and where two or more services want to work together to learn from each other. That is one way of sharing experience and so identifying best practice - for example in making it possible to challenge the present size and make up of shelf stocks. How does it work in practice?.

George

I believe smartsm is the perfect tool for benchmarking in the way you describe it.

One of the prime functions of smartsm is to try to match stock demand and supply across all subjects and genres. Using the evidence of the public's use of existing stock (which is effectively a form of proxy consultation on a massive scale), smartsm's action reports recommend appropriate shelf stock sizes – sometimes reducing, sometimes growing – thus making the 'challenge' that you mention. Stock size starts to have a rationale behind it.

The new procurement module now provides libraries with the opportunity, probably for the first time ever, to view their stock, its use, and its recommended action, within a BIC code structure. Even libraries which have never categorised fiction stock will be able for the first time, to see their relative provision of all fiction genres along with recommended action in future purchases to move stock towards a better match between supply and demand for each BIC code.

smartsm is now well represented right across the UK and even a cursory glance at relative provision in different authorities, shows wide variations. Comparisons can be odious of course and as a matter of policy, we would never make public, individual comparisons between authority variations (unless all members of a consortium agree that this is something which they would like to see). However, comparison between national or regional average provision and performance and that of an individual smartsm subscriber, is something which would not be too difficult to produce and indeed, we plan to introduce a tool to enable this in a future release.

I believe 'benchmarking' can even be interpreted to include consortium 'resource sharing'. Local strengths and weaknesses can easily be highlighted and future procurement could take these into account to make for more effective joint buying.

So, for example, two or more smartsm users can decide to work together to share evidence about their user experiences to secure service improvements and better use of assets. smartsm recommends internally focussed stock movement to maximise use potential but in the partnership arrangements that I am talking about, this recommended stock movement can add the additional power of targeted movement between authorities, to their mutual benefit. They can, additionally, identify relative authority strengths and weaknesses and use this evidence for 'joint buying' or 'joint promotion' to take account of local specialisation.

Later this year, West Lothian Libraries will go live with smartsm and with their fairly unique community catalogue, which offers resource sharing across sectors locally (schools, college, public and special libraries), we will have the opportunity to identify stock gaps and overlaps between all of the catalogue partners. This will be a great opportunity to test how to extend all the 'sharing' opportunities possible between public libraries, into other library sectors, to the benefit of the whole local community.

SUPPORTING CHOICE

Geoff

Another of my concerns is how to add the value of management information to support the professional knowledge, experience and intuition in decisions on stock selection, deployment, display and promotion.. Is this something that you are developing in the procurement module of smartsm?

George

The nub of smartsm is that it is a decision support tool for librarians. Decisions about the actual items to purchase to help achieve locally decided targets, are now made easier by using the new procurement module's 'Discovery' tool which links from smartsm action plans to a definitive bibliographical database where a 'shopping basket' of requirements can be built up for forwarding to book suppliers.

smartsm has the potential to help librarians ask the kind of questions that people from outside the library world) ask. For example 'why do you have that book rather than another at that library, what is the impact if you display those books differently, do readers use paperbacks more if they are arranged in author or category or in no order on the paperback display racks, or if they are shelved with hardbacks, do promotions like the Richard and Judy or publisher or collaborative promotions of types of stock, authors, etc. make a difference to use?

Stock management is about getting the maximum use for every book bought all through its lifespan. smartsm has been developed to help librarians in many ways including this sensitive area of helping to answer potentially awkward questions, posed by people like management consultants, local auditors, performance assessors or even elected members, about the stock they have chosen.

STOCK SELECTION

Geoff

Whatever strategy libraries have for selecting stock – centralised, decentralised or by service level agreement contracts with suppliers (and they can all range from standing orders for popular authors and best sellers' and 'must include and don't include' schedules to delegation of selection within specified criteria) - the information needs are the same when making the decision to buy one title rather than another, and how many, where to deploy them, rotation plans etc..

