# Driving ROI

The Case for a Proven Resource Sharing Solution

HOBSON & COMPANY

# The Case for a Proven Library Resource Sharing Solution

Libraries have been pressured to transform their services and collections due to various driving factors, including the digitization of content, advances in technology, and constantly evolving library user expectations (such as having immediate access to a rapidly increasing universe of content). Furthermore, ongoing fluctuations in funding often limit libraries' ability to invest in their collections in order to meet these ever-increasing demands. Libraries are facing these issues head-on, leveraging technology, collaborative and effective processes, and highly engaged staff in order to meet those demands.

Hobson & Company (H&C), a leading research firm focused on Return on Investment (ROI) studies, worked with Innovative, a leader in library management software, to explore these challenges and learn how industry leaders are responding. H&C conducted independent research consisting of 18 in-depth interviews with Innovative clients and found that a validated resource management solution (for both physical and digital content) addressed specific customer challenges across libraries to deliver a quick and compelling ROI.

The goal of this research study and paper is to highlight examples of validated use cases where the impact of *Innovative Resource Sharing* is not only strategic but also measurable based on key metrics confirmed by current users of the solution. In this study, *Innovative Resource Sharing* is used to describe both the INN-Reach solution for returnable items and ArticleReach solution for non-returnable and digital items.

## Library Challenges

*Customers interviewed noted that they experienced consistent challenges around productivity, patron-services, and budget. Below is a list of some of the universal concerns.*

### Inefficient and Time-Consuming Processes
Physical and digital interlibrary loan (ILL) processes rely on manual processes and disparate systems, with a high degree of variability across resource lenders, often resulting in highly inefficient and time-consuming workflows. Further, there is a limited ability for patrons to directly discover available materials from other libraries or request those materials; staff mediation is typically required.

### Lack of Data & Visibility
Data is at the core of good decision-making – and libraries are no different. However, manual processes for sharing resources and disconnected systems mean that accurate, real-time, and historical data is very difficult to come by (if at all). Moreover, not being able to generate informative and easy to consume reports handicaps libraries during the budgeting cycle, as they are limited in their ability to demonstrate the value being generated from their collection and from shared resources.

### Evolving Patron Expectations
In a relatively short time, the patron experience has evolved from that of a solitary and physically based interaction to one that relies on a social, digital, and geographically unlimited environment. Technological advances in search engines, social media, mobile applications, and on-line retail have resulted in patrons expecting similar levels of service and functionality from their library.

### Significant Budgetary Pressures
Along with the ever-increasing demand for transformation and for expanded content, the majority of libraries are faced with flat or decreasing budgets. This is further complicated by a lack of both historical and cross-sectional data and analytics that are necessary to demonstrate empirically the value of the services delivered – whether from the owned collection or from shared resources.

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# Innovative Resource Sharing I Research Results

*Customer research identified five benefits across three areas of value (Streamline Back-Office Workflows, Reduce Library Services Overhead, and Improve Public Services Processes), which are summarized below.*

## STREAMLINE BACK-OFFICE WORKFLOWS

### Reduce time spent processing shared resources

Interlibrary loan (ILL), whether of physical or digital resources, is riddled with inefficiencies due to a reliance on disparate systems, manual and highly variable workflows and outdated technology. *Innovative Resource Sharing* facilitates sharing of resources across a consortium of libraries, each with a separate local integrated library system (ILS), and offers a seamless ILS integration that automates the discovery and request process and facilitates fulfillment (with real-time updates in the patron's ILS record). This results in a significant reduction in time-consuming ILL and digital loan transactions.

> *"The same staff who were able to process 11k items in one year with ILL was able to process over 48k last year with INN-Reach."* (Customer #3)
>
> *"When a request is filled with ArticleReach, we never see it - with our other suppliers, the article is delivered to staff and then we have to deliver it ourselves."* (Customer #18)

**Customers interviewed reported:**

## ↓70%

**REDUCTION** in time spent processing shared resources

### Reduce time spent on reporting and analysis of shared resources

While libraries typically can create reporting from their own systems, it is very difficult to run reports or analytics on ILL or shared resources due to outdated technology and a lack of integration with their ILS. *Innovative Resource Sharing* provides easy-to-access insight into consortia collection usage and utilization, transaction activity, and requests analytics.

> *"Being able to run our own reports has been empowering and also helps us make better business decisions."* (Customer #11)

**Customers interviewed reported:**

## ↓50%

**REDUCTION** in time spent creating shared resources reports and analysis

## REDUCE LIBRARY SERVICES OVERHEAD

### Reduce shared resources expenses

Interlibrary loan is expensive, often with both a per-transaction fee as well as an annual fee. In addition, postage and/or courier costs are suboptimal and difficult to control. *Innovative Resource Sharing* provides an alternative to third-party ILL applications, such as Odyssey and ILLiad, by facilitating the sharing of resources within a consortium of libraries. This results in a significant reduction in costly ILL and digital loan transactions.

> *"I ran the numbers and saw that I could have purchased every single item borrowed through ILL, had them delivered to users' homes, and it still would have cost less than ILL did."* (Customer #3)
>
> *"ArticleReach is a fantastic service... the speed and the flat subscription fee are great."* (Customer #17)

**Customers interviewed reported:**

## ↓70%

**REDUCTION** in shared resource expenses

## IMPROVE PUBLIC SERVICES PROCESSES

### Reduce time spent supporting shared resources discovery and circulation

Discovery and circulation processes for shared resources typically do not match those of owned collection items and often rely on disparate systems, which are not integrated with a library's ILS, resulting in significant mediation by library staff. *Innovative Resource Sharing* facilitates the sharing of resources within a consortium of libraries, and offers a seamless ILS integration (including checkout processes) that automates the discovery & request process and facilitates fulfillment with minimal librarian involvement (with no mitigation required for digital resource loans).

