

Smart Libraries Newsletter

News and Analysis in Library Technology Developments



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



Smarter Libraries Through Technology

Toward Greater Transparency in the Library Tech Industry

By Marshall Breeding

Libraries benefit from access to the most information possible as they make technology decisions, especially regarding their needs to replace or retain strategic products such as integrated library systems, library services platforms, discovery services, or other major automation components. These products represent major investments by organizations with limited budgets and that depend on technology for much of their work and in the provision of their services to their communities.

In many ways, libraries have access to substantial data regarding vendors and products. There are industry reports and publicly available registries that provide many different types of information. But other potential information remains cloaked in secrecy, hidden behind non-disclosure clauses in contracts. While libraries should appreciate that they have access to more data than might be expected in other industries, they can also benefit by working toward even more transparency.

Library vendors provide substantially more information than legally required. Most library vendors are privately held companies with no substantive requirements to report the details of their business. Private companies generally do not reveal specific revenue earnings or product sales statistics. Private companies tend to share financial and operational details

with their current or potential investors, but not with their customers or the general public. Yet, those working with libraries have generally been much more willing to share information and take a more collegial stance. Doing business with libraries or other non-profit organization requires a more collaborative approach than might be the case in business-to-business commercial spheres.

Non-profit organizations are required to reveal detailed financial statements. In the United States, non-profit organizations are required to file a 990 form with the Internal Revenue Service and make them publicly available. Non-profits in the library technology industry include OCLC, Lyrasis, and Equinox Open Software Initiative. Publicly-traded companies also have reporting requirements. The only public company in our industry is Agent Information Software (AIS), the parent company of Auto-Graphics. Private companies have no such requirement. All the remaining companies are privately owned. Those owned by their founders include Follett Corporation, EBSCO Information Services, The Library Corporation, Biblionix, Soutron Global, and ByWater Solutions. Those owned by investment firms include SirsiDynix, Innovative Interfaces, bibliotheca, Civica, and Infor. ProQuest has a more complex ownership structure including founders and investors.

Despite the absence of legal requirements, most of the major companies in the library technology industry provide detailed information regarding their sales performance. The annual "Library Systems Report" that I have authored since 2002 (published by *American Libraries* since 2014 and by *Library Journal* from 2002-2013) is based on data provided by each of the companies regarding new customers contracting for their products and services and cumulative customer counts. Almost all the companies in the industry provide these statistics and most will also provide lists of the libraries acquiring their products in that year. These statistics reveal important industry trends such as

ISSN 1541-8820 February 2019 Volume XXXIX Number 2

IN THIS ISSUE

ProQuest and Ex Libris Reorganize Latin American Operations
PAGE 3

Product Advancements
PAGE 5

Smart Libraries Q&A
PAGE 6

Notes
PAGE 7

which vendors are gaining or losing ground and the rates of adoption or defection for specific products. I appreciate the willingness of all the companies to provide these statistics for each annual report.

In addition to the quantitative data that forms the basis of the “Library Systems Report,” the annual International Library Automation Perceptions survey and report I conduct through Library Technology Guides (<https://librarytechnology.org/perceptions/>) provides some qualitative information regarding how well these products function in libraries and the levels of support provided. This annual report produced since 2007 is based on a survey offered to libraries that in recent years has received around 4,000 responses. The report provides tables and visualizations that summarize the satisfaction levels that libraries have with their installed products and reveal trends across the multiple annual editions of the survey.

The universe of libraries is relatively finite and within the realm of feasibility to comprehensively track. While the total number of libraries worldwide may be over a million, only a few tens of thousands fall within the addressable market of the library technology vendors. The libraires.org directory within Library Technology Guides tracks the technology products used or selected by libraries throughout the world. This directory contains about 185,000 entries, with automation system data for over 82,000 libraries. Through reports and visualizations offered on Library Technology Guides, libraries can get a good understanding of the implementation trends for each of the major products according to factors such as collection size, type, and geographic location. Though not necessarily comprehensive, this data set has been continually updated since about 1996.