Using management information in the selection of new titles and in stock development has always been a challenge. In house selectors used to find accessing the relevant data in the LMS - for example finding out how similar titles or earlier editions or formats perform, and presenting it for easy use - was time consuming. Booksellers built systems that enabled them readily to see how well earlier editions, similar titles or other books by an author sold – and to whom - but in supplier selection gaining access to library LMS to use the information to inform selection decisions used to encounter local authority firewalls.

The development of smartsm towards procurement (to me that means knowing that you need a title, finding out what is available, choosing which one and obtaining it) is important. How have you approached these challenges?

George

The problem with using management information to help manage stock is that you get vast amounts of data about what is happening with your stock. In my personal experience this can be so much that it overwhelms you – and then you have to decide how to use that (often difficult to access) data. More often than not the scale of the exercise leads to inertia.

What is needed is an action plan, and for a plan you need targets and outcomes. smartsm is founded on that fundamental principle i.e. identify outcomes important to users, set measurable targets for identifying how stock currently matches up to meeting these outcomes, and setting out action plans (e.g. stock movement/stock procurement) to move stock towards achieving the desired outcomes.

The stock procurement action plans effectively become the library's annual procurement specification. Whether stock is procured in house or via supplier selection, this specification serves as a detailed guide about the type and number of items required to meet your annual requirements. The whole exercise is then built upon a rationale that can be defended if challenges are made to book fund levels. This whole process is built into smartsm.

What has changed in smartsm is the new procurement module, which takes over from identifying type and number of requirements (e.g. numbers of items required for non fiction subjects or fiction genres etc) and links direct into a new 'discovery' tool where stock selectors can build up a shopping basket of ITEMS in the required quantities.

Geoff

Yes, this is valuable – it moves from needing ten titles to identifying what titles are available and then to deciding which ones are the best to invest in – I'll ask you about the challenges of 'selection without the title in hand' later.

My understanding is that most libraries are delegating only part of their stock selection to suppliers, and use several suppliers for different materials (including most large print that is bought direct from the producers) – and select the remainder themselves. How does smartsm's procurement module manage this?

George

The new module has been designed with total flexibility in mind. This means that different parts of the book fund can be allocated to different suppliers or indeed using a combination of in house and supplier selection .

You can additionally set up multiple suppliers and multiple contracts for each supplier, but remember always based on identified local library demand, which can be aggregated in various ways. E.g. your contract for adult fiction could be split into provision for large libraries, medium size libraries and small libraries, with separate supplier contracts (or in house procurement) being allocated to different ranges of libraries.

With smartsm's built in monitoring, it then becomes possible to make comparisons of how effective each supplier is in meeting the obligations of their contracts. Even more importantly, it then becomes possible to monitor the effectiveness of each supplier's provision once it becomes available on library shelves – even to the extent of comparing performance of material provided via supplier selection, with material purchased by your in house team. For libraries who don't use supplier selection, or don't use it for their whole stock provision, the module makes it possible to set up 'internal suppliers' whose effectiveness in purchasing the right material can be compared.

The point you make about local authority firewall difficulties for suppliers who previously had hopes of gaining access to library LMS to use the information in them to inform selection decisions is a good one and something which has now been overcome. All the stock use information which smartsm uses to build up a supplier specification is held on Bridgeall's own computer. Access to appropriate smartsm action plans (which contain item and genre use history), can be arranged by agreement with the library service itself. Thereafter, all that is required is the allocation of login/ password rights and, because smartsm uses 'software as a service', suppliers can access these reports via any internet browser.

SELECTION UNSEEN

Geoff

In the demonstration you showed me the 'discovery' feature that accessed a database of available titles. It showed all the usual MARC standard bibliographic data with Dewey and BIC categories? - but in my work on 'book selection without having the book in hand' I found that librarians needed more than that to choose the right title for their needs, especially in retrospective selection for stock development. The extracts from the 'publisher's blurb' are not as helpful as a good cataloguer's annotation. Sales data and reviews can help, so can the performance of the title locally and in other libraries but ideally an assessment from a librarian is needed. For me the experience and knowledge of booksellers and colleagues on 'showroom visits' also added a lot of value!

