# FACILITIES MANAGEMENT FOR INFORMATION SERVICES: OUTSOURCING THE IMPOSSIBLE

*Diana Edmonds*

Derived from a Workshop during the UKSG 21st Annual Conference, Exeter, April 1998

*Information services are now one of a range of support services that are increasingly being contracted out to facilities management, as an efficient method of managing non-core activities. Added value, in the form of constant improvement in service, system audits and a wider range of information sources, is an important benefit, alongside cost savings.*

*Diana Edmonds is Managing Director of Instant Library Limited, 22 Frederick St, Loughborough LE11 3BJ*
*E-mail: instlib@foobar.co.uk*

## The decade of outsourcing

The 1990s is the decade of outsourcing. The trend towards downsizing and the re-engineering of organisations, which began in the 1980s, has led companies to place increased emphasis on greater efficiencies in corporate services. Companies are now continually evaluating their processes and seeking greater efficiencies in their operations. One way in which organisations are seeking to increase efficiency is by concentrating on what is identified as their 'core business', and contracting out support activities.

An oil company, for instance, will concentrate on its core business of exploring for oil and gas, and exploiting the resources which it has identified. It will outsource, or contract out, other activities which are not felt to be 'core' to its business and in which its managers have less expertise. These non-core functions include a wide range of activities related to the management of buildings, infrastructure and support services and may encompass some or all of the following:

- Building services
- Cleaning and security
- Space management
- Graphics services and reprographics
- Catering
- Officer services
- IT, voice and data
- Lease terms and negotiations
- Project management
- Budgets and cost control
- Purchasing and contract negotiation
- Engineering maintenance
- Car fleet management
- Information management

Many of the tasks outsourced were traditionally the responsibility of the facilities manager whose activities revolved around the management of the workplace - and who was traditionally based in the estates department, the buildings or office management department.

Many facilities managers now have a significant proportion of their budget in contracted-out services: as much as 90% in some industries. An in-house facilities manager is now often in charge of an outsourced workforce, with cleaning services, maintenance services, catering services and so on being provided by a number of specialist companies. Because of the high level of involvement of facilities management in outsourced services, these services may themselves be described as 'facilities managed' services. The new role of the facilities manager is to monitor the quality of contracted-out services.

## Outsourcing - why do it?

Outsourcing can provide organisations with an economical and efficient method of managing 'non-core services', and the benefits of outsourcing are increasingly appreciated. The gain is in the conversion of a fixed cost to a variable cost. If the fixed costs of direct employment are removed from the balance sheet, the use of non-core services can become more flexible. Services within an outsourced portfolio may be bought in as and when they are required; estimates of reductions in cost of 25% are not uncommon. If the core business is doing well, and requires additional support services, they can be purchased as required. If fewer support services are needed, or if there is a downturn in business, the level of outsourced support services can easily be reduced. This provides a much more flexible approach for the client.

The outsourcing process may also add value to the services which are provided - which results in an improved quality of service. Representatives of outsourced companies are increasingly acting at a strategic level, advising organisations on process re-engineering and other improvements to provide an improved infrastructure which can then more effectively support the core business activities. Initially the specialist companies bidding for a job are expected to approach the area of work with a new vision - seeing how the

job can be done better and smarter, not to say cheaper. The ongoing quality of service provision will be regulated by service level agreements which ensure that the client receives a uniformly high level of support services - or indeed a progressive improvement.

In an outsourced situation non-core activities are undertaken by a number of specialist companies. Increasingly outsourced contracts are 'bundled': in order to minimise the bureaucracy involved in the administration of contracts, a single company will provide a number of services, even if that company in turn contracts with a second company to provide specialist services within the main contract.

As outsourcing has become more established the range of services outsourced has become greater. In the oil industry, for instance, what is regarded as 'core' has been refined to the exploration for oil and gas: the exploitation of these resources is now often contracted out to a range of companies under the umbrella of an 'operating' contractor, charged with managing the facilities required for the exploitation process.

## The concept of partnership

The buzz word in outsourcing relationships is partnership. 'Strategic partnerships' may be developed between the client and the contractor, or between the outsourcing contractor and other complementary functions.

In a partnership relationship between client and contractor, the contractor is seeking to gain an understanding of the client's business and is constantly considering ways in which to provide a wider range and an improved quality of service. The client may seek to benefit the contractor, in a practical way by extending corporate discounts for use by the contracting company, or by sharing training opportunities. A client may also identify further business opportunities for the contractor amongst associated companies.

A partnership can in this way provide a real opportunity for progress for both parties, client and contractor.

## The outsourcing of information management

The trend towards outsourcing has now impacted on libraries and information management within corporate organisations. As part of a

restructuring process many organisations have stringently evaluated their in-house libraries. Just as corporate downsizing and restructuring has led companies to investigate outsourcing in the areas of financial services and information technology, they have also reviewed the potential of outsourcing in relation to library and other information management activities. A recent study by Frank Portugal on *Exploring Outsourcing*[1] has indicated a number of key drivers for outsourcing library operations, namely:

- centralisation of services
- control of access to information
- renewed emphasis on business information:

For many years information units have operated a partial outsourcing programme using external suppliers to supplement in-house resources. This partial outsourcing usually focuses on four core areas:

- acquisitions
- cataloguing and classification
- library management system support
- enquiry handling.

