



# Smart Libraries<sup>TM</sup>

Formerly Library Systems Newsletter<sup>TM</sup>

50 East Huron Street, Chicago, Illinois 60611-2795, USA

## Smarter Libraries Through Technology

by Marshall Breeding

### *Qualifying Qualities for Tech Partners*

This newsletter often spotlights the companies that provide technology-related products and services to libraries. It's a diverse group of organizations, including large international companies, large non-profit membership organizations as well as medium-sized and small firms. The ownership and business models also vary. Some base their offerings on proprietary products as others promote open source software. Some trace their roots to the pioneering days of library automation while others emerged more recently. As libraries make strategic technology decisions, one of the important components involves assessing the qualifications of these organizations. I don't have an inclination in favor of or against any of these business configurations, but libraries need to look carefully for the qualities that identify an organization as a worthy technology partner. Given that libraries tend to stay with their automation product for more than a decade, these decisions will have a long-term impact.



Five of the qualities or characteristics that I see as essential in the organizations who want to engage with libraries would include integrity, stability, insight, capacity, and creativity. The actual products and services offered will be subject to rigorous scrutiny in a procurement process. It's also important to think about the some of the desirable features that define the organization upon which a library will depend for its strategic technologies.

**Integrity.** Libraries need to have confidence that the organization will honor its commitments and will deal with the library in an open and honest manner. From a legal perspective, libraries can enforce the terms of contracts. But beyond legal compliance, the individuals that represent the company must follow the highest standards of ethics. I have much more respect for company reps that honestly represent their products, even when that means acknowledging limitations and areas of needed improvement.

**Stability.** We've noted that these partnerships will endure for many years. Libraries need to have evidence that the organization will be around for the duration. Many have established very long track records with proven products and business models. Those that have come on the scene more recently need to demonstrate that their organization is on track for long-term survival. Nothing disrupts a library's technology plan more than

*I don't have an inclination in favor of or against any of these business configurations, but libraries need to look carefully for the qualities that identify an organization as a worthy technology partner.*

## IN THIS ISSUE

Qualifying Qualities for Tech Partners  
PAGE 1

SirsiDynix Evolution: Recent Developments in the Context of Broad Corporate Strategies  
PAGE 2



### Receive *Smart Libraries* via e-mail

Subscribers that would like an e-mailed version of the newsletter each month should forward one e-mail address and all of the mailing label information printed on page 8 of the newsletter to [moneill@ala.org](mailto:moneill@ala.org). Type "e-mail my Smart Libraries" into the subject line. In addition to your monthly printed newsletter, you will receive an electronic copy via e-mail (to one address per paid subscription) at no extra charge each month.

one of its strategic products losing its viability due to some kind of business transition.

**Insight.** Organizations intending to attract libraries as business clients must have a deep understanding of the mission and values of libraries in addition to our expectations regarding technology. The dynamics of selling products and services to libraries differs considerably from that of doing business with other for-profits. While it's vital to understand that libraries have limited budgets, it's even more important to understand that libraries have long planning cycles and must operate within the oversight of their local boards, funding agencies, or governmental authorities. On the technology front, these organizations must have a deep understanding of both the broad environment, but also the nuances of operational details. Those whose ranks include high proportions of experienced librarians naturally gain an edge in understanding the values and methods of our profession.

**Capacity.** Libraries need to verify that their providers have adequate resources to meet obligations and expectations. No set formulas define the adequate personnel or business infrastructure needed to deliver excellent customer service and ongoing development and research and development for future products.

*While it's vital to understand that libraries have limited budgets, it's even more important to understand that libraries have long planning cycles and must operate within the oversight of their local boards, funding agencies, or governmental authorities.*

us. A more creative approach may imply higher risks, as does maintaining the status quo in a way that fails to keep up with the evolving realities that continually reshape how libraries function in society. Technology products and services built with a spark of creativity can help maintain credibility with today's tech-savvy library users.

I'm not necessarily suggesting that these five qualities represent the definitive list that defines the ideal technology provider. But building on my assertion in last month's column that "technology should be more about partnerships that procurements," I hope that libraries will think about these and other positive characteristics as they choose their technology partners.

Yet the library should look for evidence of these capabilities, with a close eye on an established track record and additions or reductions in workforce that might impact future performance.

