

Library Service Portfolios:

Applying Business Models to Library Planning

Bonnie Burwell
Burwell Information Services, and
Rebecca Jones
Faculty of Information Studies, University of Toronto
And
Dysart & Jones Associates

Background: “portfolios”?

- Introduced to portfolio management
- Began applying it in strategic planning and service reviews with libraries and information services
- Process missing in debate regarding virtual reference

“Service” definition
includes products
and programs

Background: informal research

- **Master's student survey testing how organizational or special libraries are adding or discontinuing services**
- **Discussion list survey of prevalence of service portfolio management**

Background: indicators

- **Portfolio is a new term & concept**
- **Management of the service mix is growing**
- **We like to add, and hate to subtract**
- **Rely on usage, patron satisfaction and budget parameters....then on strategic fit**

Objectives

- **Introduction to service portfolio management**
- **Importance of process-driven service planning**
- **Initiation of applying this type of process in your environments**

Underlying assumptions

- **Successful organizations have a clear understanding of who their clients are and what they have to offer those clients**
 - Focus on their differentiation
- **Librarians and entrepreneurs have much in common:**
 - Enthusiastic about our offerings, service driven, tendency to offer too many things to too many different markets

Underlying assumption

- **We allocate the majority of our resources to services:**
 - Development
 - Delivery
 - Management
- **Success relies on focus**
- **We must focus our resources on those services that will ensure our success**

Reality

- **We can't do all things we want to do**
- **You need to deal with – either divest or evolve – current offerings**
- **You need to develop new offerings**
- **Every offering requires resources**

- **We need a tool to determine how to 'balance your portfolio'**

Current practices

Current approaches to managing service mix range from:

- Maintaining the status quo
- Reviewing services annually as part of budget planning and/or annual work plans
 - Usually based on “traditional” measures
- Developing a service planning model aligned with strategic priorities of the organization
 - May include “non-traditional” measures

Current Service Management Practice

| Strengths | Weaknesses |
|--|---|
| Librarians are articulate, enthusiastic networkers, communicators & team players | What works for one organization may not for others |
| Service decisions <u>are</u> being based on “best available” input & data | Resources & experience to develop processes for input from clients & the broader community frequently lacking |

Current Service Management Practice

| Strengths | Weaknesses |
|--|---|
| New services are being subjected to more rigorous planning processes | Lack of holistic approach May be driven by budget process &/or technology capabilities Strategic fit may not be considered |
| Most libraries are concerned with identifying meaningful service measures | Measures for electronic services in particular lack definition & need improvement |

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Service portfolio management

A holistic view of your service strategy:

- **current and future offerings**

Provides the capability of viewing and managing your high-risk/high-growth services with your conservative offerings, and determining which services may not be on track and need help or need to be pulled

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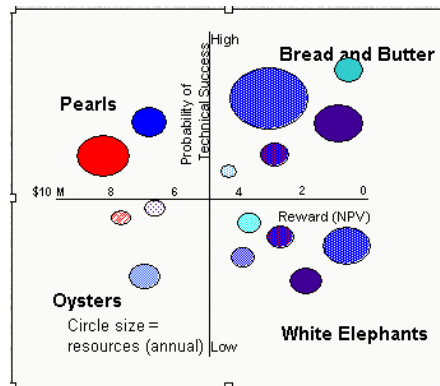
Portfolio Approach: Objectives

- **Maximize value of services in terms of the organization's objectives**
- **Balance services offerings**
- **Align services with strategy**

Portfolio approach

- **Based on:**
 - **Cooper's "Portfolio Management for New Products"**
 - **Work by Boston Group on product life cycles**

Cooper's risk-reward bubbles



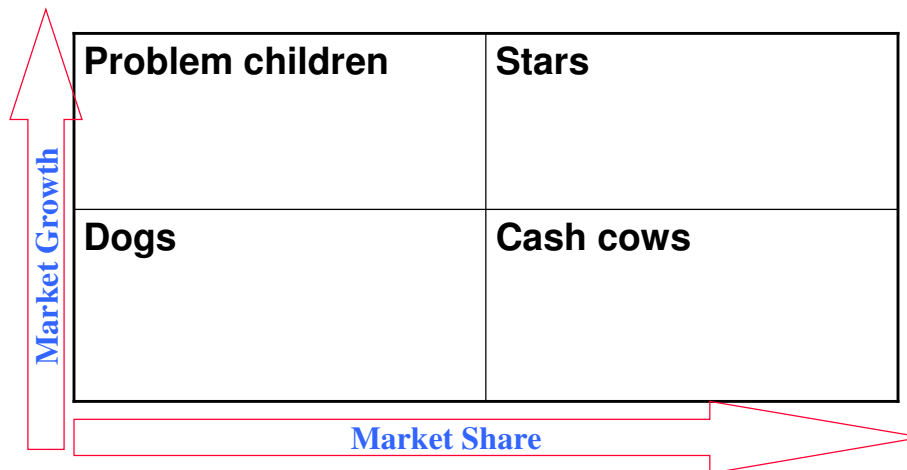
Thanks to Bob Cooper from
the Product Development
Institute and Sopheon

