

Using the Balanced Scorecard at the University of Virginia Library

An Interview with Jim Self and Lynda White

Alfred Willis

For many years, the University of Virginia Library (UVL) has been a leader in using quantitative measures to inform management decisions in pursuit of sustained excellence in collections building and customer service. In 2001 the library began using a balanced scorecard as a means of further improving its performance. In doing so, it continued a long local tradition of innovation in library administration.

Kaplan and Norton first described the balanced scorecard in a now-classic article published in the *Harvard Business Review*.¹ There they cast the balanced scorecard as a new way of organizing and presenting large amounts of complexly interrelated data in such a way as to foster better managerial decision making. Kaplan and Norton saw the balanced scorecard as a response to the broadened concerns of corporate management in the postindustrial era. They suggested that managers view the scorecard as analogous to the dials in an airplane's cockpit, revealing when considered together all the important aspects of a craft's performance and its course.

The balanced scorecard gained acceptance over the course of the 1990s, so that by the turn of the century numerous success stories centered on its implementation in corporate settings. A number of these are recounted in *The Balanced Scorecard*, an introductory treatise by Olve and Sjostrand.² By the late 1990s it had come to the attention of the library management community, and in that context it remains a fairly frequent topic of discussion. Much less frequently have libraries put the management technique into practice.

Jim Self recognized the potential usefulness of the balanced scorecard for UVL, and successfully recommended its adoption to the library's administration in early 2001. Self has worked at the University of Virginia since 1982. He has been director of management information services since 2000. In that capacity he, along with Lynda White, has led the work of implementing the balanced scorecard at UVL. White has been associate director of management information services since 2000. She had worked part-time

in management information services since 1997, and previously served as associate director of the university's Fiske Kimball Fine Arts Library.

With holdings of some four million volumes, UVL is a member of the Association of Research Libraries (ARL). A system of eleven different libraries, it serves a distinguished, state-supported university founded in 1819 in Charlottesville, Virginia, through the efforts of Thomas Jefferson. The university currently offers bachelor's, master's, and doctoral degrees in a wide range of fields to more than eighteen thousand students. Karin Wittenborg is the university librarian.

UVL provides detailed information about its implementation of the balanced scorecard on a special Web site (www.lib.virginia.edu/bsc). In this interview, Self and White describe that implementation and share some of the insights they have gained from their experience.

Q: *Could you tell me, in a nutshell, what a balanced scorecard is, and how it is used?*

LW: The balanced scorecard is a way to look at your entire organization. It gives you the big picture view, a kind of snapshot of everything you are doing. It uses four perspectives, as they are called: the user perspective, the internal processes perspective, the financial perspective, and the learning and growth perspective. Libraries typically focus on users and internal processes—we are good at making processes work. So those two perspectives are fairly easy for libraries to understand. The other two may be less so. In the business world, the learning and growth perspective is usually seen as relating to training and new product development. For libraries this might translate into new program development. Because libraries are usually nonprofit, the financial perspective may not appear to be useful. We do not have to make a profit or satisfy shareholders. One of the things the balanced scorecard gave us was an opportunity to look at the financial aspects of our operation. We got a chance to look at unit costs, such as processing costs incurred in cataloging and acquisitions; and also transaction costs, in reference, circulation, and interlibrary loan. Each of the four perspectives has four to six measures that tell us how well we are doing in those

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areas. The metrics that you choose tell you a lot about what your library thinks is important about what it does. You are obviously not going to measure something that is not important to you; you are going to concentrate on the things that are.

Q: *So when we are talking about a balanced scorecard, are we talking about a management approach, or rather a management tool?*

LW: I think it is both. It is a tool, but using it means that managers are taking an assessment approach, that they are using data to make decisions.

JS: Right now, from our perspective, it is probably a management tool. It may develop into a full-fledged management approach at some point. It is a tool to assess the health of our organization, indicating areas where we are doing well and at the same time those that need more attention.

Q: *Is it true that your institution is one of the few examples of libraries that have worked with the balanced scorecard?*

JS: Certainly in North America, yes, that is true. I think the University of Florida may be using a scorecard, but I am not sure they are implementing it in the same way we are. I believe the University of Maryland has it under review.

Q: *Has the balanced scorecard been embraced more extensively in European libraries?*

JS: In German libraries, yes. There are various approaches to it being used in Germany and Switzerland. I know that the regional library in Muenster has used it.

Q: *What motivated the adoption of the balanced scorecard by UVL?*

JS: Our balanced scorecard work was started in an effort to make some decisions about which of our numbers mattered.

