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The SuperSize ILS Co.

Part of **The ILS Scoop** by Marshall Breeding

Days before ALA's late-June Annual Conference and Exposition in headquarter-city Chicago, two major ILS players, Sirsi and Dynix, announced the companies' pending merger. The agreement the two privately owned companies signed initiates the colossal effort the organizations will undertake in order to emerge as the largest library automation company in the industry: SirsiDynix.

Talk of this merger—of the two largest library automation vendors—was as hot as Chicago's late-June temperatures. "Some librarians expressed the general concern that, regardless of the industry, the country, or the historical period, when the two largest companies in an industry merge to form a new company that dwarfs the remaining competition, a *decrease* in competition and innovation, as well as an increase in prices, appear to be the probable outcomes," explains Tom Peters, librarian, *SLN* contributor, and founder of Tap Information Services. "Other librarians, looking at the existing cultures and products offered by Sirsi and Dynix, basically see a good match," Peters adds.

Breaking It Down

The combined company will employ more than 725 and will have potential annual revenues of more than \$125 million. (Because the two companies are privately held, financial terms of the deal were not disclosed.)

The combined customer base for SirsiDynix totals more than 4,000 installations, including libraries running Unicorn, Horizon, Dynix Classic, DRA Classic, and MultiLIS.

Although Sirsi entered the deal as the smaller company, it emerges as the con-

trolling player. President/CEO of the former Sirsi Corp. Patrick Sommers will head the company, and Jack Blount, who headed the former Dynix organization, has been tapped as executive technology consultant and will oversee the completion of the Horizon/Corinthian 8.0 development. Don McCall will serve as chief operating officer at SirsiDynix.

Sirsi and Dynix have been competitors for more than 20 years, each offering library automation systems for public, academic, and special libraries. The companies have similar breakdowns by library type, with about fifty percent of new sales to public libraries. But despite their parallels, the integration of the two companies into a single organization will be a major challenge. Sirsi does come to the process with recent experience gained through the 2001 acquisition of St. Louis-based DRA.

This merger also follows Sirsi's recent acquisition of Docutek Information Systems, a relatively small transaction but one that served as an early indicator that the company's financial backers were interested in expanding investment in the library automation arena.

SirsiDynix states it will support the library automation systems of both companies. Ultimately, the success of the new company will depend on the satisfaction of its customer libraries.

Product Perspective

In regard to integrated library system products, with over 180 personnel involved in development, the new company's development resources exceed that of any automation company.

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THE ILS SCOOP

SuperSize *from page 1*

SirsiDynix also reports it will continue development and support for the flagship systems from both former companies: Unicorn, Horizon, and the recently announced Corinthian system for academic libraries.

In addition, both companies have developed portal products, including the Sirsi Enterprise Portal Solution and the Horizon Information Portal. Sirsi also offers three Web-based online catalog interfaces: iLink/iBistro, Web2, and WebCat. Even at this early stage the company indicates it will converge portal development toward a single offering.

Company executives also emphasize that aggressive development of Horizon/Corinthian 8.0 will continue. This new automation system has been reworked completely from previous versions of Horizon and is near completion. Beta testing will be underway by fall 2005 with production release expected in early 2006.

**“Given it can combine
redundant administrative
functions . . . the new SirsiDynix
will be able to stretch further”**

Dynix has invested a large portion of its efforts over the last three years in the creation of this next-generation system. As part of its due diligence prior to acquiring Dynix, Sirsi commissioned Gartner to evaluate Horizon/Corinthian 8.0 and received a favorable analysis.

The new company also inherits three legacy systems, including Dynix, DRA Classic, and MultiLIS. These systems were each very popular at one time but have since seen a decline in user base and have been superseded.

Much of the ILS procurement activity in the last five years has involved libraries operating one of these legacy systems migrating to the new automation systems. Sirsi and Dynix have both focused considerable marketing energy on retaining their customer libraries running their legacy systems. To a large extent, Sirsi's legacy systems have run their course. A considerable number of libraries continue to run Dynix Classic and will be

selecting replacement systems in the next year or so. The new company will continue to support DRA Classic, MultiLIS, and Dynix for as long as planned prior to the merger.

All in All . . .

The merger of Sirsi and Dynix will result in a larger and more efficient company. Prior to the merger, both companies were profitable, but given it can combine redundant administrative functions such as accounting, human resources, and marketing, the new SirsiDynix will be able to stretch further. In other words, by merging, the companies become more profitable together than they were apart.