What do you think?

George

The point you raise about BIC and Dewey categories is an important one. Up till now smartsm has produced a library's assessments and action plans, broken down either by local categories for Fiction and Dewey subject groupings (infinitely configurable locally) for Non Fiction. The latest release of smartsm now allows libraries to view their stock as it is catalogued locally OR as it looks broken down into BIC codes. This means that, for example, even for those libraries who have not categorised their fiction stock, it is now possible to see for the first time ever, what stock you have in the various BIC genres along with full relative use information about all of them!. It now becomes possible to build up a specification for next year's stock requirements, using smartsm's recommended provision levels, and start to move your stock towards being more relevant to overall user requirements.

Of course, being a decision support tool, smartsm still leaves open, the possibility of manual intervention to add local input to take account of preferred local emphases. Once staff are happy with the specification they can then lock it down into an order for forwarding to suppliers.

Please don't forget that in house purchasing will be at its most effective if the whole specification building process is undertaken as if for supplier selection because of the way it uses evidence to assist in purchase decisions.

The beauty of smartsm's procurement module is that it allows specifications to be created and tailored in HOURS, compared with the many person months that many of our smartsm customers have reported spending, putting their specifications together. And of course monitoring of supply and performance, until now, has been impossible to carry out systematically.

To cover your point about access to objective reviews about potential purchases, I have to confess that the main initial aim in this new module was to enable connection to the appropriate point in our database to identify appropriate items. This is a huge step forward but I fully accept your point about access to objective data.

Two things are planned to help with this. First we will work with those of our current clients who are piloting the use of the procurement module to identify and recommend suitable on-line review sites which we can link to. Secondly we have already been thinking about creating a 'librarian's opinion' link. Based on their own reading, comments from users, handling of stock etc, we will encourage all of our clients to contribute for the common good. It may even be that this 'site' could be made available to non smartsm users – both for contributors and review recipients – and I am sure that, given the continuing professional co-operative ethic, that this will be successful and useful.

These two features will not be available in the next release of smartsm but our developers are already working out how to offer these additional services.

A personal wish here is to explore the possibility of allowing public library user reviews to be published on line so that library selectors can link into this information source. We would need to overcome the problem of requiring a moderated site since there can be mischievous input to open screens which might require editing, but I see great value in bringing users into the equation in this way.

One thing you have not mentioned Geoff, is the powerful 'filtering' options we have built into the 'discover' tool. Now that we have a large body of existing smartsm users, with all of the huge data of stock use that comes with this, it is now possible to use the database to identify requirements based on additional criteria. For example, lets assume that smartsm has recommended that library A within your organisation requires £500 worth of science fiction to meet local demand adequately. The first thing to say here is that this recommendation is not prescriptive. You can adjust this recommendation to take account of local priorities. You then follow a simple hyperlink to the 'discovery tool' – basically all science fiction currently in print and available. You can then as a first, priority include in your choice list, those items that have achieved the highest number of loans (within smartsm libraries). This 'filtering' can be further refined to identify most popular nationally, regionally, or within your consortia, and can be extended for example to find out what was issuing well during a custom time period – for example what was issuing well last summer.

Geoff

This explains a lot of the potential of the 'procurement' model and I'll be interested in the experience of users.

George

We already have some very positive feedback about the earlier version of smartsm, from our first two case studies conducted in co-operation with Stirling Council and Borough of Poole Council. The full studies can be found on the smartsm website ([HYPERLINK "http://www.smartsm.com" www.smartsm.com](http://www.smartsm.com)). We will engage with those customers who are currently trialling the new procurement module (London Borough of Westminster and North Yorkshire Council), to produce further case studies of that trial.

