Life After Outsourcing: ARCO’s Seymour Satin

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How librarians evolve and change and yes even thrive within corporate structures frequently happens in strange and mysterious ways. Take the case of Seymour Satin, newly named Coordinator of Information Services for ARCO’s Los Angeles operations. A Fortune company, ARCO is a petroleum company with over 24,000 employees and many small satellite libraries scattered throughout its organization.

When Seymour started at the ARCO library in 1980, as a Xerox clerk, there were 11 library employees. Over the years with the ups and downs of the petroleum industry, the library staff slowly shrank. In June 1994 the five remaining library staff members were told the library would close December 31, 1994. The staff was asked to stay to close up the library. Management was surprised, however, when a tremendous outcry arose from employees within ARCO about where management expected them to go to get the information they would still need after the library closed.

A committee was formed to evaluate different methods that might be used to get information while still reducing head count and costs. Two librarians were retained to meet the research needs of the ARCO corporate headquarters in Los Angeles; one left in 1995. Library space was cut in half and ceased to be the same casual walk-in facility it had been.

Since November 1995, almost every service of the ARCO library has been maintained, but on an outsourced basis. Much online research and dealings with vendors is done by Seymour Satin, but they outsource much of their online searching to Seek Information Services [http://www.seekinfo.com], TDI Library [http://www.tdico.com] does most of the document delivery for ARCO. If the library cannot fulfill a request, it goes to the department secretary of the requester with instructions on how to order the needed item from TDI. Each department pays its own document delivery charges.

Library Associates [http://www.primenet.com/~fastcat] handles cataloging, temporary research assistance personnel, and special projects (e.g., retrospective conversion, shifting of collection, contract personnel, etc.). While time spent training temporary people has definitely increased, overall the outsourcing has saved ARCO significant amounts of money.

Early in 1997, a huge "procurement initiative" started within ARCO to look closely at ARCO purchasing. At the same time, the corporation went through a major reorganization. Of course, this included looking at information resources within ARCO. As a member of the team charged with looking into procurement, Satin focused on issues regarding information resources.

The committee looked into ways to leverage their purchasing power. Satin became a member of the subcommittee charged with looking into desktop tools for the entire enterprise (all employees) and additional tools for decision makers and power users within ARCO. He received the authority to negotiate with vendors for just what they need and has used that power to leverage ARCO’s purchasing power and reduce duplication in the company’s procurement of information resources. Meeting the committee’s goal has begun to pay off for ARCO.

The procurement initiative was aimed at identifying opportunities where ARCO could buy across the entire enterprise. ARCO’s reorganization in 1997 resulted in five major libraries going under Seymour Satin’s direction. The Corporate Tax Library, Corporate Legal, Environmental Health and Safety, Photo Library, and a couple of small satellite libraries merged with his Information Resource Center. Previously, Satin had just administered the Information Resource Center.

The consolidation meant that this was the first time many of these collections were organized and cataloged, with access opened to everyone in the organization, rather than just a few affil-
ciones of small satellite libraries. When the different libraries consolidated, Satin discovered they had three vendors doing filing service work in nine different locations in ARCO. Seymour began consolidating the filing services and had the three vendors bid on one large contract to do all the filing. Library Associates won the award for the consolidated filing services, an arrangement that should save ARCO $12,000–14,000 per year.

In addition to having five libraries under his direction, Seymour has taken over the task of negotiating all of ARCO’s business information contracts. This consolidation has allowed him to negotiate enterprise-wide agreements with vendors, giving ARCO more clout. Vendors may view each satellite library as a $25,000 customer. If the vendor totaled up what each little library across the country or world spent, they might find a $1,000,000 customer. Vendors prefer one point of sale too, as it lessens their cost of sale. And Satin makes sure that the savings get passed along to ARCO.

The committee felt ARCO needed to conduct an information audit. After the initial bids from six competitors, ARCO realized it required a tangible result at the end of the audit. The committee also wanted assurances that savings would result from the audit. They wanted the bidders to prove they could find savings and predict when ARCO could expect to see those savings from this information audit. The tangible results ARCO will receive include a complete listing of all library materials, online systems, internal models, consultant studies, information assets, and work within the Information Technology area.

**Knowledge Management and the Future**

Independently and unknown to each other in the beginning, different organizations within ARCO had started trying to build Knowledge Management systems. Independent efforts within IT (information technology) groups were quickly consolidated, with the Knowledge Management team now called the Learning Organization TechLink. TechLink’s purpose is to define the state of the art learning organization and to test which of many knowledge management approaches will work best in the ARCO environment and culture. The library intends to become a major contributor to this part of the organization’s efforts.

The library purchased EOS International’s online catalog software [http://www.eosiintl.com] to reduce costs and expand access to all libraries through one catalog that reaches every desktop throughout ARCO. This is just the beginning of implementing a knowledge management system.

Satin’s committee still evaluates and decides what tools ARCO employees need. In addition, they now evaluate specialized tools required for decision makers and power users. The experience has confirmed for Satin how critical listening to what the customer wants is to the success of the system. If he had not already known it before, the lesson would have ingrained itself into him when the library faced closing in 1994.

“Don’t ignore your practical experience and knowledge learned on the job.... You have to make your clients happy or you can just close the doors,” says Satin. “Knowledge management will not end, it will continuously evolve and remain an on-going process. You can’t just throw information in, and leave it alone, you have to continuously update information sources, and monitor the corporate culture and the ways in which it is evolving for knowledge management to work.” He agrees with articles that say knowledge management is a buzzword, but he doesn’t believe that fact should turn librarians off. “You need to leverage the information in your organization. That process needs to be done.”

The whole knowledge management process has changed Seymour and his organization. The library challenges people as to why they purchase a particular book or information source and why they judge material important enough to add to ARCO’s resources — asking what they need and examining whether the material they request really meets those needs. As information professionals, they make suggestions, when appropriate, about resources that might better meet customer needs. The library no longer just takes the customer’s word. They suggest better alternatives. They also look at enterprise-wide opportunities, feeling if one customer finds information useful, others may also find it of value.

Overall, Satin says he has enjoyed the transformation of the ARCO library. As we ended the interview, he proclaimed, “I love my job.” I believe all good librarians love their job when they feel they make a significant contribution to the organization and their clients. Even though Seymour has taken on much more responsibility and work than a traditional library might require, he finds working at a much smarter and higher level much more satisfying.

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