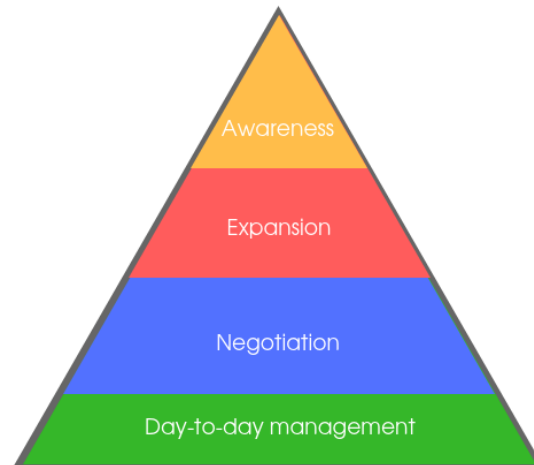


WILS COOPERATIVE PURCHASING REVAMP PROCESS

DECEMBER 2018

REPORT SUMMARY

The 2018 revamp process has created a vision for the WiLS cooperative purchasing service that includes four primary service areas:



This vision is not a complete departure from the work WiLS has been doing in the past. It is a refinement of services to provide what we believe and what our research reveals our members want and need.

One of the keys to getting to this vision is narrowing the base of day-to-day management while providing excellent service. WiLS staff will undertake a variety of activities to move in this direction.

Each of the other areas of the pyramid (negotiation, expansion, and awareness) has its own service development priority described in the report that follows.

This report is not the end of the process, but the beginning. WiLS staff will work on implementing the service priorities outlined in this report but that work will not be done in a vacuum. We will undertake regular evaluation by gathering information from members and activities will be altered as needed to ensure we are headed in the best possible direction.

BACKGROUND

In 2013, WiLS undertook a significant reorganization, leaving the umbrella of the UW-Madison to become an independent non-profit membership organization. At this time, WiLS rethought or redesigned many existing services and added new services based on the needs of membership. WiLS did not significantly change its flagship service, cooperative purchasing, at that time in order to provide consistency to our members through the reorganization and to give the new organization time to mature.

Now, at the five-year mark following WiLS’ reorganization, the WiLS staff, Board, and Cooperative Purchasing Advisory Committee felt it was time to revisit the cooperative purchasing service to ensure that it is providing the most important and desirable services to its participants.

METHODOLOGY

In early 2018, WiLS staff members interviewed peer organizations from around the country - including consortia from Colorado, Minnesota, Illinois, Michigan, Oregon, and California – about their cooperative purchasing services. Questions that WiLS staff asked of these consortia can be found [here](#).

In addition, WiLS scheduled focus group conversations with members from the library community at spring conferences in 2018: the Wisconsin Educational Technology and Media Association (WEMTA), the Wisconsin Association of Public Libraries (WAPL) and the Wisconsin Association of Academic Libraries (WAAL). The purpose of these conversations was to get a deeper understanding, from the viewpoint of WiLS’ members, of needs for cooperative purchasing in the community.

From these interviews and conversations, staff themed the ideas of what a revamped cooperative purchasing service might be into seven general service areas:

- Awareness: Raise awareness of products available
- Education: Provide product education
- Evaluation: Assist with evaluation of currently subscribed products
- Expansion: Identify products and services to expand catalog
- Marketing: Assist with marketing to users
- Negotiation: Negotiate pricing and licensing
- Support: Provide support for purchased resources

Using this framework, the team laid out the potential ideas in a survey. This survey’s aim was to help WiLS identify, by library type, the importance level of the general service areas and of specific activities. The survey was sent to all WiLS cooperative purchasing participants in May of 2018.