**Innovation.** It's also important to seek organizations that embrace a spirit of creativity and innovation. A strict adherence to tried-and-true technologies and business models may leave libraries in a conservative position, not well prepared for the rapid changes in technology around

## SirsiDynix Evolution: Recent Developments in the Context of Broad Corporate Strategies

**S**irsiDynix has taken a number of actions that consolidate and focus its corporate resources. On May 12, 2010, SirsiDynix launched a new Web site and announced a number of major changes related to its operating facilities and its organizational approach to customer service. These moves represent incremental steps toward a number of longstanding business goals. The company positions its moves as offering significant benefits to the libraries that use its products through improved communications channels and more sensitivity to the individual needs of

each customer. As a company that serves something over 20,000 library facilities spanning over 70 countries worldwide, these adjustments will have a broad impact.

This recent package of corporate changes includes several components: the expansion of a program of Library Relations Managers to improve customer service; consolidating the company's operational resources into a single development and support facility; a launch of a new customer support portal with a consolidated knowledgebase of content and improved online communications

tools available to customers for product support; and a rebranding of the company, including a new Web site, logos and focused content. Together these moves unify the company's physical and virtual presence, providing more clarity to its communications and concentrating its resources to improve its ability to meet customer expectations.

These actions represent a final stage of business transformation from an amalgamation of multiple merged companies into a single global business with a unified corporate strategy and support

infrastructure. In the course of the last five years, the company has gradually morphed from an assemblage of acquired companies into a more mature and integrated multinational enterprise.

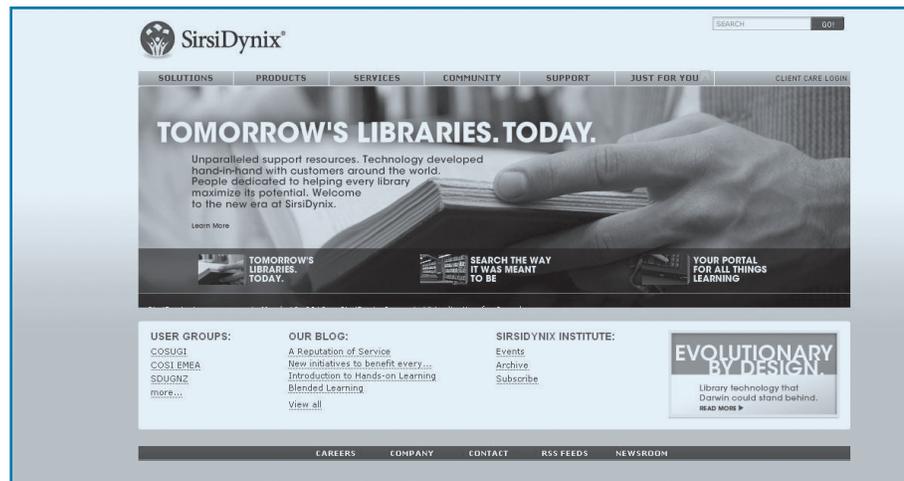
## Library Relations Managers for Improved Service

SirsiDynix reports that Library Relations Managers have previously played a part in its customer relationships, charged with helping libraries leverage technology to meet their goals. The company announced that the number of personnel operating these roles will grow significantly, adding the capacity to assign one to each library customer. The company indicates that most of the new Library Relations Managers will come from existing SirsiDynix employees around the world who already have specific product and regional customer knowledge. Their responsibilities will include proactive interactions with customers, helping libraries use their technology investment to meet their users' needs and maximizing the use of their technology overall.

*In the course of the last five years, the company has gradually morphed from an assemblage of acquired companies into a more mature and integrated multinational enterprise.*

The team of Library Resource Managers has been tasked to engage regional customers to share their goals and challenges with each other, and to help the SirsiDynix staff better understand the unique needs of libraries in those regions.

This expanded and revamped Library Relations program supplements the company's existing Client Care and inside sales processes. Terry Jarnagin leads this program as VP, Library Relations. The SirsiDynix website names an additional six senior personnel as Library Relations Managers; the company indicates



that it plans to expand this team to about sixteen, including as many as four assigned in Europe and three in its Asia Pacific territory. In the next two months, the company will assign a Library Relations Manager to each of the libraries using its products. Libraries will continue to address support issues through client care procedures.

Scott Wheelhouse advances to Vice President of Client Care as Jarnagin, who held this post for the last decade, shifts to

streamlined navigation to information regarding the company's products and services. Even though the company's products find use in 70 countries worldwide, the site does not yet offer regional views or non-English language content.

## New Online Support Center

SirsiDynix anticipates a June or July 2010 launch of a new online Customer Support Center. This new portal will feature improved navigation, a searchable knowledgebase of documentation, known fixes, and other information involving the company's products and services. The site will also provide an online forum for its customers to discuss issues and share information. This online venue will also provide a place for SirsiDynix to communicate with its customers regarding its software development agenda and product enhancements.

