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Investing for Return, a Discreet Conceptual Discourse of the Redeemer's University Library Operating as Subscription Library

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Abstract– Investments on libraries have generated a lot of issues in the recent time, probably due to the dwindling resources available for provision of services in the institutions. As a result of this, Chief Executives of various establishments and organisations have continuously asked for the justification for continued funding especially of libraries. To effectively merit investment, operators have taken the issue of output more seriously. Redeemer's University Library is under focus in this study in an investigation that covered five (5) years 2006 to 2011. The study revealed that there were direct and indirect benefits accruable to library users, a direct correlation of good investment. The study outlined the areas of investment in the Library as provision of books, journals and online resources, provision of furniture, staff salaries and other facilities. Under fourteen (14) variables which includes stock, services and facilities, the study in graphical detail showed that the library with an investment of three hundred and sixteen million two hundred and fifty thousand Naira (₦316,250,000.00) only in five years, gave an estimated return of four hundred and fifty two million, four hundred and five thousand naira (₦452,405,000.00) only, (RoI of 43.05%), corroborating the views of Keyes (1995) and Griffiths and Kings (1995). Conclusion was made by calling on the central government to make the library system a priority in funds allocation.

Index Terms– Investing for Returns, Return on Investment (RoI) in Libraries and Cost Benefit Analysis (CBA)

I. INTRODUCTION

LIBRARIES have always faced a stiff opposition whenever the issue of funding is raised. When there is a shortfall in the revenue of any enterprise, managers always look at areas perceived as rendering intangible services as suitable avenues for cutting costs. Sadly enough and despite the crucial role we perform and the services we render, the library is one of such flash points of budget adjustments and cuts. This development has then raised some fundamental questions as:

- i). Why not look at other areas to cut budgets?
- ii). Are budgets of Works, Medical, Laboratories and others so adjusted?
- iii). Do these units render tangible services which we do not render?

- iv). Is information not the source of knowledge and wisdom,
- v). Was this assertion not acknowledged by God in Prov. 4: 7?
- vi). Is it not in the library that this information is gotten from?
- vii). Is our service not qualitative enough?

A) *Essence of the Library*

The main function of the Library is to provide support for academic pursuits in institutions by making available reading materials for the academic community. Supporting this position, Ifidon (1996) Gunton (2009), Ennis (1995), NCCE (1994), Beswick (1997), IFLA (2002) and Mohammed (2002) all claim that the academic libraries should have the capacity to:

- a) Assist in the delivery of the curriculum through provision of information, knowledge and resources to support students learning
- b) Provide facilities and right atmosphere to enable students use the resources for learning at their own pace either individually or in groups
- c) Provide and deliver information skills programmes.
- d) Co-operate with other university libraries with a view to developing a network of library resources which are at the disposal of staff and students.
- e) Serve the specialized information needs of the region within which the University is located.
- f) Act as a gateway to knowledge and culture by providing access to information and works of imagination in various formats.
- g) Help people improve educational and social skills which are indispensable in an information society and for sustained participation in democracy.
- h) Ensure good reading habits, information literacy, public awareness and training citizens.
- i) Contribute to the development and maintenance of intellectual freedom by providing unbiased access to information.
- j) Use their network of services to provide information with which research and innovation are executed to

advance sustainable development and the welfare of people World-wide and,

- k) Help to tackle information inequality demonstrated in the growing information gap globally.

The role is inexhaustive but the most intriguing of them all is the ability to provide information literacy skill which Okeesan (2003), Teifel (1995), Dhyana (2009), Olaniyan (2004), Okoro (2002), ACRL (2002) and Atagher and Adung (2002) supported.

Research has found that libraries make significant contributions to the effectiveness of the education process. Learners from institutions where library use is part of learning process are more likely to become equipped for the society's challenges and occupational effectiveness than those without proper library habits. The Library makes a critical component of the development of intellectual capital of a community, an attribute which initiates a ripple effect on an individual's ability to become gainfully employed, increase his or her income and makes effective contributions to the society.

