

# The For-Profit Syndrome: Will Libraries Be Next?

by Alice Wilkins

"How many rabid raccoons have you caught?" An eye-catching advertisement in the business section (page 10C) of the *Raleigh News & Observer* for Saturday, June 13, 1992 goes on to answer the question and to offer information services. "In 1991, there were eight rabid raccoons captured in North Carolina. How do we know? With thousands of sources at our disposal, we can get you the facts and information you need." This sounds like an aggressive, savvy, modern public library, marketing the skills of its trained, experienced reference staff. On the contrary, a call to the number given reveals that I have reached PISYS (pronounced "pie-sis") Information Quest, a division of the *News & Observer* Publishing Company, housed in the *News & Observer* building and making use of Raleigh the *News & Observer* News Research Department, formerly known as the *News & Observer* Library.

The name PISYS is an acronym derived from personal information system. PISYS IQ manager, Denise Henry, was hired in the fall of 1991 to head this new fee-based information service which began operations in November. Because business is still growing, Denise spends a portion of her time marketing the service, preparing brochures, and targeting potential customers—law firms, businesses, lobbyists, political campaigns, or anyone who finds the service valuable enough to pay the sixty-five dollars per hour fee (plus costs). Minimum fee is one hour. Denise, a trained librarian with an MLS, related a brief history of the Library/News Research Department. Originally established as a resource for journalists on the staff, the department would occasionally provide copies of *The News & Observer* articles for five dollars. Added to a staff of two professional librarians and approximately fifteen full-time and part-time staff members, Denise was recruited to exploit the

library's resources for profit. As she states, "Management's concept was, we have all these resources here—let's see if we can take advantage of them."

"Sounds like Lockheed's DIALOG story!" I rejoindered. Denise agreed.

In-house libraries of corporate firms have come to be viewed as part of the overhead cost of operation, and if these departments can make their services cost-effective by marketing them, all the better for the economic health of the organization. Denise spends a lot of her time online, and she does not synthesize the material or write reports: "That's the work of my clients. My job is to find the information and turn it over to them."

The trend to for-profit information, however, is not all fun and games. Librarians who have heard the term "information brokers" are not always sure who these people are, what they do, or if their existence is good or bad for the library profession.

Our social institutions are experiencing a trend toward privatization. In the foreword to *Marketplace Medicine: the Rise of the For-Profit Hospital Chains*, Dave Lindorff states

As the social experiments of the 1960s and 1970s and even the limited government provision of human services have been assailed by the conservative critics of the 1980s and 1990s, many sectors of American society have turned to privatization. Today we see prisons run under contract to public authorities by the private sector, sanitation work increasingly performed by private companies, private security services supplementing or replacing police protection, and even adoption services, once the virtual monopoly of public and voluntary social agencies, now

facilitated on a profit-making basis by physicians and lawyers. It is therefore not surprising that hospital care should also be increasingly dominated by the private, profit-making sector.<sup>1</sup>

What about libraries? In recent years, book and equipment budget cuts, staff reductions, and curtailment of hours and services have shaken the foundations of libraries. Faced with an uncertain future, library personnel experience frustration, fear, and anger as part of the regular challenge of problem solving. Professional organizations respond with conferences and workshops on supportive themes. With no sarcasm intended, I wonder to what extent sitting around and talking about our financial woes is like the slogan, "When the going gets tough, the tough send out for pizza!" What are libraries doing about *making* money as well as *spending* it?

A search through *Library Literature* reveals that the subject heading "Fees for library service" appears for the first time in the 1972-73 volume. The prior, broader heading "Fines, fees, etc." hadn't appeared until the 1952-54 volume. Most of the articles from 1952 to 1972 on charging fines for overdue materials leaned toward the negative under the guiding principle that libraries should be free. Librarians also agonized over whether or not research libraries should charge usage fees to outsiders. The advent of fees for services unleashed a new rash of articles decrying the trend: "The end of free library service is at hand!"<sup>2</sup> Having made its debut in the early seventies (concurrent with the advent of online computer searches), the issue of charging for library expertise has subsequently received the same type of discussion and concern as the library fines issue. Though struggling to keep the principle of free libraries intact, librarians have

gradually acknowledged that, as the information system changes, libraries have to change with it, and accept the fact that some services, if offered, will have to be paid for by the patron. The alternative is not to offer those services, and to become an anachronism in the fast-changing information profession.

The term "Information brokers" first appears in *Library Literature* in 1981, narrowed from "Information services" and related terms. Isn't this simply a new term for someone paid to provide information? The profession of librarian has always been closely related to that of researcher, but somehow the term "researcher" has a less avaricious connotation than "information broker."

Can the library profession accept information brokers as colleagues who work with us and beside us? Who are they? What are they doing? Are they "horning in" on our territory? Can we look at their business tactics in a positive way to see what we can borrow for our own organizations?

