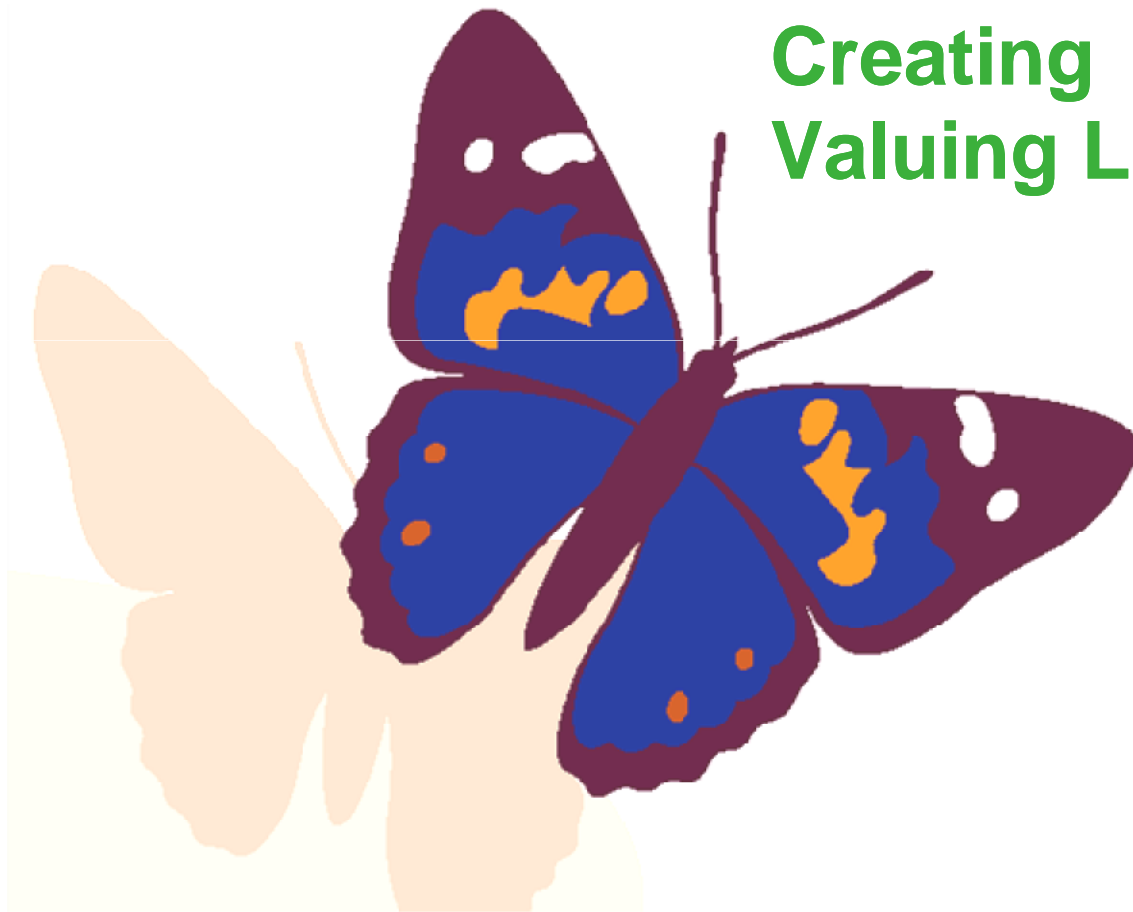


# From Value to 'Valuable': Creating a Mindset for Valuing Libraries



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Delft, The Netherlands

# 1. A Citadel for Learning and a Platform for Adventure on the Internet?

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Hogeschool Zuyd, Heerlen



Frans Jacobs,  
2005

# 1. What's Value?

- Value is the degree of usefulness or desirability of something, especially in comparison with other things<sup>[i]</sup>.
- The degree of usefulness or desirability depends on values. To determine a value, a person needs to apply values as yardsticks.
- As value is perceptual (often highly personal and idiosyncratic) it is important to define the context of perceptions.

<sup>[i]</sup> D. Andriessen, *Making Sense of Intellectual Capital. Designing a Method for the Valuation of Intangibles*, Oxford: Elsevier Butterworth-Heinemann, 2004, p.264.