## Acquisitions

The task of acquiring information is the first process in the information chain. For many years librarians have passively outsourced part of that activity although it was not labelled as 'outsourcing'. The outsourcing agency is the library supplier who traditionally has processed orders and acquired books from a variety of publishers reducing the workload of the librarian or information manager in seeking out individual publishers.

In addition to acquiring material, library suppliers have often processed that material, adding the appropriate date labels, ownership labels and security tags. Many library suppliers provide cataloguing data, either on cards or electronically, so that the next task in the information chain, that of recording what has been acquired is also minimised.

The acquisition of books is a rather less complex activity than the management of journal subscriptions. Again, this activity is often outsourced in traditional library environments. The subscription agent acts as the outsourced contractor placing the subscriptions with

individual publishers, providing a single invoice rather than the many which would arrive from individual suppliers and bringing renewals to a single date. Increasingly, subscription agents have also offered a consolidation service, where not only do they place the order for the journal but they also receive the journal, record its receipt, apply a circulation slip and then pass it on to the library.

## Cataloguing and classification

Again, much passive outsourcing has been undertaken in this area of activity, where material is catalogued not by the purchasing library but an external agency. That external agency may be a library supplier, the producers of a national bibliography or a cataloguing co-operative. A library acquiring a new publication may go online and find that the document in question has already been catalogued by another member of the co-operative. The costs are obviously reduced because original cataloguing is minimised. In the co-operative situation, OCLC is perhaps the well known example of an organisation which originally started as a co-operative involving many libraries working together to benefit all members. Increasingly the producers of national bibliographies are used as a source of cataloguing and classification data.

## Library management system support

The suppliers of library management systems have always provided support for their systems, working with in-house IS groups. Increasingly, these suppliers offer a higher level of support. Services offered include system audits to ensure the most effective use of the applications.

## Answering enquiries

Information professionals have always guarded carefully the privilege of answering enquiries from their users. In an increasingly electronic age, the sources used to answer queries are no longer held within the library facility, but are available more widely, through an online database or via the Internet. Because access to the sources of information is no longer restricted to the location of the library, the activity of answering the enquiry, certainly of a routine

nature, can be outsourced to an information broker or to a database provider.

The development of online services, moving from abstracts from the literature and broadening to include specific information products such as financial reports, company reports, press cuttings and so on, has enabled the in-house information professional to obtain the required product from the broker or database provider. This allows the in-house specialist to retain the more complex searching which requires subject expertise.

## Total outsourcing

The partial outsourcing process which has traditionally taken place under the control of the in-house information professional, is now being supplemented, if not replaced by total outsourcing.

The total outsourcing package in the area of information management may be provided by a specialist library service contractor, or by a broadly-based facilities management company. The services provided usually encompass all aspects of library service provision, including acquisitions, cataloguing and classification and the answering of enquiries.

In addition to the provision of library services, contracted-out information management may encompass records management services, document control facilities and off-site storage provision. In many organisations, the contents of the library are tiny in contrast with the volume of records which are generated and received in the course of business. The impact of large numbers and volumes of documents brings the information management contractor into close co-operation with the facilities management and their contractors.

This total library services outsourcing programme takes further the partial outsourcing which has traditionally been implemented by in-house staff. For the client, the advantages in the outsourcing of information management services are the same as those demonstrated in any contracting out process - cost savings and added

value. Cost savings may be made because the contractor works more efficiently, and savings may occur in the direct costs of information services, as well as in the area of invoice processing. Information services typically generate large quantities of invoices which have a significant processing cost. A single invoice from a single supplier can significantly reduce processing costs. Added value may be made because the contractor needs to meet, and go on meeting, service level agreements which ensure ongoing improvement in the quality of services.

The information specialist is concerned to maximise the use of information within the organisation in order to make that use more effective. In an outsourcing situation, the client is concerned to maximise the value of support services and the facilities which support services provide. These two aims can combine to provide effective outsourced information services.

## Human issues within the outsourcing process

During the recent UKSG Conference, the issue of outsourcing was reviewed in the Workshop Programme. As well as the financial implications of outsourcing, participants were concerned about the human implications. The TUPE regulations provide protection for staff whose posts are outsourced, but cannot protect those whose jobs are deemed to be redundant. Life is not all bad in the outsourcing companies. They can offer potential for training and career development opportunities. While many librarians work for managers who have limited knowledge of librarianship, librarians in outsourcing companies work for other librarians who have an in-depth understanding of the information business and the professions who work within it.

## References

1.   Frank Portugal, *Exploring Outsourcing: Case Studies of Corporate Libraries.* 1997, Special Libraries Association.