These resources aim to contribute to the transparency in the library technology arena. They each work toward providing data regarding the technology products used in libraries from different angles. This information can benefit libraries in support of technology procurement decisions as well as vendors as a benchmark of their own performance relative to their competition in addition to other types of competitive analysis they may perform internally.

Beyond these efforts, data regarding many other aspects of the library technology business environment remain much more difficult to acquire. Almost all contracts for library systems include a non-disclosure clause that prevents the library from revealing the business details, such as the price paid or detailed technical information regarding the products involved.

The pricing for library technology products tends to be secretive and mysterious. As with business applications across different industries, each procurement project comes with a scaled pricing structure usually finalized through private negotiations. Different libraries will pay different amounts for

the same software. Vendors posit a price scaled to the size and complexity of the library. Most vendors have a formula based on factors such as modules selected, collection size, population served, number of personnel, or other considerations to calculate the cost of the software for a given library. This pricing models are not unfair. Larger libraries will press the capabilities of the software to their limits and will require more resources for initial installation and ongoing support. Smaller libraries usually require fewer support resources. Scaling the cost of software products according to the size and complexity of the library also correlates somewhat to feasible amounts relative to available budgets.

This pricing model also involves a certain amount of unevenness. In addition to the standard scaling factors, the pricing offered may also take into consideration factors, such as the anticipated competitive environment. The combination of factors often results in considerable differences in pricing paid by libraries with similar profiles.

The confidentiality of pricing generally places libraries at a disadvantage when negotiating with a vendor. Information regarding what other organizations have paid can indicate how low of a price a vendor is willing to offer. Libraries do not necessarily object to scaled pricing models, but they also would want to ensure that what they are paying is in line with that offered to other institutions of similar size and complexity. These issues apply more broadly than the technology sphere. The procurement of content products can also involve similar concerns relative to the confidentiality of pricing and inequities among customers.

In some cases, Freedom of Information Act (FOIA) requests can be used to gain access to proprietary details of a contract. Vendors often use this approach to gain access to contract details for deals they may have lost to a competitor. It is less common for libraries to use FOIA requests to reveal pricing and other contract details.

It seems unlikely that the practice of confidentiality in contract details will change. These terms are not necessarily just at the discretion of the vendor. In many cases, the procurement department of the library or its parent organization require confidentiality of contracts. At best we can hope to adjust the balance between information that needs to be protected in non-disclosure agreements and what can be made publicly available. As libraries enter into contracts with vendors for major products, it would be ideal for them to advocate for more openness to strengthen the transparency of the industry as a whole. More transparency in the industry should eventually lead to more positive relations between libraries and their vendors and lead to a clearer understanding of the cost of major technology products as libraries prepare to make new investments in their technical infrastructure.

ProQuest and Ex Libris Reorganize Latin American Operations

ProQuest and Ex Libris have reorganized and consolidated their operations in Latin America. This move is consistent with a longstanding strategy where Ex Libris has steadily shifted away from working through distributors for sales and support in specific regions to direct operations through wholly owned offices or subsidiaries. It also reflects a growing integration between ProQuest and its Ex Libris subsidiary.

Ex Libris initially entered many geographic regions through partnerships with local companies to sell and support their products. While distributors have proven successful in establishing a presence in some countries, they also involve a more indirect relationship between Ex Libris and the libraries using its products. Ex Libris historically has operated its own offices in its core markets and has worked through distributors only in selected regions. This latest move continues the company's strategy for shifting away from the distributor model. Now part of ProQuest, the scope of the change involves both content and technology products.

