

## **Response to the EAR Committee Review of the AMSPEC Specialty Center**

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*Before we start our responses we would like to make some overall observations. For most review sections there is a three point range of scores (1 to 3 or 2 to 4) and in one area there is a four point range. Obviously there was a wide range of experiences with the databases. We feel that a major cause of the different experiences was that the interfaces for these databases are all home grown. They were developed primarily by and for faculty that use the data in their classes and research. While the faculty have an expertise in the analysis of the data, they are not information specialists. Because the interfaces are home grown, it would be fairly straight forward to merge the skills of the faculty who know how to analyze the data with the information skills of librarians to create a much stronger product that is more useful to the current users and expand the access to a new set of users.*

*Part of the BIG question here is what type of materials is appropriate for a library. At one time it may have been scrolls and clay tablets. Now electronic access to text data is considered normal. When library users look up information on a company, an industry, or even economic data on a country, is it appropriate to offer access to that information only in paper form, or also in an electronic form as well. And if electronic access is appropriate, how best to accomplish that? We hope that my responses will show that the data discussed below are very appropriate and that including the business databases managed by the AMSPEC Specialty Center would be a significant addition to the CSU Libraries and is very important to the California State University System.*

*(note, our responses are in italics. We have summarized some of the comments for the review to lead into our responses)*

**INFORMATION DATABASE**—Consider its functionality, appropriateness of format, content of the information, adequacy of coverage and value to the CSU as a whole.

Issue of accounts—“The fact that each campus user must separately apply to get into AMSPEC data is a hindrance and would be a little tricky to finesse if databases were accessed at e-ref stations.”

*This concern is easily handled by a system that uses campus IP addresses for user authentication. The previous web server program that we had been using did not allow for IP authentication but our new software does and we expect to implement that function in the near future by campus request.*

Issue of cost—“As a library resource, in competition with other information resources, the limited audience and high cost are negative factors. If the issue is simply to provide this data via the UIAS (Pharos) the circumstances would be different.”

*The AMSPEC service would not be in competition with other information resources. The idea is that funding for the Specialty Centers be put forth as a joint proposal to the Legislature (Specialty Centers and CSU libraries) for additional funding.*

Issue of content—"The content is useful to a specialized audience of academic researchers, mostly faculty, sometimes graduate students." "Of medium value to business schools; no value otherwise." "Lack of currency, while keeping the costs down, would cause many users to look elsewhere for similar but more recent data."

*In the "early days" it was true that the content of the databases was accessible to researchers only. That was because the raw data was delivered on tape, and it was usually the responsibility of graduate students to program the mainframe computer so as to be able to access the material. Because of this difficulty, undergraduate students simply did not have access. As AMSPEC took over support of these databases, the interface was improved over time: first, the data was all loaded onto disk with very fast access routines; then software was developed to allow access to both the raw data and data reports and analysis from a PC (first as a DOS program and then in Windows); and finally, access was moved to the Web. For a long time, the CSU was unique in making this data available to undergraduate students.*

*This data is of great value to business schools. Access to the data is invaluable in the teaching process. As our students graduate and join the work force, many will be expected to be familiar and know how to work with online databases. The database vendors are aware of this and that is why they give us a substantial discount from the cost of the same product to businesses.*

*In addition, it is an absolute requirement for young faculty in the area of finance to have access for RPT. Recruitment is difficult enough in this area, where salaries cannot compete with the private sector. Eliminate the ability to for faculty to do research and the possibility of hiring quality faculty is eliminated.*

*The issue of currency of data is not just a matter of cost. Our new contract with Compustat gives quarterly updates instead of the annual updates we had in the past. While monthly updates are possible, the increase in cost for both the license and the staff time to continually update the databases have not been considered to be justified by the faculty that use the data in their classes and research. In addition, the latest data is available on the web. However, it is the historical data that is important, and that is not available elsewhere.*

*As far as Compustat is concerned, the Research Annual File, with its history of merged, bankrupt, no-longer-publicly traded companies has tremendous value as this information is not available elsewhere at any price. Try to find detailed data on the "dot.com" companies that have gone out of business. In a couple of years, it will be difficult to find online financial statement data and stock prices on companies like*

*Enron. But the ability to get data to do analysis of those companies will be very important to the educational process so our students can learn from history.*

**SEARCH INTERFACE**—Consider the functionality and ease of use of the interface. Is it intuitive or is an excessive amount of training required? Are any crucial features missing from the search interface?

“It is somewhat difficult to extract data in an e-ref setting. With account set up requirements, software is needed to access the data (FORTRAN skills according to the COLD report, and a software created at SDSU in the 1970s). It appears LOTS of training and skill is important.”

