

A FIVE-YEAR INDUSTRY FORECAST

Events in the broader economy and in the general technology industry could make a large difference on the relatively small library industry in the next five years.

The library automation market, roughly a \$500 million industry, has been flat for the last few years. The overall size of the library automation economy is likely to see significant growth, at least in the short term. Some factors that underlie this prediction include:

- Many libraries will move from legacy systems to flagship systems within this five-year period. The number of migrations in the last few years has been held back by concerns that new systems be more mature. That threshold has now been achieved, releasing the floodgates for many new migration decisions.
- Expect an increased internationalization of the library automation industry. The library automation companies will see a larger number of sales to libraries in other parts of the globe. Although the library automation market in North America and Europe are relatively saturated, major opportunities remain in South America, Asia, and eventually Africa.
- Library automation companies will generate significant new revenues selling products related to search, presentation, and management of electronic resources.

The future landscape of library automation will include fewer companies than today. Further consolidation of the companies likely will occur. New mergers and acquisitions remain to play out. These consolidations could easily involve further involvement by larger companies outside the library automation industry.

Five years from now, the basic ILS will be seen as more a commodity. In the same way that library automation companies no longer differentiate themselves on the basis of functionality in the ILS, libraries will focus less attention on how they manage their book collections and more on defining their Web presence and on delivering digital content.

Consortia will play an even larger role in library automation. A significant number of libraries that operate standalone library automation systems today will be participating in a shared ILS through a consortium. Budget pressures will motivate more libraries to achieve higher levels of resource sharing and lower unit costs on automation possible only in large-scale shared systems.

Expect greater synergy between broader technology or information services companies and library automation companies. More partnerships between technology providers, such as ILS companies and information providers, will likely occur.

Consistent with the broader information technology arena, open source will play a larger role in libraries. The impact will have more to do with the general environment than with the ILS itself. Although Windows will still be on the majority of library desktops, Linux will be a much larger factor, which will lead to more library automation vendors developing clients that run in non-Microsoft environments.

Most library software will likely be either Java-based graphical applications or operated completely through a Web browser. Likewise, Linux and other open-source versions of Unix will be used in higher proportions of servers than is the case today.

Also in the technology front, the ILS will evolve to incorporate much higher use of XML. Whether XML versions of MARC will prevail within this timeframe is an even bet. Business-to-business transactions will likely take place through an XML Web Services architecture.

EDI, X12, and the like have never delivered the full potential of electronic business transactions. Web Services promises to provide a much stronger infrastructure for handling library's business interactions with their suppliers.

These changes are but a few to expect in library automation five years from now. Whether any specific predictions come to pass, the broad strokes seem inevitable:

- Increased cooperation among libraries
- Greater reliance on shared resources
- New technologies centered on delivering digital content