*"INN-Reach saves a huge amount of time at the front desk because it no longer requires a special process, like ILL does; we no longer have to train front desk staff about special circulation processes for borrowed books." (Customer #8)*

**Customers interviewed reported**

**↓60%**

**REDUCTION** in time spent supporting shared resources discovery and circulation

### Improve the patron experience and the ability to report on shared resources value to increase budgets

It is becoming increasingly difficult to meet patron expectations on both content availability and request turnaround time when competing with online ordering alternatives (such as Amazon). *Innovative Resource Sharing* enables libraries to vastly expand their collection (including highly specialized collections and digital content) and improve services for requests outside the library (including over 90% fulfillment on first request and an average 2- to 4-day turnaround time on physical items). Further, resource sharing requests, fulfillment, and usage reports are readily available to help demonstrate improved patron engagement and libraries' relevance. Finally, a seamless integration with the ILS enables libraries to make informed decisions about collection purchases.

*"This has improved the quality of life for those customers; our libraries are turning [INN-Reach] data into real stories that are used to communicate with city council and help show what they're doing for the community." (Customer #9)*

*"ArticleReach is a big benefit for us… it helps us provide a higher level of customer service in terms of providing resources that our customers need, in a way that is easy to use." (Customer #18)*

**Customers interviewed reported:**

**↑5%**

**INCREASE** in budget by improving patron experience and ability to report on shared resources value

*"[Innovative Resource Sharing] has changed these library customers' world… I know that sounds big, but it is big." (Customer #9)*

*"[Innovative Resource Sharing] is an incredibly important product that our libraries rely on for content… it's easy to use, intuitive and integrated with the discovery layer." (Customer #6)*
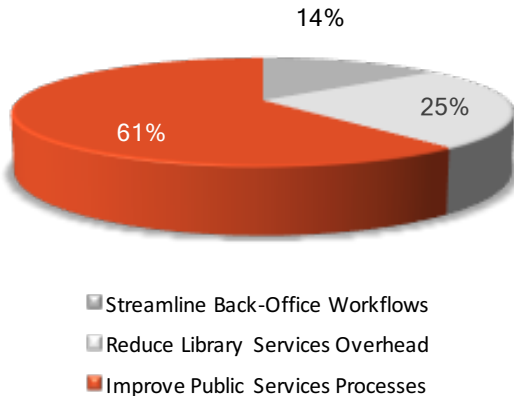
## KEY ROI FINDINGS

The value of a validated resource management solution (for both physical and digital content) is immediate and demonstrable. A sample library who processes 5,000 physical resource loans and 1,000 digital resource loans per year and who spends an average of 55 – 60 minutes per shared resource transaction can realize significant financial benefits from an investment in *Innovative Resource Sharing*.
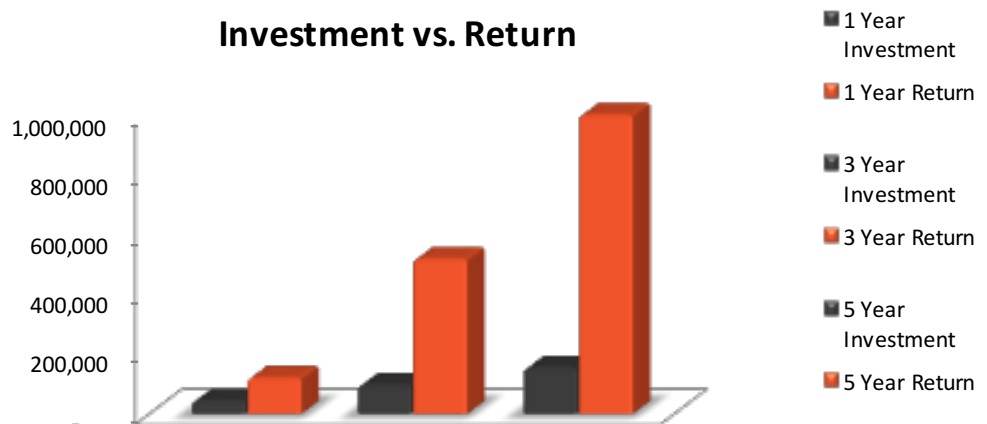
For this typical library, a three-year investment totaling $95,660 generates a positive return in 4.4 months, annual benefits exceeding $241 thousand, and a strong three-year return on investment (ROI) at 506%.

| Financial Results | |
|---|---|
| Payback | 4.4 months |
| 3-Year ROI | 506% |

### Benefits by Value Driver



- Streamline Back-Office Workflows
- Reduce Library Services Overhead
- Improve Public Services Processes

### Investment vs. Return



- 1 Year Investment
- 1 Year Return
- 3 Year Investment
- 3 Year Return
- 5 Year Investment
- 5 Year Return

**About Innovative**
Innovative provides leading technology solutions and services that empower libraries and enrich their users worldwide. Innovative offers one of the most comprehensive portfolios of library automation products on the market today, serving academic, public, national, corporate, and special libraries, and consortia. Headquartered in Emeryville, California, Innovative has a global presence—serving thousands of libraries in 66 countries and offices worldwide. For more information, please visit www.iii.com.

**About Hobson & Company**
Hobson & Company helps technology vendors and purchasers uncover, quantify and validate the key sources of value driving the adoption of new and emerging technologies. Our focus on robust validation has helped many technology purchasers more objectively evaluate the underlying business case of a new technology, while better understanding which vendors best deliver against the key value drivers. Our well researched, yet easy-to-use ROI and TCO tools have also helped many technology companies better position and justify their unique value proposition. For more information, please visit www.hobsonco.com.