*The account setup requirements could be eliminated by a system that uses campus IP addresses for user authentication, which would not be difficult to implement.*

*The greatest usage by far is via the Web. It is highly unusual for users to access the data via direct logon to the mainframe and have to use FORTRAN code to get what they need. The software created back in the 1970s has been updated and is still available because of demand—faculty use it in their classes because it is easy to use, students get a report with the click of a button with almost instantaneous response time. It is easy for them to get reports on a number of companies and/or industries in a short time, and have the ability to compare balance sheet, income statement and other information in a standardized report. In fact, the use of the Web access requires very little training, and is intuitive to those who are familiar with the data.*

The content is useful to a specialized audience of academic researchers, mostly faculty, sometimes graduate students. Functionality is limited to downloading sets of data and manipulating the results off-line.

*Apparently the program files listed under ‘Compustat Analysis and Report Applications’ were not examined. The programs include:*

*BIRGC: automatically creates a full set of financial statements for a company including balance sheet, income statement, financial ratios and growth rates.*

*BIRGI: does the same as BIRGC but for an industry, either identified by SIC code or created by the user from a pool of companies.*

*Analyze: generates a complete set of financial ratios to help determine the value of a firm across time.*

*Altman: generates the Altman Z-Score which can be used to help determine if a firm is likely to go bankrupt. Use by accountants to determine if a firm will be able to continue in business in the future.*

*Wilcox: calculates the liquidation value of a firm if it were to go bankrupt based upon a study published several years ago.*

*RATS: calculates about a dozen financial ratios across companies and across time to do comparisons. Program is to be updated to include the choice of over 100*

*ratios that are consistent with Dunn and Bradstreet ratios and other sources of financial information.*

*These programs were developed by faculty to overcome the problems mentioned in the statement. The data in its raw form is not very friendly, but the AMSPEC programs change all of that. Four years ago, the chair of BICC did a presentation to the CSU Business Deans. A four-page handout from a class at the UCLA Anderson Graduate School of Management on how to get financial data from Compustat was passed out. The document gave directions on downloading and modifying a FORTRAN program, then uploading and running the program and finally downloading the data. The deans were shown that on our system to get the same data, all that had to be done was go to the web page, enter the ID and Password, click a couple of buttons, enter a stock symbol, click and save the output.*

*Dr. Cary, CSUN, uses several of these programs in his junior level introductory finance class to allow the students to evaluate a company rather than just use the canned examples in the back of the textbook. He has them analyze companies that are in the news, such as Enron, which makes the learning experience much more meaningful.*

“The interface to the AMSPEC databases requires guidance to pull the data; some training and documentation, particularly for Compustat. Limited functionality online; not interactive. Audience must have an understanding of corporate and market structure to utilize.”

“I am not sure which interface to evaluate. There are actually three interfaces: the Web interface, which connects to long descriptions of the databases and how to use them, and to the database extractors; the original interface, a direct connection to the mainframe (for which the bulk of the documentation seems to be written); and the AMSPEC for Windows software which (in part) re-creates the functions of the database extractors, and which has its own documentation. The original interface, perhaps the most powerful, would require considerable training, especially for users who have grown up in a web world.”

*In the early years of AMSPEC as a Specialty Center, staff visited the campuses regularly to train faculty and support staff on how to access the data. This was important when it was necessary to logon to the IBM mainframe to obtain the data, use SAS or other resources to manipulate the data, and then use FTP to download it to a PC. This was a steep learning curve, but was a great improvement over what had been available before, and the trainings were well-attended. As the interface was improved, training became less and less important, and now there are few requests from faculty for training on how to access the data. More important is what to do with the data once it's been extracted. The pedagogical use of the data has been an emphasis of the Business Instructional Computing Council (BICC), and there are resources available to help in this area. Dr. David Cary, Professor of Finance at CSUN and BICC Chair has made some of this available on his own website, and it*

*could be made available to the larger community off of the AMSPEC website if desired.*

“Training would be required for both end users and librarians, though it should not be excessive given the nature of the data.”

*AMSPEC staff would be more than happy to travel to individual campuses and provide training to librarians if desired.*

*There are two types of training relating to the data, how to access it and what to do with it once it is downloaded. Through the use of the Web browser interface, there is very little training necessary to get data. What is needed is to increase the awareness of what data is available and what application programs exist to make the output more user-friendly. BICC is planning a video workshop this spring, probably April or May, that will have faculty that use the data in their classes demonstrate by example what data they use and which application programs they use. The purpose of the workshop is to get more faculty involved using the data in classes, but it would also be of value to librarians who wanted to become more familiar with the data.*

*In terms of what to do with the data after it is downloaded is the same problem if the user gets the data from a print source. You have financial statements and ratios and what do you do. That is the job of the faculty to teach their students to do critical thinking in their analysis.*

“Portions of the Business Encyclopedia did not work.”

