

Stretching the Monographic Budget in the Academic Library

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Introduction

During the past few years, much has been written about the rising cost of serials. Particular emphasis has been placed on periodicals which have borne the brunt of this price increase due to inflationary factors, foreign currency fluctuations reducing the value of the dollar, and discriminatory pricing — a practice where U.S. libraries are paying more than their European counterparts for the same materials. There has also been considerable discussion in the literature regarding the decline in library materials budgets in general. One can peruse almost any recent library journal or current book dealing with acquisitions and collection development and discover that the decline of materials budgets is a "hot topic."

Aside from examining the pros and cons regarding the use of approval plans, less has been written on the decline of purchasing power for monographs. Moreover, the information relating to the establishing and spending of monographic budgets often deals with those issues which are of concern to administrators and collection development personnel rather than the

day-to-day decisions faced by acquisitions librarians. This paper will focus on some of the factors the acquisitions librarian needs to consider in spending the library monographic budget.

Library Budgets and Changing Needs

In general, academic libraries were the recipients of healthy budgets during the sixties, but an erosion of these budgets occurred during the eighties. In addition to the inflation factors of the seventies and the price of serials escalating beyond inflation during the eighties, libraries were increasingly faced with the costs of new and expanding technologies. Methods needed to be found to stretch inadequate budgets to cover the cost not only of print and non-print materials, but also of hardware, software and staff training to keep up with rapid technological changes.

To justify the high cost of computer technology, librarians considered the payoff of lower operating costs which they expected to result from increased computerization. In reality, this payoff in

dollar amounts has not usually been realized. Costs for individual services may have declined, but demand for expanded services has increased, thus creating the need for more and more services. On this subject, Richard De Gennaro states:

When we first started to use computers in libraries 15 years ago, we thought we would save money, but we soon learned there would be no net savings from automation. Then we thought that automation would at least "reduce the rate of rise of library costs," but even this is proving to be illusory as we demand and receive an ever increasing variety of new and expensive services from our networks and local systems.¹

To increase the budget for technology, many librarians have been forced to cut back in other areas. According to Barbara B. Moran:

Traditionally, 60 percent of the library budget had been used for salaries, 30 percent for materials, and 10 percent for other expenses. The percentage use for "other" needed to be increased during the past few decades because this is the section of the budget used to finance automation. As a result, libraries had to cut back on the percentages for personnel and materials.²

No doubt the actual cutback for materials and personnel has varied greatly from library to library. But even for those libraries which were successful in obtaining "new" monies for automation, there has often been increasing expense for such items as CD-ROM technology. Frequently, the money for this hardware and accompanying software is taken from the materials budget with added expenses for service charges and maintenance fees. As with other types of automation, the greater the increase of CD-ROM software purchases, the greater the demand. In an article dealing with the implications of building CD-ROM database services,

David C. Taylor states: "Just as new four-lane highways create more traffic until they become clogged . . . CD ROMs seem to be a service that people like so much that we will never be able to provide enough of them."³

Each library administration needs to decide how to "divide the pie" for the best possible expenditure of funds for its institution. Obviously, any financial savings from any source will have an impact on the rest of the budget.

Strategies for Spending the Budget

In a chapter of *Acquisitions, Budgets and Materials Costs*, Frederick C. Lynden lists some strategies to employ in controlling the cost of materials. These include "resource sharing . . . fund raising . . . encouragement of gifts . . . eliminating duplicates . . . and improved acquisitions practice."⁴ Resource sharing and soliciting gifts are two well-known methods for stretching the library materials budget. An excellent example of a successfully coordinated sharing of resources is found in the "Golden Triangle Consortium" which includes Duke University, North Carolina State and the University of North Carolina. These libraries have experienced considerable savings by pooling their material resources. One of the ways many libraries solicit gifts and funds is through outside organizations or agencies such as Friends of the Library. Resource sharing and fund raising strategies are beyond the control of most acquisitions librarians as these decisions are usually made by the library or university administrators. Therefore, in this paper more attention will be given to the last two mentioned by Lynden:

improving acquisitions practices and eliminating duplicates. In the following discussion, a variety of ways to improve acquisitions practices will be considered.

