



The Real Bottom Line: Myths about Using Business Principles in Libraries

January 8th, 2008

Pat Wagner

Pattern Research, Inc.

**Please mute your phones
so we can eliminate distractions.**



Business Principles: Agenda

- Introduction
- How Libraries and Businesses Differ
- Myths about the Business Sector
- Business Principles Can Help You
- What Can You Do?



Question One: Where do you work? (primary job)

1. Public library.
2. Academic library or academic institution.
3. School library (K-12) or school institution.
4. Special library: medical, legal, corporate, government, military, nonprofit, etc.
5. Information broker, research company, independent.
6. State library, library association, library board.
7. Other: consultant, vendor, student, retired, miscellaneous.



Question Two: Your geographical location?

1. Pacific Time Zone (United States).
2. Mountain Time Zone (United States).
3. Central Time Zone (United States).
4. Eastern Time Zone (United States).
5. United States, outside the contiguous 48 states.
6. Outside the United States.
7. Other: (E-mail us later: We are very curious.)



Question Three: What was your prime reason for signing up for this seminar?

1. Theoretical interest in topic of applying business principles to libraries.
2. Want to evaluate business-oriented strategy.
3. Want to build better relationship with business users.
4. Want to build partnerships with local businesses.
5. Like the SirsiDynix Web Seminar series.
6. Recommended by colleague.
7. Other.



Introduction

- Avoid simplistic categories.
- Public, private, nonprofit sectors.
- Arbitrary legal definitions.
- Most enterprises are hybrids.
- How do you get your money?



Introduction

- Commonalities are more important.
- Everyone has good ideas.
- Bad people make headlines.
- Good people everywhere.
- Most business owners invisible.



Introduction

- Everyone has motives.
 - money
 - status
 - territory
 - control



How Libraries and Businesses Differ

- All libraries share certain DNA.
- Public sector ethics:
 - libraries exist in the “commons”
 - fair, consistent, transparent
 - safety for the stranger
 - citizen oversight



Myths About Business

- Perpetuate negative stereotypes.
- Limit potential funding.
- Limit potential partnerships.
- Limit ability to serve businesses.
- Limit potential tools and concepts.



What Do You Believe?

Write a short list of beliefs you have about businesses and businesspeople.

Compare your list to the myths on the following slides.



Myth #1: All businesses are alike.

All businesses are large corporations with 1000s of employees and stockholders, with identical ways to create value, make \$\$, have fun, & serve customers.



Truth #1: Businesses come in many models and sizes with different strategies.

- Public Corporate.
- Private Corporate.
- Partnerships.
- Family.
- Contractual.
- Sole proprietorship.



Truth #1: Businesses come in many models and sizes with different strategies.

- Size: 1 to 100,000s of employees.
- Delivery models:
 - wholesale, b-2-b, retail
 - catalog/online/bricks and mortar
 - personal delivery, face-to-face
- Franchisees, entrepreneurs.



Truth #1: Businesses come in many models and sizes with different strategies.

- We make it.
- We deliver it.
- Size of niche: we specialize.
- Target audience: we prioritize.
- Lifestyle choices.



Truth #1: Businesses come in many models and sizes with different strategies.

- We make what people love.
- We make what people ask for.
- We guess what people want.
- We are going to create cool stuff and hope you will buy it.



Myth #2: Money is the bottom line.

- Businesspeople are greedy.
- Businesspeople ONLY are about \$\$\$.
- Institutions that follow business principles should care only about \$\$\$ and metrics (AKA numbers).



Truth #2a: Business has many ratios.

- Quality: five-star restaurant.
- Innovation: coolest iPhone apps.
- Influence: organic soaps.
- Audience: cancer survivors.
- World-changing: plumbing.
- Lifestyle: Can I work *and* be a mom?



Truth #2b: Business has many ratios.

- Numbers are only *one* measure.
- Return on investment?
 - means something different in business
 - cost/benefit ratio more honest
- Return on assets?



Myth #3: All businessowners are rich.

