

Book Reviews/Boekresensies

Financial and cost management for libraries and information services 2nd ed.

Roberts, Stephen A.

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The 1st edition of this book was published in 1985, at a time when not very much had been written on this specific aspect of library management. Some decade later the author felt that the professional community was ready for this new edition, which attempts to cover a wider span of financial management than its predecessor and now includes links to management information, performance and evaluation, and the convergence between business enterprise and library enterprise.

The book deals with financial management within the context of library and information work, and is intended to be of relevance to managers of libraries of all kinds. This relevance is obvious when one considers the relatively small number of libraries, apart from large national or academic libraries, which have staff positions dedicated to financial management. However, as the author points out, library managers are responsible for the allocation and utilization of resources, for the setting of goals and objectives, for performance levels, and for internal economic management. Some practical knowledge of resource management is advisable.

All library managers need management information, not only to justify their existence to those who fund them, but for internal planning and management. In his introductory chapter, Roberts elaborates on what these needs might be, the special characteristics of a variety of kinds of libraries, and changes in the environment which have affected the way in which we manage. The increasing need for good financial management is changing the kind of professionals in managerial roles in libraries, and the kind of training such people need to do their jobs well. This somewhat lengthy first chapter dealing with *context* could perhaps have been a little more concise, but it sets the scene for the more practical chapters that follow.

The author provides a list of features within the library and information world that form the basis of financial management. These include budgets and budgeting, delegation to business centres, behavioural awareness, and cost measurement. All need to be utilised to achieve results. Guidelines on planning processes and on constructing a business plan are provided, and there is a very useful section in Chapter 2 on budgetary policy and strategy. Classes of expenditure (the line item approach), types of activity, zero-based budgeting,

and budget documentation and presentation are described in simple terms, as are the consequent activities of implementation and monitoring. Budgetary variances may lead to corrective action, and at the end of the financial year, performance review is recommended. Such terms and practices are clearly explained. This practical section will be of interest and assistance to all senior library managers.

Chapter 3 provides a clear introduction to financial management. Definitions of basic concepts such as accounting, costs, income, and expenditure set the scene for advice on planning and budgeting, developing cost centres, financial procedures, and income generation. The author makes the point that, in the scale of organisations, library and information centres have 'seemingly been able to operate on a very minimalist interpretation of planning and budgeting'. There is room for 'beneficial and effective reform' in our methods of financial management, and this book is full of suggestions and practical advice on how to approach the task more aggressively.

The chapter entitled 'Information needs and requirements' studies the link between cost data and performance measurement, and the importance of both concepts in cost management. Much has been written on performance measurement and performance indicators, and I am not sure that it was necessary to cover this subject in quite as much detail in this particular book. Their importance in the evaluation of the economic performance of libraries is however indisputable.

Roberts deals with the complex matter of *cost measurement* clearly and informatively.

'The organising systems for providing cost information and cost structure are the budget (planned expenditure and revenue), the financial accounts (actual expenditure and revenue), and the managerial accounts (costs related to decision making). The means of establishing, assessing and controlling costs are provided with this framework'.

Clear descriptions of the important concepts of input, throughput and output are provided. There is a very useful section dealing with cost analysis and the differences between cost distribution and cost allocation and cost-effectiveness and cost-benefit. Several methods of cost measurement are described in detail. This chapter demands careful reading, but is well worth the effort.

The section dealing with *Implementation of cost measurement* covers specific issues and problems which might arise. The obvious but very pertinent statement is made that before making cost studies and collecting cost data, the manager needs a clear idea of the specific reasons for doing so. Useful checklists are provided and major steps outlined (study design, system description, data collection, analysis of results). As one would hope in a chapter on implementation, the advice is practical, systematically laid out and clear.

Roberts' intention is to 'reinforce professional attitudes towards costing and accounting for library and information services'. Much of his book is practical, useful and thought provoking. At times it becomes rather theoretical, and some

readers will be forgiven for skipping a few pages here and there! Generally, it is a definitive, comprehensive and well researched book, which should be found in the offices of library managers, well thumbed, relevant sections marked, and easy to hand for quick reference. Lecturers in librarianship and information studies should consider dipping into it for ideas and enhancements to their courses in library management.

The book has a detailed table of contents with sub-sections of chapters listed, facilitating easy use. Each chapter ends with a section entitled *Further reading*, which in total contain a mine of bibliographic information. The *Glossary* is excellent, and the *Index* detailed and accurate. The typeface is clear, and the text and tables well laid out. This is a pleasing publication which will occupy an important place in the professional literature.

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