# 1. Creating a Mindset

- **A mindset means a fixed and predominant way of thinking, seeing and doing ('dominant logic').**
- **People with a...**
  - fixed mindset: believe that our qualities are 'carved in stone'
  - growth mindset: believe basic qualities are things you can cultivate through your efforts (Dweck, 2007)
- **In (public and research) libraries is a deeply held and implicit assumption that the "good" is widely recognized and that the value of library service is universally appreciated.**
- **But all around the world, libraries of all types are under pressure to demonstrate their value and their contribution to specific outcomes embraced by their schools, institutions and communities**

## 1. Current Environment of Libraries.

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**The reality is that every year libraries buy less for the same money or the same for more money.**

# 1. Reinvent

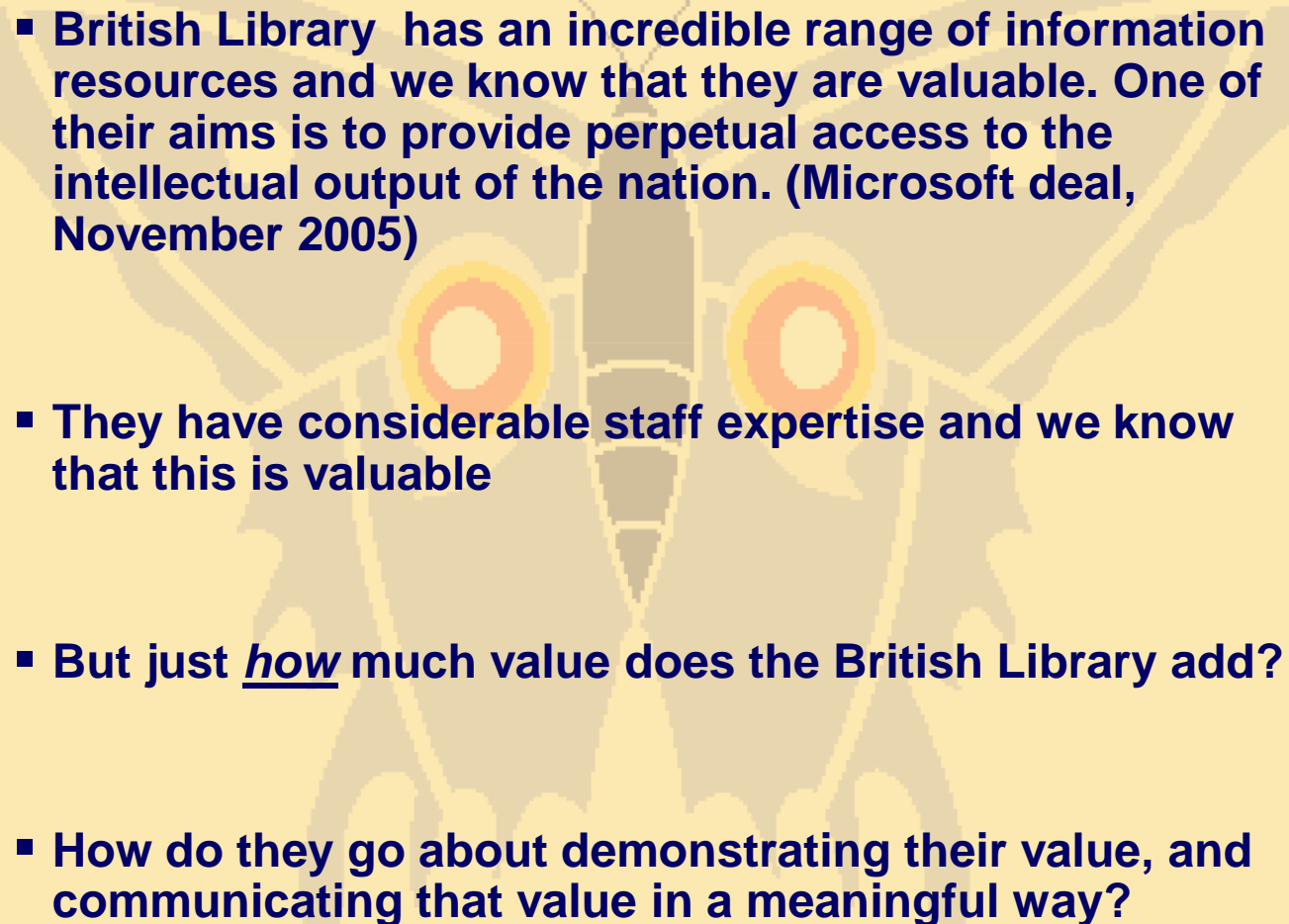
- Visit the Bronx Library Center, a three-year-old branch of the New York Public Library
- The place is packed with people, most of them under the age of 18
- Librarians answer questions and organize online gaming tournaments, and none of them are shushing anymore
- An observer might quarrel with the library's de-emphasis on books, but he or she would be wrong to assume no learning is going on here. Kids are reading, exploring and acquiring knowledge ...voluntary...
- This branch is *no longer in the book lending business*, it's in the gaming business or the entertainment business or maybe the information connectivity business. This requires a different mind – set (Corwin, Harrley & Hawkes, 2008)