In the yellow pages of the Raleigh telephone book, I found two listings under "Information Processing & Retrieval Systems & Services." I called the first one listed:

InfoAmerica, Inc. — Business Intelligence Gathering, Information Retrieval & Enhancement, Research, Indexing, Consulting, Database Design, Data Entry, Competitive Information Market/Consumer Data, Database Search, Publications Search, Abstracts, Facts and Statistics, Lists.

The cordial voice of Karen King answered the telephone, and she was very willing to answer my questions and discuss her work. Karen's varied background includes teaching high school, serving as an elementary school librarian ("under duress" — she does not hold an MLS), and as a director of marketing for several companies.

Karen explained that InfoAmerica has been in existence for eighteen months, that she is salaried and works up to seventy hours per week, that sixty percent of her work is related to surveys contracted by corporations, and that she depends heavily on libraries and librarians. Fees for services are forty-two dollars an hour plus costs.

Karen prefers to call herself an information specialist rather than an information broker, comparing the latter to the term "head hunter" as opposed to "recruiter." Did she think library training would enhance her skills? "No, my work is more related to my training in marketing and in my writing skills." However, she is considering taking a course taught by Dr. Evelyn Daniel at UNC-Chapel Hill

on the Marketing of Information and Library Services.

In a later conversation, Dr. Daniel herself was very reassuring that librarians should not feel uncomfortable about information brokering, noting that *The News & Observer's* information provision service is "another example of collaborative effort in our community." She commented that the trend to networking is replacing the isolation of libraries, that the primary clients of libraries are other libraries seeking information, that information sources are no longer hierarchical but horizontal, and that any opportunities for direct access to information should be extended and enhanced. The marketing of such services as CompuServe directly to home customers or Lonesome Doc directly to health professionals should not be regarded as depriving librarians of their livelihood, but as an opportunity for consumers of information to have greater access. "These people will come to the librarians when they need help." Dr. Daniel further commented that information brokering is another skill and even a potential career opportunity for persons with library training.

Karen does not see her work as conflicting with libraries as so much of it is "enhancing and synthesizing" the information she obtains from libraries, making use of her writing and interpretation skills rather than the information retrieval skills of librarians. When appropriate, Karen's firm employs research assistants who have library training and expertise. "I would never think of asking a librarian to do my work for me, or imposing on their time," she stated emphatically.

Denise Henry also does not consider her work to be in competition with libraries. "Most people cannot afford our service, and I refer people all day long to other libraries who have the same databases. We know where to look; businesses come out ahead by hiring an expert who can save time rather than sending someone who will stumble around the library."

How can we translate this trend towards for-profit information to our traditional organizations? To what extent would we want to set up competing services within our own walls? In what ways are we already subsidizing our operations with usage fees, fines, photocopy charges, and book sales? In what ways can we increase such income to offset future administrative budget cuts?

According to Sue Ruge and Alfred Glossbrenner in their new book *The Information Broker's Handbook*,

The breadth and scope of the

information that exists on virtually any topic, person, or place today is simply staggering.... This, then, is the Information Age: an incredible amount of information on an infinite variety of topics readily available to virtually everyone. This is the realm in which every prospective information broker must make a living. It is a realm that needs an information broker's services because, while all of this information is indeed available, in reality, considerable skill and expertise is required to retrieve it.<sup>3</sup>

Ruge, who charted new territory when she founded her firm, Information on Demand, dislikes the term "information

*"Most people cannot afford our service, and I refer people all day long to other libraries who have the same databases. We know where to look; businesses come out ahead by hiring an expert who can save time rather than sending someone who will stumble around the library."*

broker" ("one of the great misnomers of the age"<sup>4</sup>), but accepts it on the basis that this is the term the public has come to associate with the activity of fee-based information services. Ruge and Glossbrenner have again charted new territory by presenting a textbook in a field which has no acknowledged formal training other than the one-day seminars which Ruge has been offering for the past decade at locations throughout the United States.<sup>5</sup> *The Information Broker's Handbook* reads like a cross between a text for a library school reference course and a marketing textbook in a business school. It warns the reader that information brokering as an occupation is very hard work, financially risky, and it requires a curious, aggressive, and entrepreneuring

personality. It strongly advises the prospective broker to team up with someone else — one member of the team to do the information work, the other to market the service. Working alone, an information broker would have to spend at least half a day searching for potential customers.