McClure et al (2000) lending credence to the supportive role of the Library stated that community members use library services and library programmes for everything. Children are introduced to the habit and the joy of reading to tapping into their professional networks. It is also believed that local businesses benefit greatly in specific ways from libraries services such as access to new ideas, knowledge and information.

CILIP (2002) also stated that libraries perform an important role of social inclusion when they serve the needs of disadvantaged population such as the poor, the elderly, the physically disabled, the unemployed and those with learning disability because these are exactly the groups least likely to have the means to acquire such assets as information sources, computers and internet access. In one study, a participant said 'we are brought closer to other members of our community through the very act of sharing books with them' (Usherwood and Toyne 2002).

Library buildings are also considered as element of physical development. Researchers have found out that communities value their libraries as physical assets and a source of community pride. Libraries are important landmarks in many institutions. Participants in a survey stated many times that the presence of a new library, or the re-development of an existing one favourably impacted on its immediate surroundings (Albanese, 2001, CILIP, 2002, McClure et al 2000).

This statement is to underscore the fact that, library power is still very alive, unquestionable and has become even more potent in this new age. This priceless power accumulates human intellect efficiently into human progress. The Library as a catalyst for human progress is irreplaceable (Akeroyd 1991, Potella, 2001).

B) Are We That Relevant?

In spite of their enormous power and relevance to propel human progress, libraries are increasingly being asked to justify the resources spent on them and to justify their existence. We are also operating under a limited freedom and always under check. In this climate, Librarians must be

accountable, responsive and effective in portraying the values of their services to funding authorities, be they public or private. These imperatives have led to a new emphasis on quantitative assessments to provide hard evidence about the extent of their value to the society or their sponsors.

Secondly, as online information becomes more available and accessible, argument against funding of libraries is increasing in volume and loudness. Therefore, justifying the existence and funding of libraries depend on demonstrating their value in the widest sense and to their widest audience (UNESCO 2003).

Access to libraries increase the value of human intellectual output through professional processing, storage and dissemination. Processing and organization moves ideas. Data and other primary intellectual output would be useless, they can even constitute a nuisance (information explosion) if librarians were not there to gather, analyze, classify, catalogue and provide access to them.

Supporting the position of the UNESCO in their meeting of 2003 in the same perspective, Strouse (2003) was also of the opinion that libraries' budgets are nowadays under severe scrutiny and executives looking out to squeeze maximum value from every expenditure. Librarians are preparing for the time when the holders of the purse strings ask the inevitable questions: what is the return for the money I'm pumping into the library.

This climate is particularly for libraries which depend on overhead costs and especially academic Libraries which should base their budgets on 10% of recurrent expenditure and with no external funding and grants.

Libraries of all types are faced with the inevitability of overhead budget cuts due to the recession and must justify the use of existing funds for programming, staffing, services and collections. In order to have financial ability to continue to provide those services and content streams, Libraries need to prove to their funding sources whether programmes and services are meeting users' needs and should also prove that funds provided to libraries to develop those services provide a good Return on Investment (R.O.I)

C) Scholars Views about the Library

Librarians have always advocated for adequate library training before users are allowed to go into the library. They as much as possible encouraged user education as a result of real life situation which they have witnessed.

Okeesan (2003) documented his experience that some groups of students were asked to read about 'Evolution and Epicureanism', when they could not get the books, they felt disappointed and went back to the lecturer about non-availability of the books. Akinwumi (1985) was more direct when he stated that no college leaves the use of its laboratory, workshop or studio to the choice of individual students but incorporate such activity within the curriculum.

D) Areas of Investment in the Library

The library service is a social one just like any other social services such as urban schools, the police, post office, water supply, electricity supply, road network and even worship centres.

Because of the expected benefits, input should be made. The input includes human efforts and funds. Areas of investments include provision of books and journals, provision of furniture, buildings, electricity, staff efforts and their salaries and also users' efforts in accessing information.

II. COST- BENEFIT ANALYSIS OF LIBRARY SERVICES

This is simply an attempt to weigh the benefits derived in a venture with the investment.