# 1. The British Library Holds Unsurpassed Collections and Offers a Wide Range of Services Based On Them



# 1. What Do We Know About the Value of the British Library?

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- **British Library** has an incredible range of information resources and we know that they are valuable. One of their aims is to provide perpetual access to the intellectual output of the nation. (Microsoft deal, November 2005)
  - They have considerable staff expertise and we know that this is valuable
  - But just how much value does the British Library add?
  - How do they go about demonstrating their value, and communicating that value in a meaningful way?

Source: C. Pung, 2004



# 1. The BL Derived Estimates of the Value of the Library through Five Main Types of Questions

Example questions under each of the five main types...

## Willingness to pay

How much would you be willing to pay for the Library's continued existence?

## Willingness to accept

How much would you be prepared to sell your reader's pass for, assuming you could not then replace it?

## Cost of alternatives

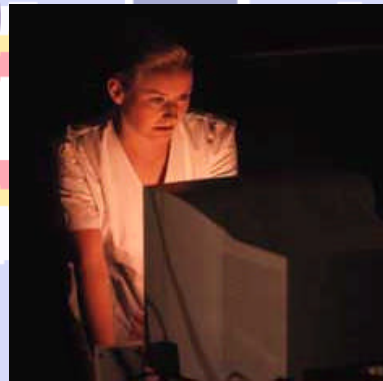
How much would you have to pay to use alternatives to the Library, if such alternatives could be found?

## Investment in access

How much do you invest, in terms of time and money, to make use of the Library?

## Price elasticity

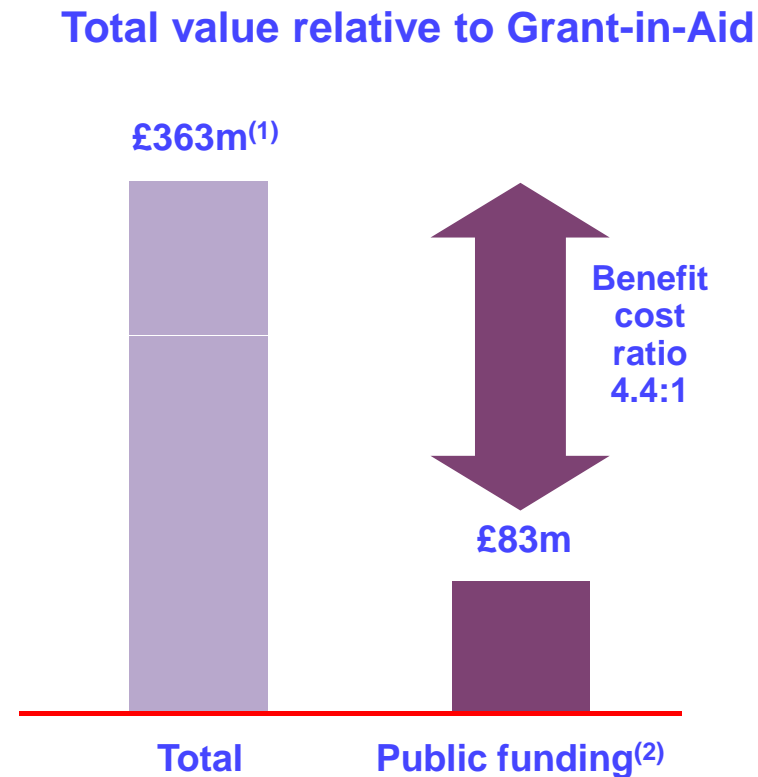
How much would your usage change if the price went up by 50%?