Cost Studies

Most acquisitions and collection development librarians are familiar with the regularly published price indexes in *Bowker Annual* and *Library Journal* which can be useful in projecting budget needs. These indexes can also be helpful in determining subject allocations. According to information found in Spec Flyer No. 80, Library Materials Cost Studies,⁵ an increased use of local studies would be advantageous in helping libraries identify more precisely the costs relating to their own particular purchases. Local data can be gathered for such information as average cost per title, average costs for types of material by subject or format, costs for blanket orders, etc. These findings may then be compared with information provided by book vendors to determine if the costs are within bounds for given types of material and for overall cost averages. Such studies can lay the groundwork and provide the springboard for even more specific studies regarding book order decisions.

Approval Plans

Are approval plans a good way to expend monies when the budget is tight? As with many book order decisions, the answer to this question is dependent on a number of factors such as: (1) Is the library buying a high percentage of current books for its collection needs? (2) Will adequate personnel be available to monitor the plan on an on-going basis? (3) What will be the expense of the time involved in this monitoring? (4) Can the profile be changed quickly and easily in response to

changing needs? These are a few questions to be answered when deciding whether to begin an approval plan or to retain an already-established one.

In his discussion of approval plans, Thomas W. Leonhardt states that the academic library "cannot afford not to have an approval plan." He believes these plans "offer opportunities to make the most of each acquisitions dollar spent, keep development of the collection even, and take advantage of efficiencies and economics available through book-in-hand purchases."⁶ Leonhardt does admit to being more sympathetic toward arguments for, rather than against, the use of approval plans. At the same time, he does not view them as "... replacements for other methods of acquisitions."⁷

Aside from the earlier questions raised for considering the establishment and use of approval plans, what are some other factors to consider regarding these plans? It may seem obvious, but it is important to periodically examine whether or not approval plans are saving money. Assuming that needed material is obtained within an acceptable time frame, discounts and staff time for processing approval books should be compared with those for firm orders. Usually, one would expect these two factors to be less costly for books received on approval plans. If, however, the profile is not sufficiently refined to avoid numerous returns, and if more time is spent in handling selection slips than would be spent in handling firm orders, it then becomes apparent that ordering and receiving by the use of approval plans might not be cost-effective unless changes are made to existing procedures.

The advantages and disadvantages of approval plans vs. regular firm ordering have been explored in numerous articles in the literature through the years. It may be simplistic to state that both types of ordering have their respective advantages, but in most academic libraries this is probably the case. A judicious use of one or more approval plan (s) can be an important supplement to building a well-rounded library collection. According to a survey of the Association of Research Libraries taken by Leonhardt in 1981 ". . . 85% of the membership had at least one approval plan." This fact would seem to indicate agreement that approval plans have become an important strategy for the acquisition of materials in research libraries.

Other Strategies

Following are a few suggestions of some specific factors to keep in mind when establishing procedures for ordering monographs.

Vendor Discounts

One of the best ways to help stretch the budget is to keep an eye on vendor discounts. With automated systems, it is now often possible to obtain sophisticated vendor reports which include average cost per book, rates of receipt, average discounts for each vendor, etc. A word of caution is advisable however. Setting up vendor studies and comparing vendors has numerous pitfalls unless one is very careful about what is being measured and how it is being measured. When comparing vendors, many variables need to be considered, the most obvious of these being the types of material ordered. As an example, one expects esoteric material to be more difficult to procure and likely to yield a lesser

discount. Another point to consider is that a discount which looks very favorable "up front" may be diminished by high postage and handling costs. Perhaps the greatest benefit in vendor comparison studies is in helping to spot trends. For example, if university press books are ordered from Vendors A and B, with Vendor A consistently averaging a 10% discount and Vendor B 8%, there may be cause to discontinue using Vendor B for this type of material. On the other hand, if it takes Vendor B an average of four weeks to deliver a book while Vendor A averages six weeks, this time factor could be taken into consideration. While making cost decisions regarding ordering and receiving materials, speed of delivery and fulfillment rates are important aspects to balance against cost, unless the former factor is unimportant for the specific library.