*The Business Encyclopedia will not be supported in the future. It was an addition to the base subscription and will be removed from the system at the end of FY01/02. The Business Encyclopedia was developed by the multimedia center at Cal Poly SLO and included as an option in the AMSPEC package as much as for feedback during development as it was for use by students.*

“Evidently one of the databases, Compustat, is available in CD-ROM format. This is reportedly more user friendly than the interactive files at AMSPEC. It would be interesting to compare the two, however that was not the charge for this review.”

*Compustat is available on CD-ROM at a cost of \$16,500/yr/campus with a possible discount for multiple campuses. It is an excellent product. However, the licensing is restrictive, and the CD-ROM can only be networked on campus, e.g., it cannot be made available over the Web. This is a serious limitation because students and faculty do a great deal of their work from home, which would not be possible with this product. It also requires a local network server and server administrator to install and run and some software installed on every computer that will use the data. If the business databases were incorporated into the Libraries' online research capabilities but some of the info was only available if the user were on campus, it would greatly reduce the benefits of adding the info to the system.*

“It would be helpful if the main menu of databases used clearer language...”

*This is a valid comment, and it would be easy to improve the look and feel of the website. The suggestions are good ones, and AMSPEC staff would be happy to implement the suggested changes. As mentioned at the start, most of the interfaces were designed by faculty who were using the data in classes and research and very familiar with the product and the programs. This is definitely an area where some major benefits could be derived from a small group of faculty, librarians and AMSPEC staff to redesign the web interface to be more user friendly to all users.*

**USER SUPPORT SERVICES**—If documentation is required for successful use of product, is it available, comprehensive, and well-written? Is online help adequate and user friendly? Does vendor supply training if it is needed? Is a telephone helpline available?

“Don’t know about telephone help”

*AMSPEC staff is available during regular working hours, 8:00 a.m.-5:00 p.m. for telephone support and the phone numbers will be added to the web pages to make this clearer to users.*

“Documentation on Compustat is overwhelming. The material is online, but the libraries should have print copies of the material. However, our library did not have a copy.”

*The vendor (Standard & Poor’s) sent two sets of Compustat manuals to each subscribing campus—one for the College of Business and the other for the library. If a library does not have a set, one can be quickly made available.*

“More information is needed on working with the IMF and Federal Reserve datafiles. This reviewer and the faculty representative did not find that information. Examples of exercises would be helpful—as they are for the Social Science Database Archive Specialty Center. Training at the local level would be helpful.”

*There are no manuals to accompany the IMF and Federal Reserve databases. Both are published by the Federal Government, and documentation is scarce. These little-used databases are of less interest to the general user and familiarity with the data is helpful.*

*Training at the local level is available on request. In addition, Standard & Poor’s has made one of their staff available to the campuses for training on how to use the data in the classroom. Although the campuses have been informed of his availability, only a couple have asked that he visit, and he has accommodated those requests.*

*Some examples of exercises are available on Dr. Cary’s website, and these could be made more widely available.*

“Documentation should be provided for interface that most users will see. I tried three times to download and install the Windows client, without success. For those of us not up on our DOS commands, the installation instructions are inadequate.”

*AMSPEC staff will be happy to provide more documentation on the use of the Web client and installation of the Windows Interface. The goal of AMSPEC and BICC is to make the web browser interface the only access needed for 99.5% of the users and will increase the online documentation available for that interface. For really heavy duty researchers, that 0.5%, it is next to impossible to develop a standard interface that will do everything they want. Thus AMSPEC will continue to support both the AMSPEC for Windows and direct mainframe access for those users.*

“Online help is not generally available, nor is there a formal telephone helpline. Faculty at each subscribing campus, and people in SLO, are the primary source of help apart from the documentation, which is a problem for students and others using a database outside of normal working hours.”

*SLO has an after-hours helpdesk. AMSPEC calls are very infrequent, and usually involve problems with accounts and passwords. Assuming that the need for accounts is eliminated by the use of IP addresses for authentication, this will be even less of a problem. AMSPEC staff will improve the on-line help and as was suggested, will add phone and email help links to the website. This can be quickly and easily implemented.*

**COST**—If cost is available, does it seem reasonable in terms of comparable products?

“Somewhat costly since it would be an add-on to, rather than a replacement for, currently subscribed databases.”

“AMSPEC seems to have a reasonable cost considering the number and quality of data. My concern regards funding. Will this be centrally funded or will it eventually devolve to libraries.”

