

Sell Books to the Library Program Update

Date:	March 23, 2015
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to respond to the Library Board’s request “to report to the Board at the March 23, 2015 meeting regarding the Sell Books to the Library Program.”

As part of the Board’s efforts to manage the Library’s budget by containing and reducing costs and pursuing alternative sources for funding, the Sell Books to the Library Program was designed to “test the practicality and value of purchasing collections materials from the public.” The project was not originally recommended by staff who were concerned about cost-effectiveness and customer service so, at the request of the Budget Committee, staff developed an alternative proposal for a pilot project, which was approved by the Board on September 8, 2014. Toronto Reference Library staff would purchase additional copies of books from a list of the most popular adult fiction titles for \$5 to supplement the existing holdings and reduce customer wait time for holds. This was launched on December 1, 2014.

The staff time needed to support the project is considerable given its value. The current process of acquiring materials has built on efficiencies of scale and the standardization of procedures to achieve maximum cost effectiveness, essential for a system that handles 835,000 new items a year. Buying individual copies of books from the public required that an alternative system be set up. As a result, the cost of buying and processing a book from the public is \$5 higher than acquiring it through the established procedures. Furthermore, because of the unpredictability of the titles purchased, the Library must continue to buy the same number of copies initially. The 127 copies of 57 titles purchased did not impact holds queues or improve customer satisfaction.

Although media coverage was initially positive, a number of authors and publishers objected to the program because of its potential financial impact. In response, it should be said that the Library spends \$18 million annually on acquiring new titles and 80% of that is spent in Canada. It is a strong partner for Canadian authors and publishers as it promotes the works of both established and emerging authors through programs and online. It should also be noted that most comments from the general public were supportive. The volunteer Friends of the Library also expressed concern in a letter to the Board that the program would reduce the

number of donations they receive and sell in the two Book Ends stores and negatively impact the revenue generated for the Library Foundation.

FINANCIAL IMPACT

As of the end of February 2015, 127 books had been purchased at a cost of \$635. Estimated staffing costs for the first three months, excluding planning and implementing the project, are \$2,246. The Director, Finance & Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

On April 17, 2014 the Budget Committee of the Board requested that staff report back on the feasibility of acquiring books from the public “similar to how university and college bookstores re-purchase materials from students.” After investigating the campus bookstore model, staff concluded that the complexity involved in implementing and maintaining such a program in the library context would be neither cost-effective nor improve service to the public. Accordingly, a report recommending that this project not be pursued was presented to the Budget Committee on July 28, 2014. Consideration of the report was deferred to the August 21 meeting. (<http://www.torontopubliclibrary.ca/content/about-the-library/pdfs/board/meetings/2014/aug21/09.pdf>) In response the Committee requested that staff develop an alternative proposal for a project to test its viability, which could be managed as efficiently as possible.

On September 8, 2014, the Toronto Public Library Board approved the report recommending that the pilot project to purchase books from the public be implemented at the Toronto Reference Library. (http://www.torontopubliclibrary.ca/content/about-the-library/pdfs/board/meetings/2014/sep08/11_4.pdf) Evaluations of the project were to be reported back to the Board after six months and one year.

Following the receipt of a series of letters objecting to the project, including one from a group of notable Canadian authors, the Board requested a report from staff at the February 17, 2015 meeting.

ISSUE BACKGROUND

The Toronto Public Library Board has been working to manage the Library’s budget by containing and reducing costs and pursuing alternative sources for funding. As part of this effort, the pilot project was designed to “test the practicality and value of purchasing collections materials from the public.” Toronto Reference Library staff would purchase additional copies of popular books for \$5 to supplement the existing holdings and reduce customer wait time for holds.

The pilot was launched on December 1, 2014 at the Toronto Reference Library. Data gathered for the first three months of the program showed that the cost of staff time needed to support the project outweighed the cost savings from the \$5 purchase price. Also, despite

media attention and online and in-branch promotion, uptake by the public was low – 127 books (57 titles) purchased by the end of February. This meant that the impact on customers' wait time for popular titles was correspondingly small.

