

BUILDING SOCIAL CAPITAL: A CASE STUDY OF AN ACADEMIC LIBRARY SUPPORTING ENTREPRENEURS

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ABSTRACT

Libraries, particularly public libraries, have been acknowledged as contributors to local economic development in many countries. This is especially evident in the small business sector, as public libraries provide information and counseling either as direct services or in collaborative community arrangements. The professional literature has but few discussions of a similar role played by academic libraries in supporting the business community. This paper will describe both indirect and direct assistance provided to local entrepreneurs by business librarians at a university library located on an urban campus. Second-year students in the MBA program at the Rutgers Business School (Rutgers University, New Jersey, USA) are required to provide consulting services to small and medium-sized businesses. As part of their academic preparation, these students are taught by librarians to effectively use a wide range of print and electronic library and Internet resources with financial, market research, industry, and business information. Furthermore, entrepreneurs are also helped directly by librarians through hands-on workshops on business plan research as well as individual counseling in person and via e-mail. In partnership with the New Jersey Small Business Development Center, these outreach efforts of the academic library have enhanced the service mission of the university and strengthened local business community networks.

1. INTRODUCTION

The concept of “social capital” was introduced in the context of human interpersonal relations and social networks, where the rational actions of all parties in the relationships facilitate productive activity and the achievement of desirable goals (Coleman, 1988). This idea of mutual trust and reciprocity for the sake of mutual benefit has been extended to the realm of economic development. Although there are differing interpretations of how this social goal is actually achieved, there is a great need

to identify the mechanisms that will create, nurture, and sustain the types and combinations of social relationships conducive to building dynamic participatory societies, sustainable equitable economies, and accountable developmental states. (Woolcock 1998, 186)

One social institution that nurtures relationships and builds social capital is the Library. Public libraries, in particular, have been acknowledged as contributors to local economic development in Australia, Canada, the United Kingdom, and the United States. In a report prepared for the State Library of Victoria, Australia, libraries were recognized as partners

with local institutions in providing information or counseling support to small businesses either as “direct services or in collaborative community arrangements” (New Focus Research 2003, 10). Public libraries in Canada are able to afford and offer the information resources needed by small businesses (Fitch and Warner, 1997). In the United Kingdom, public libraries provide information and training resources to support “economic regeneration” (David Hayes Associates, 2001). The experiences of public libraries in ten states in the United States are highlighted in a book to help libraries participate in economic development (Bleiweis, 1997). And librarians everywhere have been challenged to help build their local communities (McCook, 2000).

The professional literature has but few discussions of a similar role played by academic libraries in supporting the business community. The Edwards Library at Central Missouri State University at Warrensburg provides patent searching expertise to inventors through their local Small Business Development Center (Medaris, 1997). The fledging partnership between the Nevada SBDC and the Lied Library of the University of Nevada, Las Vegas, emphasizes local economic growth as well as strengthening the library's collections to support UNLV's College of Business (Tucker, 2004). This paper will include a discussion of the relationship the Dana Library of Rutgers University has with the Newark Regional Center of the New Jersey SBDC.

2. PROFILE OF LIBRARY AND PATRONS

The John Cotton Dana Library serves the Newark campus of Rutgers, the State University of New Jersey. The campus is situated in the heart of Newark, the largest city in the state, with a population of about 273,000 (U.S. Census Bureau 2000). This urban setting makes all campus facilities and services very accessible to the residents of the city and surrounding towns. With a collection of books, bound journals, and government documents of over 600,000 volumes, the Dana Library is the largest academic library in Northern New Jersey, and offers the widest range of electronic databases. Furthermore, its collection of business-related materials is the most extensive in the state.

In many ways, the Dana Library serves as a public library: school children visit us with their teachers; local residents use our public-access computers; students from neighboring colleges and universities borrow our books or photocopy articles from our journals; and people come to view our ever-changing art exhibits. The Dana Library is open every day of the week and the librarians assist anyone who stops at or calls the reference desk. We are also receiving an increasing number of inquiries via e-mail.

Our business collection was developed primarily to support the Rutgers Business School, which offers several graduate degrees. This strength of the Dana Library also benefits entrepreneurs and the small business community, and the reference librarians are prepared to assist anyone who walks in the door. We also see entrepreneurs who are referred to us by the New Jersey Small Business Development Center's network of Regional Centers.

3. INFORMATION NEEDS OF SMALL BUSINESS

In a paper commissioned by the U.S. National Commission on Libraries and Information Science for the 2003 Information Literacy Meeting of Experts, it was noted that

The growth of the Internet and the participation of business libraries in using the Internet to deliver information have made the job of information gathering in small businesses much easier. Yet, much valuable information is still not available on the Internet and so libraries are an important component of the business information support that small businesses need to stay competitive. (Rosenberg 2002, 8)

Even with the continued growth of the World Wide Web, this statement still holds true. Although much useful business information is freely available on the Internet, there are many resources that are only published in print or are only accessible by online subscriptions. Libraries continue to be a gateway to the hybrid formats of information resources and librarians continue to serve as guides and interpreters.

Our experience with the small business community reveals some basic differences in the information needs of entrepreneurs as compared to those of the students at the Rutgers Business School. MBA students in particular have to write papers that are based on scholarly research. They also have to investigate operations and financial conditions of publicly traded firms and the industries in which those companies compete.

Entrepreneurs are looking for demographic details of their expected marketplace, lists of potential suppliers or buyers, the number and distribution of competing businesses, and avenues for marketing their product or service. They are looking for answers, not articles (Ojala 2002, 56). However, from our years at the Reference Desk, we find that both groups of information consumers find it hard to locate the most appropriate information in a timely manner, and both groups benefit from information literacy programs.