Source: C. Pung, 2004

# The study showed that the British Library generates value around 4.4 times the level of its public funding

- For every £1 of public funding the British Library receives each year, ~£4.40 is generated for the economy
- If public funding of the Library were to end, the UK would lose £280m per annum
- Excludes value generated for non-UK registered users which is considerable

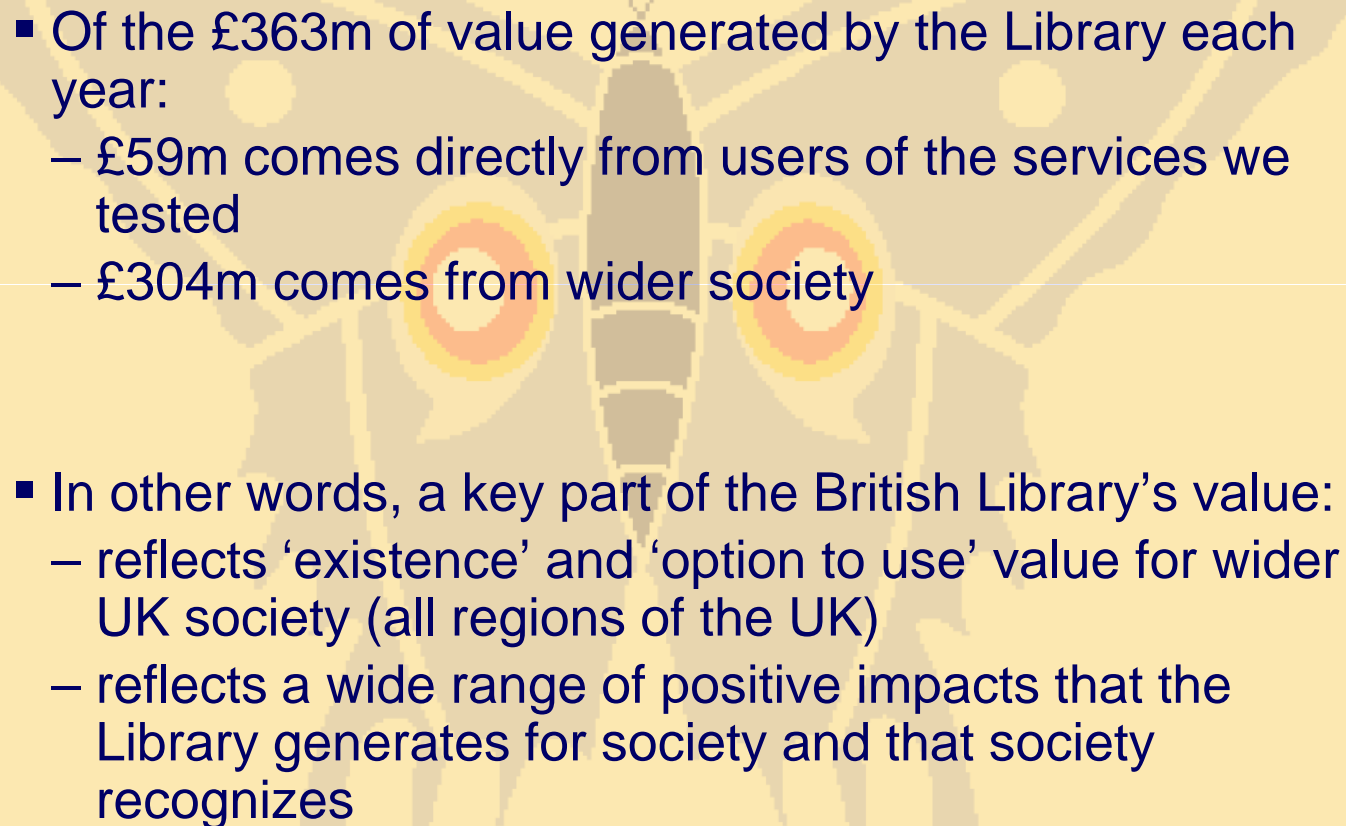


Note (1) Net of BL revenues. (2) In 02/03 Library received £7m of donations/investments and £27m from its commercial services in addition to GIA