The first question in the survey asked respondents to allocate cooperative purchasing staff time into the different service areas described above by dividing up 100% among the provided service areas:

The table below provides a break-down of the results by Academic, K12, and Public member type, in rank order for each type:

Academic		K12		Public	
Negotiate	39%	Negotiate	30%	Negotiate	25%
Expand	15%	Awareness	15%	Expand	16%
Awareness	13%	Expand	15%	Awareness	14%
Evaluation	12%	Support	13%	Education	14%
Support	10%	Education	10%	Marketing	11%
Education	7%	Marketing	10%	Support	11%
Marketing	3%	Evaluation	7%	Evaluation	9%

From these results, we recognized that:

- Members would like a significant amount of time spent on negotiation.
- The service areas of negotiating, awareness, and expansion were the top three for all three primary member types, though not in the same order.
- While these three areas were the top three, there was not a large percentage difference between those and some of the areas below the top three.

As we worked through these survey results, and realized the interconnectedness of many of these service areas, we decided to focus our discussions on the top three service areas. The results of these discussions and further survey results can be found in the recommendations section below.

RECOMMENDATIONS

While WiLS Cooperative Purchasing is a service of WiLS, it is actually an ecosystem dependent on the inter-relationship of WiLS, WiLS members, and our vendor-partners.

Our expectation is that the recommendations below will strengthen the ecosystem by providing more value from WiLS services to both members and vendor-partners. For example, negotiation of prices and license terms was the top ranked service area by members. To build a strong position for negotiation with our vendor partners, WiLS needs to provide opportunities for them to share product information with members, assist with retention of existing customers, and help them better understand the needs of WiLS members. The “awareness” and “expansion” service areas, along with “education” all play into the development of this relationship which, in turn, supports the “negotiation” service area and the success and growth of the ecosystem.

The following service development priorities are intended to work together to strengthen this ecosystem through enhancing a specific service area, improving the support infrastructure, or furthering the cooperative purchasing service more globally.

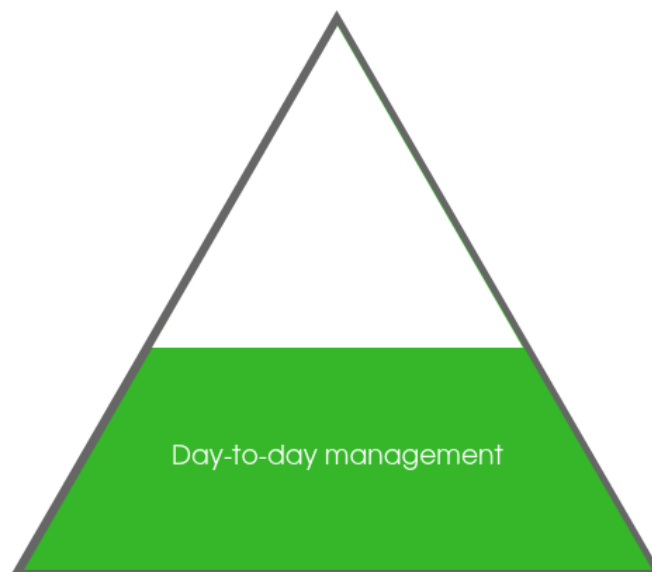
Service development priority #1: Narrowing the base of day-to-day management & improving response time

Cooperative purchasing requires extensive day-to-day management, including subscription management and member/vendor relationship management. Day-to-day management activities include:

- Developing and maintaining group subscriptions.
- Managing the order process (asking for pricing, receiving pricing, sharing pricing with members, getting approval from members, sending orders to vendors, etc.).
- Follow-up and communication with members and vendors about the order process. While part of the order process, this activity takes significant time so is included separately.
- Supporting and improving the customer relationship management system and associated member interface.
- Processing accounts receivable and payable for subscriptions.
- Answering questions from members and vendors and acting as a liaison between the two.

- Meeting and communicating among team members to exchange information and work on better processes.
- Improving and documenting processes and procedures.
- Developing and maintaining relationships with vendors and members (vendor and member orientation, maintaining reseller agreements, monitoring vendor performance, etc.).
- Requesting and reviewing vendor license agreements.
- Understanding the needs of members and keeping up with the marketplace and trends, including an awareness of national efforts to lower prices, get better terms, etc. and to participate in these undertakings as appropriate.

If we think of the time dedicated to the entire cooperative purchasing program as a pyramid, we can think of these day-to-day activities as the “base” of that pyramid:



Currently, this layer of day-to-day management takes up much of the pyramid.