This new portal brings together a number of resources that were previously offered through its customer portal, but that operated as separate silos of content. In December 2007 SirsiDynix rolled out a new Client Care Portal that included discussion forums, a new process for submitting technical support tickets, bookmarks, and opportunities for users to submit comments on content pages.

This newer portal, also based on

Drupal, places the support tools and content resources accessed separately into a more unified environment, with all content searchable in a comprehensive keyword index. This platform aims to make it easier for SirsiDynix customers to find information involving the company's products and services.

## Consolidation of Operations in Provo

The company will consolidate its United States operations into the SirsiDynix Technology Center, located in Provo, Utah. Operations in Huntsville, Alabama and St. Louis, Missouri, will close. This move completes the progression toward centralizing the company's operations in Provo in motion for many years. Development and support resources that have previously been geographically distributed will be centralized.

According to SirsiDynix spokesperson Julianne Hancock, "Having support and development resources under one roof allows the company to create development teams who work specifically with customer support on escalated issues.

*According to SirsiDynix spokesperson Julianne Hancock, "Having support and development resources under one roof allows the company to create development teams who work specifically with customer support on escalated issues. SirsiDynix employs agile development processes. With a team focused on delivering patches and fixes for immediate customer needs, ongoing development staff will be able to focus fully on next-release features."*

SirsiDynix employs agile development processes. With a team focused on delivering patches and fixes for immediate customer needs, ongoing development staff will be able to focus fully on next-release features."

The facilities being shuttered represent the remnants of the predecessor companies that comprise SirsiDynix—Sirsi Corporation and Data Research Associates; the Provo building was the headquarters of Dynix Corporation. Through a gradual process of business integration, the company has gradually shifted its resources to Provo. The exec-

utive management of the company has been based in Provo since 2007.

Sirsi Corporation was founded in Huntsville in 1979, occupying different facilities as that company expanded. As Sirsi Corporation grew from its start in 1979 as a small consulting firm, it progressed through several Huntsville industrial park locations. In 1998 the company moved into downtown Huntsville, occupying a renovated Woolworth's building at 100 Washington Street SE. In recent years, the presence of the company in Huntsville has contracted. In September 2009 SirsiDynix vacated the downtown Huntsville facility, moving its down-scaled workforce to an office building in Cummings Research Park.

The company's offices in St. Louis, MO, trace back to Data Research Associates, or DRA, acquired by Sirsi Corporation in 2001. Many DRA employees and executives continued within Sirsi Corporation and later SirsiDynix. At the time that DRA was acquired by Sirsi, the companies were approximately the same size. The DRA facility has steadily decreased in personnel since.

SirsiDynix expects to close its Huntsville operations by the end of July 2010 and its St. Louis office later in 2010. A limited number of positions will work remotely, especially those assigned as Library Relations Managers and those involved in regional sales. Other personnel remaining in these legacy locations



have been offered relocation packages to Provo. It is not known how many staff will continue with the company in Provo versus those that will exit.

Some changes involving the various SirsiDynix international offices are under review for possible reconfiguration. The SirsiDynix Technology Center in Provo will be staffed 24/7 and will have multilingual capacity. SirsiDynix will continue to maintain an operational presence in each of its international regions. The degree to which support, development, and sales are performed locally or through the central US headquarters will shift, taking into account regional requirements.

The building in Provo was originally built and owned by Dynix Corporation. In October 2006, according to the *Salt Lake Tribune*, Dynix sold its facility in Provo to B.H. Properties, though it has continued to lease and occupy portions of the building. The sale of the building occurred prior to Vista Equity Partner's involvement with the company.



managing its internal business operations. Beginning in Oct 2007, the company launched a major internal initiative, dubbed Project Dynamo, to redefine its business processes and to implement a set of applications that would form

***Although the company will consolidate their operations to their Provo, UT facility, it asserts that shift has not been implemented to reduce its overall workforce.***