Cost Benefit Analysis (CBA) involves estimating two different kinds of benefits. These are direct benefits and indirect benefits. Direct benefits measure direct value to those who use or have access to the services being measured. The Library provides a set of reading and information materials and services directly to its users. These users benefit directly from the services; hence, they receive direct benefits. It is also seen when users get the help they need in libraries on information to start a business, help in learning to read or materials for an important speech to a community. In all these, the society benefits directly.

Indirect (Third-party or Societal) benefits come to play when researchers estimate the indirect benefits or societal benefits from the services enjoyed. These are benefits that third parties or the population as a whole derive when individuals use the services of a public institution, (Holt, 2009 et al).

Indirect benefits accumulate when new business hires unemployed graduates, when the society benefit from a growing literate and productive citizens.

Cost Benefit Analysis studies to determine how much one can get in return for what one has put into a venture and that has brought about the idea of Return on Investment (RoI). To have a clear grasp of what the Library can do, one may ask himself how much he spends at bookstores, magazines subscriptions and internet service. If one has to go without one or more of those services, one would then think about how much has been saved by relying on the local Library to access those services.

Many direct benefits from library services accrue to individuals. These include cost savings from borrowing materials such as newspapers, books and other periodicals rather than having to buy them. First users save the cost of purchasing these items themselves, and secondly, many users have managed their lives in better ways as a result of information obtained from information in newspapers. Tourists can halt tours to disaster areas through information received from newspapers e.g. flooding, Boko Haram insurgence and kidnapping in certain areas in Nigeria.

A) Return on Investment (Roi)

Any investment has the sole objective of getting some returns. Therefore, return on investment is just an estimate of the level of gain recorded on a venture. This is calculated following a particular guideline as seen below.

B) Calculating Return on Investment (Roi)

Calculating the Return on Investment (RoI) using a Baseball card bought in 2000 at \$50 and in 2009 was worth \$500 is calculated thus:

$$\text{RoI} = (\$500 - \$50) / \$50 \times 100$$

$$\text{RoI} = \$450 / \$50 \times 100 = \% \text{ RoI}$$

$$\text{RoI} = 900\% \text{ increase in value over 9 years. (Lown and Davis 2009)}$$

Research has produced hard facts that libraries pay fully for their existence and even post positive returns on the investments made on them. For example, long-term studies of libraries using Return on Investment analysis (RoI) established that in monetary terms, libraries produce as much as 500% annual return on investment. This is five times more than what is invested on them per annum (Keyes, 1995, Griffiths and Kings 1995).

In the same vein, if a book worth \$20 circulated 50 times in a year and each library user had to pay \$1 per use of the item, the library would have generated \$50 within one year, the Return on Investment (RoI) is:

$$(\$50 - \$20) / 20 \times 100$$

$$\text{ROI} = 15 \times 100 = 150\%$$

C) Principles of Return

Return has a normal curve to follow. For a man to return from the farm or a journey, he has to have embarked on a trip. Return is a direct correlation of investment. To whom much is given, much is expected. It operates under the biblical injunction which expects that to be given; one must first give Lk. 6:38. Return is also based on effort to invest as recorded in the story of Elisha and the widow. 2Kgs 4:6. We also have to invest in God's store house as contained in Malachi 3:1. I believe these principles have unconsciously guided us in the little we have achieved through investment.

III. CONCEPT OF THE SUBSCRIPTION LIBRARY

A subscription library is such type where users have to contribute a token for the services they enjoy. It could be newspaper services or whatever form of library service. This is to assist in the sustenance of the outfit. Some of such libraries are available even in Nigeria here. This paper is based on the assumption that the Redeemer's University library is a subscription library, profit oriented and self financing. This premise enabled the costing used here possible.

A) Return on Investment (Roi) On Redeemer's University Library

Redeemer's University as at the time of this study had just graduated its third set of students. In the light of this, the variables which would have been used to measure indirect benefits of Return on Investment (RoI) from graduates exploits globally were not available, hence, the study focused on direct benefits alone.

B) Estimated Investment on Redeemer's University Library (2006-2011)

To arrive at these figures, the Library budgets within this period were used as a guide but figures not full proof due to changes in financial year from January to December at a time to September to August. Most of the figures were in estimates and based on a shallow accounting knowledge of this researcher.