Grupo Sistemas Lógicos Launches Ex Libris Products in Latin America

Prior to this change, Ex Libris has worked through Grupo Sistemas Lógicos to represent its products in most countries in Latin America, except for Brazil. Through the efforts of Sistemas Lógicos, Ex Libris products were adopted by many of the major libraries in Latin America. The company became the exclusive distributor for Ex Libris for the region in 1996. Some of the major libraries that acquired Ex Libris products through Sistemas Lógicos include:

- University of Guadalajara (Aleph in 1999)
- Biblioteca Nacional de Chile (Aleph 1999)
- Universidad de San Andrés in Argentina (Aleph 1999)
- Pontificia Universidad Católica de Chile (Aleph 1999, Alma 2016)
- National Library of Mexico (Aleph 2002)
- Universidad Nacional Autónoma de México (Aleph 2002)
- Megabiblioteca Vasconcelos in Mexico City (Aleph 2006)
- Universidad Adolfo Ibáñez in Chile (Aleph 2009, Alma 2015)
- Universidad Católica de Córdoba in Argentina (Aleph 2009)
- National Library of Argentina (Aleph in 2010)
- BiblioRedes network of all public libraries in Chile (Alma 2007)

- Tecnológico de Costa Rica (Aleph 2011)
- Universidad de Chile (Alma 2017)
- Universidad Torcuato di Tella (Alma 2017)
- Alerta al Conocimiento consortium of 7 libraries in Chile (SFX, MetaLib 2004)

In addition to this list of some of its largest Latin American customers, many other mid-sized libraries have acquired Ex Libris products through Sistemas Lógicos. As illustrated by this list, some of the largest academic and national libraries in the region have implemented Ex Libris Aleph. In recent years, there have been a small number of sales of Alma, including the Universidad Cooperativa de Colombia, Pontificia Universidad Católica de Chile, Universidad Peruana de Ciencias Aplicadas, and Colegio de México. The next few years will be a critical time for Alma as libraries in the region consider options to move beyond their legacy integrated library systems.

Latin American Library Context

Latin America has proven to be a challenging market for the global library automation vendors. The region is characterized by a relatively small number of libraries able to purchase commercial products. Many universities remain decentralized, with separate libraries serving each of the schools and colleges. The libraries within a university may not be well coordinated and may even use different automation systems. While Latin American universities have increasing use of electronic resources, they represent a smaller proportion of collection expenditures compared to academic libraries in the United States or Europe. These factors lead to an ongoing use of integrated library systems in academic libraries and slower rates of adoption of library services platforms, such as Alma or OCLC WorldShare Management Services.

A key challenge for commercial vendors of proprietary library systems in Latin America lies in the strong interest in open source software. Koha has especially seen wide adoption in academic libraries throughout Latin America. In a region with limited financial resources and growing capacity for technical development, open source systems such as Koha have found an enthusiastic community of libraries. In addition to internal support, a number of commercial and non-profit firms have emerged to provide implementation and support services.

Grupo Sistemas Lógicos Company Background

Grupo Sistemas Lógicos was founded in 1983. In that year, the company launched LogiCat as an automation system for libraries. This product has been continually developed, with current versions including LogiC@t for Libraries and LogiC@t for Archives. Following this transition, Grupo Sistemas Lógicos will continue to develop and support this product. Between 1996 and 2019, the company was the exclusive distributor of Ex Libris products for all of Latin America except for Brazil.

At the time of the transition, Sistemas Lógicos employed a workforce of about 25 persons. It operated offices in Mexico City, Bogota, and Santiago de Chile. Alfredo Bronsoiler served as the Director of Operations for the company.

Transition Details

With the completion of this transition, ProQuest content products and Ex Libris technology products will be managed through new ProQuest offices established in Chile, Mexico, and Colombia in addition to its existing office in Brazil. Boe Horton, ProQuest Vice President for Sales, Latin America and Data Products will oversee the company's Latin American operations. Alfredo Bronsoiler joins ProQuest as its Mexico and Central American Region Manager. Most, but not all Grupo Sistemas Lógicos employees have been hired by ProQuest. A portion of the workforce will remain to develop and support the LogiC@t products for libraries and archives.

ProQuest anticipates little change for its existing customers in the region. The same individuals providing support through Grupo Sistemas Lógicos will continue with ProQuest. All existing contracts and pricing will remain in place.