- Ha-Ha-Ha
 - payrolls (and payroll taxes) come first
 - insurance
 - taxes
 - competitors
 - those dang customers



Myth #4: Public, private and nonprofit sectors have nothing in common.

- Good to evil.
- Community to self.
- Competent to “playing pirates”.
- Self-sustaining to dependent.
- Sustainable to “always on the brink”.



Truth #4a: We all have more things in common than we have that are different.

- Reflects values of leaders.
- Size determines how we operate.
- Use other sectors for \$\$\$.
- Use other sectors for credibility.
- More staff w/ mixed backgrounds.
- Pool resources from customers.



Truth #4b: We all have more things in common than we have that are different.

- Similar problems:
 - personnel
 - management
 - governance: boards
 - technology
 - funding



Principle #1a: Earn your budget every day.

- Relevant to the customer.
- Focused on the core audience.
- Contributes to the strategic plan.
- Productive: no slacking.
- Satisfy the customer.
- Relationship-building: repeat biz.



Principle #1b: Develop sense of urgency.

- Timelines.
- Deadlines.
- Priorities.
- Consequences.
- Dance, don't just stroll: Energy!



Principle #1c: Everyone is accountable.

- Everyone contributes.
- Everyone has oversight.
- Everyone is responsible.
- Everyone justifies their salaries.
- Everyone is expendable.



Principle #2a: Never take the customer for granted; they will leave you.

- Remember: they are your purpose.
- Win them back every time.
- Know their dreams.
- Solve their problems.
- Anticipate their problems.
- Surprise them with added value.



Principle #2b: Never complain
about having customers.

I have never heard a successful
businessperson complain about
being too busy.



Principle #3a: Never take the competitor for granted; they will bury you.

- Make them your new best friend.
- Never “bad-mouth” them.
- Find ways to build on their successes.
- Keep track of their trajectories.
- Steal from them: ethically, of course.
- Invite them to play.



Principle #3b: Never complain
about having competitors.

There are no competitors, only future
customers and future partners.



Principle #4: Learn from enterprises with your size, scope, and customer base.

- Number of employees.
- Budget.
- Size of building and collection.
- Scope of services.
- Size of customer base.



Principle #5: Learn from enterprises with sense of urgency: small businesses.

- Beware “rent collector” mentality.
- Beware “business school” mentality:
 - irrational worship of planning
- Experiment, experiment, experiment.
- Partner with your customers.
- Wake up with excitement.



What Can You Do?

- Work in a small business.
- Pay attention when shopping.
- Interview businesspeople.
- Ask them for help.
- Do “we” serve well on boards?



The Entrepreneurial Library Game

- No rules.
- What would you offer?
- Why would they want it?
- Who will buy it?
- How much will they pay?



Further Information

- Pat Wagner - linkedIn
- pat@pattern.com
- pat2pattern - twitter
- patwagner - librarything



Resources for Librarians

*Public Libraries and Community Economic Development:
Partnering for Success*

<http://www.iira.org/pubs/pubRedirect.asp?pubID=688>

*Free and Low-Cost Information Resources
for Supporting Local Entrepreneurs*

<http://www.growinglocaleconomies.com/resources>

Finding Competitive Information for Growing Companies

<http://web.fumsi.com/go/article/find/2968>

Thanks to: Christine Hamilton-Pennell, M.L.I.S.,
Growing Local Economies

christine@growinglocaleconomies.com



Question Four: How might you use the information today?

1. To better use so-called business principles.
2. To find better ways to serve business owners.
3. To hire someone with business experience.
4. To build partnerships with local businesses.
5. To explore more ways to be accountable.
6. To explore more ways to create urgency.
7. Other.



Question Five: What is your biggest challenge using business principles at your library?

1. Too risky for a tax-funded agency.
2. Too risky for me personally.
3. Not convinced they will work in my setting.
4. Don't know where to start.
5. Resistance from my bosses.
6. Resistance from co-workers and employees.
7. Other.