Since 1999, Sirsi has operated with financial support of Seaport Capital. At that time, Seaport re-capitalized the company, acquiring significant equity ownership from Sirsi's founders.

Since that time, Seaport has renewed its investments multiple times, including backing the acquisition of DRA. With the acquisition of Dynix, Seaport once again increases its investment and will own about eighty percent of the merged company.

Prior to its acquisition Dynix was controlled primarily via three venture capital firms: 21st Century Group, Green Leaf Ridge, Stratford Capital Partners. 21st Century Group and Stratford have ties to the massive Texas-based investment firm Hicks, Muse, Tate & Furst. Green Leaf Ridge Company was founded in 1998 by Percy L. Berger, Sr., and appears no longer to be an active firm. Hicks, Muse, Tate & Furst will retain about a ten percent ownership in SirsiDynix.

This new company holds the remnants of many companies from earlier times of library automation. Taos, DRA, INLEX/3000, MultiLIS, NOTIS, Dynix, Marquis, LS/2000, PALS are some of the systems that had been acquired previously by either Sirsi or Dynix.

Consolidation has been a longstanding theme in the industry but one that has played out at a relatively slow pace. Even with this major merger, quite a number of companies remain, leaving room for vigorous competition and many choices of automation systems for libraries.

Contact: www.sirsi.com/Newsevents/Releases/20050621sirsidynix.html
www.iwr.co.uk/information-world-review/news/2138924/sirsi-corp-paints-dynix
<http://blog.libraryassociates.com/?q=node/99>

Peters Taps into the Pro's Perspectives

In addition to Marshall Breeding's report on SirsiDynix, librarian, regular SLN contributor, and founder of Tap Information Services, Tom Peters, provides his take on the library automation industry's mega-merger.

In addition to decreased competition concerns and SirsiDynix synergy perspectives (as noted in "The SuperSize ILS Co.," p. 1), I also heard indicated that a merger of this type was long predicted for the "ailing" ILS marketplace, described as ailing because it's burdened by too many vendors chasing after too little revenue. One librarian predicted that additional mergers might occur relatively soon.

In addition to the SirsiDynix buzz around the general ALA venue, the popular Library & Information Technology Association (LITA) "Top Technology Trends" session and its expert panelists (which included librarians and tech pros Marshall Breeding, Karen Schneider, and Andrew Pace) addressed the merger too.

■ **Andrew Pace**, Head of Systems, North Carolina State University Libraries and author of *American Libraries*' "Technically Speaking" column, reiterated his pithy dictum that "OPACs suck." He predicted that libraries would gravitate toward disintegrated library systems with four basic components: an online catalog; an e-resources management module; a digital repository; and a metasearch engine.

■ **Karen Schneider**, Director of the Librarians' Index to the Internet (lii.org) and author of the *Free Range Librarian* blog,

expanded on the "OPACs suck" notion by declaring that all citation databases—which merely provide metadata information without easy access to the information object—"suck." To sum up Karen's comments: "OPACs are merely one of the last remaining types of standalone citation databases. As such, they suck."

■ **Marshall Breeding**, Library Technology Officer at Vanderbilt University's Jean & Alexander Heard Library and regular *Smart Libraries* contributor, commented that these merger decisions are being made in the boardroom and that consolidation will be part of the ILS landscape for the foreseeable future. Breeding, though, did also say that he sees some potential with the SirsiDynix merger in terms of addressing the "OPACs suck" problem.

Perhaps the new cadre of approximately 180 software and system engineers at SirsiDynix will be able to create an ILS far better than we have seen and experienced to date. For some reason, though, this reminds me of the old, hypothetical philosophical question: If you allow a group of monkeys to pound away on typewriters (or word-processing keyboards) for an indefinite period of time, will one of them eventually produce a document with the fine quality of a Shakespearean play?—*Tom Peters*

More information about Tap Information Services is available at www.tapinformation.com.

Contact: <http://litablog.org/?p=87>

Oxford Opts for VTLS

Oxford University, one of the oldest and largest libraries in the world, has selected the Virtua integrated library system to replace its 1997-installed Geac Advance system. At the point of the initial announcement, a final contract had not yet been signed.

This automation project will involve the installation of Virtua for the 100 libraries at Oxford, including the Bodleian Library. The initial implementation will involve 5.4 million bibliographic records representing 8.7 items. In addition to the standard ILS modules, acquisitions, cataloging, circulation, and serials, VTLS will provide a customized version of its Automated Stack Request module to manage the library's average 9,000 closed stack requests its users place each week.