LW: We are a place that tries things out, like benchmarking and reengineering. It is part of who we are. We have been collecting data for years. Kendon Stubbs, who just retired, worked here for forty-two years; he was very interested in collecting statistics and using statistics to manage. He is our mentor. We have a lot of data, going back a long way, and we needed some way to control it, to pull it together into a big picture to keep us from getting lost in the details.

Q: *What has been the overall reaction within the libraries to what you are doing with the balanced scorecard?*

LW: I thought it was mixed, although we are now seeing greater acceptance. We got buy-in almost immediately from the library's upper administration, which we had to have to proceed. Jim did a great job making a case for it, and the administrators could see the benefit of having lots of data pulled together. Middle managers tended to buy in as well because they could see how the balanced scorecard could help them manage their units. They did have concerns about how much time it would take staff to gather data—especially front-line staff. The front-line staff was the hardest to bring on board, for that same reason. One of the first things we learned was to use the data we already collect for many of the metrics and to back away from metrics that were too labor-intensive for front-line staff.

JS: I have been happy with the overall reaction. There is a lot of support for it, even though there are some people who view it as an intrusion. Acceptance seems to be increasing as people realize this is a useful tool that is here to stay.

Q: *Could you give me an example of some data that you wanted staff to gather that was very time-consuming for them to do, or at least was perceived that way?*

LW: Search statistics. We wanted to count how many searches we do for books that patrons are not able to find, tracking how long it takes us to do those searches and get back to the patron about the results. To do that, staff has to track every request individually. They should have been doing this all along, but participation was uneven. Letting patrons know the results was also not practiced uniformly. When we started measuring searches for the balanced scorecard, it got everybody on the same page. Staff now knows that they are expected to e-mail the search results to the patron. It is a routine part of what we do and does not seem so onerous. As it turns out, this is something we do very well.

Q: *Has there been any reaction from the University of Virginia's wider academic community?*

LW: We actually had a request from the university's vice president for finance, who was thinking about using the balanced scorecard in her area. It was sort of nice to have the university come to us for advice.

Q: *Could you give an example of something that you have learned from your use of the balanced scorecard, that has been especially surprising to you or that has led to some dramatic change in your priorities or processes?*

LW: There are a number of things. The most surprising, I would say, from this past year was what we found out about our turn-around times for ordering books requested by users. For several years we have been telling users that if they ask for a new book, we will get it for them in a week. We found from our balanced scorecard metric that only 17

percent of new books we ordered per a specific request were ready in seven days. We had been telling people that we were doing something, and found we were not really doing it. This showed us the value of the balanced scorecard. It sent up a red flag telling us we needed to investigate further. We had to identify where the breakdown was in our process for acquiring specially requested books. We have now set up a task force to work on this.

The balanced scorecard has led us to look at all of our priorities, goals, and vision-statement documents. . . . [It] also helped us to simplify our priority list.

JS: We wanted to know how well our equipment was working, so we have a metric that equipment should be operating properly 95 percent of the time. We set up a database of all the machines in the library we could think of: copiers, computer workstations, everything. Every two weeks we take a sample of twenty machines to find out whether each one is working at that moment. Not yesterday or last week or in general, but at that moment. Then we record and track our findings. This past fiscal year, we found we had reached our target.

LW: The balanced scorecard has led us to look at all of our priorities, goals, and vision-statement documents. We found that we needed to align these documents better with each other and with the balanced scorecard. The balanced scorecard also helped us to simplify our priority list, which used to be a gigantic document, and to relate our stated priorities better to our day-to-day work.

Q: *Has your work with the balanced scorecard had an effect on library budgeting and resource allocation?*

JS: It is not directly tied to budgets right now. We talk about making a link, but before we do we need to take more time to get our balanced scorecard established.

Q: *Has there been any downside to your adoption of the balanced scorecard?*

JS: There has been extra work wherever we have measured something for the first time. In my opinion, the extra work has been justified, but there *are* costs that have to be dealt with. For example, the cost of setting up the equipment database I mentioned.

LW: The downside is getting staff to buy-in. We tried workshops, town meetings, e-mails, departmental meetings. We set up a Web site. But some staff still feel threatened by it. Some people just do not like to be measured, maybe it is as

simple as that, even though, of course, measuring them as individuals is not what we are really doing.

Q: *For example?*

LW: Learning plans were an outgrowth of an earlier benchmarking process, and we thought we could use them in a metric. We wanted to measure what percentage of staff had completed learning plans. But the form that we were using for the learning plans was very complex, and it took a long, long time to fill out. We got a lot of negative feedback. It just took too much time—that was the bottom line—so we decided to suspend the metric. In any event, the state now requires classified staff to do learning plans. Library faculty are also encouraged to do one.

