

# Smart Libraries Newsletter

News and Analysis in Library Technology Developments



225 N. Michigan Ave., Suite 1300, Chicago, Illinois 60601-7616, USA



## Smarter Libraries through Technology

### Trustworthiness and Competition

By Marshall Breeding

The news of the Federal Trade Commission's closing its review of ProQuest's acquisition of Innovative Interfaces evokes questions regarding competitiveness in the library technology industry. Throughout my career, I have observed a continual succession of business acquisitions and ownership changes among the companies involved in providing technology products to libraries. The net impact of these events can be seen in the current business environment. Responsibility for strategic technology products is concentrated in a relatively small number of large organizations, though there are definitely important players in the mid-sized and small tiers of the industry. Recent transactions have attracted considerable attention. While the consolidation of the industry is not new, its depth is unprecedented. We should also assume that this process will continue. Multiple companies in the library tech industry are due for ownership changes and transitions in the next year or so. While delays in moves of ownership remain possible, it is more realistic to expect additional business concentration.

Libraries must set their technology strategies within this reality of deeply consolidated industry. Decisions regarding the acquisition or retention of strategic technology products must be made within the confines of the current business landscape. In some respects, the choices seem narrow, though multiple

meaningful options remain for each category of library. Two important concerns involve meaningful choice and trustworthiness of vendors.

### Do Libraries Have Meaningful Choice?

In previous times, a library in almost any sector could expect to see three to five qualified responses when they issued an RFP for a new automation system. Now, it's more likely that the number of responses will be fewer, in some cases only two. In rare circumstances only one product may be realistically viable for a large-scale project. The menu of choices varies by sector, with more viable options available to public libraries and fewer for academic and school libraries.

- **Academic libraries.** New implementations of systems among academic libraries in the United States are dominated by Ex Libris Alma (66 new libraries in 2019), followed by OCLC WorldShare Management Services (16), Koha supported by ByWater Solutions (9), with 9 libraries making commitments to FOLIO (5 supported by EBSCO Information Services and 4 supported by Index Data). These choices are distinctive, including a proprietary system offered by a for-profit company (Alma), a proprietary product offered by a non-profit organization (WMS), and two open source products supported by for-profit companies (FOLIO and Koha). It's also interesting to see one sale made by TIND, a recent start-up company.
- **Public Libraries.** New implementations of systems in public libraries in the United States came from a more diverse set of products and companies. These included Apollo, provided

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by a small for-profit company (65 sales in 2019, mostly small public libraries); Evergreen, an open source product supported by two non-profit organizations, Equinox Open Library Initiative and MOBIUS (62 new libraries combined); the open source Koha ILS, supported by for-profit ByWater Solutions (23 libraries); and several proprietary ILS products offered by for-profit companies (Symphony 15, Carl.X 2 consortia, Polaris 26, VERSO 3, Atrium 35 small public libraries, Library.Solution 6). Non-profit OCLC has made five sales of its proprietary Wise product. These 2019 sales statistics reflect a less concentrated business environment for public libraries relative to academic libraries. Several companies offer multiple products: The Library Corporation (Carl.X and Library.Solution); Innovative (Polaris and Sierra); and some open source products are supported by multiple vendors, such as Evergreen and Koha (both supported by Equinox and ByWater).

- **K-12 School Libraries.** Although less systematic data are available, Follett Destiny holds a dominant position in this sector, with other companies such as Alexandria, Book Systems, Mandarin, and LibraryWorld each representing smaller portions of market share.

I recently analyzed historic patterns of system implementations among ARL members for each year since 1990. Interestingly, the least competitive period was from 2008 to 2011, with only six products supported by three vendors. Implementations in 2020 show 12 products supported by six vendors.

## Trustworthy Players

Libraries naturally prefer technology vendors with demonstrated commitment and understanding of the library environment. Doing business with libraries differs substantially from other business-to-business sectors. As non-profit organizations with limited budgets, long planning cycles, and quite distinct operational requirements, libraries do not respond well to aggressive commercial strategies. Many of the major library technology products have endured through multiple ownership arrangements. It is often only in retrospect that we can assess the stewardship of each regime relative to product development, support, or general technology innovation.

Though subjective, business transitions can be assessed by whether the arrangement results in a positive or negative impact on perceived trustworthiness or stability. The following transitions can be interpreted as moving toward more stability or trustworthiness.