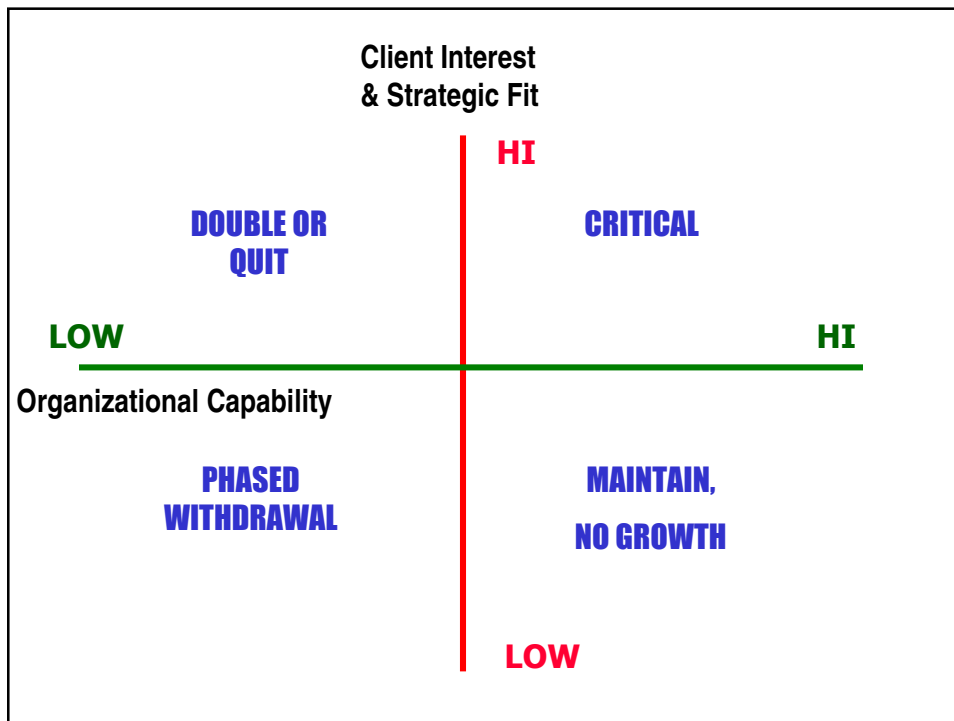
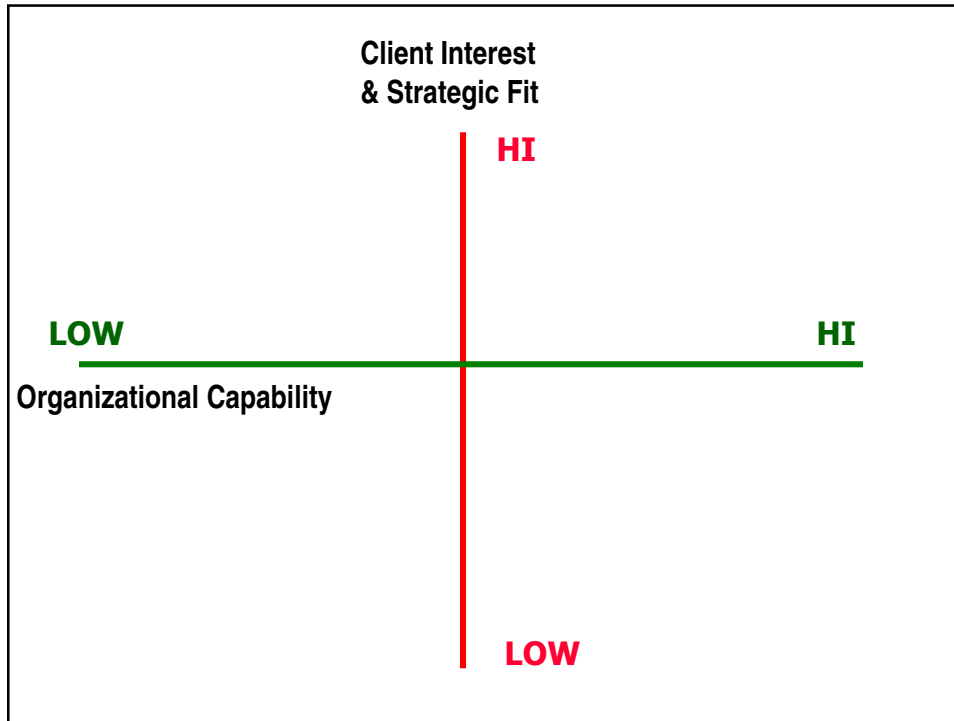
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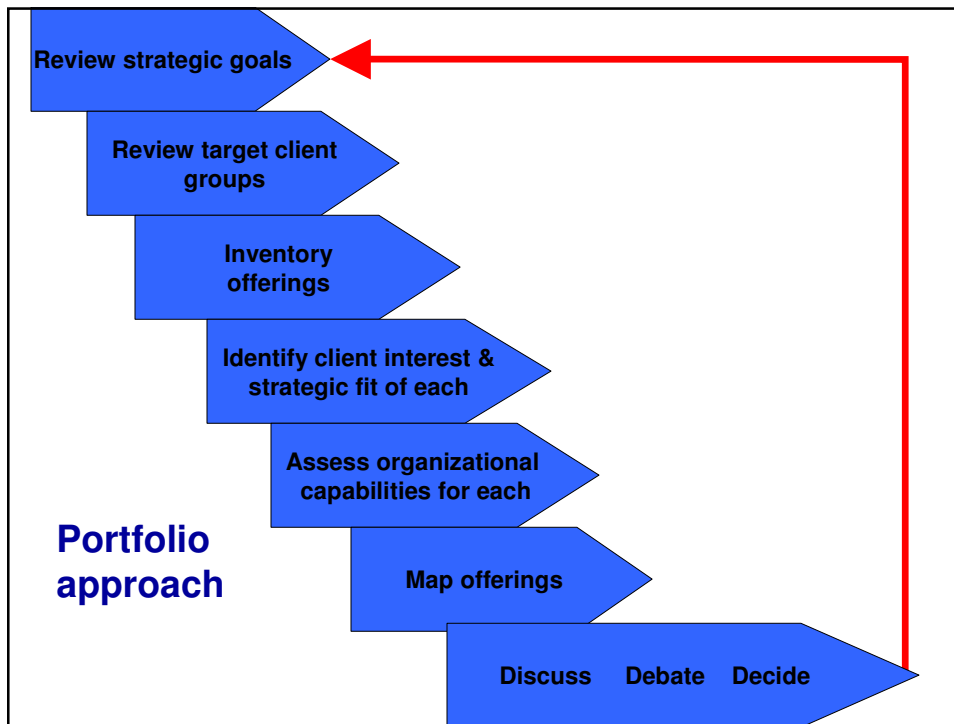
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Boston Group's matrix analysis