4. Indirect assistance via the Rutgers Business School

For the students, the librarians at Dana Library provide course-based instruction geared to help them complete the requirements of their class assignments. We customize information literacy sessions in consultation with the faculty members and we offer hands-on instruction in the library's own electronic classroom. With large classes, these sessions are conducted in the smart classrooms at the Business School where there is Internet access and digital projection equipment. The students also have access to a specially tailored Webpage with descriptions and links to all the relevant resources for their particular course.

Our information literacy program reaches many but not all of the graduate business students. To address this gap in outreach, in 2001, I developed a five-week course that was accepted by the Business School as a requirement of all first-year MBA students.

This course was integrated with another five-week course on creating a business plan, where the students were taught how to prepare a business or marketing plan for an existing or proposed small business. The students also learned what information would be needed to complete the various components of the plan.

With the help of two other business librarians in the classroom, I introduced the students to a wide variety of print and electronic resources with financial, market research, industry, and business information that would be appropriate for their business plans. I also provided individual counseling outside of the classroom, usually via e-mail, after the students learned more about their client companies' needs. Through this course, we were able to have an influence on about a dozen firms that academic year.

The Rutgers Business School's MBA curriculum was recently revised and those two courses are no longer offered. However, this form of indirect assistance by librarians to the small business community has continued with our involvement in a different course at the Business School. Second-year students in the Interfunctional Team Consulting Program are assigned to work in teams with clients that have expressed specific needs, usually in marketing a new product or service, or in running their operations more effectively and efficiently. Our role as librarians is to help the students discover and use appropriate information resources that will contribute to their research, reports, and presentations for their clients. Again, we provide an initial classroom introduction to selected databases and books and we follow up with individual consultations with the teams over the six to eight months of the program. Each academic year, approximately twenty client firms and organizations participate in the program.

5. DIRECT ASSISTANCE VIA COLLABORATION WITH THE NEWARK SBDC

A more direct means of assisting small business enterprises has recently emerged through the library's long-standing relationship with the New Jersey Small Business Development Center. The NJSBDC is jointly funded by the U.S. Small Business Administration, the New Jersey Commerce, Economic Growth & Tourism Commission, and the Rutgers Business School. The NJSBDC Regional Centers are located at ten colleges and universities in the state, emphasizing the close ties between the small business and academic communities (McIntyre and Roche 1999, 17). NJSBDC's vision is to

provide entrepreneurs with practical information, skills and strategies that make measurable, positive impact on the performance of their businesses and by extension, on the communities in which they work. (New Jersey Small Business Development Center)

The Rutgers-Newark campus hosts one of the SBDC Regional Centers. Among the many programs that are offered at subsidized cost by the Newark Regional Center is a five-part Business Plan Training Workshop that is conducted six times a year. So far, the sessions have been given in two different cities in the Newark metropolitan area and there are plans for a third location this year. These sessions are conducted in electronic classrooms where each trainee has access to the Internet.

In 2003, I was invited to participate in the workshops by presenting the part entitled “The Marketing Plan.” The content of these four-hour sessions is based on the Business School course that I had taught as well as feedback on a previous series of training workshops sponsored by the NJSBDC. In 1999, librarians at Rutgers University had conducted a series of workshops for small business owners and their employees on the use of government sources of business and economic information. The post-training assessment showed that the hands-on practice, information on sources of assistance, and demographic data were rated the top three most useful areas to their business (Ren and Au 2001, 170).

The five broad topics covered in “The Marketing Plan” include profiling an industry; locating competitors, suppliers, and buyers; demographics of the consumer market; promoting the business; and writing the business plan. The workshop participants learn from my lecture and demonstrations of the various online resources as well as hands-on experience of those resources that contain relevant information for their plans. Some of these resources are databases that Rutgers University Libraries have subscribed to while other tools are freely available on the open Web.

Individual counseling after the workshop is available upon request, and I have had personal or e-mail contact (usually both) with approximately 20% of the participants from the last two years. The entrepreneurs are also welcome to visit the Dana Library and search the Rutgers-restricted databases from the public access computers, use the business reference books in the collection, and consult with the librarians at the reference desk.

6. THE LIBRARY'S ROLE IN BUILDING SOCIAL CAPITAL

The Dana Library's experience in serving entrepreneurial enterprises directly and indirectly has been very encouraging. Last year, one of the small businesses helped through the five-week business plan course from 2002 received an NJSBDC Success Award for outstanding economic achievement. Among the clients of the Interfunctional Teams are two organizations that successfully launched new ventures. And at least three entrepreneurs who participated in the Newark SBDC workshops are currently operating their businesses, which include computer networking services, furniture retailing, and a temporary employment agency.

We have had the pleasure of seeing our collective efforts come to fruition. We have also demonstrated that the community can benefit from the library's natural strengths of resource collection and dissemination. Our outreach efforts and collaboration with the Newark SBDC has fostered a working relationship that is consistent with the public service mission of Rutgers, which, after all, is the State University of New Jersey.

We expect this mutually beneficial relationship to contribute to the building of reciprocal networks in the broader community by being extended to the local chambers of commerce and regional economic development councils. It has been recognized that many urban areas in the nation are

engaged in economic development initiatives designed to attract new businesses, retain existing businesses and encourage the formation of local small start-up business. This is an information-intensive activity from the point of view of the city or town seeking to present itself as an attractive place for business. Libraries are by definition in the information business and, therefore, have a unique opportunity and obligation to be of service in support of such economic development activities. (Sciacca 1998, 80)

The Dana Library has grasped this opportunity to sustain the entrepreneurial community of Newark and is on the road to becoming “a force for increasing social capital” (Goulding 2004, 4) in the state.

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