Administrative policies regarding book purchasing should be made clear to acquisitions personnel. Such policies need to address the relative importance of each factor; i.e., is quick service of primary importance? Is extending the budget of equal importance, or of greater importance? With such guidelines, even of a general nature, the trade-off between higher discounts and quicker service is often a judgment call made by the acquisitions librarian on a day-to-day basis. For instance, in ordering a "rush" book, not only is the discount usually sacrificed, but an added service charge is often required for special handling.

Paper vs. Cloth Binding

Another element surfacing on a continual basis is whether to order a given book in paper or cloth. Here again, administrative guidelines can be helpful. Within these established

guidelines, it is important to recognize that many books are purchased for long-term use and should be obtained in the best possible binding, while more temporary material might be purchased in paperback. A purchase decision for paper or cloth binding based strictly on price differential can be useful in many situations, but ignores the book's intended role. This factor needs to be taken into consideration when making purchasing decisions.

The library also needs to have policies regarding the binding of monographs. Ideally, there should be different levels of binding depending on the nature of the material. Very ephemeral material might be bound in-house using an inexpensive binding, while books purchased for long-term use should receive more durable binding. When considering binding costs, it is important to keep in mind not only costs of the physical binding, but also the human factor. If the book costs \$20.00 in paper, \$30.00 in cloth and \$5.00 for the physical binding, what are the actual handling costs to prepare it for and receive it from the bindery? Some other questions are: Is the paper quality in the paperback as good as that in the hardback? If one dollar is saved in sending the book to the bindery, does this offset the time loss for the use of the book while at the bindery? A book sent to the bindery is normally off the shelf from three to six weeks. Circulation studies show that book usage decreases with time so a portion of the heaviest use period is being sacrificed. This is of particular concern when the subject matter is timely. As with most cost decisions in ordering monographs, a number of varying factors need to be considered when making binding decisions.

Microform vs. Hard Copy Format

Reprint books and theses are usually less expensive to purchase in microform than in hard copy. If these items are heavily ordered, libraries can save a considerable amount of money by obtaining them on microfilm or microfiche. When an out-of-print book is available from an out-of-print dealer, however, the printed copy is sometimes sold at a lesser price than the available microform copy. Quotes from several out-of-print dealers should be solicited before making a decision as to where to order this material. Aside from the cost of these materials, it is important to consider usage as well. Print format is almost always preferred by the reader, so if the book will be heavily used, this factor should be weighed in making the purchase decision.

Foreign vs. Domestic Purchasing

The first question the acquisitions librarian should ask is: where can I obtain this book? No matter how much money is saved, the savings are of little value if the material cannot be purchased within a reasonable period of time. The fluctuation of the dollar against foreign currencies needs to be constantly monitored, but there are additional factors to be considered when ordering foreign imprints. At times, much of this foreign purchasing seems like guesswork as one cannot be sure of the best possible choice in a given situation. Some questions to ask are: (1) Is the importer for this publisher likely to have the book in stock? (2) Will it take more time for a domestic vendor to obtain the material than to order directly from the foreign vendor or publisher? (3) Will overseas handling charges consume the savings achieved by purchasing the book abroad?

One of the best ways to arrive at some judgment for order decisions in regard to foreign publishers is to monitor cancellations carefully. By doing so, one may notice developing patterns regarding lack of fulfillment for certain foreign publishers and/or for domestic vendors who handle these publishers. If purchasing the book abroad is considerably less expensive, purchase through a foreign vendor is generally preferred. Purchasing through a domestic vendor or distributor may not only cost more, it may take equally long (or longer) to obtain the book if it isn't in stock, or if there are other reasons the book is not obtainable. On the other hand, for a foreign publisher with a U. S. distribution office, trying the domestic vendor office first might be the most productive. As with other book purchases, there are trade-offs to consider as to the best way to save money while obtaining the book as quickly as possible.

