

## BSC at RL 2004

### Applying BSC as strategic management instrument



- A. What is RL
- B. The context for management of public institutions is the paradigm of steering
- C. BSC as strategic management tool
- D. How do we transform our vision and strategic goals to relevant performance indicators
- E. Observations in relation to using BSC
- F. BSC and the hybrid library
- G. Strategic causalities for e-development
- H. BSC and developing the library
- I. Conclusions 2003



## 1.1 RL's tasks // Mission: 4 main functions

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Denmark's National Library (1648)

University Library for the University of Copenhagen (1482)

Research Institution

Culture and Museum Institution

## 1.2 FL appropriation 2001 – 2006 in fixed prices

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	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Net appropriation in mil. DKK</b>	<b>164</b>	<b>163</b>	<b>162</b>	<b>158</b>	<b>154</b>
<b>FTE – full time equivalents</b>	<b>300</b>	<b>297</b>	<b>275</b>	<b>265</b>	<b>258</b>

## 1.3 Size

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Collection 160 hkm

Visits 776,000

Primary loans 1,675,000

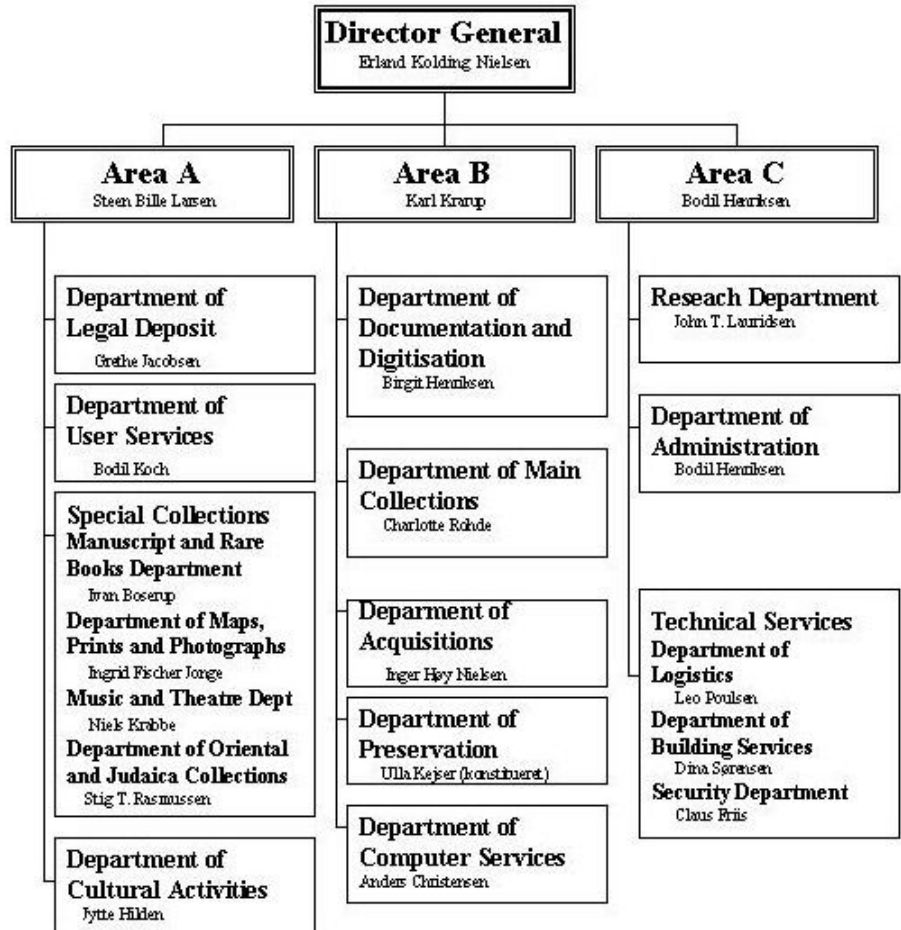


## 1.4 RL's organisation

### Organisation diagram 2003

#### Organisation principles

1. Structured decentralisation
2. Set frames with expectation of departmental initiatives
3. Norms for professional management
4. Manpower policy



## 2.1 The context for Management of Public Institutions is the paradigm of steering

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- Annual Account states the results of the year in relation to the goals set and sets out goals for next year
- Multi-annual contract agreement with the Ministry on main goals
- Library Statistics according to Danish rules
- Budget model
- Annual report RL's own presentation of RL's efforts during the year

## 2.2 Steering paradigm

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$$R = P - G$$

Result = Product - Goal for product

$$P = f(AR, O)$$

Product = function (annual resources, organisation)



## 2.3 Budget model

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- Budget model for University Library is a function of
  - number of students and study grants
  - number of researchers and research grants
  - lending figures
- Distribution model for one collective grant for a number of institutions fixing resources available for the University library function

## 2.4 Steering hierarchy

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The Danish Parliament

The Government

The Ministry

The Institution

The Departments

The Sections

The Employee



## 3.0 BSC as strategic management tool

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- A. Purpose
- B. BSC basic concepts
- C. RLs history 2000-2004 with BSC
- D. About consultancy

## 3.1 Purpose

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BSC as an instrument for creating managerial coherence  
between the institution's visions and strategic aims  
and day-to-day management



## 3.2 BSC basic concepts

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- To make our strategy operational in observable terms we take a number of steps

You have to decide:

- 1) Strategic goals: What are the goals?
  - 2) Critical success factors (CSF): How do we express our goals?
  - 3) Critical performance indicators (CPI): How do we measure critical success factors?
- Balanced management: totality with 4 perspectives:
    - 1) Internal
    - 2) User/outside world
    - 3) Development
    - 4) Economics/Running of the library