This announcement comes on the heels of last year's big win for VTLS, the selection of Virtua by New York University.

Contact: www.vtls.com
www.ox.ac.uk/libraries

THE ILS SCOOP



CHICAGO PUBLIC WANTS TLC

The Library Corp. (TLC) received a major boost with its recent award of a \$13.8 million, five-year contract to provide the Chicago Public Library (CPL) with its next-generation library automation system.

CPL currently uses TLC's Carl.Solution automation system and will migrate to Carl.X using Oracle as the underlying database management system. The metropolitan library system will use all the standard ILS modules and will make use of enhanced search technologies including the AquaBrowser Library and Endeca Guided Navigation.

The contract covers both hardware and software, including a 21TB storage area network. The new automation system will be fully integrated with the library's desktop computing environment that provides e-mail, calendaring, Web authoring, event managing, finance, and human resources functions. The system will also be linked with the City of Chicago's business systems.

This automation contract stands as one of the largest in recent times. It also serves as a vote of confidence in TLC as an automation vendor for very large municipal libraries and for the Carl.X as the successor to the venerable Carl.Solution ILS.

Contact: www.tlcdelivers.com/tlc/press/pr062405.asp

The Ever-Inventive Innovative

Reflecting its continued ambitious product development designed to meet the needs of academic libraries, Innovative Interfaces recently made a series of announcements about its new products and services. These products reflect the company's strategy of creating components that satisfy each aspect of functionality as demand emerges, preempting the need for its customer libraries to acquire these technologies from third-party vendors or from competitors. Some of the company's newly minted offerings include:

- *coverage data service for electronic resource management (ERM) and WebBridge*—Through this service, Innovative periodically provides libraries with detailed data that describes its holdings of electronic journals based on its profile of subscriptions. This approach, made popular by companies such as Serials Solutions, greatly simplifies the otherwise labor-intensive task of tracking all the titles and issues available through the library's collection of electronic subscriptions. By offering this service, Innovative saves the library some of the effort involved in integrating a service provided by a third-party company;

- *RSS feeds for Millennium*—Responding to the rising popularity of RSS (really simple syndication), Innovative now offers the capability to display RSS feeds in a Millennium online catalog and tools to create RSS feeds based on queries made to the Millennium databases;
- *external patron verification*—By providing authentication using LDAP (lightweight directory access protocol), this product allows users to login to the library's system using the same username and password they use for other campus services;
- *courseware integration*—This allows students to search the library catalog directly from course pages in Blackboard without the need for a separate authentication; and
- *single sign-on*— This provides a persistent authentication across the multiple campus systems, and it allows the library automation system to be more integrated in the campus infrastructure and eliminates the frustration of having to enter usernames and passwords for each individual system visited.

Contact: www.iii.com

PROQUEST NEW VP BURKE TO MANAGE SERIALS SOLUTIONS

Jane Burke, a well-known name in the library automation industry, has been appointed vice president of ProQuest Information and Learning and will serve as the general manager of Serials Solutions, a company it acquired in July 2004. In her role as VP, Burke will participate in strategy at ProQuest.

Serials Solutions built its reputation as a small company with deep expertise in assisting libraries in managing their holdings of electronic journals. The company provides libraries data sets of their electronic journals based on profiles of their subscriptions. The company went on to develop tools and products related to managing electronic content, including an OpenURL-based link resolver, an electronic resource management system, and a federated search environment. Since its acquisition by ProQuest, the company has continued to operate as an independent subsidiary.

Burke comes to ProQuest with significant experience in the library automation industry. She was a co-founder of Endeavor Information Systems and served as president and CEO from March 1995 through December 2002. Burke also was president of NOTIS Systems Inc. and previously had worked with CLSI. Additionally, Burke serves on the advisory board of Talis, a company that provides library automation software in the United Kingdom and Ireland.

With Burke at the helm, expect Serials Solutions to become a strategic technology force within ProQuest.

Contact: www.proquest.com
www.serialssolutions.com

GOOGLE PRINT RANKLES ALA CROWD IN CHICAGO

Google is feeling the heat about possible copyright violations because of the “industrial process” it’s using to scan millions of books in the collections of the research libraries at Stanford, Michigan, and elsewhere. (See “Google Signs on to Digitize Scholarly Books, *SLN*, 25:2, p. 1.)