- Equinox Software, Inc made a transition to non-profit status as Equinox Open Library Initiative in 2017.
- SirsiDynix changed ownership from Vista Equity Partners to Inner City Ventures in 2015. Both owners were private equity firms. While Vista was notorious for its aggressive playbook for managing its portfolio companies, ICV values the positive contributions that its portfolio companies make to their communities.
- ProQuest acquired Ex Libris and Innovative. Both companies were previously owned by private equity firms. Ex Libris went through a series of ownership arrangements with each making investments to create new products and expand markets. Innovative's phase of private equity ownership reflected less productive outcomes. Its Inspire development initiative came late and did not succeed in positioning a major new product into the market. The move from private equity ownership to ProQuest, a well-established library-focused company, can be interpreted as positive movement on the trustworthiness scale.
- EBSCO Information Services' acquisitions and investments reflect positive movement toward trustworthiness. EBSCO is a family-owned business with longstanding involvement with libraries and a generous philanthropic program. Though EBSCO has not acquired any ILS companies, it has acquired important tech firms such as Zepheira, supported the FOLIO open source initiative, and made investments in organizations such as protocols.io and Code Ocean.
- OCLC's acquisitions likewise represent a move toward trustworthiness. Its multiple acquisitions of ILS companies in international sectors (HKA, BOND, Amlib, Fretwell-Downing) and the recent purchase of Capira Technologies have each involved a transition from for-profit to non-profit status and involvement with a long-standing library-focused organization.

The transition of small or mid-sized companies into ownership by corporate giants in the industry may result in more trustworthiness and stability for the products involved, but it is less clear whether these are moves toward more or less competitiveness. A much more in-depth treatment of this topic will appear in an upcoming issue of *Library Technology Reports* "Consolidation of the Library Technology Industry" (Vol. 56 No. 8).

This issue of *Smart Libraries Newsletter* continues the coverage of the most recent major business event, the acquisition of Innovative Interfaces by ProQuest after the resolution of a Federal Trade Commission review, which has been underway for the past nine months.

## ProQuest Acquisition of Innovative Proceeds

ProQuest announced that it has received notification from the Federal Trade Commission (FTC) that the review of its acquisition of Innovative Interfaces has been completed. According to ProQuest Chief Executive Officer Matti Shem Tov, the acquisition of Innovative was accepted in its entirety and without further stipulations. ProQuest announced in December 2019 that it had acquired Innovative Interfaces from its previous owners, investment firms HGGC (formerly Huntsman Gay Global Capital) and JMI Equity in a transaction that closed on January 16, 2020. The FTC review commenced in February 2020, with ProQuest making a public statement acknowledging it on March 13, 2020. No specific information is available on what triggered this acquisition for review by the FTC, nor why it took place after the transaction had closed. (This topic was also discussed in the June 2020 issue of *Smart Libraries Newsletter*.)

### Executive Leadership

During the period in which the acquisition was under review (February 2020 through November 1, 2020), ProQuest agreed to operate Innovative entirely independently, with no direct business integration or intermingling of assets. ProQuest appointed Yariv Kursh as the general manager of Innovative, replacing Shaheen Javadizadeh, the incumbent CEO who, along with other C-Level executives, directed the company under previous ownership. Kursh reports directly to Matti Shem Tov, president and chief executive officer of ProQuest.

### Business Continuity

Continuity of leadership has been maintained throughout this transition and is expected to continue. Under current arrangements, executive roles carry titles at the vice president and director level. There has been limited turnover among the general workforce of the company. Key executives continuing with Innovative include:

- Hilary Newman, senior vice president of customer support and customer success (joined Innovative in Dec 2000),
- Tom Jacobson, vice president, executive library advocate and strategist (May 1990),
- Kirsten Matetich, vice president, marketing and business development (Mar 2018),

- Toni Minick, vice president, product management (Feb 2019),
- Aaron Terrell, vice president, engineering (Dec 2013),
- Robert Jacobs, vice president, international sales (Sep 2013),
- Eyal Alkalay, vice president, information technology (Nov 2016),
- Akin Adekeye, general counsel and executive vice president (Nov 2016),
- Sherry Stafford, director, human resources (Mar 2016).

Now that the review has concluded, ProQuest is no longer under the agreed-upon constraints. Prior to the conclusion of the FTC review, the two companies were not allowed to coordinate business strategies, intermingle intellectual property, or integrate administrative infrastructure.