Distributor versus Regional Offices

Distribution arrangements typically follow a business model where the distributor is responsible for the cost of operations, receives revenue from the customer libraries, and pays a set percentage of the license fees to the primary content provider or technology developer. Distributors will have expertise of the local market and will be registered to do business in each country involved. The personnel working for a distributor will receive extensive technical training so that they can provide support services surrounding the products. With owned offices or subsidiaries, companies such as Ex Libris or ProQuest cover all expenses and directly receive revenue. Establishing a new office requires an investment that may take substantial time to recover. Working with a distributor can provide a path to gaining a presence in a market where local

expertise can be a larger factor and where sales opportunities may be limited. Distribution contracts will usually have a limited term, making it possible for a company to shift to a direct support model.

Working through distributors has not been a common business model in the library technology industry. One of the few remaining arrangements can be seen with Naseej, which operates in the Arab Gulf Region and represents multiple product lines from global companies including content and discovery products from EBSCO Information Services, Sierra from Innovative Interfaces for academic libraries in the region, and SirsiDynix Symphony for public libraries.

An Ongoing Strategy of Business Integration

The changes for ProQuest and Ex Libris in Latin America can be seen as the most recent event in a series of transitions shifting away from third-party distributors to regional offices operated by its own personnel. Working with libraries directly enables the company to have more control and accountability and results in a more integrated business structure.

Ex Libris reached a similar arrangement in May 2016 with GreenData, its long-time distributor in Spain. At that time, Ex Libris took a more active role in the sales and support of its products in Spain, with GreenData personnel involved on those activities becoming direct employees. GreenData continues as a distributor of content products to libraries and other organizations in Spain.

In June 2009, Ex Libris acquired Atlantis S.R.L., which had previously served as its exclusive distributor for Italy and Slovenia. At that time, Ex Libris opened its own office in Italy.¹

Ex Libris shifted to direct operations in Eastern Europe in November 2016, replacing distributor arrangements previously held by multiple small companies, including MULTIDATA Praha representing Ex Libris in the Czech Republic, Ex-Lh Kft, operating in Hungary, Romania, and Armenia.²

In 2010, Ex Libris acquired the library division of Fujitsu Services A/S, which had previously served as its exclusive distributor in Denmark and Sweden. Ex Libris opened a new office in Ballerup, Denmark to carry out its sales and support operations to libraries in Scandinavia.³

Ex Libris, now a part of ProQuest, continues to strengthen its position as the global leader in providing technology products to academic and research libraries. Its Aleph and Voyager products, though waning, continue to represent a significant number of global installations. Momentum for Alma continues to build in almost all global regions. So far, its uptake in Latin America has been slow, though we can anticipate more aggressive positioning of the product going forward.

According to Bronsoiler:

After three years of promotion where we were able to sell Alma in Mexico, Peru, Colombia, Chile and Argentina, we anticipate increased interest in Alma in the upcoming years. Libraries across the region face the same issues as their colleagues worldwide with managing print, electronic and digital materials across different systems and are looking to unify library services in a single interface.⁴

Other recent developments illustrate the growing integration between Ex Libris and ProQuest. In January 2019, ProQuest implemented the latest phase of the integration between the ProQuest OASIS platform for book selection and ordering and the Ex Libris library services platform. A new API for checking availability and pricing has been developed for OASIS, which now enables staff members using Alma to perform all steps of book ordering without leaving its interface. This complements other OASIS integration mechanisms, such as the Real-Time Acquisitions API that automatically transfers order records into Alma for items purchased through OASIS. These integrations apply to the current OASIS platform. ProQuest and Ex Libris are also jointly developing Rialto as an entirely new platform based on Alma that aims to create new workflows for selection and procurement of library materials more consistent with the nature of current business processes of content providers and library acquisitions.⁵

ProQuest also continues integration of its content delivery platforms. The company has just announced (January 2019) a new offering branded as ProQuest One Academic that consolidates four of its major cross-disciplinary resources, including ProQuest Central, Academic Complete, ProQuest Dissertations and Theses Global, and Academic Video Online. This offering continues the strategy for ProQuest to bring together its content search and delivery products into a unified platform rather than through separate interfaces.