In June, the Association of American Publishers (AAP) sent a letter to Google asking the firm to stop scanning copyrighted books as part of the Google Print project for *at least six months* so the copyright issues can be explored further and resolved.

An article in the June 10 edition of the *Chronicle of Higher Education* quoted the director of product management for Google Print Susan Wojcicki as defending its activities and practices. “We believe that our program is fully consistent with fair use under copyright law,” she stated.

In general, librarians continue to wonder and discuss what Google’s “big” project means for copyright, fair use, and the future of libraries.

When Google senior business product manager Adam Smith spoke to a standing-room-only crowd (which mainly was comprised of librarians and a few publisher representatives here and there) at the late-June American Library Association annual conference in Chicago, his mention of Google’s intent to honor copyright laws produced a collective murmur—sprinkled with numerous guffaws.

Smith’s fellow panelists were representatives from the group of five partner research libraries (Stanford, Michigan, Harvard, Oxford, and the New York Public Library) that have become known as the “G5.” Most of the panelists saw this project as a way to increase access, *not* primarily as a way to preserve the content of millions of scholarly books. John Wilkin from Michigan was the only G5 representative to see this project as a significant preservation project.

Google’s values, future plans, and affinities with libraries remain open to much speculation and debate, but some light is beginning to be shed on the fine points of this project.

For example, the University of Michigan recently made available on the Web the cooperative agreement between Google, Inc. and the Regents of the University of Michigan. Apparently, the terms of the agreements among Google and its G5 partners vary.

Evidently, Google has developed a high-speed, proprietary, non-destructive scanning process that has turned the heads of the likes of Wilkin, Dale Flecker at Harvard, and other librarians with considerable knowledge and experience with scanning technologies and methods.

The library profession should be asking why Google has not started marketing (or better yet sharing) this revolutionary, industrial strength process for massive digitization efforts to all the other digitization efforts—large and small—already underway around the planet.—*Tom Peters*

Contact: <http://chronicle.com/free/2005/06/2005062101t.htm>
www.lib.umich.edu/mdp/um-google-cooperative-agreement.pdf

Grokster Case Could Chill Innovation

Like Google, Grokster (no relation to Grokker, see p. 7) is also feeling the heat of increased copyright-infringement consciousness. On June 27, the United States Supreme Court handed down a unanimous decision in a case that could profoundly influence for years to come how copyrighted digital content is stored, sought, and distributed. The case, *Metro-Goldwyn-Mayer Studios Inc., et al., Petitioners v. Grokster, Ltd., et al.*, involved a host of large established media companies versus Grokster and StreamCast Networks, upstart purveyors of peer-to-peer file-sharing software and systems.

The opinion, written by Justice Souter, states in the opening paragraph, “We hold that one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties.”

In other words, because, in the opinion of the Supreme Court, Grokster and StreamCast knowingly encouraged individual users of their individual company’s software to share digital content—primarily music files—that was under the protection of copyright laws, the two companies may be liable for acts of copyright infringement performed by individual users of the software.

Although the word “library” appears only twice in this decision—and both times in a “good” context—the impact on libraries and library users could be substantial. The court seems to be declaring that the level of knowledge of a digital information supplier or vendor about the activities of the users of that supplier’s or vendor’s system, and the response of a supplier or vendor to that knowledge when copyright infringement is known or strongly suspected to be occurring, may make the supplier or vendor liable for copyright infringement (and perhaps other criminal activities) undertaken by third-party users. The knowledge and intent of the supplier of a digital information system vending content to individual end-users become, to wit, actionable.

The Supreme Court vacated the judgment of the Court of Appeals for the Ninth Circuit, which had ruled in favor of Grokster and StreamCast Networks, and “remanded [the case] for further proceedings consistent with this opinion.”

Both established and fledgling channels for reporting and commentary—from the *New York Times* to individual bloggers—had a field day with this opinion.

In an interview with *BusinessWeek Online*, Larry Lessig, a Stanford professor of law and leader of Creative Commons, worried that the “intent standard” would create all kinds of uncertainty in the marketplace, thus increasing the cost of technological innovation and retarding the progress of information technology for years to come. Lessig also worries the Supreme Court “. . . shifted an enormous amount of power to those who oppose new types of competitive technologies.”

Lessig is concerned the courts, rather than Congress, seem to be taking the lead in determining how intellectual property and technological innovation will achieve a peaceful co-existence in the digital age.