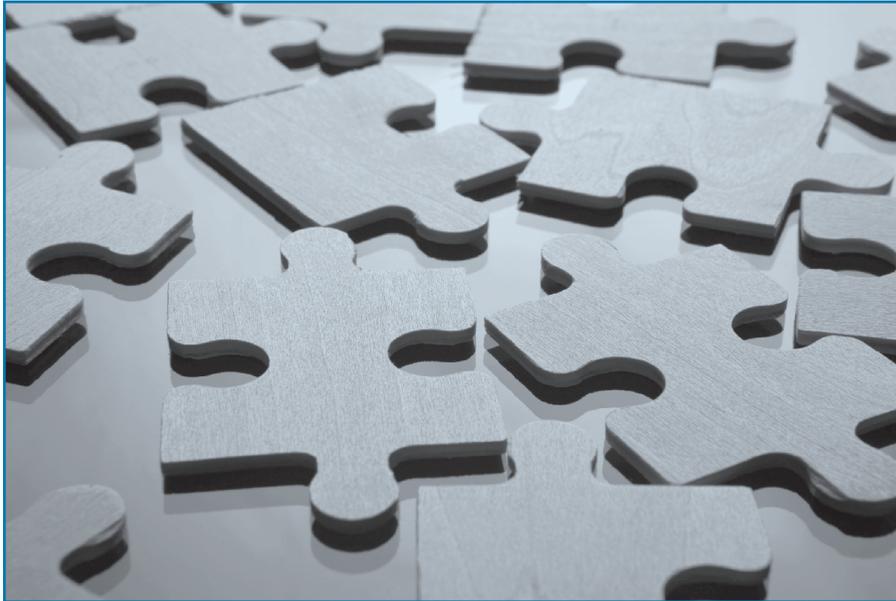
Although the company will consolidate their operations to their Provo, UT facility, it asserts that the shift has not been implemented to reduce its overall workforce. Although some employees may not choose to relocate from Huntsville or St. Louis, new personnel will be hired as needed to fill vacated positions.

## Business Transformation

For SirsiDynix to mature as a merged company, it faced the need to create a more ordered set of business processes out of those in place via the legacy companies. It had as many as eight different applications in place for

a common operational infrastructure. SirsiDynix engaged the consulting firm Bluewolf (<http://www.bluewolf.com/>) to provide assistance with these activities.

The business infrastructure selected to support the worldwide operations of the company consisted of three major products, each delivered through software-as-a-service, consistent with the company's need to support its globally distributed organization and with its orientation to this model for the delivery of its own software products. These components included Salesforce.com as the platform for its customer relationship management (CRM) and sales force automation (SFA); BigMachines ([\[www.bigmachines.com/\]\(http://www.bigmachines.com/\)\) to facilitate the process of creating quotations of pricing for software products and services, and NetSuite OpenAir \(\[www.openair.com\]\(http://www.openair.com\)\), a tool for professional services automation \(PSA\), providing functionality for resource allocation and project management needed once a sale is made to track and assess implementation. Bluewolf provided assistance in business process analysis, the implementation of each of these components, as customizing and integrating them into a unified environment. These three hosted applications replaced as many as eight separate products previously used in different parts of the organization. Through this customized integration, SirsiDynix was able to achieve significant efficiencies, especially in the way that it manages information involving its massive customer base. The project began in October 2007 and was completed in April 2008 when the new environment went into production use throughout the company. \[Source: "Bluewolf case study: Bluewolf and BigMachines help SirsiDynix transform their business with a completely tailored end-to-end business process" and a May 20, 2008 Webinar that included](http://</a></p>
</div>
<div data-bbox=)



Bluewolf representatives with SirsiDynix COO Mat Hawkins and former Chief Sales Office Eric Keith.]

### Synergies with Vista Equity Partner Portfolio Companies

In addition to some degree of direction in business strategies, as seen above, ownership by a private equity firm can also involve working in concert with other companies in the portfolio. SirsiDynix has direct business relationships with at least three other companies owned by Vista Equity Partners.

At the March 2009 COSUGI conference and in a subsequent press release SirsiDynix announced Mentor, a new online learning program that libraries can purchase to supplement their training on its products and services. Mentor relies on the SumTotal Learning Management System platform produced by SumTotal Systems, acquired by Vista Equity Partners in May 2009.

The company's faceted search product, SirsiDynix Enterprise, relies on the Globalbrain search technology from Brainware. This company was formed in

February 2006 out of a division of SER Solutions, acquired by Vista Equity Partners in 2004. SER Solutions was sold to Gores Group while Brainware remains in the fold.

We noted above that SirsiDynix relies on BigMachines as part of its global business infrastructure. BigMachines has been involved with Vista Equity Partners since 2001.

### Dispute with Queens Borough Public Library Resolved

On April 8, 2010 the Queens Borough Public Library and SirsiDynix issued a joint stipulation to the United States District Court – Eastern District of New York that they had negotiated a private resolution to the complaints filed in July 2009. All terms of the settlement remain confidential.