### 3.3 RLs history 2000-2004 with BSC

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#### 2000-2001

1. Top down strategic goals and Bottom-up operationalisation in departments
2. From spreadsheet to Prodacabo
3. Coupling department level - institution level
4. Establishing reporting procedure
5. Performance reporting on IntraWeb

#### 2002

1. Revision of BSC, CSF og CPI
2. Total statistics versus indicators
3. The hybrid library

#### 2003

1. Simplification

#### 2004

1. Illustration of coupling between the strategy of the library and the IT-development



### 3.4 About consultancy

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- It is useful to have an outside person to join the board of directors
- The consultant/adviser has to establish personal prestige with a board of directors
- Be able to interpret prevailing modes of understanding
- Be able to contribute with ideas for operationalisation
- Professional

## **4.0 How do we transform our vision and strategic goals to relevant performance indicators**

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- A. RL's Vision
- B. RL's 10 strategic goals
- C. Identification of vital conditions in CSF og CPI terms
  - RL's 4 perspectives with CSFs 2002
  - RL's 4 perspectives with CSFs 2003
  - RL's 4 perspectives with CSFs 2004
- D. RL's performance goals and departmental contracts
- E. Organisational changes underpinned by BSC's result-orientated systematics

## 4.1 RL's Vision

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To be a national driving force in the development of Denmark as society of culture and knowledge and give the users relevant, quick and easy access to information and cultural heritage.

to be the central library for the University of Copenhagen supporting research and education within its subject areas.

to provide the leading basis in the world for documentation about Denmark and Danish conditions in close cooperation with relevant institutions in the country.

to continue to preserve the cultural heritage of the past, to gather together the cultural values of the present and thus give the citizens of the future the chance to study and explore their own selves as seen in the light of the past and the present.



## 4.2 RL's 10 strategic goals

<p><b>The collections</b></p> <p>The Royal Library must continue to extend all collections as well as access to information in digital form both nationally and internationally..</p>	<p><b>National Library</b></p> <p>As national library The Royal Library must collect the most complete collections possible within its particular areas, make these available to the present and make a special effort to preserve this part of the cultural heritage for posterity, including the digital cultural heritage</p>	<p><b>Synergy effects</b></p> <p>The Royal Library must conduct its main functions: national library, university library, research institution and cultural institution so that they support and develop each other and together create results for the institution's target groups within each area which surpass what each of the four could manage by themselves.</p>
<p><b>The information technological development</b></p> <p>Through continuous intensive exploitation of the information technology possibilities The Royal Library must facilitate the user's access to the collections and further the exploitation of the potentials of the collections.</p>	<p><b>University Library</b></p> <p>As university library The Royal Library must in cooperation with relevant partners at Copenhagen University ensure an efficient information supply of research and education, either through own collections or through access to other information resources.</p>	<p><b>Qualification development</b></p> <p>The Royal Library must be an attractive place of work with the purpose of attracting and keeping competent members of staff. The Royal Library must ensure a systematic further development of staff qualifications in order to strengthen professional mediation, professional qualifications and IT-competency.</p>
<p><b>Network</b></p> <p>The Royal Library must through its services/activities strengthen the net-based development of research, libraries and cultural institutions and make the net-based services available to its users.</p>	<p><b>Museum and Cultural Institution</b></p> <p>As museum and cultural institution The Royal Library must in its mediation reflect its purposes, tasks and frames, giving the Danish population the chance to understand and in a relevant way experience its common cultural heritage, history and present age.</p>	<p><b>The running of the library</b></p> <p>The Royal Library must be a well-run business and run in such a way that there will be resources for continued development of the institution.</p>
	<p><b>Research Institution</b></p> <p>As research institution The Royal Library must conduct research which supports and develops its tasks, and increase its research activities until this corresponds with that of the other national cultural institutions.</p>	

## 4.2A Strategic goal for the collections

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The Royal Library must continue to extend all collections as well as access to information in digital form both nationally and internationally.

## 4.2B Strategic goal for the information technological development

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Through continuous intensive exploitation of the information technology possibilities The Royal Library must facilitate the user's access to the collections and further the exploitation of the potentials of the collections.

## 4.2C Strategic goal for the University library function

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As university library The Royal Library must in cooperation with relevant partners at Copenhagen University ensure an efficient information supply of research and education, either through own collections or through access to other information resources.

# 4.3 Identification of the vital conditions in Critical Success Factors

## RL's 4 perspectives with CSF 2002



<b>A: Internal</b>	<b>B: User/outside world</b>	<b>C: Development</b>	<b>D: Economy/ running of library</b>
Building up conventional collections in UL (University Library)	Usage of library: conventional loans	Staff-political development targets	Increased income
Building up digital collections in UL	Usage of library: requests for guidance	Catalogues in e-form/retro-conversion	Improved efficiency of the running of the library
Quality targets for collection building in UL	Usage of library: guests in reading rooms and centres	Digitisation of national works	Release of resources
Building up conventional collections in NL (National Library) - not legal deposit	Usage of library: visits at service points	Research	Exploitation of new salary system
Building up conventional collections in NL, legal deposit	Usage of library: electronic document delivery	E-services	Up-to-date management information
Building up digital collections in NL	Usage of e-mediation (web visits)	RL's position in larger national and international networks	Exploitation of quota scheme
Quality targets for collection building in NL	Quality targets for library services	Total plan for retro-conversion	Optimisation of e-contract
Collection preservation	Usage of cultural offers: visits to exhibitions and guests at events	IT-development projects	Maintenance of RLS infrastructure
National and special bibliographies	Quality targets for cultural offers: guests	Further education plans	Costs in relation to IT
Production of cultural events/offers	Quality targets for web mediation	Research plans	
Research production	Research mediation	Optimisation of the hybrid library	