To free up staff time in order to implement some of the new directions identified in this report, we will continue to identify and implement ways to narrow this base. We will work toward this goal by:

1. Thinking deeply about processes: Most of the work in our base is process-driven. By thinking through these processes to identify their effectiveness and efficiency, we can put into place the best possible procedures to complete the work with the least amount of effort.
2. Documenting: Once the processes and procedures have been developed, we will thoroughly document them and related decisions so they can be easily found and repeated. That way, staff time is not spent recreating the wheel or searching for information.

3. Shedding tasks or projects: We will evaluate the work we do as part of this base to make sure it is necessary and beneficial in proportion to the effort we need to expend to complete it. While there are many things we can do, we need to be thoughtful about what we should do and appropriately prioritize.

We will also continue to improve on response time to members. We recognize the importance of members receiving timely responses to their questions and concerns. It builds confidence and trust in the service, and frees members from worrying about a particular question and wondering when they will receive a response. To improve on response time to members, we will implement the following:

1. Encouraging the use of the coop@wils.org email address: Currently, most cooperative purchasing related email goes to individuals within WiLS, which can slow response time if the individual is out of the office or overwhelmed by email volume. Encouraging members to send email, especially common requests or issues (contact and IP updates, access problems, quotes, MyWiLS issues, invoicing questions, etc.), to a shared address will allow other cooperative purchasing team members with capacity to respond when one member is unavailable or overwhelmed.
2. Using Front: Front is an email client that supports team-based email response by allowing for assigning of email messages, monitoring of response time, creation of shared canned responses, internal messaging among team members, and more. Front will make it clear who is responsible for each email and allow team members to focus only on email that has been assigned to them, reducing confusion and increasing efficiency.
3. "Hopperizing" cooperative purchasing email: In the past, specific staff members have been expected to answer all requests from specific member types (academic, K12, public, and special). While it is important for members and WiLS staff to build strong relationships, it is not necessary for specific staff members to be the only ones able to address common issues. The combination of the coop@wils.org email address and Front will allow us to "hopperize" the cooperative purchasing email so that messages, especially common issues and requests, will be fielded by whoever has capacity at that time to get a response to a member as quickly as possible, even if just to let them member know we are aware of the problem and working on it.
4. Creating procedures to support #3: We will create procedures so that as many questions as possible will be answerable by anyone on the coop team.

Service Development Priority #2: Negotiation

The results of the participant survey and our experiences and interactions with participants all point to the need for additional negotiation activities in our cooperative purchasing service to provide members with the lowest costs possible and acceptable license terms. Negotiation could take place in three areas:

- a. License terms
- b. Price
- c. Subscription model

From the survey results, the two priorities for negotiation are license terms and price:

Negotiating for different subscription models was not a high priority for survey respondents. On a scale of -2 to 2, where -2 was "Strongly Disagree" and 2 was "Strongly Agree," statements around negotiating different subscription models (multi-year, partial year, and statewide core resources) ranged in agreement from -0.4 to .8.

We have experience to back up that survey result: when we have negotiated subscription models other than single year subscriptions (multi-year subscriptions, for example), some members participate but the majority of members are not interested.

There are some specific activities we do or can do to improve our negotiation and maintenance of license terms:

- Negotiate terms as approved and prioritized by the Cooperative Purchasing Advisory Committee (CooPAC) when a new vendor is added.
- Sign terms on behalf of participants.
- Make terms available to participants.
- Revisit terms with vendors on a regular schedule as approved by CooPAC.

Price negotiations is less cut-and-dried. We recognize the need to negotiate for deeper discounts when a new product or vendor is added and to continue to work toward lower annual increases. Some activities we can undertake to help increase the buying power of our consortium include:

- Do more head-to-head comparisons of products and negotiation of price as part of the process.
- Build more groups and look for new members to existing groups.
- Identify products new to the market for possible early adoption and better price negotiation.
- Work with CooPAC to identify acceptable percentage increases and other negotiation strategies.
- Advocate for members by collecting and sharing information about budget constraints.
- Provide more value to our vendor partners through more sharing of data and other feedback gathered from members and clearly quantify this value to them.