### Completing a Strategy of Business Integration

Vista Equity Partners acquired SirsiDynix from Seaport Capital almost 4

years ago in December 2006. At that time, Sirsi Corporation completed the acquisition of Dynix only 18 months prior. Sirsi Corporation had previously acquired Data Research Associates in August 2001. As Vista Equity Partners gained ownership of SirsiDynix, each of these acquired businesses, as well as its different international offices, continued to operate in varying degrees with differing corporate cultures, business infrastructure, and physical facilities. Over the tenure of Vista Equity Partners ownership of SirsiDynix, the company has carried out a strategy of business integration to simplify and streamline its each aspect of its operations.

The changes announced represent incremental advancements in business strategies that have been underway for quite some time. SirsiDynix, since its formation through the merger of two major competitors in the library automation industry and subsequent acquisition by Vista Equity Partners, has been on a trajectory as a global company able to leverage massive economies of scale and enterprise business infrastructure.

An April 2007 publicly available posting for the position of Chief Executive Officer outlined expectations for the incumbent that gave a glimpse into the broad business strategies that Vista Equity Partners had in mind for the company from its earliest days of involvement:

- *Overseeing of all of SirsiDynix's corporate functions, including sales & marketing, development & product management, customer support, professional services, and finance & accounting as well strategic and tactical planning;*
- *Working with the President of International Operations to increase SirsiDynix's international presence;*
- *Building consensus, communicate*

## *The transformation of the company from a cluster of acquired companies into a single global business operating with shared processes and infrastructure follows as the inevitable conclusion of the sequence of business transactions that formed SirsiDynix.*

*the rationale behind decisions, and creating a culture of ‘One Company’ focused on dominating the library automation market;*

- *Evaluating and building a top management team and enhancing corporate culture, developing and maintaining high corporate moral standards in all dealings and delivering superior value to owners and stakeholders;*
- *Working closing with the members of Vista Equity Partners to ensure established goals are met or exceeded;*
- *Product and platform optimization and convergence;*
- *Optimizing territory-based sales management and driving growth of the highest margin products and services as well as recurring revenue;*
- *Driving adoption of the Company’s SaaS solutions;*
- *Consolidating and centralizing dispersed development, support and G&A functions;*
- *Focus on productivity and utilization of professional services organization;*
- *Driving efficiencies within G&A [general and administrative expense] and focus on cost controls;*
- *Cross-training of employees in sales, development, support, and services to enable greater; productivity, customer satisfaction, and operational efficiencies.*

Seen in the context of these executive mandates, one can see how the events of the last four years fit into the company’s strategic course.

The transformation of the company from a cluster of acquired companies into a single global business operating with shared processes and infrastructure follows as the inevitable conclusion of the sequence of business transactions that formed SirsiDynix. Only the initial stages of integration happened between the initial merger and the subsequent acquisition by Vista Equity Partners. From an external viewpoint, some of the changes at SirsiDynix may have appeared abrupt. But when viewed from the broader perspective of the process of integrating multiple acquired companies into a single business, it has been

a relatively long transition period.

Such a transformation inevitably involves makes a large impact on the employees of a company. Although SirsiDynix has been able to retain many of its experienced personnel, the company has seen significant turnover in its workforce. The operational centralization and the implementation of a high level of automation through the enterprise business infrastructure described above may also impact the size of the workforce needed to sustain the company. The company’s overall headcount has reduced considerably from its zenith in 2006.

While the evolution of the company has been ongoing, the three measures recently announced aim to make a dramatic improvement in the company’s customer support reputation. While these measures represent the culmination of a process long underway, they also set the stage for the next chapter. The coming months will tell how well customer libraries react to these changes. Given the massive number of libraries using SirsiDynix products worldwide, the stakes are high.

—Marshall Breeding





Smart Libraries Newsletter  
American Library Association  
50 East Huron Street  
Chicago, IL 60611-2795 USA  
Address Service Requested

---

NON PROFIT  
US POSTAGE  
PAID  
PERMIT 4  
HANOVER, PA

---

## July 2010 Qualifying Qualities for Tech Partners

### *Smart Libraries Newsletter*

*Smart Libraries Newsletter* delivers hard data and innovative insights about the world of library technology, every month.

---

#### **Editor**

Marshall Breeding  
615-343-6094  
marshall@breeding.com

#### **Contributing Editor**

Dan Freeman  
312-280-5413  
dfreeman@ala.org

### **TO SUBSCRIBE**

To reserve your subscription, contact the Customer Service Center at 800-545-2433, press 5 for assistance, or visit [alatechsource.org](http://alatechsource.org).

The 2010 subscription price is \$85 in the United States and \$95 internationally.

Production and design by the American Library Association  
Production Technology Unit.  
*Smart Libraries Newsletter* is published monthly by ALA TechSource,  
a unit of the publishing department of the American Library Association.  
Copyright American Library Association 2010. All rights reserved.