# 4.4 Identification of the vital conditions in Critical Success Factors

## RL's 4 perspectives with CSF 2003



	<b>A: Internal</b>	<b>B: User/outside world</b>	<b>C: Development</b>	<b>D: Economics/running of library</b>
1	Collection building	Loans/e-usage	Staff political development area	IT-infrastructure
2	Legal deposit	Visitors	Research	Making internal running of RL more effective
3	Cultural offers	Quality targets for library services	Quality development for cultural offers	Insourcing/income
4	Quality targets for collection building	Quality targets for cultural offers	RL as digital library	Outsourcing projects
5	Physical collection preservation	Guidance	Digitisation	
6		Cooperation Copenhagen University/RL	Retro-conversion	
7			Building projects	
8			RL as hybrid library	
9			IT-projects	
10			Preservation projects	
All objectives are updated quarterly				

# 4.5 Identification of the vital conditions in Critical Success Factors

## RL's 4 perspectives with CSF 2004



	A: Internal	B: User/outside world	C: Development	D: Economics/running of the library
1	Collection building UL	Loans/e-usage	Staff political development area	IT-infrastructure
2	Legal deposit	Visitors	Research	Making internal running of RL more effective
3	Collection building/digitalization	Quality targets for library services	User survey	Insourcing/income
4	Cultural offers	Quality targets for cultural offers	RL as digital library	Outsourcing projects
5	Quality targets for collection building	Guidance	Entirely new library functions	Building projects
6	Physical collection preservation: Running of library	Library access tools *)	New concept for the university library at Amager	
7		Cooperation Copenhagen University/KB	Digital collection preservation	
8			Physical collection preservation: development	
	*) Incl. IT-development projects as part of a user perspective			



## 4.6 RL's performance goals and department contracts

Each department has its own contract and profile in BSC terms.

The department contract states the department's contribution to the fulfilment of the institution's goals for the year in question, and includes a table for CSF and CPI stating the concrete goals for the four quarters of the year.

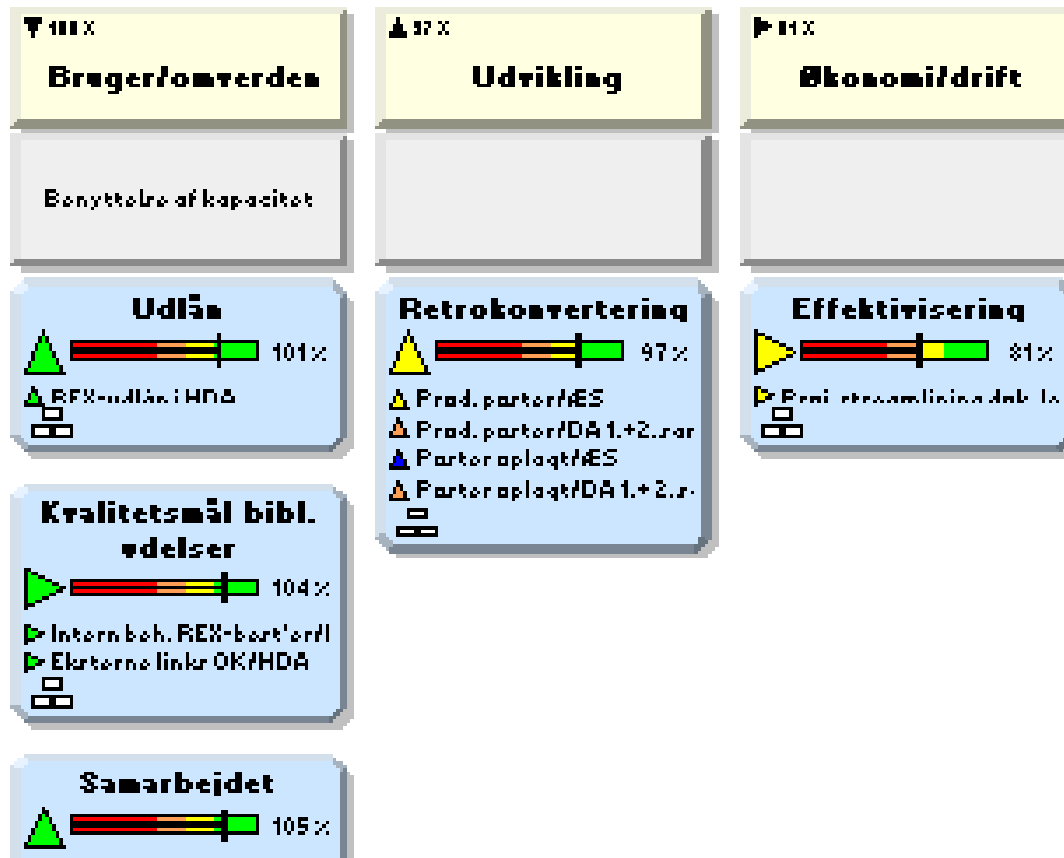
From: Main Collection and Document Delivery Department

