



Information spend: Don't let the tail wag the dog!



Stephen
Phillips

Managing an inventory of information products and the associated suppliers has always been an important role for Library and Information Managers. The health crisis has been a particularly profound catalyst for change, and I have spoken with organizations that are reducing their dependency on hard copy resources and associated budgets by up to 85%.

The latest spur to drive toward electronic delivery, this trend presents some opportunities and many issues:

- Lowered the barriers of entry for publishers and content producers, leading to a proliferation of products and vendors;
- Removed the sanitizing (some might say censorship) of information prior to publication, reducing the voracity of some information;
- Commoditized content, leading to a “race to the bottom” in terms of cost and quality;
- The availability of information and the speed at which it travels are a source of wealth and competitive advantage, leading to hyper-scale or hyper-local information solutions.

It is this last observation that I would like to explore. Most organizations that actively manage their information product portfolio have seen this polarizing force on their inventories, causing the growth and dominance of a relatively small group of “mega vendors” and providing extensive access to a massive portfolio of content and information aimed at a wide range of consumers. They can offer some customization, but the structure of their data, the nature of the repositories and legacy collection methodologies limit this potential.

We all know that most organizations have a much larger collection of micro relationships with smaller suppliers – the “tail spend.” These vendors are often the most valuable to the organization, with niche offerings for niche consumers. Their products are a source of unique insights or efficiencies that differentiate an organization from its competitors.

My experience is that more than 90% of an organization’s information spend is typically committed to fewer than 50 individual vendors. Whilst the others account

for less than 10% of the spend, they can make up more than 70% of the contracted vendors in the portfolio. This presents its own challenges.

Business leaders often regard the mega vendors' products as table stakes, but will try to play them off against one another to realise cost opportunities by removing duplication, consolidating products or negotiating per capita costs. On the other hand, they often take a different approach to the niche suppliers, declaring them "just too difficult" or "just too small" to manage. Some delegate ownership back to the business units to manage their own relationships.

Library and Information Managers have long recognized the need to actively manage this part of the portfolio. These products are critical to the success of the business and they may actually be more expensive on a per capita basis when compared to larger cousins.

Library Managers are particularly mindful of the risks presented by "micro suppliers," especially the copyright risk. These vendors are sensitive to the value of their intellectual property and more motivated to protect it. They can secure significant damages for breach of intellectual property rights. In Florida, for example, punitive damages for IP infringement can be \$150,000 per instance.

Library and Information budgets may not stretch to funding the resources needed to proactively manage the full extent of an information portfolio. If that spend has been defrayed or delegated across the organization, it is a major undertaking to bring it under management or apply some governance. The professionals at Couranto are sensitive to these challenges; as former practitioners we know how important these issues are to our clients. Increasingly we find our clients devote their primary focus internally on their "mega vendors" and partner with Couranto to manage that long tail.

Interested in what Couranto can offer your business?

Contact [Stephen Phillips](#) for more information.

Stephen Phillips is a global leader, influencer and advisor with over 30 years of experience in knowledge and information management, document services, analytics, and vendor management.