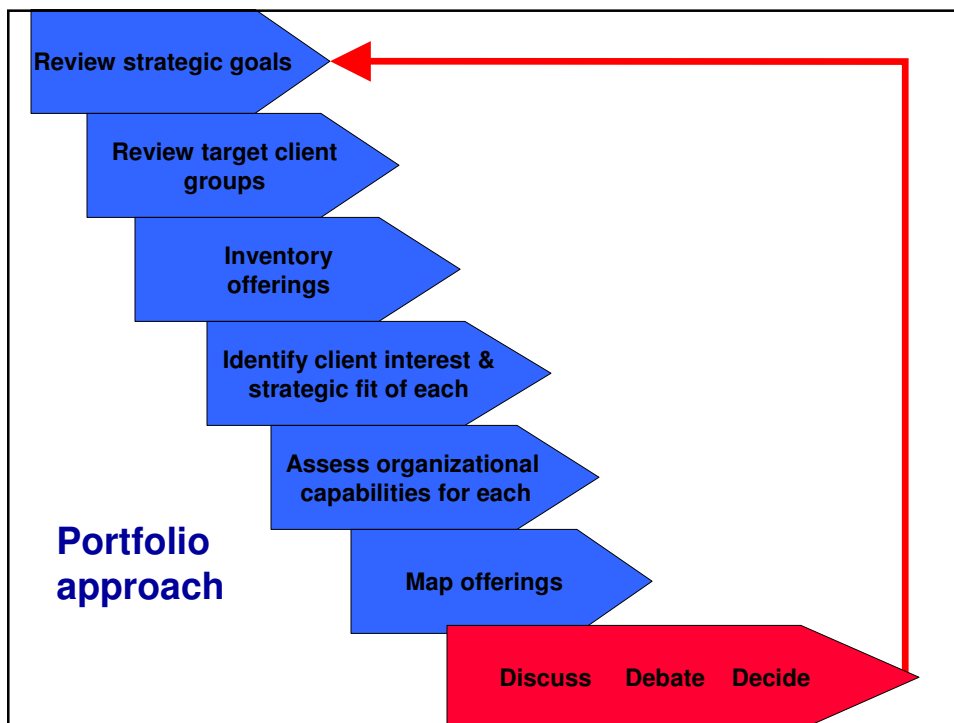
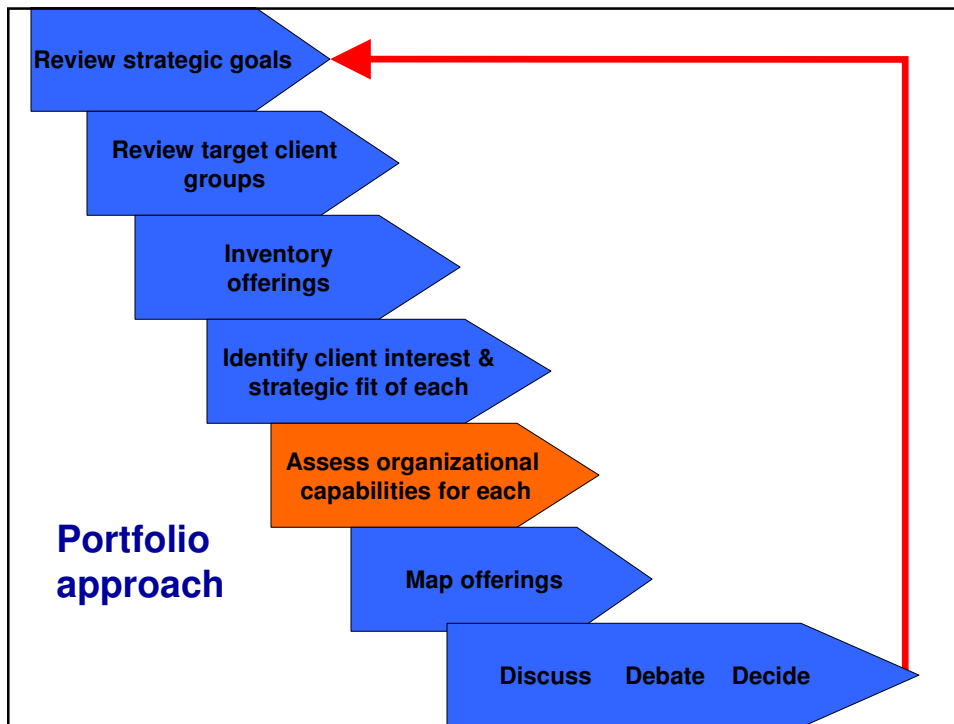