Measures	Frequency		BSC MODEL	ID NO.	PERIOD	REAL	TARGET	MEASURE ID
	Update type	RESULT	MODEL	MEASUREID	PERIODID	ACTUAL	PLANNED	Units
REX-loans in DMC	Q	17.035	2003BSC 2003	3KXnFb01a	2003 Q1	17.035	17.192	units
REX-loans in DMC	Q	16.775	2003BSC 2003	3KXnFb01a	2003 Q2	33.810	34.384	units
REX-loans in DMC	Q	17.182	2003BSC 2003	3KXnFb01a	2003 Q3	50.992	51.576	units
REX-loans in DMC	Q	18.160	2003BSC 2003	3KXnFb01a	2003 Q4	69.152	68.767	units
REX-orders	Q	40.489	2003BSC 2003	3KXnLb01a	200301	40.489	42.538	units
REX-orders	Q	32.879	2003BSC 2003	3KXnLb01a	200302	73.368	85.075	units
REX-orders	Q	31.751	2003BSC 2003	3KXnLb01a	200303	105.119	127.613	units
REX-orders	Q	39.050	2003BSC 2003	3KXnLb01a	200304	144.169	170.150	units
Gul-e-orders	Q	6.619	2003BSC 2003	3KXnLb01b	200301	6.619	6.150	units
Gul-e-orders	Q	6.284	2003BSC 2003	3KXnLb01b	200302	12.903	12.300	units
Gul-e-orders	Q	5.207	2003BSC 2003	3KXnLb01b	200303	18.110	18.450	units
Gul-e-orders	Q	5.499	2003BSC 2003	3KXnLb01b	200304	23.609	24.600	units
Manual orders (received in stack)	Q	5.380	2003BSC 2003	3KXnLb01c	200301	5.380	3.075	units
Manual orders (received in stack)	Q	4.629	2003BSC 2003	3KXnLb01c	200302	10.009	6.150	units
Manual orders (received in stack)	Q	1.512	2003BSC 2003	3KXnLb01c	200303	11.521	9.225	units
Manual orders (received in stack)	Q	1.487	2003BSC 2003	3KXnLb01c	200304	13.008	12.300	units



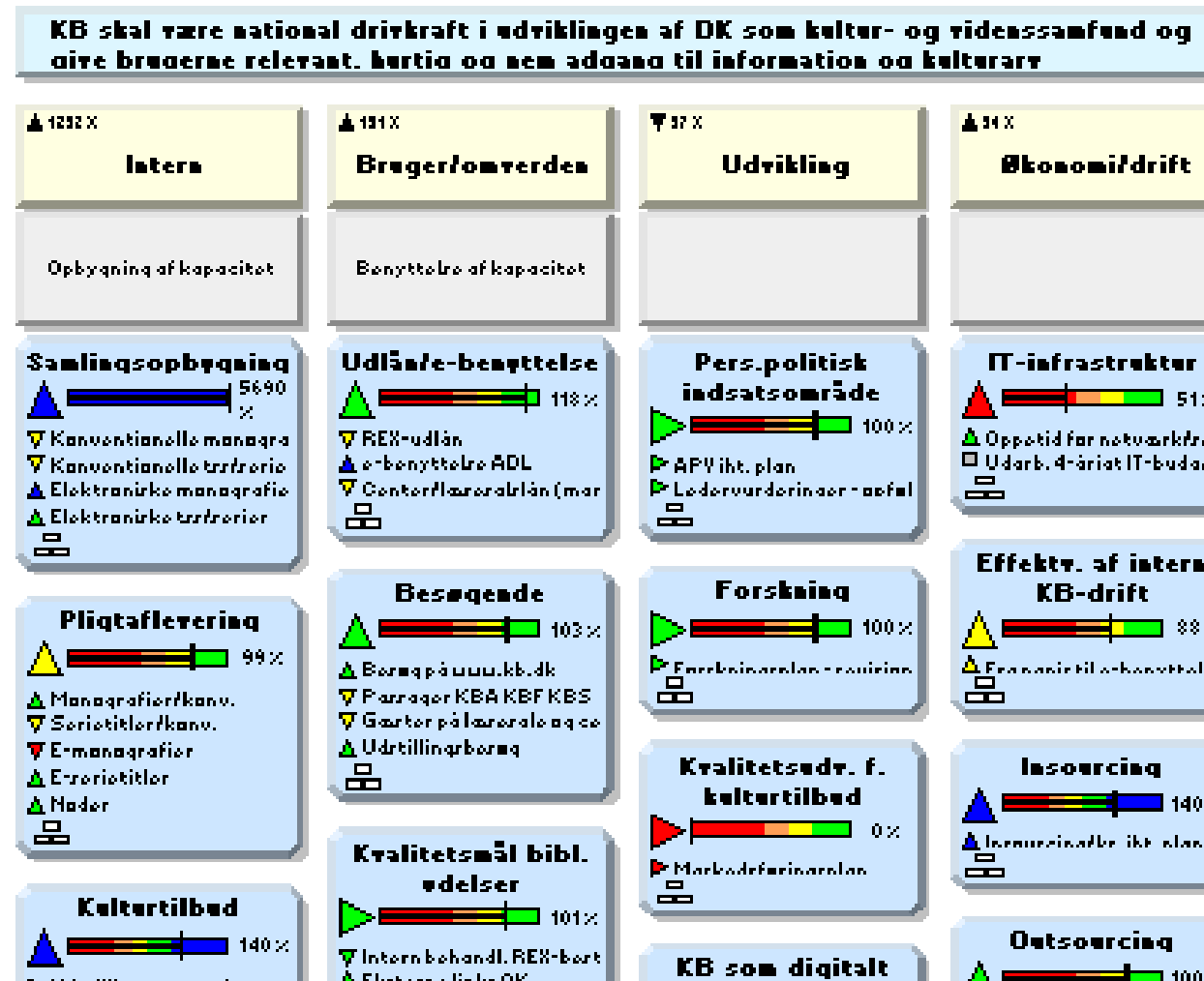
## 4.7 Balanced Scorecard 2003, 4th quarter - department level