Source: C. Pung, 2004

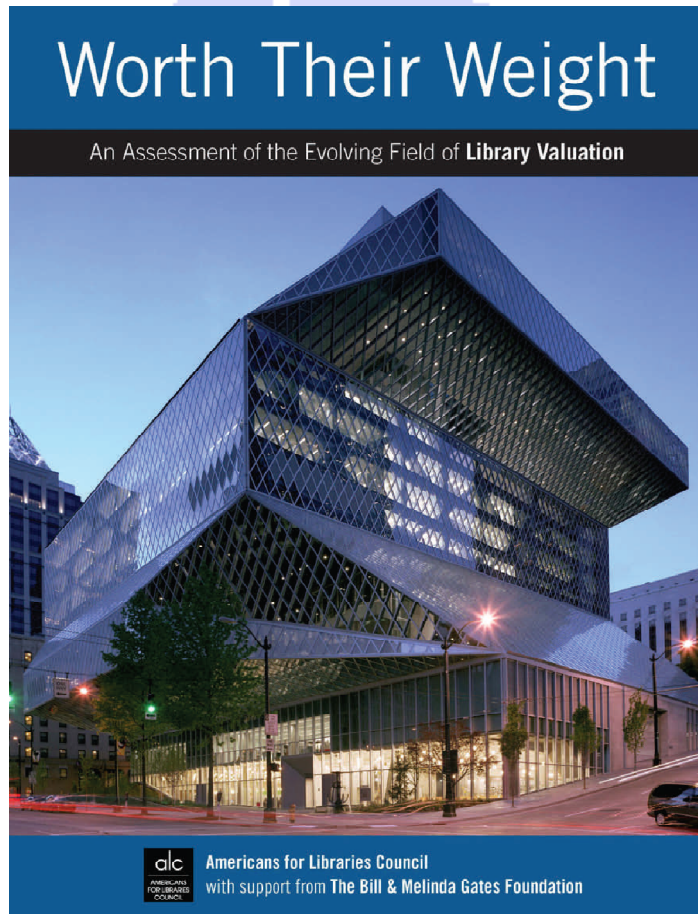
# A significant part of the value is indirect value to the wider UK society

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- Of the £363m of value generated by the Library each year:
    - £59m comes directly from users of the services we tested
    - £304m comes from wider society
  - In other words, a key part of the British Library's value:
    - reflects 'existence' and 'option to use' value for wider UK society (all regions of the UK)
    - reflects a wide range of positive impacts that the Library generates for society and that society recognizes