Client focus

- Products & services can only be designed, developed & delivered when the patron's behaviours & values are fully understood
- Once you have selected your client groups, profile them:
 - What do they need to 'deliver'?
 - What do they most value?
 - What offerings interest them?
 - Where do your offerings fit for them?

Determining market interest

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Discuss, debate

- **Questions to discuss:**
 - Are the offerings complementary?
 - Are some offerings competing with others?
 - What offerings have a short shelf life?
 - What offerings have simply outlived their place?
 - What does our portfolio look like to stakeholders?

Decide

- **Most organizations will still have more offerings than they can afford**
- **Mapping the offerings, debating and discussing enables you to decide which of these most closely align with the strategic objectives and which, above all else, must be in your portfolio**

Issues

- **Must be done regularly, at least bi-annually**
- **Discussions may not be easy**
- **Profiling takes time and energy**

Potential of portfolio approach

- **Try components; take what works in your culture**
- **Cooper's advice "proceed in a cautious, well-planned manner"**
- **Fact is, every organization needs a process for monitoring which offerings are of value and which should be shut down to make room for those of higher value**

Make room for...

- The next process is to develop and nurture newand existing...services

Recommended sources

- Bradford, Robert W. Simplified Strategic Planning, Chandler House, 2000
- Cooper, Robert G. Portfolio Management for New Products, 2nd Ed., Perseus, 2001.
- www.cio.com Portfolio Management, May 1, 2003.

Thank you!

Comments and suggestions to:

Rj.jones@utoronto.ca or
bonnie.burwell@cogeco.ca

Slides will be available on

www.dysartjones.com