KB skal være national drivkraft i udviklingen af DK som kultur- og videnssamfund og give brugerne relevant, hurtig og nem adgang til information og kulturart





## 4.8 Balanced Scorecard 2003, 4th quarter - institution level







## 5.0 Observations relating to the use of BSC

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A. Collective explication and clarification

B. Main services to the public

- Loans
- Guidance
- Visits to service point

D. Measure of quality

F. 100% syndrome

G. Exact quality and service norms

## 5.1 Objective: Encourage usage of RL

**Actual usage: Loans, requests for advice, visits to service point**

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<b>Total (in 1,000)</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Primary loans	714	1.175	1.296	1.675
Requests*	113	97	79	55
Visits	944	786	801	776
* Number of verbal inquiries incl. e-mails				
Source: Annual statistics 2003				



## 5.2 Measuring quality

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- One cannot measure quality
- But some recognise quality
- Good exhibitions,  
favourable mentioning in the press

## 5.3 100% syndrome

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A borrower must always have his request fulfilled within the announced delivery time



## 5.4 Exact quality and service norms

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Goal: 95% fulfilment of the institution's delivery deadlines as regards documents for loans measured at the loans desks

Goal: 97% fulfilment of the institution's delivery deadlines as regards documents for loans measured in the stacks

Actual goal realisation: 95% fulfilment of delivery deadlines is 100% goal fulfilment

Economics and realistic goals: Institution level, department level (The annual determination of the department's measure for services = f (resources, organisation))



## 6.0 BSC and the hybrid library

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- A. Definition of hybrid library
- C. Target for RL as the hybrid library
- E. Key indicators and the hybrid library
- G. Main service: Loans



## 6.1 Definition of hybrid library

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A hybrid library includes conventional as well as digital collections and catalogues to the collections

It gives a considerable augmentation of the library's complexity as regards number of tasks

Media change from conventional to digital brings about alterations of the library's fundamental prerequisites



## 6.2 Targets for RL as the hybrid library

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To extend:

- the digital part of the library's collections
- the digital availability of collections and information
- the digital administration of the library

in order to:

- extend the users' access to relevant information
- encourage the users to use self-service

thereby:

- making the library more efficient
- reducing the use of manpower for service and administration
- reducing wear and tear on the library's original works

## 6.3 Key indicators and the hybrid library

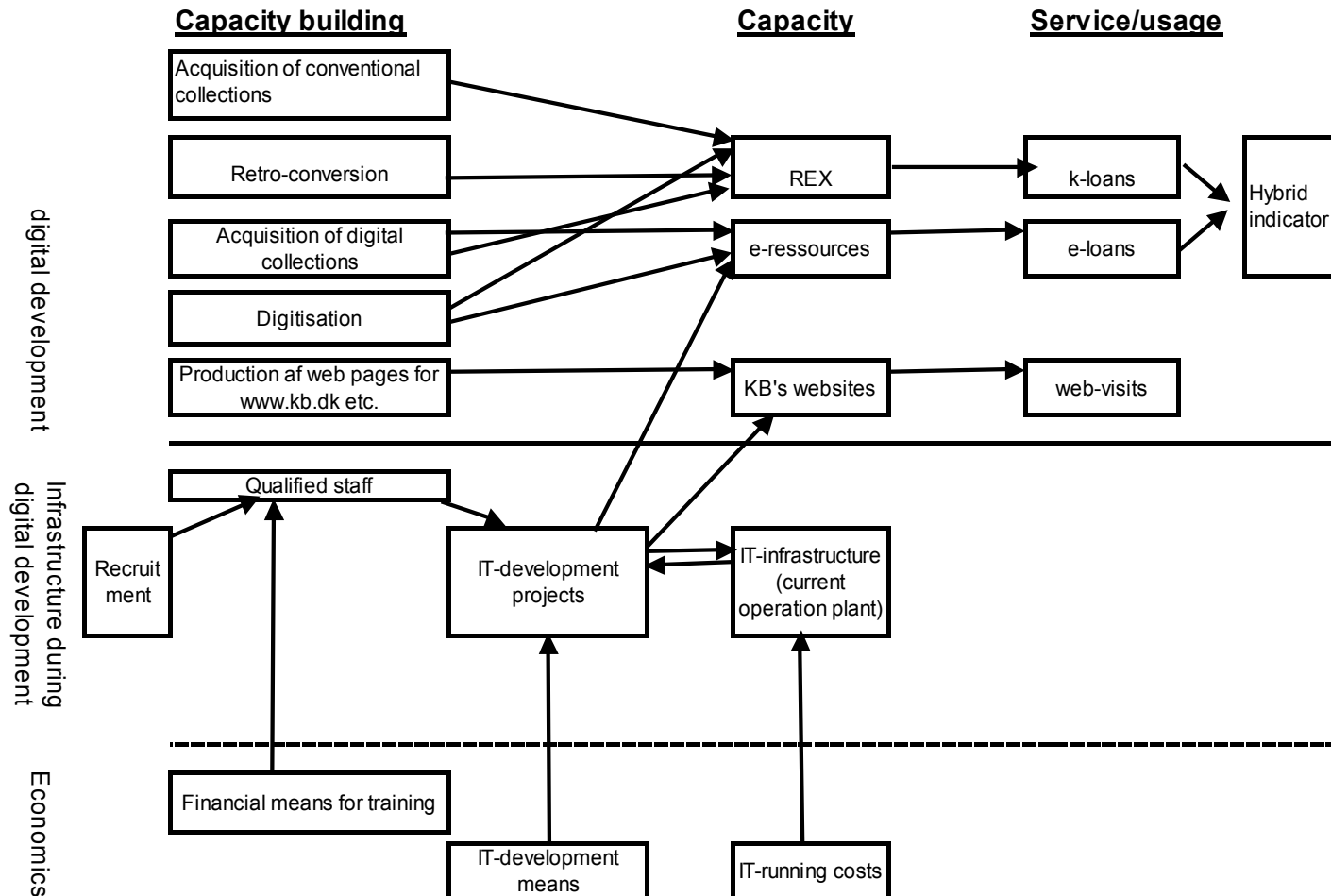
### Conventional and electronic services