### Innovative, a ProQuest Company

ProQuest will continue to operate Innovative as an independent company, in parallel with, but not integrated with Ex Libris. Innovative has a diverse customer base, spanning public libraries, academic, and special libraries. All Innovative products will continue to be developed, sold, and supported for both the academic and public markets with no changes to product availability or pricing. Ex Libris focuses exclusively on technology products for academic, research, and national libraries and networks. The two sister companies will focus on their respective product. Innovative will be free to supplement its offerings to academic libraries with products from the Ex Libris portfolio.

### Product Strategies

Innovative will continue to support all its established products spanning each library sector. The company's major products include:

- **Sierra**, launched in 2011 as the successor to Millennium.
- **Millennium**, now a legacy ILS product, initially launched in 1997 as a successor to INNOPAC.
- **Polaris**, an integrated library system designed specifically for public libraries; initially launched by Gaylord Information Systems in 1996 and part of Innovative since 2014.

- **Virtua**, an integrated library system launched by VTLS in 1996, acquired by Innovative in 2014.
- **Encore**, launched in 2006 as a next-generation catalog interface.
- **INN-Reach**, one of the first resource sharing systems for library consortia, initially launched in 1997.
- **Vital**, a digital asset management system based on Fedora, launched by VTLS in 2004.
- **SkyRiver**, a bibliographic service Innovative initially launched as a separate company in 2009 and integrated into the company in 2012, following the transition of ownership to JMI Equity and HGGC.
- **MyLibrary!**, a mobile app for libraries launched in 2016.

Consistent with the policies of ProQuest and its sister company Ex Libris, Innovative states a commitment to continuing to support these products so as not to disrupt libraries.

Since its ownership transition, Innovative has moved forward on major initiatives to introduce new products. It has launched Vega as a new patron interface and partnered with SOLUS for its new mobile app, Innovative Mobile.

## Vega: New Public Library Interfaces

Vega Discover is a new discovery service developed by Innovative. Designed specifically for public libraries, Vega incorporates some of the concepts of the Inspire product, announced prior to the change in ownership. For example, the “context engine,” a technique for shaping search results according to the interests of the searcher and other contextual clues, is part of the underpinnings of Vega to help anticipate the intentions of the user. Vega has been designed to deliver an intuitive user interface, fully responsive to work well on all devices, including smartphones and tablets as well as full-sized screens.

Vega has been developed and deployed as a multi-tenant platform, consistent with the modern software-as-a-service technology paradigm. Patron access and library administration of the product is fully web-based. Libraries implementing the product will not need to install any local software.

Innovative announced Vega as its new patron discovery interface in July 2020. The product is being developed in consultation and collaboration with a slate of development partners. This group includes Jefferson County Library Cooperative, The Ferguson Library in Connecticut, the MidPointe Library System in Ohio, the Suffolk Cooperative Library System in New York, the Central Arkansas Library System, and the Jefferson County Library Cooperative. All these sites currently use Innovative’s Sierra ILS. This group has since expanded to over ten sites. While the initial development of

Vega targets Sierra, support for Polaris is also underway with multiple libraries signing on as development partners.

The initial phase of Vega development centers on resource discovery. Work is underway on new marketing and engagement capabilities, one of the critical areas of interest among public libraries eager to promote their services to their communities. Innovative indicates that additional announcements regarding its roadmap for Vega and other products are forthcoming in December 2020.

As noted in the November 2020 issue of *Smart Libraries Newsletter*, Innovative has partnered with SOLUS for the delivery of a mobile app for its library customers. Innovative Mobile not only provides catalog search features, but also includes patron self-checkout and check-in and curbside pickup. SOLUS acquired Boopsie in September 2020, a major competitor in the library mobile sector.

Vega displaces the Inspire initiative, launched in 2019 prior to the company’s acquisition by ProQuest. Inspire was designed to serve both public and academic libraries. Concluding its development gives Innovative the opportunity to create an interface more focused public library patrons without the complication of meeting academic library requirements as well.

Innovative will continue to support Encore, a discovery interface initially released in 2006. Encore continues to be widely implemented by libraries using its Sierra and Millennium ILS. Though Encore remains fully supported for existing implementations, Innovative now focuses its new development energies on Vega Discover.

## Clarity and Competition

The completion of the FTC review of ProQuest’s acquisition of Innovative removes a cloud of uncertainty from the companies involved and their respective library customers. The review hindered business integration and possible collaborations or synergies between Innovative and other ProQuest businesses. Any uncertainties regarding the status of Innovative may have had an impact on current and potential library customers. Although the FTC is unable to comment on the process or outcome, the absence of any stipulations imposed on the integration of the companies signals that the current environment was determined not to violate anti-competitive regulations or standards, at least not at a level that warranted challenge. That said, the library technology and business environment is deeply consolidated, leaving libraries with limited options. ProQuest has become an incredibly strong competitor in the academic market and now expands further into the public library sphere. Yet it faces other strong challengers, including EBSCO Information Services, OCLC, SirsiDynix, and a tier of

other mid-sized companies. Open source offerings represent important alternatives and may moderate pricing.