Q: *So if everybody does one, measuring how many people are complying does not really measure anything, it's going to be 100 percent.*

LW: Exactly. But we also dropped it because it was just too time-consuming. We do have to take care that staff do not use too much of their time for data collection. The flipside of that, of course, is that the workload of our unit, management information services, has increased dramatically since we started using the balanced scorecard. Fortunately, it is very interesting work.

Q: *Do you expect to continue working with the balanced scorecard?*

LW: Absolutely!

JS: Yes!

Q: *What do you see as its greatest promise for libraries and their users?*

JS: It can focus the library. It makes the library as an organization decide what is important. It can be used to improve organizational performance. It broadens our perspective in a structured way, and gives us a more balanced view of our work.

LW: Our balanced scorecard is so user-oriented, it fits really well with what we value. Many of our metrics focus on the result for our users whether or not they are technically in the user-perspective. We measure how well we do in customer service, what faculty and students think of services and collections, what students think of user instruction, how much special collections is used, how much patrons use new books and electronic resources, how quickly we turn around requests (for searches, recalls,

library electronic ordering [LEO] document delivery, inter-library loan, scanning for e-reserves, new books), how fast and accurately we re-shelve, Web-site usability, renovation of public-service areas, increasing access to digital materials. And of course, measuring the unit cost of various services affects them as taxpayers or donors. It addresses whether we are using their money wisely and efficiently.

Q: *Are there any books or articles that you would especially recommend to librarians who want to begin exploring the balanced scorecard?*

LW: You have to start with Kaplan and Norton, because they invented it. On our own Web site, www.lib.virginia.edu/bsc/links.html, there is a bibliography, and also links to other Web sites where you can read about the balanced scorecard. There are some other Web sites, but they are not free. The Scorecard Strategy Web site, www.optimamedia.co.uk/BalancedScorecardSite/pages/home, is very business oriented. I don't know that there's a Web site for the balanced scorecard related to libraries only.

JS: I would recommend the article by Ceynowa in *Performance Measures and Metrics*.³ I recently published "From Values to Metrics: Implementation of the Balanced Scorecard at a University Library" in that same journal.⁴ I also have something in ARL's online newsletter for December 2003, "Using Data to Make Choices: The Balanced Scorecard at the University of Virginia Library."⁵

Q: *Closing on a personal note, please tell me how you feel about your experiences with the balanced scorecard, and how they have influenced your outlook or satisfaction as professional librarians.*

Editor's Keyboard continued from page 63

it does not reflect all of their interests and concerns. If there are topics which you, the reader, would like to see addressed in *LA&M*, please let me know (rfmoran@anet.com or at the address in the masthead).

Also, as noted in the winter issue, *LA&M* will publish letters to the editor and obituaries. Guidelines for these submissions are as follows:

- Letters to the editor must be signed, the letter topic should be related to topics published in *LA&M*, and

LW: It has been a lot of hard work, but it has been valuable. It helps you to see where there are problems you need to solve, but also to see the things you are doing well. You can see whether what is working well in one area could be adapted to other areas that might be doing less well. For me personally, it has been fun to do the data analysis, and very gratifying to see that my work gets used and has an effect on the library's success.

JS: For me personally, it has been a very positive experience. We are doing something that matters—that people are interested in. It has given me opportunities to speak about our work with the balanced scorecard at ALA meetings and other conferences. It is nice to feel like we are doing something that is innovative and worthwhile.

References

1. Robert S. Kaplan and David P. Norton, "The Balanced Scorecard: Measures That Drive Performance," *Harvard Business Review* 70, no. 1 (1992): 71-79.
2. Nils-Goran Olve and Anna Sjostrand, *The Balanced Scorecard* (Oxford: Capstone, 2002).
3. Klaus Ceynowa, "Managing Academic Information Provision with the Balanced Scorecard: A Project of the German Research Association," *Performance Measures and Metrics*, 1, no. 3 (2000): 157-64.
4. Jim Self, "From Values to Metrics: Implementation of the Balanced Scorecard at a University Library," *Performance Measures and Metrics* 4, no. 2 (2003): 57-63.
5. Jim Self, "Using Data to Make Choices: The Balanced Scorecard at the University of Virginia Library," *ARL Bimonthly Report* 230/231 (Oct./Dec. 2003). Accessed Jan. 23, 2004, www.arl.org/newsltr/ci.html.

the letter should be no more than two hundred words. Please submit letters to the editor to Robert F. Moran (see previous paragraph for contact information).

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