	<b>Conventional library services</b>	<b>Electronic library services</b>	<b>Target: Increased electronic user service</b>
<b>Forms of usage</b>			
Requests for documents	Manual requests	Electronic requests	Larger share of electronic requests
Delivery of documents	Conventional loans Works on paper	Electronic document delivery Works in e-form	Larger share of electronic document delivery
Requests for general guidance functions: Info-desk and telephone	User enquiries and individual personal guidance	User visits on www guidance pages	Fall in share of personal enquiries 1) irt visits at service points 2) irt visits at www.kb.dk
Requests for guidance functions: Centres and reading rooms	User enquiries and individual personal guidance	User visits on www guidance pages	Fall in share of personal enquiries 1) irt visits at service points 2) irt visits at www.kb.dk
Guests in reading rooms and centres	Guests in reading rooms and centres	User visits on www guidance pages	Increased number of user visits both on www.kb.dk and in reading rooms and centres
Visits at service points	User visits at service points	User visits on www guidance pages	Increase in user visits on www-pages larger than in visits at service points

# 7.1 Key indicators and the hybrid library

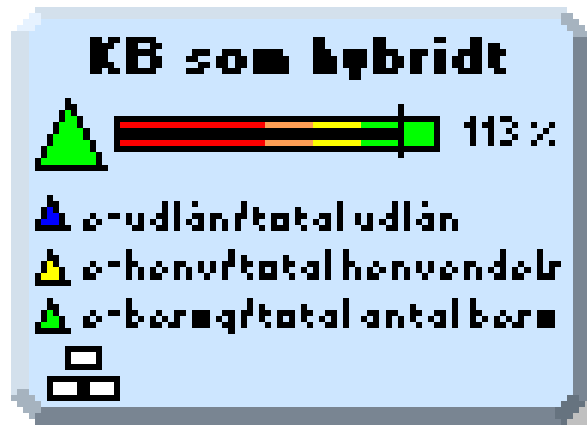
## Causal relations and indicators





## 7.2 RL in BSC as a hybrid library

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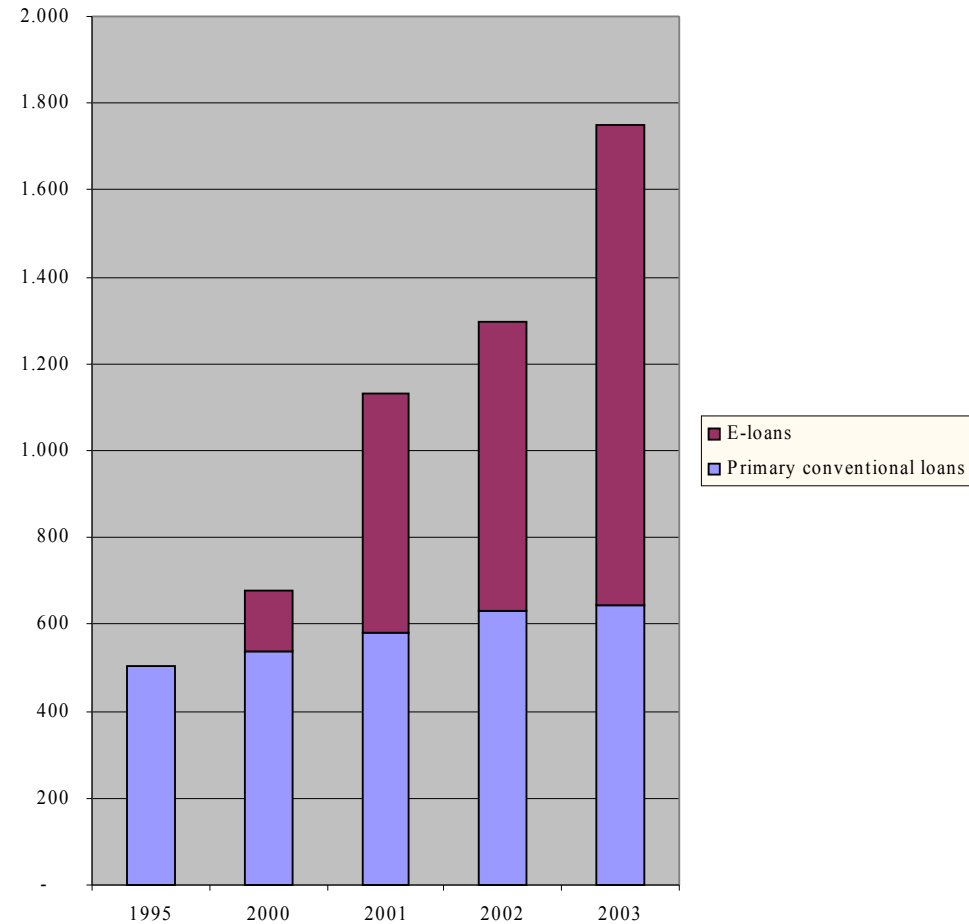
The hybrid indicator is combined from a number of indicators