CHALLENGES FROM BEYOND THE LIBRARY SERVICE

Geoff

To the Elected Member or corporate outsider stock funds can look like a large amount of uncommitted expenditure – easy to reduce instead of making hard decisions on staffing, opening hours, or even closing ineffective libraries! How can smartsm demonstrate that the need for money for adding to stock is based on hard fact?

George

The very fact that smartsm focuses on user needs in its toolset means that the future purchase of poorly used materials will be cut, thus allowing librarians to concentrate on the supply of sufficient stock to meet user needs. In essence smartsm can demonstrate measurably, added relevance for users and extra value for money in future stock purchase, and it does this by using hard evidence of existing user interest trends. I'd like to stress again that smartsm is actually a form of proxy consultation on an ongoing massive scale. Every time that someone borrows an item (or an item goes through a period on non use), this tells smartsm something about local demand. So effectively smartsm users are in a much stronger position to demonstrate that stock purchase is directly related to what users (voters, let's not forget) want to see on library shelves.

The smartsm team has also spent a lot of time developing tools that compare purchase advice smartsm gave, say, a year ago, with the actual purchasing carried out in the following year where intuitive processes may still be in use. These new tools demonstrate high spend in areas where there is little or no demand (in many cases this runs to tens of thousands of pounds of relatively ineffective book spend per year). I believe these measurements provide ample justification for smartsm purchase which is, (I hope you'll forgive me from emphasising yet again), to ensure that our precious book funds and spent as wisely as possible.

Geoff

I agree, we can never forget that the choice of the right titles from those available can make a lot of difference to use. Users like me can only use the stock that is displayed in the library, if the titles selected are not the best then we are not interested!.

My belief is that the case for library stock funds can be made much stronger if it is seen to be based on data that demonstrates why more stock is required – I can still recall seeing bids that were no more than 'what we had last year, plus a little'.

Monitoring the performance of stock – irrespective of how it is selected is good practice, and essential in proving value for money. We must ask questions and learn from the answers! For example: Have the selectors chosen the quantity and quality of titles that the stock management profiles required, Were those titles the best available? How well are they being used? Was the rotation plan sensible? Twenty years ago it was instructive to identify the titles we selected in the same month a year ago and see what happened to them – and learn from it.

Similarly delegating selection to suppliers means that librarians have to be convinced that the stock they are receiving is what they specified, and that it meets the performance criteria (over the years) not just at first (whole life costing of stock is well-worthwhile).

Does smartsm do this for librarians?

George

Twenty years ago, you and I were both wrestling with the huge logistical problems involved in seeing how our stock purchases were performing. The best we could do at that time was check what appeared to have happened with random samples and it was very difficult to draw any useful conclusions based on these. By its very nature, smartsm analyses the performance of all existing stock – in each library and genre by genre for fiction and by subject for non fiction and uses this as the basis for future purchase patterns.

Geoff

Suppliers need to know and learn from what happens to the stock they select – is it used, does the library make the best use of it, were the rotation plans they set the right ones, is it promoted and displayed, does it last, and they must wonder if they were right in selecting one title rather than another on a subject. So, just like in house selectors, they need to know how good they are at doing the job. It seemed to me that contract review meetings where there were only opinions not backed up with shared management information did not deliver the continuous improvement that good management is all about.

Where does smartsm come in to meet the need?

George

The team are working very closely with the book suppliers, to define a smartsm “standard” interface file. This will tell smartsm about all books despatched to a customer under a specific contract. The receipt of that file in the smartsm database then allows all of the subsequent monitoring tools to work seamlessly – since they are comparing receipts and performance for each item to a specification that has been locked down in smartsm at an earlier stage in the process. This is the current evolution of EBSM, and is something we weren’t (and still wouldn’t be) able to do just using BI tools like Business Objects etc.

This is where the end-to-end EBSM and smartsm framework are so important.