Avoiding Duplicate Purchases

Of all the ways to stretch the monographic budget, careful pre-order searching might be one of the most cost-effective. Searching time is costly, and there is a point of diminishing returns, but the expense of duplication is also high if a second copy of a book is not wanted or needed. If one estimates the price of a book at an average of \$30.00, with this figure doubled for processing costs, it can readily be observed that avoiding one hundred duplicates would save the library six thousand dollars. By utilizing well-trained searchers, it is possible to achieve this type of savings in a relatively short period of time. In a study which I conducted during the month of February 1989, the searchers found twenty-nine books to be duplicates, i.e., already in the

library, *after* the student workers had pre-checked these titles in the online Acquisitions System and in the OPAC. By using the OCLC database and other sources such as publishers' catalogs, the searchers were able to discover information which helped identify these twenty-nine books as duplicates, thus saving the library nearly \$1,800 using the cost projections as stated.

Another area of duplication which is difficult to control is in the purchase of serials or any item which may come on an existing standing order. To search every monographic series is very time-consuming, but standing orders may have been placed for these materials also. To avoid duplication, the following suggestions may prove helpful: (1) (If possible), place standing orders for numbered series only. Checking all unnumbered series is very time-consuming, but if these items are placed on standing order and not checked, the result may be numerous duplicates. By not having to check unnumbered series, a considerable amount of searching time can be eliminated. (2) If the library has an automated acquisitions system which allows the incorporation of alternate titles, input the titles (if available) for items in sets or series which are to be received on standing order. Future requests for these titles can then be easily retrieved and identified as duplicates or potential duplicates. (3) Teach the novice searcher how to identify serial copy in the OCLC (or other bibliographic utility) database. This training is time-consuming, and many print-outs may be needed for the catalog copy/copies found, but the payoff in the reduction of serials duplicates will probably be worth the added cost.

The time and money spent on

pre-order searching varies considerably from library to library. In the past, there was some question as to whether this type of searching was cost-effective; with the advent of automation, however, the philosophy has changed somewhat. As an example, some systems have been built on the idea of creating the bibliographic record at the point of ordering the book. The order record is then used as a basis for the cataloging record. This procedure makes it imperative that the record be created as correctly as possible if savings are to result for the total process. If pre-order searching is performed solely for the purpose of eliminating duplicates, the cost savings might be open to question. Where there are other by-products, such as laying the foundation for further processing applications, searching can become highly profitable.

Conclusions

This paper is not a comprehensive study of the subject under consideration, but an attempt to stimulate thought regarding day-to-day decisions made by the acquisitions librarian. Not all of the suggestions given will be useful for each individual library. What is important is that the acquisitions librarian examine current ordering policies on a continual basis. Support staff should not be expected to make other than the routine order decisions; sufficient professional time

needs to be allotted if the library is serious about having comprehensive ordering policies which not only stretch the budget to the maximum but, at the same time, offer the best possible service to the user.

Notes

1. Richard De Gennaro, "Libraries and Networks in Transition: Problems and Prospects for the 1980's," *Library Journal*, v. 106 (May 15, 1981): p. 1048.
2. Barbara B. Moran, "The Unintended Revolution in Academic Libraries: 1939 to 1989 and Beyond," *College & Research Libraries*, v. 50 (Jan 1989): p. 30.
3. David C. Taylor, "Reference ROMs: Six Implications for Libraries Building CD-ROM Database Services," *American Libraries*, v. 20, no. 5 (May 1989): p. 452.
4. Frederick C. Lynden, "Managing Rising Materials Costs," in *Acquisitions, Budgets and Material Costs*, ed. Sul H. Lee (New York: The Haworth Press, 1988): p. 124.
5. SPEC FLYER no. 60, in *Library Materials Cost Studies*, (Washington, D.C.: Association of Research Libraries, Office of Management Studies, 1980).
6. Thomas W. Leonhardt, "The Importance of Approval Plans When Budgets are Lean," in Sul H. Lee, *Acquisitions Budgets & Material Costs*, p. 2.
7. *Ibid.*, p.5