## 7.3 Main service: Loans

Conventional document delivery versus e-loans (access via the net with download independent of place)

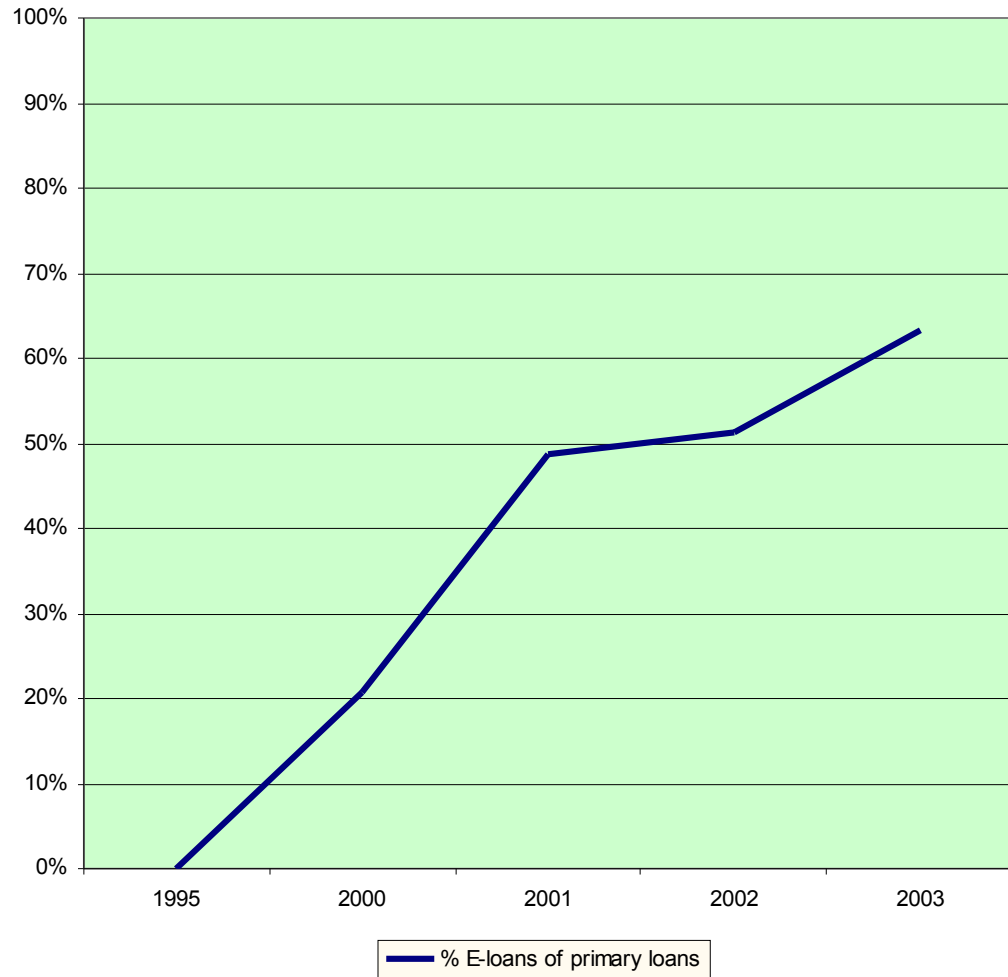
Primary conventional loans



## 7.4 Hybrid indicator 1: Document Delivery



Indicator: e-loans  
/primary loans in total



## 7.5 WEB visits

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### Web-visits at

<b>www.kb.dk</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Number of visits (in mil.)	1,6	1,8	2,3	2,5
Number of showed pages (in mil.)	10,4	17,3	19,8	20,2

Source: RLs annual statistics 2000, 2001, 2002, 2003

## 8.0 BSC and developing the library / How can we organize so that risk acceptance and experiments with new solutions is furthered

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- A. Development of the Library demands that we test new solutions:
  - Internal in our way to work in
  - External in relation to the public
- B. Development requires space:
  - to make experiences
  - make mistakes
  - create new results
- C. There shall be room for mistakes, if there shall be room for a strong development