I spoke earlier about the nature of smartsm and of the fact that it uses evidence of demand (or poor demand) to help build up a specification for future purchases. This specification, which should be used for in house purchase or supplier selected purchase is detailed and local.

In terms of delegated supply by suppliers you are right of course, that both the library and the supplier need to have any available assurance that the right and most appropriate material is being supplied.

The new procurement module has been designed specifically with this in mind.

First, the specification is much more detailed and based on known demand than has been possible in the past. Secondly, using its own proprietary method of tracking of supplied materials, smartsm libraries will have very regular reporting capability of measuring progress towards meeting the contract supply requirements for every genre and subject area specified.

Any concerns about shortfall in supply can be identified at an early stage and notified to suppliers.

Thirdly the tracking process will allow for the monitoring of the performance of every items supplied.

Access to these performance reports will be enabled for book suppliers too, and this will enable all parties to pick up on less successful or inappropriate material in a completely methodical way. This is specifically designed to overcome the drawbacks of the current contract review meeting process by backing up opinions with shared management information and thus help to deliver continuous service improvement from the suppliers

Geoff

Public libraries have made great changes in matching stock and services to the differing needs of their communities. And they have spent money on stock to do so. I'm interested in how they assess the use made of these collections and how they use the information to improve, promote and develop the service. In the work I did on large print I found that in East Midland public libraries some 10% of all adult book issues were accounted for by large print – and it seemed that this was not reflected in the number of large print books purchased. In the same way collections targeted at minority interests deserve evaluation of their use and deployment, and as libraries contribute to Council policies – health and well-being is a good example – and so develop their stocks knowing how well they are used can help in the new comprehensive area assessments that will rate service.

Does smartsm make this possible?

George

The smartsm process to build up a procurement specification i.e. how to spend next year's book budget, is based on this basic requirement i.e. matching stock and services. It does this by assessing relative demand for all types of materials looking as I've said at genre and subject but also format e.g. hardback, paperback, large print, CD DVD etc and of course this assessment looks at individual service points because every community's needs are different.

It is important to realise that smartsm does not just look at use of existing stock in making its assessments. Quite clearly only looking inward like this can not take account of changing needs, new emphases like health and well being and so on.

Staff locally still need to be out in the community finding out about the local community and its needs, listening to users, and identifying where the library service can contribute to Council policy.

There is a very important tool within smartsm which allows for experimentation in stock purchase. Staff locally can input suggestions for purchase to meet all of these locally identified needs. Decisions about purchase to meet these suggestions can be taken centrally by senior stock managers and where purchase is authorised, targets can be set to measure success (or otherwise) of this experimentally purchased material. smartsm's tracking now kicks in giving librarians the chance to measure use of the material against the expected targets. This measurement is important for several reasons

We can track success – important as you say for CAA rating, and also because it points strongly to more provision being required.

We can track 'failure'. This is equally important. Evidence of poor use gives an early indication that perhaps better publicity about the new material, is required.

Continuing evidence of low use, following attempts at informing local interest groups, may indicate that the material chosen was not appropriate.

Continuing evidence of low or negligible use of the material (every data load to smartsm produces updates) will eventually lead librarians to the conclusion that local demand simply does not exist. In this scenario it is important not to continue pumping in stock where it will not be used. Instead we can re-allocate funds to other experiments (it is important to experiment continuously) or to stock areas where we have clear evidence of under provision.

FINAL THOUGHTS

We've agreed that smartsm has come a long way in a short time – a real success story – and that as libraries implement the procurement module they have a new tool to contribute to securing service improvement and meet the new and changing demands on library services – in the UK and beyond. Bridgeall have invested time and resources, working with the users of smartsm they've produced an exciting service – As it goes on developing it has the potential to deliver even more!

*smartsm Version 2.06, which includes the new stock procurement module, was released in June 2009
for further information, log on to www.smartsm.com*