Although the book is aimed at anyone who is interested in the field and stresses the fact that anyone who is willing to learn can do it, the authors acknowledge that "most successful practitioners today have a library background."<sup>6</sup> In answer to the question, "Are librarians competition for information brokers?", the authors answer "yes and no." They encourage the information broker to establish a positive relationship with "their colleagues on the other side of the reference desk" and even to use libraries who offer fee-based services as subcontractors:

As budgets tighten, all libraries are looking for sources of additional funds. Accordingly, some libraries have begun to charge more for research services than simple pass-through database expenses. This could be considered a change for the better from an information broker's standpoint. For, if the library is making a profit on a search, it is difficult to see how anyone can complain if you employ these services in your own work. *By entering the profit-making arena, the library and the librarians become, in effect, subcontractors.*<sup>7</sup> (italics mine)

The authors regularly refer to the breadth and scope of information that exists on virtually any topic as the "Information Dragon." They point out that it is the skilled, seasoned information professional who will be the one who is chosen to slay this fire-breathing dragon! In the chapter entitled "The Market for Information," they state that the potential market for information and the services of an information consultant is huge. The categories of potential customers noted in this chapter are many and varied, including advertising firms, public relations firms, investors, job applicants, insurance agents, small companies which cannot afford in-house libraries, researchers, consultants, and stock brokers. The authors stress that the major difference between librarians and information brokers is that librarians do not market their skills and services: "No research librarian with a steady paycheck, benefits, and all the rest will ever have the motivation of an information broker who must make a sale to make the rent each month."<sup>8</sup>

Why not take that statement as a

challenge? If the potential market for information brokerage is huge, why not establish a fee-based information department within the library? If part of the financial risk for an information broker is establishing an office containing expensive equipment (telephones with answering machines, fax machines, computers with modems) plus investing in information retrieval training, and these facilities already exist within libraries, why not give librarians an equipped office and let them work on the basis that their salary will be paid on a cost-recovery basis from the fees for information services? If the fact is that most information brokers are already trained librarians, let the trained librarians already working in libraries acquire marketing skills and promote their services via the library to the community. If an "Information Services Department" is able to generate income for the library, then this can help to build the library's resources, increase services, and enhance the library's status and viability within its service area. (Interestingly, Ruge and Glossbrenner exhort the prospective information broker to avoid the word librarian: "A word to the wise. You want the word 'librarian' to stay as far away from this profession as possible — even if you happen to be one. It's nothing personal — some of our best friends and clients are librarians, and most successful information brokers are or once were card-carrying librarians. It is strictly a matter of image."<sup>9</sup>) Perhaps, just as sales clerks became sales associates and garbage collectors became sanitary engineers, it is time for librarians to call themselves information specialists!

*The Information Broker's Handbook* should be read by every reference librarian and every library director. It is a trailblazing guidebook to modernizing a profession that has become too dependent on subsidy, whether institutional or governmental. Libraries can pay their own way to a greater extent, and still remain free in many capacities. A fee-based information service department within the library would not interfere with the free services of lending books, providing reference resources, or the children's story hour that our patrons expect.

Ruge and Glossbrenner point out that ninety percent of their work is online and on the phone, and only ten percent is library research. Furthermore, they express surprise that more libraries are not already offering information brokering services. I believe that libraries must dip their toes into the waters of free enterprise. Agonizing over whether to charge a fine or increase fines sounds like the articles I noted in the 1950s volumes of

*Library Literature*, but some of us are still doing it. "There is definitely money to be made. And there is a growing demand for professional information services."<sup>10</sup> If there is money to be made, let's make it ourselves!

We will all be watching with great interest as for-profit experiments progress to public schools, prisons, the welfare system, and (can we escape?) libraries. Let's learn what the for-profit libraries and information brokers are doing and see what we can apply from their marketplace methodology to our own operations. To become more profit-oriented and cost-effective, we will need administrators or governing boards who are willing to accept innovative funding concepts, willing to let librarians handle money, and willing to change some policies.

I once knew a professor who, each year, proudly justified his own salary by itemizing all of the cost-cutting ideas he thought of and recommended to the administration. I realized where the library figured in his estimation of our services when I found that he had calculated how much money the school could save if we stopped the publication of our monthly new books list. Fortunately, I was able to persuade the administration that our publication was sufficiently appreciated by students, faculty, and staff to warrant the cost of paper and preparation time. Today I might be tempted to respond by redesigning its appearance to a slick, attractive, desirable publication, and charging a subscription fee!

## References

<sup>1</sup> Dave Lindorff, *Marketplace Medicine: the Rise of the For-Profit Hospital Chains* (New York: Bantam Books, 1992), xi.

<sup>2</sup> "The End of Free Library Service Is At Hand," *Sci-Tech News* 29 (October 1975): 98-99.

<sup>3</sup> Sue Ruge and Alfred Glossbrenner, *The Information Broker's Handbook* (Blue Ridge Summit, PA: Windcrest/McGraw Hill, 1992), 4, 6.

<sup>4</sup> *Ibid.*, 15.

<sup>5</sup> Details on the seminars or on an Information Broker's Resource Kit can be obtained from: The Ruge Group, 2670 Mountain Gate Way, Oakland, CA 94611. (510) 530-3635 (voice) (510) 530-3325 (fax)

<sup>6</sup> *Ibid.*, xviii.

<sup>7</sup> *Ibid.*, 42.

<sup>8</sup> *Ibid.*, 42.

<sup>9</sup> *Ibid.*, 26.

<sup>10</sup> *Ibid.*, xxiii.