Although much media coverage and response from the general public was positive, a number of authors and a publisher wrote articles and letters to the Library and Board objecting to the project on the grounds that it was financially damaging to them. The *Media and Social Media Summary* for the project is provided in Attachment 1.

COMMENTS

Description of Pilot Project

The main features of the project are as follows:

- The Toronto Reference Library is the designated location for purchasing books from the public;
- The Library pays \$5 for a copy of any book on a list of 100 of the most in-demand new adult fiction titles;
- The list is posted on the website and updated monthly;
- Toronto Reference Library staff process the books and allocate them to branches;
- Purchases are tracked and records reconciled with the Finance Department to ensure compliance with financial controls;
- In-branch and online marketing materials promote the project to the public.

Program Costs

The staff time needed to support the project is considerable given its value. As described in the original staff report, the current process of acquiring materials has built on efficiencies of scale and the standardization of procedures to achieve maximum cost effectiveness, essential for a system that handles 835,000 new items a year. The Library receives significant discounts on popular material, e.g. 42% on bestsellers.

Buying individual copies of books from the public required that an alternative system be set up, one that is not based on a predictable workflow and that contradicts the efficiency principle that a title be handled only once. This has required the implementation of additional procedures and the involvement of more highly paid staff than the mainstream process requires. As a result, the cost of buying and processing a book from the public is approximately \$5 higher than acquiring it through the established procedures.

Because of the unpredictability of the titles purchased, the Library must continue to buy the same number of titles initially and add the same number if warranted by holds because the few copies acquired make no impact on the holds queues. The 127 copies of 57 titles purchased account for only 1.7% of the Library's total holdings for these titles; 7,470 were acquired through the established system. Neither is there any sign that the number of books bought will increase as, despite all the publicity, the totals remained at just over 50 in January and February.

Impact on Customer Satisfaction

The project was also intended to increase customer satisfaction by acquiring additional copies of popular books and thus decreasing the wait time for customers with holds. It should be noted that, in most cases, a large number of copies (80 - 250) of the titles on these lists are ordered initially as staff know they will be popular because the author is well known or the book is being heavily promoted. Some other titles are unexpected successes and copies must be added. To identify these titles, staff run a regular report based on a target ratio of holds to copies. As noted, the small number of books purchased (only 1.7% of the total holdings for the titles) does not impact hold queues and improve customer satisfaction. Also, the majority of the purchases are for one or two copies – 42 out of 57. The maximum was nine copies of two titles – *Gray Mountain* by John Grisham and *The Silkworm* by Robert Galbraith.

Reaction from Some Authors and Publishers

The pilot was launched in December 2014 to positive media coverage. However, beginning with a letter from Matt Williams of the House of Anansi Press and an article in the *Toronto Star* by Noah Richler in late December, a number of authors and publishers wrote letters and articles and participated in media interviews objecting to the program. They were concerned about its potential financial impact on the publishing industry and individual authors. There was also a sense that the Library was being disloyal to authors – the letter to the Board from the Canadian authors stated, “...many of us have donated our time to help the library with its publicity and fundraising efforts. We are allies, not adversaries...”

In response, it should be said that the Library spends \$18 million annually on acquiring new titles and 80% of that is spent in Canada. It is a strong partner for authors and publishers in Canada as it promotes the works of both established and emerging authors through programs and online. It should also be noted that most comments from the general public were supportive.

The volunteer Friends of the Library also expressed concern in a letter to the Board, received at the September 8, 2014 meeting, that the program would reduce the number of donations they receive and sell in the two Book Ends stores and negatively impact the revenue generated for the Library Foundation.

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SIGNATURE

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ATTACHMENTS

Attachment 1: Sell Books to the Library Media & Social Media Summary