Table I: Estimated Investment

S/N	Items	Amount
		₦
1	Purchase of books and journals	108,000,000.00
2	Provision of Newspapers and Magazines	1,500,000.00
3	Provision of furniture items	21,000,000.00
4	Expenses on Library Exhibition	150,000.00
5	Building and imagined rent	54,000,000.00
6	Electricity and other forms of energy	3,600,000.00
7	Staff salaries	100,000,000.00
8	Internet facilities	10,000,000.00
9	Computers	3,000,000.00
10	Vehicles, maintenance and other overhead costs	7,000,000.00
11	Cleaning and others services	6,000,000.00
12	Bindery facility, consumables and other costs	2,000,000.00
Total estimated investment		316,250,000.00

Three hundred and sixteen million, two hundred and fifty thousand naira only.

C) Return on Investment on Redeemer's University Library

Use of Books and Journals:

The Library as at August 2011 had twenty thousand (20,000) volumes of books and about three thousand (3000) volumes of Journals. In Subscription libraries, use of a book or the entire library in most cases goes for a minimum of N20.00 per hour.

Average library users per hour (data through library hourly counts) was 340

Number of hours the Library opened per week day was 14 hrs

Number of hours the Library opened per week end days was 5 hours

$$\text{Estimated 1250 week days} \times 14 \text{ hrs} = 17500 \text{ hrs}$$

$$\text{Estimated 500 week end days} \times 5 \text{ hrs} = 2500 \text{ hrs}$$

$$20,000 \text{ hours} \times 340 \text{ users}$$

$$6,800,000 \times \text{₦} 20.00$$

$$\text{₦} 136,000,000.00$$

This amount could have been charged in a Subscription Library.

Use of Newspapers and Magazines:

Using 1250 week days in 5 years as a base line and an average of 100 users (staff and students) came for newspapers per day in exchange for ₦20.00 could give something like this:

$$1250 \text{ days} \times 100 \text{ users} \times \text{₦} 20 \text{ for all materials provided} \\ = \text{₦} 2,500,000.00$$

Selective Dissemination of Information and Current Awareness Services:

$$50 \text{ users} \times 1250 \text{ days (5yrs)} \times \text{₦} 50.00 = \text{₦} 3,125,000.00$$

Internet Usage:

During the period under review, the Library users had access to 40 computers in the Virtual Library.

Within five (5) years (2006 - 2011) return on students' access to the internet was estimated thus: ₦100 x 14hrs x 40 computers x 1250 days. Revenue from this could be ₦70,000,000.00 while ₦100 x 5hrs x 40 computers x 500 weekend days could give revenue of ₦10,000,000.00 on weekends

Internet use in the cyber cafes in the camp is ₦150/hour. With a subsidized rate of N100 per hour, the Library internet access within this period if commercialized may yield ₦80,000 000.00

Information Literacy Service:

The Library renders this service to students and staff. This is when skill of accessing online e-resources which the Library subscribes to and retrieval of Library books is passed on to Users.

If commercialized, with an average of 20 students per day at a rate of ₦100.00, in 1250 days in five years, the Library could realize:

$$20 \text{ students} \times \text{₦} 100 \times 1250 \text{ days} = \text{₦} 2,500,000.00$$

Exhibition:

Redeemer's University Library mounts exhibition once in a year and it runs for 7 days within that year. In five (5) years, exhibition was run for twenty-one (21) days. If visitors paid a fee of ₦100.00 and an average of three hundred (300) visitors visited a day for twenty-one (21) days, the Library could realize: ₦100 x 200 visitors x 14 days = ₦630 000

D) Summary of Return on Investment

The summary of the scenario presented could be captured thus (Table II):

Return on Investment (RoI) in five (5) years was four hundred and fifty two million, four hundred and five thousand naira (₦452,405,000.00) only, whereas, the investment in 5 years was just three hundred and sixteen million, two hundred and fifty thousand naira only (₦316,250 000.00)