Part of implementing these activities is a shift in mindset from institution-based subscriptions to group-based subscriptions. While we will continue to offer individual subscriptions, we will begin thinking about these subscriptions as the possible beginning of a group.

Another part is a shift in our renewal schedules. We will begin the work of renewals earlier in the annual budget cycle in order to add group members, have discussions with existing members about negotiation strategy and potential substitute products, and do more head-to-head comparisons and negotiation.

A third component is encouraging staff education and learning from others about negotiation strategies. For example, we will reach out to other consortia in the Midwest to learn what's been effective, how they've built skills in this area, etc.

Service Development Priority #3: Expansion

The survey results indicate that members are interested in more products and services through WiLS cooperative purchasing. Below are the Top 5 areas of interest for expansion for academic, K12, and public libraries:

Academic:

1. Discounts for electronic books
2. New products from existing trusted vendors
3. Discounts for electronic journal articles
4. New products or vendors in the library market
5. Discounts for training/continuing education/conferences

K12:

1. New products or vendors in the library market
2. Discounts for electronic books
3. New products from existing trusted vendors
4. Discounts for print books
5. Discounts for training/continuing education/conferences

Public:

1. New products or vendors in the library market
2. Non-library offerings that would be helpful to libraries (Dropbox, lynda.com, Adobe, movers, etc.)
3. New products from existing trusted vendors
4. Discounts for performers, speakers, and programming resources
5. Discounts for training/continuing education/conferences

As we discussed adding products, we realized that we need to narrow the scope of our service and be more particular about the vendors and products we include.

Historically, we have taken a "the more, the merrier!" approach to our vendor partnerships. However, this approach means that we can't provide all of our vendor partners with the time and attention it takes to appropriately understand and promote their products and to maintain effective relationships. It also means that we're not able to take the time to negotiate the best prices possible with all vendors.

We do not want to continue down this path. Instead, we want to add products that have a clear benefit to members. We also want to provide a clear benefit to our vendor partners so they continue to offer the best possible discounts to our members.

We will need to make thoughtful choices about which vendors and products to include in our catalog. Some evaluation points we may use to make these decisions are:

- *Flexibility and willingness to work with us*
- *Volume of sales and popularity among participants*
- *Opinion of members and the reputation of the vendor*
- *Quality of the product*
- *Available discount*
- *Revenue or potential revenue*
- *The amount of time spent with the vendor on day-to-day activities:* Some of our vendor partners take significantly more time than others in the day-to-day activities needed for subscription management due to inefficiencies, non-responsiveness, and other factors. While this will not be the only determining factor, it could impact our desire to maintain a relationship with a vendor.

We have begun this process already by eliminating relationships with vendors that members are not utilizing. We are implementing “last chance” marketing pushes with vendors that have products we expect to be of interest to members, but that have not yet been purchased through WiLS. We will continue to winnow the list while being thoughtful and selective about additional vendors.

We will also be thoughtful and selective about adding vendor partners. We will focus our energy on library vendors and products, while exploring partnerships to provide additional discount opportunities for non-library products. For example, we are currently exploring a partnership with Wisconsin Technical College System to offer discounts to non-library products to more members.

The array of library vendors and products is large, and in order to narrow our scope even further, we will focus on categories of products that we currently offer:

- Electronic resources
- “Hard goods” (books, furniture, etc.)
- Staff training and conferences

We believe that by narrowing the scope and focusing on what we already do, we will be able to identify and introduce more discounts to products that matter to our members.

Service Development Priority #4: Awareness

The survey results around communication left us a little befuddled in how to proceed with increasing awareness of products:

Statement	Academic	K12	Public
I would like to be able to choose to receive emails about specific vendors or subject areas	0.55	0.89	0.78
I regularly read the monthly Community Chronicle to get information about cooperative purchasing.	0.59	0.36	-0.41
I would be more likely to read targeted emails on a specific cooperative purchasing topic rather than the Community Chronicle.	0.48	0.53	0.70

(Scale: -2 to 2, with -2 being “Strongly Disagree” and 2 being “Strongly Agree”)

Most members indicated that they did not read the monthly newsletter, Community Chronicle, but were not necessarily interested in emails about products, either.

