



A Financial Sustainability Manifesto

From the desk of the Library Provocateur

Glancing around the shelves in my office late one afternoon recently, I was struck by the number of business books published in recent years with the word sustainability in their title. A quick keyword search of the National Library's catalogue returned 3347 records published since 2001.

Without doubt, sustainability has been the watchword of this past decade: driving and guiding the efforts of diverse interests for myriad purposes – not all of them environmental.

In his 2009 book *Strategy for Sustainability*, Adam Werbach reminds us that the word itself was not widely used until 1987. In that year it came to prominence in a seminal UN report on sustainable development, *Our Common Future*, and has not left our consciousness since.

The danger of overuse, of anything except our muscles, is that familiarity breeds both contempt and invisibility – what Michael Pollan (*The Omnivore's Dilemma*) calls the “danger of floating away on a sea of inoffensiveness.” (Hands up now, all those who can see where this thread is heading?)

And so it is, I would suggest, with our professional association. The more we see of it, and the closer we become to it, the less obvious are its fundamental challenges – we lose our perspective. In my estimation, by far the most important challenge currently facing ALIA's Board and management is to achieve financial sustainability.

However, anyone who read the 2009 Financial Report will appreciate that we remain a long way from that necessary goal.

But we are not alone in this and should not be embarrassed as an association to meet the challenge head on. I'm not normally a fan of management euphemism, but I can see that the challenges we face do present us with some exciting opportunities for change – positive, long lasting change.

And so my purpose here is not to chide – it is to offer some reflections on how I believe we can achieve a financially sustainable association; and harness that sustainability longer term to achieve our common objects and values. ALIA is, after all, a member organisation and by the act of joining it and paying our dues we agree to be part of a collective purpose.

It is not sufficient therefore to leave the solutions to others – we all have a collective duty to understand what is going on within our association (seek guidance from others on reading financial statements if needs be) and advocate to our elected Board members when and where we believe action is required.

Returning to Werbach for a moment, I'd like to share his definition of a sustainable business: it means, he says, “thriving in perpetuity”. That put simply is my wish for ALIA.

And so, how to achieve this thriving in perpetuity?

We will all have our own ideas, and should not be afraid to put them forward for public consideration and discussion. It pains me to see how rarely now members write to the Editor of *inCite* or passionately exchange ideas on an e-list.

The following is my Five Point Plan for Financial Sustainability. I present it not to be provocative per se, but to show that challenging times call for new thinking and debate.

1. Do what the Australian Society of Archivists did some years ago and get out of Canberra.

Please (please!) don't breathe a word of this to our ACT colleagues, but with the exception of the relatively few weeks that Parliament sits each year, Canberra is not where the underlying business of Australian politics is now transacted. As a colleague leading an influential education peak body pointed out to me recently, until mid July of this year, Australian education policy was largely being driven from Melbourne, not Canberra. Astute observers will guess why.

Our capital is now effectively a 'fly in, fly out' destination for many corporate and not-for-profit interests, particularly those with a narrow interface to government. We should be following their lead and courting the favour of legislators at the source, where questions of policy are actually decided.

2. Sell ALIA House and invest the capital realised from the sale.

I can only assume that the original decision to build ALIA House in Canberra was based on (for the time) informed political not economic considerations. If it had been guided by economics, my guess is we would now be headquartered on the fringe of the Sydney, Melbourne, or Brisbane CBD, gleefully counting the double digit growth in rental revenues and capital gains.

My plan for financial sustainability says to sell ALIA House for the best possible price and take advantage of the commercial property market in another city. Or better yet, invest the cash and lease premises. This is not selling the farm – it is following a more sustainable business model.

And if we still crave proximity to political power, ALIA can always open a branch office in western Sydney, or Queensland!

3. Commercialise a core set of products to create new, long-term income streams.

I can give no better example here than the modest Online Store operated by the Australian Society of Archivists. Yes, I'm mentioning them a bit, but their business model is instructive. The Society's product offering may be limited but it creates a steady sales income year after year; in large part from the text *Keeping Archives*, now in its 3rd edition and retailing for \$130 including GST. Think what cash flow might be generated for ALIA from the sale of prescribed library and information management texts, member merchandise, and, dare I say it, professional development mandated by a compulsory PD scheme.

ALIA has long lacked entrepreneurial vision and sadly, it shows in our finances.

4. Cull the number of subsidiary associations and peak bodies competing for support and diluting the central ALIA brand.

There are now in Australia literally dozens of national and state based library organisations chasing finite members and declining sponsorship dollars. They are all competing to service discrete slices of a professional community estimated in 2006 to be at best around 25 000 people working in library-related occupations – only 40% of whom (roughly 10 000) were identified as librarians.

Granted, there is nothing to stop us belonging to more than one organisation, but do we realistically have the time and money to do each (and our profession) justice?

5. Cut the number of library conferences.

Finally, there seems to be an accepted wisdom in the profession that more conferences make more money. Sadly, in net terms the reverse is actually true. Although ALIA has tried to show leadership on this issue, and with some success, it seems that just as one marginal conference is retired another springs up in its place. While conferences are an important feature of the PD landscape, they do no one any long term good – least of all our association – if they create internal competition for registration and sponsorship dollars.

If ALIA is to achieve financial sustainability, my plan says we have to be focused on maximising net profits from a very select few conferences each year. I'd go as far as to advocate one annual mega-conference with every interested library sector group and peak body buying a stake in the event – and the profits.

In closing, I'll leave you with a quote from Richard Bach: "What the caterpillar calls the end of the world the master calls a butterfly".

Financial sustainability is ultimately about creating for ALIA and its membership the freedom to act and choose. Now that's an idea worth putting in a little red book!

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