

## FORMING PARTNERSHIPS: A SERIALS CONSORTIUM AND ITS SUPPLIERS

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When a group of libraries form a consortium to go out to tender for serials supply, it is important that the group knows what they expect of each other, as well as what they hope to gain from the supplier. This paper describes the experience of the Biotechnology and Biological Sciences (BBSRC) Research Institutes Serials Consortium (BRISC) from the initial decision to form a consortium and the timetable followed, through the tendering process and subsequent monitoring procedures, to the lessons to be implemented next time round.

The members of BRISC are the libraries of the BBSRC-supported institutes and the multi-funded HRI (formerly Horticulture Research International), with fourteen representatives from the nine autonomous institutes. Membership is based on budget-holders; thus HRI has three members, based at Wellesbourne, East Malling and Littlehampton, whereas IGER (Institute of Grassland & Environmental Research), with four sites but a centralised budget, has just one.

For a number of years the BBSRC Research Institute Libraries (BRIL) had enjoyed preferential terms from a subscription agent in return for switching the bulk of their business to that agent. These terms constituted a "Gentlemen's Agreement" with no contract on either side. The terms of this agreement were unilaterally altered by the agent, giving BRIL pause for thought. Could the new terms to be imposed be bettered by going elsewhere? Discussions amongst the librarians revealed that there was concern that such changes could be made without any prior discussion between agents and customers. It was also clear that the level of service received by the individual libraries varied significantly and that there was no framework in place to assess the overall standard of service.

In deciding to form BRISC the librarians felt that their combined purchasing power, though small in comparison to universities, should give them some advantage when selecting an agent. Their main strength, however, lay not in their total budgets but in the high level of commonality they shared. Although the various institutes are involved in different areas of scientific research, the nature of the libraries is very similar. All the members of BRISC have a closed user group of post-graduate (and largely post-doctoral) scientists involved in pure and applied research relating to the biological sciences. All receive at least some funding from the same source, and all have scientific/technical journals as a major

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component of their library collections. BRIL have a history of voluntary co-operation with each other, mainly in the area of reciprocal inter-lending. All the libraries are connected to AGRENET, the private network linking all BBSRC-supported institutes and affiliated organisations. Previous joint initiatives include the creation of a central journals holdings database and using common software and formats for our catalogues. It was felt that forming a consortium would strengthen these links.

A Working Group (WG) was formed in December 1992 to gather information relating to agents and their services, to work out a timetable for implementation and to draft a service level agreement. The members of the WG are: Sarah Loat (replacing Frances Teasdale), Librarian of HRI at East Malling, Kent; Jennifer Maddock, Librarian of the Babraham Institute near Cambridge, and Caroline Moss-Gibbons, Institute Librarian at IGER, based at the main site in Aberystwyth.

The first stage was a fact-finding mission conducted at the December 1992 On-line exhibition held at Olympia. Up-to-date brochures from all the exhibiting agents were obtained and initial discussions about BRISC's intentions were held.

At the first meeting of the WG held on a bitterly cold day in January 1993, a timetable for action was formulated. It was intended that any agreement should cover a three-year period, to give time to settle in with a possible new agent, allow a sensible amount of time for effective monitoring of performance and to minimise upheaval for consortium members. Thus 1994 would be the first subscription year under a formal agreement. In practice this meant that a contract would have to be signed by April 1993 to allow members to take advantage of any early payment terms, a long-standing financial incentive offered by most agents.

The consortium members had been polled by e-mail prior to that first meeting to produce a list of agents who should be invited to tender. Four agents were selected and a formal letter of invitation to tender was issued by the WG in January 1993, proposing a date for presentations to the consortium in the latter part of April 1993.

The agents had been told that the Agreement would constitute the contract and that any financial terms should be based upon it. The first draft agreement was drawn up, addressing three main areas - service, communications and financial arrangements.

Service levels were the most important feature to the consortium and this section of the Agreement took the most time. Specific targets were laid down for response times to requests, eg new orders to be actioned within five working days of receipt, urgent orders within forty-eight hours. The main aim was to be clear and unambiguous - the agent should know what BRISC expected as standard service, and likewise BRISC would know that those standards had been accepted.

Successive drafts of the Agreement were circulated via e-mail to all members of the consortium and thence to the BBSRC Central Contracts Branch to ensure that it was correct. The Contracts Branch assisted the WG in an advisory capacity but did not participate otherwise in the drawing up of the Agreement. This process took approximately two months. Once the final draft had been agreed, it was sent out to the selected agents and they were asked to base their offers on that Agreement.

BRISC members had agreed a method of voting for the selection of an agent or agents, based on the Sussex Voting System (normally used for journal evaluation). This gave each member one hundred votes to split amongst the agents as they will, eg. all one hundred votes could go to one agent, or twenty-five to each, or any combination. The main reason for using this system is that BRISC had already agreed that dual-sourcing was to be an option. Votes cast in this way would show shades of opinion more clearly, if the vote was close.

All four agents gave presentations to the BRISC members on the same day in April 1993, outlining their products and the financial terms they were prepared to offer. After discussing the presentations votes were cast and counted. Two agents were clearly ahead and became the primary and secondary suppliers to the consortium. By the beginning of May the Agreements with both were signed.