# 1. Are Libraries Still Worth Their Weight?

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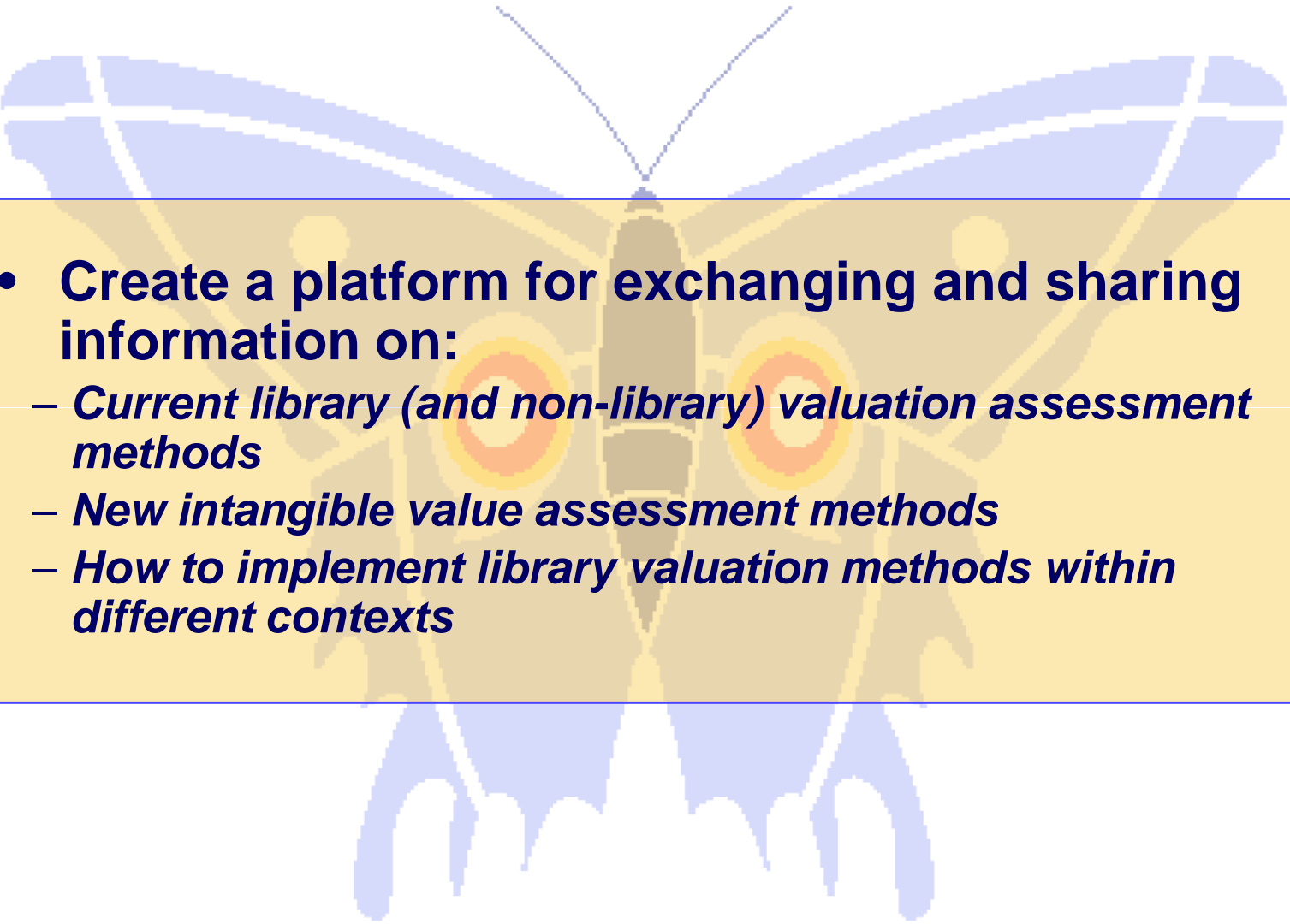


## Why this report?

**..It was prompted by the recognition that new approaches to library sponsorship are needed and that these approaches must involve ‘making the case’ for the public library in quantitative terms” (p. 5)**