After much discussion, we have developed an awareness plan that we hope will increase the visibility of products and discounts to our members while providing our vendor partners with more opportunities for effective exposure of their products:

1. *Taco Tuesdays*: Taco (or "Talking About Coop Opportunities") Tuesdays will take place on one Tuesday a month. During this one-hour webinar, vendors will have the opportunity to demonstrate or explain a new product or service for 10 minutes, followed by 5 minutes for questions. We will advertise which vendors or products will be shared during each 15-minute block through multiple channels. Members will be able to attend as many 15 minute sessions as they would like. We will also record each session and share them through the vendor partner's page on the WiLS site. Trials will be organized for any product that is featured (if the vendor allows it) and shared at the same time.
2. *Topical virtual discussions/peer demonstrations*: We will coordinate opportunities for members to get together virtually to discuss products and share their experiences with them. These sessions could be more formal and include demonstrations of competitive products by members or they could take more of an "unconference" format, where members can share and ask questions about specific topics or products.
3. *Cooperative purchasing email discussion lists by type of library*: These lists, which will include all cooperative purchasing contacts in the WiLS customer relationship management database (unless the individual chooses to unsubscribe) and anyone from a MyWiLS subscribing institution who would like to participate, will be used for multiple purposes:
 - a. As an engagement tool: The email lists will provide a place for members to ask one another questions and to share information about the resources they use.
 - b. As a feedback tool: Having these email lists will allow WiLS staff to ask questions about potential vendors, directions for the cooperative purchasing service, and other topics, giving members the opportunity to provide feedback and to feel more ownership of the service.
 - c. As an awareness tool: While we will begin with email lists by type, we could add other lists by topic or resource as the need arises. A more detailed plan will be developed for how these lists will be maintained, how discussions might be seeded, and what will be appropriate uses of the lists.
4. *Targeted email lists by interest area*: While the email lists by type of library will fulfill many needs for getting the word out about products that are mostly type-specific, there are other areas of library service that are not as focused on electronic resources and cross type. For these areas, we will add targeted opt-in email lists by interest area. Some example of interests could be building/remodeling or maker activities. These lists will have the same three purposes as those stated above for the email lists by type of library.

5. *Product user groups*: In conjunction with other events (WiLSWorld, WAAL, WAPL, WEMTA, etc.), we will bring together members to talk about electronic resources and the WiLS cooperative purchasing service to provide an opportunity for members to share information about products with one another and WiLS.

6. *Other activities as identified by our vendor partners*: As we work to improve relationships with our vendor partners and increase awareness among our members, opportunities may arise for custom, one-time awareness activities that could benefit members. Examples may be a social media campaign for a product created by a vendor or an educational webinar for current subscribers organized by the vendor. As these opportunities arise, we will evaluate them based on the value to our members and vendor partners and our capacity to undertake them.

Other service areas

Some of the service areas included in the survey are not specifically addressed in the service development priorities listed above. These areas are:

- Education: Provide product education
- Evaluation: Assist with evaluation of currently subscribed products
- Marketing: Assist with marketing to users
- Support: Provide support for purchased resources

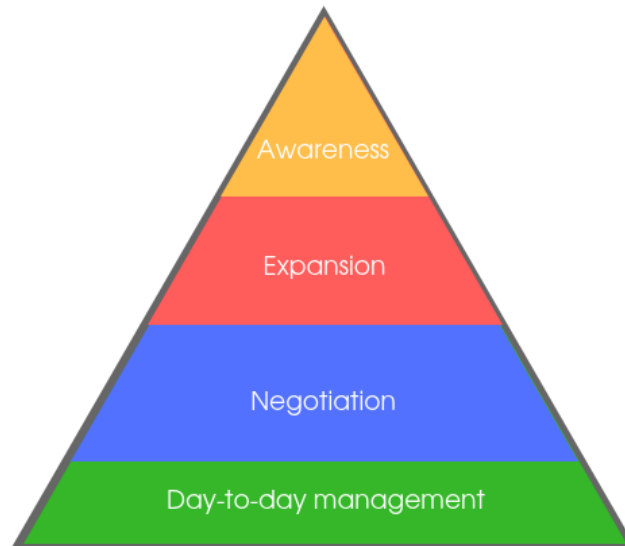
Just as we need to narrow our base of day-to-day operations and list of vendors, we need to narrow our service areas in order to focus on the service priorities identified by our members.