Table II: Summary of Return on Investment

S/N	Items	Amount
		₦
1	Use of books and journals	136,000,000.00
2	Use of Newspapers/magazines	2,500,000.00
3	SDI and CAS services	3,125,000.00
4	Internet Usage	80,000,000.00
5	Information Literacy Service	2,500,000.00
6	Building estimated value at 5% appreciation.	46,200,000.00
7	Funds from Exhibition	630,000.00
8	Derived benefits of staff through salaries	100,000,000.00
9	Books and Journals at depreciated value of 25%	56,100,000.00
10	Furniture at depreciated value of 20%	18,800,000.00
11	Computers at depreciated value of 25%	2,250,000.00
12	Depreciated value of newspapers collection at 80%	300,000.00
13	Depreciated value of vehicle	1,000,000.00
14	Estimated IGR (Fines and Bindery)	3,000,000.00
TOTAL		452,405,000.00

Four hundred and fifty two million, four hundred and five thousand naira (₦452,405,000.00) only.

RoI Calculation:

$$\frac{\text{₦}452,405,000 - \text{₦}316,250,000}{\text{₦}316,250,000} \times 100 = 43.05\%$$

As it were in 2011, the Return on Investment (RoI) in our library was 43.05%. Without any iota of doubt, this is a good return on investment. It is like a business venture yielding a profit of about 44% every year.

On the issue of salaries received by staff within this period, an inestimable value of this could still be of interest. This is so because staffs were appointed to work in the Library, otherwise, they could have constituted a nuisance to the community if they were not engaged. They were able to take care of themselves and their families, sent their children to schools and met other needs, the values of which could not be estimated.

Outsourced services (cleaning, maintenance, photocopying and others) should also be reckoned with since a lot of people became engaged. To estimate the value of this in this context, a larger return may have been posted.

The architectural structure of this Library has also added value to the beauty of the environment. The Library has served as meeting place on a few occasions and has played a social role by serving as base for students on Industrial Training from various institutions. All these were regarded as Returns on Investment (RoI).

IV. MOTIVATION FOR CONSIDERING ROI IN LIBRARIES

The assertion of Lown and Davis (2009) on Return on Investment (RoI) in libraries was the main motivator for this study. It was observed in their study that in Florida, for every \$1.00 of tax payers dollars spent on public libraries, income (wages) increased by \$12.66 and in South Carolina, for an investment of \$77.5 million; public libraries pumped \$347 million into the state economy. The State Library and Archives of Florida claimed that for every \$6,488 invested in the Library, a job was created. Because of these and other cases, there was a strong motivation for the research.

RoI can be an integral part of the process of evaluating library's services, the collection, staffing level, planning for new services and resources or assessing the value of the Library to the community and stakeholders.

With a figure of 43.05% return in five years, it is affirmed that investment in the Redeemer's University Library was a wise one. This study also corroborated the studies of Keyes (1995) Griffiths and Kings (1995), Lown and Davis 2009 and others.

V. CONCLUSION

It has been established that considering the investment and the benefits, our library made a good Return of 43%. The big question is: Can our government sponsor a bill at the National Assembly that reasonable amount of money should be voted into our library sector as it is in many places? If this is done, people are ready to ensure that the feat recorded in Florida, South Carolina, South Africa and other places is replicated locally.

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In the year, 2005 he withdrew his services from Omoku having been appointed the University Librarian at the Federal University of Technology, Akure, Nigeria, a position he held till December 2008 before assuming duties as the University Librarian, Redeemer's University in January 2009.



Adetomiwa Basiru is a Librarian by profession; He had his Bachelor of Library and Information Science (BLIS) and Masters (MLIS) in Library and Information Science from the University of Ibadan, Oyo State, Nigeria. He is also undergoing his Ph.D. programme in the same University. He is currently the head of Multimedia Unit, Redeemers University, Ede, Osun State, Nigeria.

Adetomiwa is a promising young professional who has consistently demonstrated great potential of a 21st century Librarian. He has been able to distinguish himself through innovative professional services he helped to create and implement at the Redeemer's University Library. His innovativeness and professional proficiency have helped to modernize the Redeemer's University Library services. Adetomiwa is a FORCE16 fellow and recipient of 2015 Northwest Interlibrary Loan (NWILL) Scholarship award.