The current level of consolidation, possibly beyond the comfort level of many libraries and competing vendors, has

been confirmed as a reality. Libraries will naturally remain vigilant and advocate for product innovation and fair pricing as they seek new technology solutions in this consolidated business environment.

## ProQuest Invests in Underline Science

ProQuest made a major investment in Underline Science, a company operating a platform for virtual conferences, especially for those organized by scientific and professional societies in science, medicine, and other academic areas. This investment represents a strategic alliance between the companies but does not constitute full ownership. The funding from the investment will enable Underline Science to enhance and expand its conference streaming platform.

Underline Science provides a platform to plan, deliver, and promote virtual or hybrid academic conferences. Its integrated repository manages the content associated with a conference, including video lectures, with abstracts, translations, DOIs, MARC bibliographic records, and associated ancillary materials that are preserved for long-term access in a way that can be easily cited in publications. The Underline.io platform

enables networking opportunities for event attendees and marketing and promotional features to build interest.

Following the investment, Underline Science expanded its board of directors to include Robert VanHees, ProQuest president and chief financial officer and Rafael Sidi, who until recently was senior vice president and general manager, ProQuest Information Solutions.

Underline Science was founded by Alex Lazinica in September 2019 and has been operational since April 2020. Lazinica also co-founded IntechOpen, a publisher of open access books, in 2007.

With many academic conferences shifting from traditional in-person venues to virtual formats due to the COVID-19 crisis, Underline Science has launched at an opportune time.

## Kari Paulson Joins TIND

TIND has expanded its leadership team with the appointment of Kari Paulson as its new chief operating officer. Alexander Nietzold, company co-founder continues as chief executive officer.

TIND, created as a spin-off of CERN, provides support services for a suite of products, including the TIND ILS (integrated library system), TIND IR (institutional repository), TIND RDM (research data management), TIND DA (Digital Archive). Each of these products is based on the open source Invenio system developed at CERN.

Paulson comes to TIND as an experienced entrepreneur and business executive. She led the creation of EBL (Ebook Library) in 2004, one of the earliest ebook platforms oriented to academic libraries. EBL was the first such platform to offer demand-driven acquisition. EBL, based in Perth Australia, was acquired by ProQuest in January 2013. After the acquisition Paulson continued with ProQuest in a variety of leadership roles including vice president and general manager of

ProQuest Ebooks and later as vice president for market development, books.

Paulson commented, “As COO, I’ll be working with the team at TIND to scale operations and services as the company continues to grow. Having been through the cycle of start-up, acquisition and consolidation in our industry, I am really excited to be back in a position where I get to roll-up my sleeves and build out products and services that offer real choice to libraries.”

In recent months, TIND has announced several new sales, including:

- The Supreme Court Library of Queensland in Australia: implementing TIND ILS and TIND DA, migrating from Millennium.
- Colorado College: implementing TIND IR and TIND DA to complement their Koha ILS supported by ByWater Solutions.

- Mills College in California: implementing the TIND ILS, migrating from Millennium.
- Eastern Mennonite University: migrating to the TIND ILS from SirsiDynix Symphony.

Though a small company, TIND provides an additional alternative to academic, special, and law libraries in a competitive environment with narrow options.

## K. Wayne Smith Dies

Dr. K. Wayne Smith, former president and CEO of OCLC died on October 15, 2020 at age 82. Smith led OCLC from 1989 through 1998. Under his leadership OCLC saw considerable international expansion, growing its presence from 27 to 64 countries. On the library systems front, during his tenure OCLC divested its Local Systems Division to Ameritech (1990) but later acquired Information Dimensions, Inc. from Battelle (1993), which it later sold (1997). He oversaw the transition of OCLC from delivering access via its private communications network to the Internet. The initial testing of access to the PRISM cataloging service by the Passport software client

began in 1994. The FirstSearch reference service was introduced in 1991.