However, we believe the four service development priorities will allow us to provide services to members that we have not had capacity for in the past and will still fulfill needs identified in other service areas.

One example is the development of option packages for a specific topic area that would include pros/cons, price ranges for the various products, and experience from members. In the new model, this could be accomplished by a combination of a webinar where members share experiences with the comparable products, development of pros/cons lists through information provided by the members through email lists, and negotiation of price ranges by WiLS staff.

Another example is quick tips for using electronic resources available through WiLS. Utilizing the knowledge of the community, along with information from our vendor partners, we will collect sets of “quick tips” for certain resources to help members better utilize their resources.

We visualize the new pyramid of our cooperative purchasing services will ideally look like this:



As mentioned above, WiLS cooperative purchasing is an ecosystem dependent on the inter-relationship of WiLS, WiLS members, and our vendor-partners. Our hope is that these changes in the WiLS coop service will lead to stronger inter-relationships among the parties involved and, as a result, better service to WiLS members.

EVALUATION

To ensure that the priorities and activities described in this report are beneficial to members, we will undertake the following evaluation activities:

1. Member survey: We will conduct a member survey at the time this report is released and will repeat the survey in six and twelve months to determine if measures such as satisfaction improve as the activities are implemented.
2. Evaluation of specific activities: We will collect feedback about specific events and activities, such as Taco Tuesdays and use information provided to improve future activities.
3. Member discussions: We will convene conversations at the Spring conferences to discuss the progress of the initiatives and perceptions of members about the changes.
4. Discussions with the WiLS Board and CooPAC: The WILS Board will revisit this report and information collected about the progress of implementation in August and December. CooPAC will regularly discuss the implementation at their meetings.
5. Internal reviews/discussions: We will discuss the activities as a staff to determine how we can improve the work as it happens.

The overall intent is to take a continuous improvement approach to the proposed activities. We will evaluate and change things as we go along in order to constantly improve and make the activities most useful for members.

PLAN FOR IMPLEMENTATION OF ACTIVITIES

Below is a list of activities for each service development priority. For each activity, there is a current status update (if any work has been done on that activity) along with plans for 2019.

Service development priority #1: Narrowing the base of day-to-day management & improving response time

Activity	Current status	Plans for 2019
Streamline/document processes	Efforts are already underway to streamline and document processes. Coop staff regularly discuss processes to improve and standardize workflows. Documentation is changed or created for modified workflows.	<ul style="list-style-type: none"> Continue to discuss/improve workflows. Complete work on a cooperative purchasing manual by the end of the year.
Shedding tasks or projects		As we move forward, any project, task, new vendor, etc. will be evaluated against this revamp plan to ensure that work undertaken by coop staff reflects the needs of members.
Encouraging the use of the coop@wils.org email address		The coop@wils.org address will be prominently featured in communications about cooperative purchasing and on the WiLS website. Any email sent to individual coop staff that is more appropriate for coop@wils.org will be responded to from that address.
Using Front	Coop staff is currently using Front.	We will create canned messages, improve workflows, and learn more about the product in order to use it most efficiently.
"Hopperizing" cooperative purchasing email	With the implementation of Front, staff are beginning to respond to questions as they have capacity and expertise.	We will develop the necessary documentation and canned messaging so that any member of the coop team can respond to more of the email send to coop@wils.org

