

Cry Me a River: Searching for Revenue Streams in Academic Libraries

Linda Dobb

Introduction

The hunt is on! The hunt for additional funds. The quest for a new entrepreneurial identity. The search for innovations that will attract attention, users, and of course, resources.

Almost anything goes in this new environment. Cafes, video rentals, teleconferences, gift shops, auctions, contests. And, oddly enough, most of these will not—in and of themselves—generate much money for the libraries that sponsor them. But there is value in trying new services, creating new products, and raising the library's profile. This brief paper will discuss some of the revenue-generating activities that are currently being tried in libraries and attempt to point out the real value in exercising entrepreneurial zeal in the midst of academic enterprise.

Why Now?

The search for additional revenue to support library services is not new. The traditional sources of support—state or institutional subsidy, fines, and photocopy fees—have often been supplemented by book sales, small service charges, and special events. Additionally, most li-

braries have engaged in some form of fundraising and grant writing for a long time. Indeed, almost every academic library has received a gift or started an endowment at some point in its existence.

But today the need to raise additional funds beyond subsidy and fines seems more acute. Nothing can keep up with the rate of inflation in certain areas of the library budget; new forms of information demand not just product but equipment and furnishings; and, little money ever seems to exist for training, travel or other small incentives, which are needed to keep staff up-to-date and motivated.

Additionally, the environment in which libraries exist has changed. There is keen competition for every resource on campus. No unit is presumed to be an inherent good, deserving of support without demonstrating its academic worth. University and college libraries even compete with non-campus resources—local libraries, internet service providers and mega-bookstores—as purveyors of information. And, too, the climate on most campuses today encourages competition, salesmanship, and enhanced performance. We are rewarded by positive attention when we display an active regard for the bottom line.

Linda Dobb is dean, Libraries and Learning Resources, Bowling Green State University.

In this more highly charged atmosphere of increased user demand, choice, and rivalry for attention, it is no wonder that libraries are looking for new ways to generate more income. And, like so much else in library work these days, the most successful formula for doing so may, in the end, be a blend of both the innovative and the traditional.

Older Models of Entrepreneurial Behavior

At one time a library which maintained its own copy machines or a copy service was considered "in business" and enterprising. In the late 1980's and early 1990's fee-based services were all the rage; and some highly touted business services existed at the University of Arizona, among other sites. Today most academic libraries maintain, depending on size and specialty, some fee-based reference and document supply services; although few can support a separate unit based solely on the income of these activities.

Other enterprises, such as book sales and vending machines were and are common in college libraries. Few generate sizeable returns. Larger enterprises that resulted from the provision of cataloging services or the creation of online library systems often ended up divorcing themselves from the libraries and universities where they were developed.

Libraries seldom saw themselves as "in business" or competing with other entities. For the most part, the new services they attempted to provide as revenue generators were an outgrowth of services they offered their traditional clientele. The questions asked when creating these services might be: a) is this a needed activity?; b) can we charge for this activity and at what rate; c) who, in-house, will perform this activity; d) what will be the real cost of providing the service; and, most importantly, e) do we get to keep the profits?

New Models of Entrepreneurial Behavior

Some of the "newer" services offered by libraries in the late 1990's are still outgrowths of traditional offerings, albeit with a technological twist or a more modern approach. Charging and collecting for printing from computers as well as from photocopy machines has become quite common. Provision of coffee from espresso machines rather than vending machines is in vogue. Libraries and archives which once offered microfilming or preservation services might now also offer digitizing of materials at a fee to other libraries.

Some truly innovative enterprises have also been born. The teleconferences produced by the College of DuPage generate revenue and perform an excellent service to the profession as well as to DuPage's own library technology program. Colorado State's webZAP is a fee-based product which may make web-based and server-based Interlibrary Loan requests more widely available to libraries who do not have the expertise to develop their own such services. And other exciting ventures are on the horizon which involve training, citation services, search engines and web creation.

Under the new models of entrepreneurial behavior, some of the same questions cited above might be asked but others are added: a) if we do not wish to perform this service, can we contract it out; b) how will we publicize this service to maximum effect; c) do we really care if this service makes money or is the service the basis for further partnerships, something we perform for the public good, or an experiment we use to develop new skills within our own staff; and, importantly, d) if we don't do it, will someone else step in and fill the vacuum?

Why Search for New Revenue Streams At?

The unfortunate facts of academic library finance dictate that even under the best of circumstances, revenue generated by entrepreneurial behaviors will never make up a significant portion of a library's budget. Some special libraries can charge back for all of their activities and subscriptions and survive. But the ethos of academic libraries makes them resolutely non-profit, and dependent on institutional and/or state subsidies to exist. Figures quoted by the American Library Association in 1991 show that most academic libraries generated more than 1% but less than 10% of their total operating budgets from non-subsidy sources.

Even more daunting were figures quoted by the Association of Research Libraries which showed that in 1992 the average university library received only 8.2% of its funds from supplementary sources. And, that of those supplementary funds only 1.2% were from revenue generating activities. Most extra-subsidy funding was from gifts and endowments, fines, and grants.

So why be an entrepreneur if you are not destined to make lots of money? It is because revenue generation in academic libraries should probably not be regarded as a river or a stream but as a branch of the tree. Good ideas that may yield some cash can be more im-

portant if they yield positive attention. Business donors and alumni may be attracted to a university library that shows business spirit in experimenting with new services and trying new things. An attractive offering, such as serving espresso, may bring in new users who will think positively of the library at a later time; or think positively of the university as a community resource right now.

Additionally, some entrepreneurial activities have the ability to help libraries get grants or form new partnerships. A library may be able to demonstrate that a new process it undertook with the intent of simply marketing the service to other individuals and/or other libraries, could actually be adopted as a prototype in other institutions. For example, the Kent State School of Library and Information Science undertook to establish a new site for its library science program at Bowling Green State University with the intent of just generating additional student fees. The State of Ohio saw this new site, with its telecommunications capabilities, as a prototype for library science education throughout the state and awarded Kent \$280,000 to make its single experiment a statewide reality.

Being a successful entrepreneur in an academic library is really just part of being a successful fundraiser for the enterprise. In both endeavors you need to know your population, know what will attract interest and support, and know how your activities are sharpening the image of your organization. It is doubtful that you will

hook the big fish when looking for new revenue streams in an academic library; but you may be successful in creating a strong branch of the tree from which beautiful fruits can grow.

References

- Coffman, Stephen. "Fee-based services and the future of libraries." *Journal of Library Administration*, v. 20, no. 3/4 (1995): 167–86.
- Lomax, Joanne, et al. *A Guide to additional sources of funding and revenue for libraries and archives*. Letchworth, Hertfordshire: British Library Research and Innovation Centre, 1997.
- Lynch, Mary Jo. *Alternative sources of revenue in academic libraries*. Chicago, Ill.: American Library Association, 1991.
- MacLeod, Leon. "Lattes 'n libraries." *Bottom Line*, v. 11, no. 3 (1998): 97–100 (see also the author's web site at <http://www.multnomah.lib.orr.us/lib/entre>)
- Melville, Annette. *Resource strategies in the 90's: trends in ARL university libraries*. Washington, D.C.: Association of Research Libraries, 1994.
- Ratliff, Priscilla and Thomas J. Weeks, "Three years experience with fee-based services in a corporate library." *Special Libraries*, v. 86, no. 1 (winter 1995), 21–27.
- Steckel, Richard. "Doing good in challenging times: how nonprofits can profit." *Wilson Library Bulletin*, v. 67, no. 4 (December 1992): 43–45.