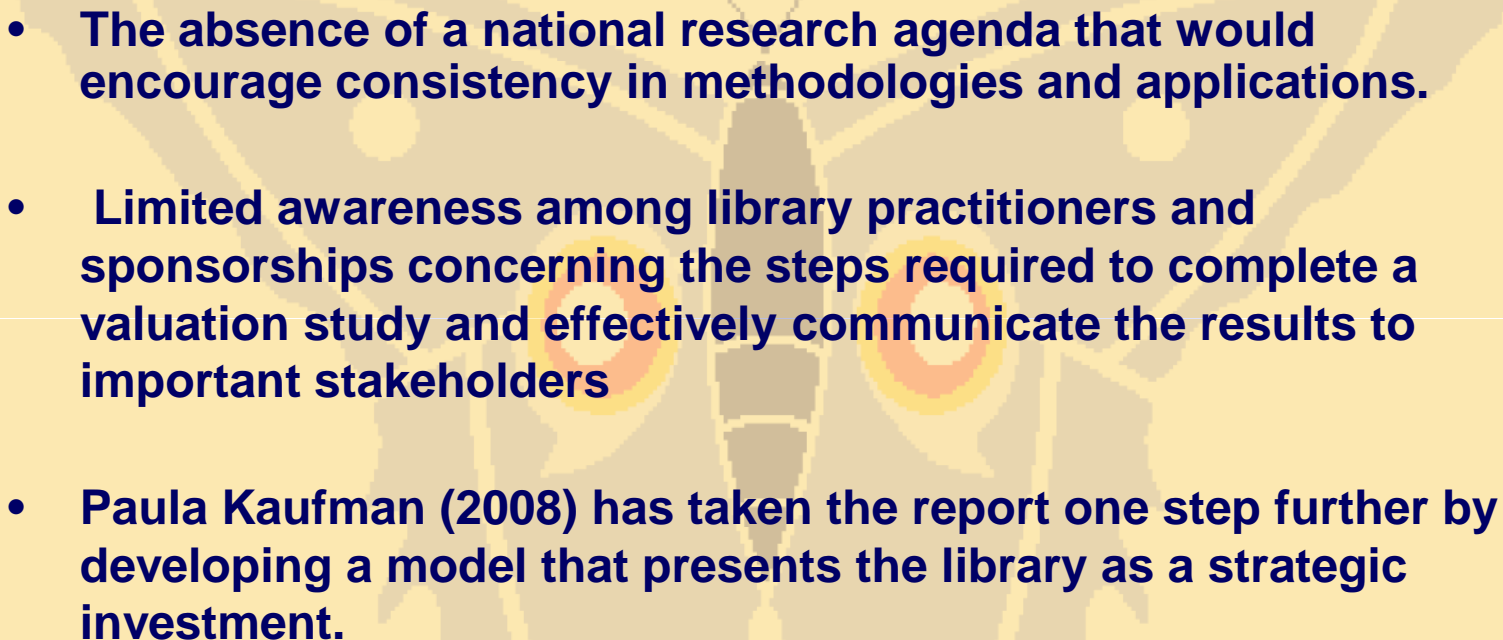
# 1. Are Libraries Still Worth Their Weight ? (cont.)

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- **Create a platform for exchanging and sharing information on:**
    - ***Current library (and non-library) valuation assessment methods***
    - ***New intangible value assessment methods***
    - ***How to implement library valuation methods within different contexts***

# 1. Are Libraries Still Worth Their Weight: Some Barriers to Address...

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- **The absence of a national research agenda that would encourage consistency in methodologies and applications.**
  - **Limited awareness among library practitioners and sponsorships concerning the steps required to complete a valuation study and effectively communicate the results to important stakeholders**
  - **Paula Kaufman (2008) has taken the report one step further by developing a model that presents the library as a strategic investment.**

# 1 What Managers Say/ What They Mean

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- **Management Speak: Value – Added**
  - **Translation: It's Expensive...**