The WG had identified at a very early stage of their discussions that, after the agreed financial terms, the most important aspect of the term of the agreement was the continuous monitoring of performance. At all costs the WG wanted to avoid a series of subjective judgements that would constitute neither a fair assessment of service, nor a fair comparison of the two agents. The WG met to establish the measures to be used and to develop ways of analysing and quantifying the results.

Early BRISC discussions had elicited opinions such as being "happy", or otherwise, with the service provided by an agent, but no specific information to establish level of satisfaction, or, more importantly, whether that level was justified. The most difficult task that the WG has tackled, has proved to be the quantifying of qualitative data. What is a problem? When does a minor issue become a significant short-coming by an agent - when it is suffered by more than one member, or by more than half the members? Is it more significant than it might otherwise have been, if the problem is experienced by customers of one agent but not the other?

The WG took as its starting point the Agreement itself, ie. the actual service levels agreed. A questionnaire was developed, going through several re-drafts to try to eliminate qualitative responses. The first replies to the questionnaire soon highlighted short-comings, and further development followed.

Those first responses were used as the basis of our initial review meeting with the agents. These have been scheduled for every six months, in October and March. The months are carefully chosen - the October meeting to address and resolve queries relating to the bulk renewals period, the March one to handle end of subscription period loose ends.

Those first responses also highlighted a significant area which revealed inconsistencies in the application of preferential financial terms forming part of the Agreement. The majority of BRISC members opt for early payment of their subscriptions, gaining a financial advantage by doing so. It became apparent that although members were paying at the same time, those monies were not being recorded as being received

by the agent simultaneously, affecting the all-important date for applying preferential terms

The WG devised a one-page tabulated checklist of key dates relating to the financial terms suitable for both pre-payment and post-renewal invoicing options. With the documentary information that this has made available, the WG and the agent were able to address the issue of varying rates of discount more productively. Detailed by the checklist were: the dates on which the early payment invoice was requested by the member, the invoice date and the date the invoice was received by the member (ie. the effective earliest date that it could be paid); the date the member passed the invoice; when it cleared their Institute's Accounts department, and the date it was acknowledged as being received by the agent.

It became clear that other specifics were not being routinely recorded by members (including the WG). However, the WG were conscious of the fact that all BRISC members had little time to spend keeping laborious records on top of the other administration for which they were responsible. A serials diary, devoted to the nitty-gritty of running members' subscriptions, became the favoured option. A log is kept of all contacts with an agent, whether by e-mail, telephone, letter, visits, etc., with details of specific titles involved, and issues raised relating to them. It was felt that this would be a straightforward method of keeping track of all matters, some of which might become problems, and the details would all be together in the same place, thus avoiding time-consuming searching through dispersed files.

The number of questions in the original questionnaire has been reduced but the questions themselves have been expanded to elicit open responses rather than the "yes" and "no" that were only too possible before. Factual information has to accompany the responses and subjective comments have largely been eradicated but the importance of praising as well as criticising an agent's service remains.

As the monitoring process has been refined, it has become more productive. There is a risk that the customer/agent discussions may become confrontational when trying to solve queries. If a detailed listing of the problems experienced by

members, with dates, is sent to the agents as part of the agenda, in good time, this makes for a more fruitful review meeting. The agents have an opportunity to establish what has happened at their end, and to identify where the hold-up might be. Thus by the time the meeting takes place, there is some action to report, rather than a seeming rebuke being offered.

This Agreement has been BRISC's first foray into consortia and many lessons have been learned along the way. Most importantly, we have learned the value of open communication, both between ourselves, and with our suppliers. When establishing a consortium it is vital that all the members consider beforehand the possible actions membership may require of them. Might they have to change agent? Might they have to remain with an agent they are unhappy with in order to secure the best financial deal for the other members? Expectations and reservations must be discussed candidly and freely. It is common sense to acknowledge doubts before they become causes for friction between members.

The agents invited to tender should have the fullest possible information relating to the contract being offered and the parties involved. The consortium should state clearly whether single or multiple sourcing is being tendered for. State what documents form the contract, and whether or not there is to be any post-tendering negotiation. This latter point is particularly important if you opt for dual-sourcing. You cannot compare two agents throughout the term of an agreement if they are working to two

different agreements. There is also a danger that the service levels which your members agreed beforehand might be eroded. Ensure that the agents have a copy of the Agreement in good time so that they can raise any queries they may have arising from it well in advance of the actual tender selection.

On the financial side agents should be asked to quote against a common list, specifying exchange rate used, and whether or not the handling fee has been included. Details of their financial terms should be provided in advance to facilitate comparison prior to the selection process. Any queries about the financial terms should be made in writing and responded to similarly.

The monitoring process of the BRISC Agreement has taken up far more time than originally envisaged, but the WG have now evolved a procedure for eliciting the information needed, in the required form, for effective comparison of service levels. The positive frame of mind that all parties bring to the review meetings has been enhanced by the removal of subjectivity.

The members of BRISC now work together even more closely and have definitely been drawn together by the experience. The relationship with the agents has also improved, with both sides knowing what is expected of them.

The most important lesson we have learned has been "don't rush it," particularly the selection process. And what you have learned, put into practice next time round.