The Court’s own apparent disregard of the potential ramifications of this Supreme Court decision—in terms of opportunities for innovation that are intentionally buried by erstwhile inno-

Lessig is concerned the courts, rather than Congress, seem to be taking the lead in determining how intellectual property and technological innovation will achieve a peaceful co-existence in the digital age.

vators out of fears of the costs of litigation—also concerns Lessig. “I continue to be disappointed in Justice Souter’s obtuseness to the costs of the complexity that he adds to the copyright system.”—*Tom Peters*

Contact: Slip Opinion: <http://a257.g.akamaitech.net/7/257/2422/27jun20051200/www.supremecourtus.gov/opinions/04pdf/04-480.pdf>

“Ten Years of Chilled Innovation” (*BusinessWeek Online* Lessig Interview): www.businessweek.com/technology/content/jun2005/tc20050629_2928_tc057.htm

I Grok, Capisci?

At one of the Gopher conferences in Minneapolis in the early 1990s, I remember seeing a prototype system for displaying information files in a non-linear, non-hierarchical manner. The prototype developer used the venerable Stonehenge circle of vertical stone tablets as the basis of his working model of a new way to display and navigate through search results. In the brief demo, the user was able to fly over Stonehenge, then swoop down on an area of interest. To the Gopherites in attendance, this was an exciting experience.

Here in the early 21st century, Grokker has built a system that does something similar while jettisoning all reference to Salisbury Plain, Druidism, and Sir Cecil Chubb (who owned Stonehenge until the end of the Great War). Grokker helps users visualize a large set of search results by organizing them (the search results, not the users) into groups called “preview balloons.” The user can zoom in, zoom out, and zoom around large sets of search results with ease.

In addition to the Web-based search tool available to everyone, Grokker also offers myGrokker (\$49 MSRP), a downloadable application for the desktop that queries not only Yahoo!, a

Grokker partner, but also Google; Amazon.com; other search engines; your own hard drive; Grokker EDU (which includes a federated search engine for K–12 and higher educational institutions); and Enterprise Grokker (used by businesses to manage business intelligence, e-commerce, and intranets). The Web version of Grokker can organize up to 160 results into a single navigable map, while myGrokker can map up to 2,000 results.

According to an article that appeared in the May 9 issue of the *New York Times*, students at Stanford University have been testing Grokker for a year. Michael Keller, the university librarian, reports Grokker has been getting rave reviews.

Grokker is made by Groxis, Inc., a San Francisco-based company founded in 2001. According to the company’s site, “to grok” comes from Robert Heinlein’s 1961 classic sci-fi novel, *Stranger in a Strange Land*. “Grok” is a Martian word meaning to drink deeply, to become one with, or to understand completely.

I wonder if there’s a Martian word meaning “to distance your company from Grokster”? —*Tom Peters*

Contact: www.grokker.com

MYSTICAL MULTIMEDIA HANDHELD TOUR

The Chester Beatty Library in Dublin now is offering its patrons a multimedia handheld tour of its collection of paintings, drawings, rare books, prints, manuscripts, and other artistic and information objects collected by Sir Alfred Chester Beatty. Beatty, who was born in New York City in 1875, made his fortune in mining.

The collections are particularly strong in the sacred traditions of Buddhism, Islam, and Christianity. The multimedia content is delivered to Hewlett-Packard iPaq handheld devices running Microsoft’s Pocket PC operating system, using the wi-fi network to deliver the content. SiliconRepublic.com, an online technology news service, reports the service began in late June.

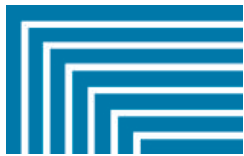
At each stop on the portable multimedia tour, visitors to the library and museum are presented with images, sound clips, and documentation explaining a section of the library/

museum. Video clips will be added to the content mix soon. The Vodafone Ireland Foundation is providing both financial and technical support to the new service.

The librarians and staff members at the Beatty Library create and maintain the content using a tour maintenance system. The system has been designed to be accessible to persons who are visually or hearing impaired. Translating the content into Irish, French, and Chinese is planned.

Other libraries and museums are developing similar services to provide peripatetic on-demand access to tour, orientation, and background information.—*Tom Peters*

Contact: www.cbl.ie
www.siliconrepublic.com/news/news.nv?storyid=single5006



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Creating a Colossus: Sirsi and Dynix Combine Forces

Smart Libraries Newsletter

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

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