Library and Archives Canada Launches New Library System

Library and Archives Canada (LAC) has completed another milestone in its transition to OCLC's WorldShare Management Services and WorldCat Discovery Service for the management of its own collections and for end user access to its catalog and the National Union Catalog. The library recently launched a new service called Aurora as the discovery interface for its collections. Last year the library launched Voilà as the new interface for the National Union Catalog, aggregating records from libraries throughout Canada. Both of these services are based on OCLC's WorldCat platform. The library has also transitioned away from its custom-built AMICUS library management system to OCLC's WorldShare Management Services. LAC anticipates decommissioning the legacy AMICUS system in March 2019. The launch of Aurora marks the completion of the implementation of OCLC's resource management and discovery services in this major national library.

OCLC Attracts Another ARL Member

OCLC has also announced that McGill University Library in Canada has opted to replace its Aleph integrated library system from Ex Libris with WorldShare Management Services. This library implemented WorldCat Local as its discovery interface in 2009. McGill becomes the fourth member of the Association of Research Libraries to select WorldShare Management Services; the University of Delaware, University of New Mexico and the University of Louisville had previously selected the product.

Ex Libris still holds a commanding lead among this top tier of academic libraries. Of the 125 ARL member institutions, 85 have selected or implemented products from Ex Libris: 60 have selected Alma, 16 continue to use Voyager, and 9 remain on Aleph; Innovative has 20 ARL customers, 15 on Sierra and 5 on Millennium; SirsiDynix customers total 12 with 1 on Horizon and 10 in Symphony. While OCLC's WorldShare platform has not attracted a large number of these institutions, its recent selections reflect ongoing interest by large institutions.

Product Advancements

Libraries expect continual development of their products as a benefit of their ongoing maintenance and support payments. Many vendors recently announced new versions

and enhancements of their products. These announcements include:

- **Follett** has released version 16.5 of its flagship **Destiny** library management system for PreK-12 school libraries. Some of the new capabilities in this new version include a new concept of “collection playlists,” which enable teachers to assemble learning resources that can be shared with students much like music playlists. This new capability supports personalized learning, such as offering different playlists for the same course to enable students to work through material at their own pace. This version of **Destiny** also strengthens support for genre classifications that enable libraries to organize their collections according to bookstore-like categories. Enhancements were also made to reporting and circulation functions.
- **Civica** released version 10.2 of its **Spydus** library management system that streamlines multiple aspects of administering the system and enhances its patron interface. This version presents a new personalized dashboard for library personnel displaying essential information and tools when launched. The system also enables discovery of library resources through Google and other web search engines. Its cataloging component now allows bulk editing of MARC records to streamline processing.
- **The Library Corporation** released Version 5.4.1 of its **Library.Solution** integrated library system for public and school libraries. Featured enhancements include easier ways to make edits to batches of records in the cataloging module using drop-down menus. This version also includes automated retrieval of MARC records from sources such as Mackin and improved integration with external discovery environments.
- **ByWater Solutions** has enhanced its **Libki Kiosk Management System** to include print management capabilities based on Google Cloud Print. This new feature enables a library to implement print management through cloud services without specialized local hardware or software infrastructure.

Smart Libraries Q&A

Each issue, Marshall Breeding responds to questions submitted by readers. Have a question that you want answered? Email it to Samantha Imburgia, Associate Editor for ALA TechSource, at simburgia@ala.org.

If money was not an object, what technology tools would you recommend for a library to purchase? This would not be for lending, but for patrons to view and use in-house.

Given the limited capacity of the budgets of most libraries, it is rare for cost not to be a consideration in the acquisition of new technology products or services. It is helpful, however, to know the full range of solutions apart from their cost. Pricing can also be treated as a separate aspect of a competitive procurement. It is often part of a formal review for the individuals assigned to evaluate products to not have access to pricing, so that they can focus on their ability to meet stated requirements and functionality. I am aware of some procurement scenarios where the proposals for those involved spanned a broad range of pricing, but all were considered affordable. Such a scenario enables a library to focus on selecting the best product, not the cheapest one. There are also many procurement processes, where the organization is required to select the least expensive qualified proposal. The weighting given to pricing will vary according to the procurement rules of an organization. Rarely is price not an object, but usually it is considered an important factor.