Service Development Priority #2: Negotiation

Activity	Current status	Plans for 2019
Negotiate terms as approved and prioritized by the Cooperative Purchasing Advisory Committee (CooPAC) when a new vendor is added.	Currently happening	Will continue in 2019
Sign terms on behalf of participants.	Currently happening	Will continue in 2019
Make terms available to participants.		We will improve MyWiLS to provide easy access to license terms from vendors through the MyWiLS interface.
Revisit terms with vendors on a regular schedule as approved by CooPAC.	Beginning in 2018, license agreements were sought for all vendor partners.	Review of the license agreements received in 2018 will continue, with a goal of having updated license terms for all vendors by the end of 2019.
Do more head-to-head comparisons of products and negotiation of price as part of the process.		WiLS coop staff have selected specific subscription groups to concentrate effort in 2019. For those groups, head-to-head comparisons will be part of the subscription renewal process.
Build more groups and look for new members to existing groups.		<p>WiLS coop staff have selected specific subscription groups to concentrate effort in 2019. For those groups, new members will be sought.</p> <p>WiLS staff will determine plans for building more groups by March 2019.</p>
Identify products new to the market for possible early adoption and better price negotiation.	WiLS staff look for new products at conferences and learn about products through members/professional reading.	A higher priority will be placed on moving from identification of products to signed agreements. Specific plans for this focus will be created by April 2019.
Work with CooPAC to identify acceptable percentage increases and other negotiation strategies.	These topics have been discussed with CooPAC in the past.	Plans for negotiation strategies will be shared with CooPAC at their February meeting for their consideration and feedback.

Advocate for members by collecting and sharing information about budget constraints.	In past years, we have collected information about budget constraints to present to vendor partners.	Collect updated information on budget constraints of members in order to provide information to vendors at time of negotiation.
Provide more value to our vendor partners through more sharing of data and other feedback gathered from members and clearly quantify this value to them.	In 2018, WiLS established an annual process to share information with vendor partners, including basic information on numbers of renewals/cancellations/additions.	WiLS staff will discuss other potential information to share with vendor partners and will fold this information into the annual process.
Shifting renewal schedules	Throughout the last couple of years, WiLS staff have been seeking renewal pricing from vendors sooner. Our current standard is that pricing is received from vendors no less than 90 days prior to subscription start date.	WiLS staff will continue to work toward receiving pricing as early as possible. WiLS coop staff have selected specific subscription groups to concentrate effort in 2019. For those groups, the renewal process will begin much earlier to give ample time for negotiations.
Staff education around negotiation	Staff have discussed and developed a process for renewal negotiation that includes talking with other consortia about negotiated terms, strategies, etc. Staff have also started to work on developing these skills through professional development and reading.	The process for renewal negotiation will be employed, evaluated, and modified. A process for new product negotiation will be developed by March 2019. Staff will continue to place a priority on education around negotiation.

Service Development Priority #3: Expansion

Winnowing the list of vendor partners	Vendors without subscriptions have been given a "last chance" marketing push and some relationships have been eliminated.	CooPAC will discuss criteria for winnowing the list of available resources at their February meeting; A list of criteria will be developed and reviewed by CooPAC.
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Developing partnership with new vendors/adding products from existing vendors		Staff will create a new process for determining products/vendors to add based on the report recommendations in January 2019.
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Service Development Priority #4: Awareness

Taco Tuesdays	Planning for Taco Tuesdays is underway. Vendors have been lined up for the first one in February and marketing has begun.	Sessions will start in February. Each session will be evaluated individually and changes will be made as needed. Additional evaluation will take place in June and December.
Topical virtual discussions/peer demonstrations		Procedures and a schedule for these sessions will be established in 2019, with the goal of having no fewer than 6 sessions by the end of the year.
Cooperative purchasing email discussion lists by type of library		Lists will be created and populated by February 2019.
Targeted email lists by interest area	A survey to collect interest in topics is developed and available for members to complete.	Lists will be created and populated by February 2019.
Product user groups		Plans for the product user groups in 2019 will be made by February 2019.
Other activities as identified by our vendor partners	A plan has been created for regular marketing check-in calls with some vendor partners. Feedback on activities has been solicited from vendors as the plan was developed.	The plan for regular marketing check-in calls will be implemented.