*This is not a proposal to replace any currently subscribed databases, nor will funding devolve to libraries. The goal is for the libraries and the specialty centers to create a joint proposal for funding from the Legislature.*

“...I am unable to rate this category because I am seriously confused about the projected cost per campus.” “How is the base cost determined?”

*The funding structure can be confusing. The “Base Subscription Cost” ranges from \$1,100 to \$17,000 per campus, and is derived from the old Chancellor’s Office workstation formula. The idea behind this when it began a dozen years ago was that larger campuses should pay more. Subsequent attempts to change the formula have not been successful so it remains as is.*

“I realize that it’s business data, but \$32,000 seems a little pricey for a consortial deal.”

“Both Compustat and Disclosure are available as web-based subscriptions (e.g., S&P Market Insight and Primark).”

*Business data is expensive. The data are available from the vendors but there is no cost savings in going that route. The Wharton School also supplies access to these same databases and a number of others and they have a sophisticated web interface. The cost is \$25,000 per campus (going up to \$30,000) for access, and in addition, each campus must pay the license fees for the databases. So the cost is at least twice what AMSPEC charges. Indeed, few if any of the campuses would be able to afford going this route.*

**ACCESSIBILITY OF SERVICE**—Is access/connection to product reliable and stable? Is response time adequate?

“Access seemed to be stable, fast, and reliable during my tests. However, having to ask for a password to use the databases is an impediment to access.”

“It would be of help to have an IP authenticated access.”

*This issue has been discussed above. IP authentication is a priority.*

## OVERALL ASSESSMENT

“It was noted that beyond merely looking at the website, actual use of the data requires the loading of special software at each workstation.”

*Web access does not require loading of software at the workstation, and provides almost the same functionality as the Windows Interface. All that is needed is a browser. As mentioned before, the goal is to have the web interface meet the needs of almost all users.*

“Each student needs to have pre-authorization, accounts and passwords, to open the site.”

*As mentioned above, IP authentication will address this problem. For off campus users, if the library has a proxy server program, this could be used to give off campus access without the need for individual AMSPEC ID and Passwords.*

“It would seem that databases holding AMSPEC raw datasets are better located and funded through campus computer centers.”

*The AMSPEC Specialty Center offers large economies of scale to the CSU system for the use of these databases. For individual computer centers to dedicate the equipment and staff to load and maintain the databases would require significant*

*duplication of effort. Even if the individual centers could get the same group licensing discounts, the additional cost in hardware and staffing would raise the total cost to CSU System dramatically and only the 'large' campuses could afford to have access to the data even though the total cost to the system would be larger than with the centralized model where all campuses could have access.*

“Compustat and CRSP are valuable business research resources but their appeal and use is limited to a very specialized audience of business faculty (and not all business faculty, only those in particular fields) and possibly some graduate students.”

*This has been discussed above. The introduction of the application programs and the web interface has made this data available to students of all levels.*

“I would also like to see training sessions for all CSU campus libraries if the product is adopted.”

*AMSPEC and BICC both would be happy to have campus librarians involved in training sessions. The AMSPEC staff is available to make campus visits. Compustat has also made campus visits. BICC usually has two or three meetings a year that are generally available through the CSU videoconference system that usually include information on new applications, changes in data, etc.*

“The databases are an important primary resource for teaching graduate and undergraduate students to conduct original research. It is also a necessary tool for faculty to conduct their research for publication. If the CSU does not provide access to these databases, it may be difficult in the future to attract good candidates for tenure-track positions. I would suggest that the AMSPEC encourage Faculty to allow students doing coursework using the business databases and provide an easier way to set up individual accounts. The usage of the individual databases by the participating campuses seems to vary. With libraries promoting their existence, the usage of the databases may increase.”

*We couldn't have said it better.*

#### **Rating for home campus only:**

“Our campus is evolving into a more research-oriented institution. The faculty and graduate students need access to these more sophisticated tools in order to accomplish their research. For faculty, this database is crucial to their work for tenure and for continuing their scholarship. For the students, they need to be introduced to these statistical tools to help them not only with their courses but also with future career development.”

*We agree wholeheartedly.*

“The price, however, is an issue. As with the other specialty center database under review, if responsibility for the cost is transferred to the library, I am deeply concerned

that no campus funding will follow it. We have absolutely no budget flexibility for the foreseeable future.”

*AMSPEC and BICC would be happy to work with COLD to develop a joint proposal to go forward to the legislature to try to obtain additional funding so that this valuable product could be brought forth from the Business Schools and included in the set of information that is available through the CSU Libraries.*

“Our campus would love access to the Compustat information.”

*What else can WE say?*