Source: Bob Lewis, 2009

# 1. Criteria of Value

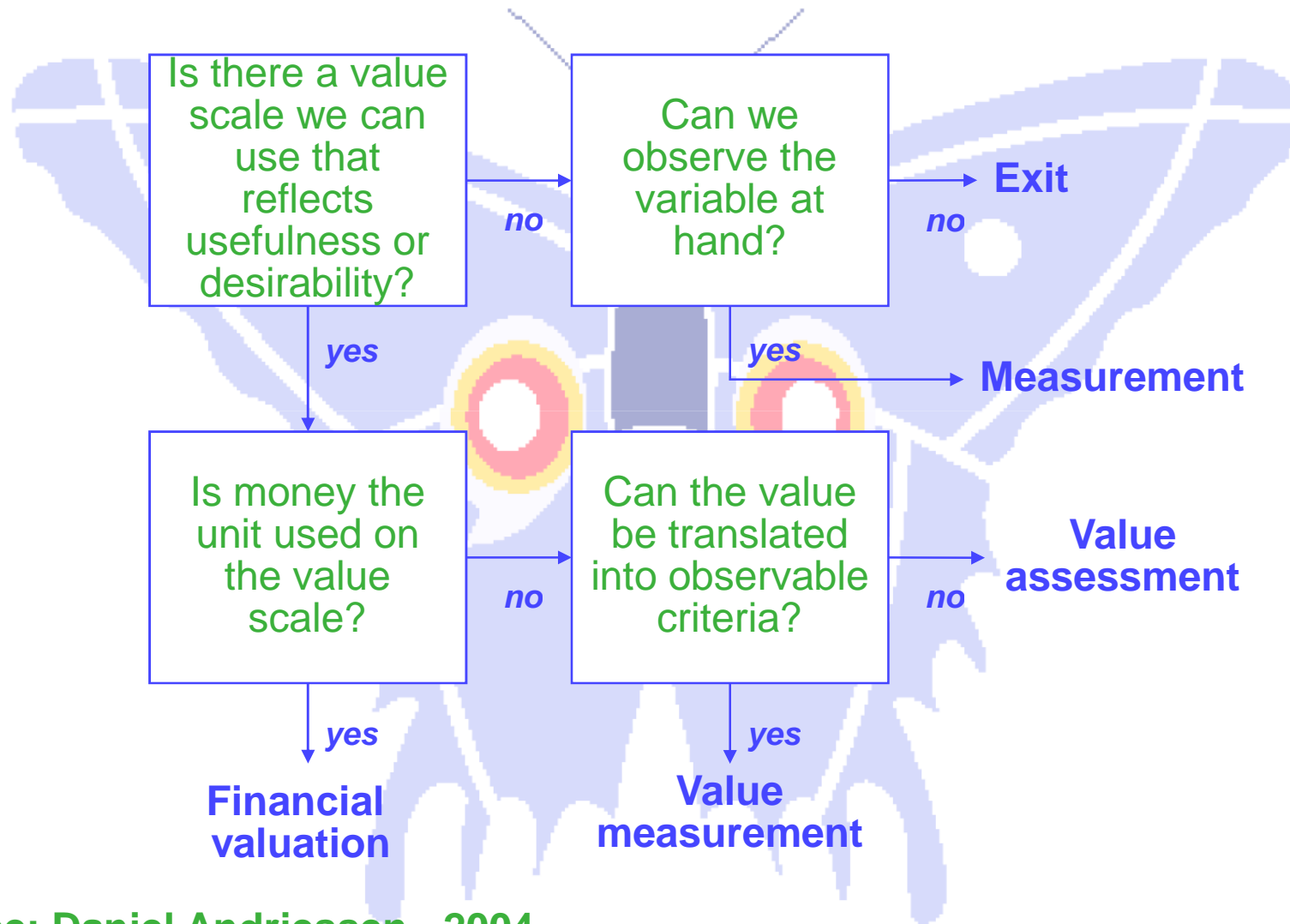
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- The advantage of using a financial criterion is that it can act as a common denominator for various intangible resources.
- One of the key problems of valuing intangible assets<sup>[i]</sup> is linking the assets to the value it generates.
- Another issue is that criteria of importance change from generation to generation, so we cannot know what will matter to our descendants (Darnton, 2008). By the way, Google will not be around forever!

<sup>[i]</sup> Intangible asset is a claim to future benefits that does not have a physical or financial embodiment. In: D. Andriessen, *Making Sense of Intellectual Capital. Designing a Method for the Valuation of Intangibles*, Oxford: Elsevier Butterworth-Heinemann, 2004, p. 407.



# 1. There Are Three Types of Valuation Methods



Source: Daniel Andriessen , 2004

# 1. There Are Three Types of Valuation Methods (cont.)

## Financial Valuation

- Money is used as yardstick
- Allows for comparison
- Allows for mathematical transformations

## Value measurement

- Use of other values as yardsticks (targets, goals, moral norms)
- Translation of yardsticks into observable phenomena
- Measurement of observable phenomena

## Value assessment

- Use of other values as yardsticks (targets, goals, moral norms)
- No translation of yardsticks into observable phenomena
- Assessment by valuator

# Stelling 1

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**If you do not measure results you cannot tell  
success from failure**

## Stelling 2

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**Innovatie binnen bibliotheken kan niet zonder  
subsidie van de overheid**

## Stelling 3

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**Unmeasured things are not necessarily  
unimportant**

## Stelling 4

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**Een bibliotheekpas moet in principe bij alle bibliotheken van Nederland te gebruiken zijn zeker als het om de digitale bibliotheek gaat**



**May the knowledge be with you**

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