### Leaders of OCLC since its founding:

- Skip Pritchard (2013–present)
- Jay Jordan (1998–2013)
- K Wayne Smith (1989–1998)
- Rowland C.W. Brown (1980–1989)
- Frederick G. Kilgour (1967–1980)

## Smart Libraries Q&A

**Each issue Marshall Breeding responds to questions submitted by readers. Email questions to Patrick Hogan, Managing Editor, at [phogan@ala.org](mailto:phogan@ala.org).**

*As a K-12 librarian who works in a library that serves Grades 6–12, I'd like to learn more about discovery services. I know that many university libraries use discovery services, enabling searchers to evaluate "hits" across many different databases and resources. If I were to subscribe to a discovery service, would I be promoting college level research habits? Or is it preferable to encourage my students to learn how to use specific databases for specific projects?*

Each type of library has its distinctive requirements for technology-based services. Academic, public, and school libraries serve quite different communities, managing distinct types of collections and service offerings. This assertion especially holds in the K-12 educational environment.

The databases and other content products made available through libraries continue to be critical resources for learning and research. There will be some overlap between the products typically found in school libraries and those provided by college and university libraries. Knowing what

database is best suited for any given research project is one of the greatest challenges for students and researchers. Librarians work hard to provide instruction sessions or to create subject guides that help students select the appropriate databases or content resources and give tips on how to use them effectively. Discovery services represent another approach by collectively searching all the resources, providing a unified result set, and identifying the source publication or database of each item. A thorough research process includes both surveying the literature with a broad-based discovery tool and more in-depth exploration with the appropriate specialized sources or databases.

Whether the school library provides individual databases or a comprehensive discovery service will depend not only on funding but also on the expectations of the teachers and librarians. The specific products and services selected will need to take into consideration the requirements of school libraries, which are distinct from those of colleges and universities.

K-12 libraries strive to align content with the needs of each student or teacher. Factors that must be taken into consideration include reading level, grade, age, and learning capabilities. Schools often must work within tight budget limitations

that limit the acquisition of classroom and library materials. The quantity of material provided by school libraries tends to be limited in comparison to college or university libraries. It is also important to consider that students, as minors, may also have legal restrictions on what content may be provided to them by their schools. For some schools, access to federal or state funding may be tied to enforcement of content filtering of material characterized as pornographic, offensive, or sensitive. School librarians and teachers often face many challenges in selecting the best learning materials that match their student's capabilities and that fall within the scope of acceptable or available content.

This complex set of factors bring implications on the discovery services that might be implemented in a school library. Follett and other vendors specializing in K-12 school technologies and content services have created specialized discovery services and content packages. These products differ substantially from those adopted in higher educational institutions.

School librarians naturally strive to prepare students for the educational environment they will experience in higher education. Most college and university libraries provide a discovery service as an entry into the print and electronic resources in their collections. The key discovery products associated with academic libraries include Primo and Summon from Ex Libris, EBSCO Discovery Service, and OCLC's WorldCat Discovery Service. Each provides broad access to the library's local print collections and the electronic scholarly resources available through library subscriptions, as well as open access materials. Using one of these products may serve as a helpful preview of the library resources that students may experience in their future colleges or universities.

This genre of index-based discovery services is designed to enable access to the broadest possible representation of available content, with the ability for users to narrow search results according to various categories. While facets may be available for reading level or Lexile scores, it may not be possible to

enforce mandatory restrictions as may be expected in a school environment.

The products designed for academic and research libraries may not always be well suited for use by younger students.

Two primary concerns apply when evaluating discovery services for school libraries:

- Can the discovery service enforce the scope of search and the results returned to be consistent with the content restrictions required by the school jurisdiction?
- Does the discovery service include the content resources and databases to which the school subscribes? The content indexed within the major discovery products tends to be weighted toward resources of interest to higher educational students and faculty. Schools interested in these products would need to verify that their content of interest is indexed.

Discovery services, including those designed for school and university settings, address diverse collections of content. The result listings in response to a query will include items from many different content sources. The searcher will need to discern the reliability and suitability of any item of interest—a crucial information literacy skill. Even when searching a single database, the items within that database may be supplied by publications of differing reliability, scope, and educational levels.

Helping students learn to evaluate materials will be an important opportunity that applies regardless of the interfaces that may be provided by the school library. It is also important to consider that even when the college or university library provides a discovery tool, most students will rely on the less-controlled environments of Google or Google Scholar. Instilling information literacy skills will be essential for students regardless of technology or content packages implemented by the school library.

Questions or suggestions  
for topics in future issues?



Contact Patrick Hogan at  
[phogan@ala.org](mailto:phogan@ala.org)



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### Editor

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

### Managing Editor

Patrick Hogan  
312-280-3240  
phogan@ala.org

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