## 8.1 How is BSC helping development

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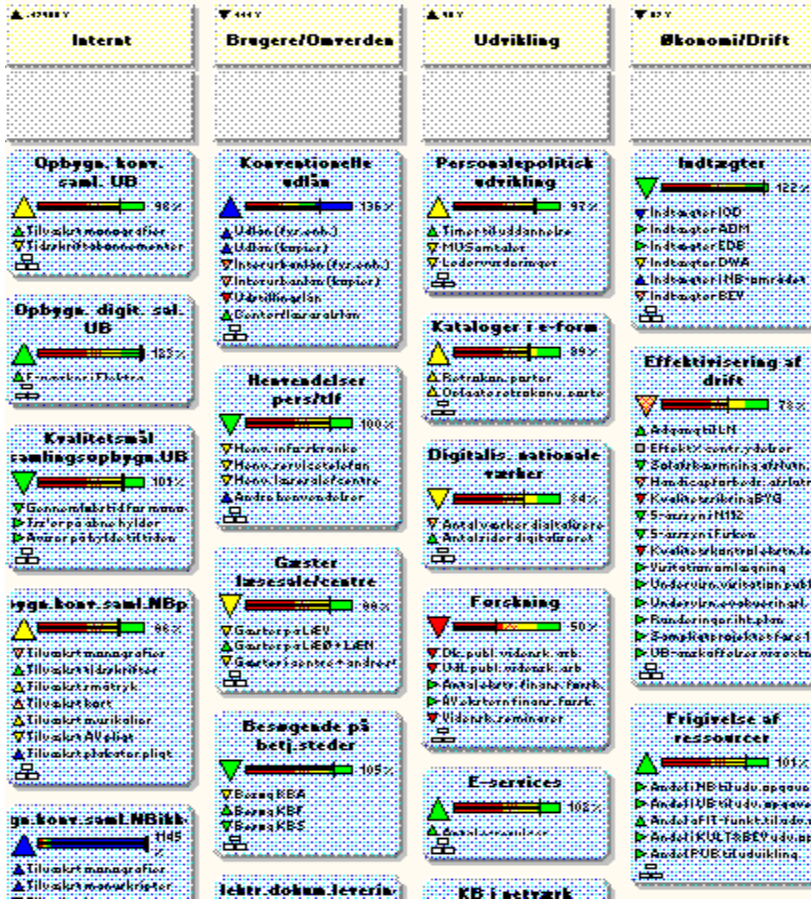


- A. We have to measure our development by the total development
- B. BSC gives an overview over the total landscape of strategic results



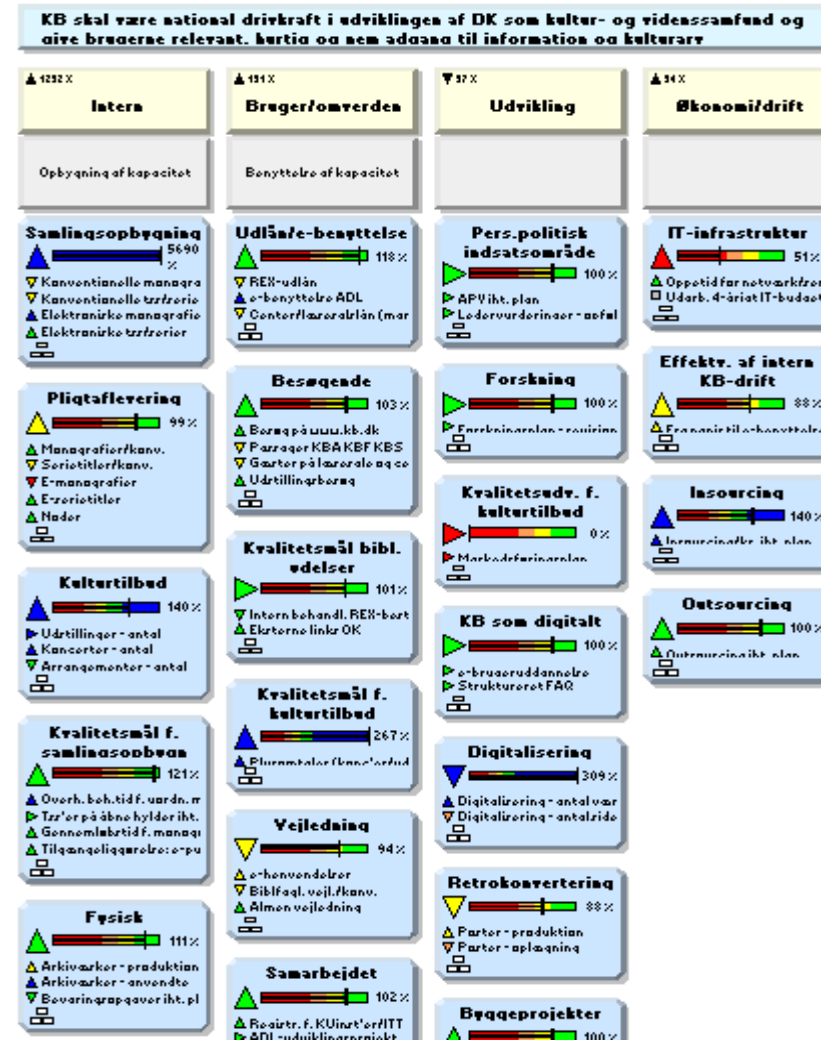
## 8.2 BSC landscape 2002

KB skal være national drivkraft i udviklingen af DK som kulturel- og videnssamfund og give brugerne relevant, hurtig og nem adgang til information og kulturen





## 8.3 BSC landscape 2003



## 8.4 How is BSC helping development

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- 1) BSC 2002 and 2003 for the institution give an overview over the total landscape of strategic results:
  - All colours are represented
  - But mostly the green and blue
  - Also red
- 2) If no red was showed our effort would hardly be ambitious enough
- 3) However, it is not the same section that ought to be red each year
- 4) In an ambitious and balanced institution there is room for red sections – they can be seen in the context of the green

## 9.0 Conclusions 2003

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A number of conclusions can be drawn related to the use of Balanced Scorecard at the Royal Library

- C. BSC is a useful instrument for connecting the institution's visions and strategic targets and the daily running of the library
- D. It takes a lot of work and ability to focus to develop a sufficient and manageable set of success factors and key indicators
- E. As instrument for management, reporting and follow-up it facilitates the work and gives a clear overview of the relation between goal and goal fulfilment
- F. As instrument in development and estimation of services
- G. As instrument in organisation development and cause/effect analyses
- H. Balanced scorecard is not only a method for control, it is also a method for learning. If you make your goals measurable, you can see if you have reached the goal.  
But how do you know that you have reached the goal, if the goal is not clearly stated