There are very few technology products that have been developed primarily to manage in-library use of materials. Some libraries have special collections or archives that do not circulate and may use products such as Aeon from Atlas Systems to track requests and processing workflows. It is much more common, however, for a library with a non-circulating collection to use one of many integrated library systems available, configured with the appropriate circulation rules. While one key area of concern for non-circulating libraries lies in tracking use, these libraries may also need automation support for acquisitions and cataloging of materials and for a public search interface, so that patrons can locate materials. These areas of collection management support are standard features of any of the major integrated library systems.

Tracking in-library use of materials is a standard routine for almost any library. Even if a library also lends materials, it is important to be able to capture statistical data, both for individual collection items and in aggregate for items consulted. Libraries generally ask patrons not to re-shelve items that they have consulted, but to rather return them to a designated area. This procedure not only prevents errors in shelving that might result from patrons not being familiar with the library's call numbers, but it also provides the opportunity to scan each item so that its use can be recorded. Each scan increments the item's use or browse count and accumulates to the overall circulation activity reports. For circulating collections, these in-library use scans can also

help identify errors, such as items shelved but not discharged.

The standard features of an integrated library system can also address other scenarios, such as when materials are housed in closed stacks or remote storage. Patrons can make requests through the online catalog that generate paging requests for library personnel as well as the supporting routing and notification messages.

Returning to the question of what technology in support of in-library use might best serve the library regardless of cost, I can offer only general advice rather than recommend specific products. A long list of requirements must be considered, based on the complexity of the collection, the collection management tasks expected, the request and messaging features needed, and the types of statistical reports desired.

Other supporting technologies might also be helpful such as RFID tags, readers, and security gates. RFID-based technologies could provide some interesting capabilities in tracking materials within the library and preventing unauthorized removal. In some cases, innovative products such as smart shelves could provide interesting ways to facilitate pickup of requested materials or to provide visual indicators of the location of items.

While it would be unusual for a library to acquire technology products without concern for cost, there are affordable options. The key challenge lies in finding the best products that meet the needs of the library, that solve problems in innovative ways, and that represent a good value for the library's financial investment.

Notes

1. This business event was covered in Marshall Breeding, "ILS Market News," *Smart Libraries Newsletter* 29, no. 9 (September 2009): 7.
2. For more information, see Breeding, "Ex Libris Expands its International Operations," *Smart Libraries Newsletter* 26, no. 12 (December 2016): 5-6.
3. See Breeding, "Ex Libris Consolidates, a Bit," *Smart Libraries Newsletter* 30, no. 4 (April 2010): 4-5.
4. Alfredo Bronsoiler (Mexico and Central American Region Manager, ProQuest), email interview by Marshall Breeding, January 2019.
5. For more information about Rialto, see Breeding, "ProQuest Introduces Rialto," *Smart Libraries Newsletter* 38, no. 12 (December 2018): 2-4.

Questions or suggestions
for topics in future issues?



Contact Samantha Imburgia at
simburgia@ala.org



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

February 2019 Smarter Libraries through Technology

Smart Libraries Newsletter

Marshall Breeding's expert coverage of the library automation industry.

Editor

Marshall Breeding
marshall.breeding@librarytechnology.org
Twitter: @mbreeding

Managing Editor

Samantha Imburgia
312-280-3244
simburgia@ala.org

Digital Access for Subscribers

journals.ala.org/sln

TO SUBSCRIBE

To reserve your subscription, contact the Customer Service Center at 800-545-2433, press 5 for assistance, or visit alatechsource.org.

ALA TechSource purchases fund advocacy, awareness, and accreditation programs for library professionals worldwide.

Production and design by the American Library Association
Production Services Unit.

Smart Libraries Newsletter is published monthly by ALA TechSource, a publishing imprint of the American Library Association.

alatechsource.org

Copyright © American Library Association 2019. All rights reserved.