I’m going to frame my remarks this afternoon about what is going on in our space—the library and information community.

- As we all know, there continues to be consolidation among service providers in the library community.
- SirsiDynix, Ex Libris, Endeavor, ProQuest, Thomson Learning, Axiell, DSall undergoing change.
- This is a very unstable environment in which private equity firms with no interest in libraries are acquiring library service organizations.

**OCLC has also had its share of mergers and acquisitions.**

- OCLC PICA, Sisis and Fretwell-Downing, all well-known providers of library management systems in Europe.
- EZProxy, authentication software
- Amlib—a Web-based library management system developed in Australia

**Since 1986, German libraries have been part of the dramatic growth of the OCLC cooperative.**

- Today, more than 350 academic, public and special libraries are using our LBS and SunRise library management systems.

**GBV and OCLC have a very strong partnership that started in 1993 with PICA in the Netherlands, which today is now OCLC Netherlands.**

- GBV uses CBS union cataloging system and supports more than 150 installations of our ILS LBS.
- GBV and OCLC are involved in a number of projects such as the TouchPoint end-user environment, the IDM connector of LBS, and the WorldCat API developer network.

**German librarians are involved in the governance of OCLC.**

- Dr. Klaus Ceynow is on the Members Council.
- Berndt Dugall, Director of the University of Frankfurt Library, is now in his second year as a member of the Executive Committee of Members Council.
- Elisabeth Niggeman was elected to the OCLC Board of Trustees in November 2004.

**Last May, a new governance structure for OCLC was adopted.**
• It is designed to extend participation in the OCLC cooperative to an increasing number of libraries and cultural heritage institutions around the world.

• The changes will transform the current Members Council into a Global Council that connects with Regional Councils around the world.

So, given the changes in the environment and the changes in our governance structure, where is OCLC going?

In brief, our strategy is to build Web-scale for libraries. What does that mean?

• Web-scale means concentrating computer resources, applications and data to deliver benefits to large numbers of users through the Web.

As we build Web-scale for libraries, we are focusing on four broad objectives.

1. Create a compelling user environment
2. Make WorldCat Grid Services a valued part of library operations
3. Increase OCLC’s global relevance and position of trust
4. Create system-wide efficiencies in library management

1) Creating a compelling user environment.

Our first major initiative in creating a compelling user environment began in 2006 with WorldCat.org—a search box that makes collections in OCLC member libraries visible on the Internet to people everywhere.

In 2007, we introduced WorldCat Local, which provides a single interface to the collections of a library. It:

• enables a library or group of libraries to customize WorldCat.org as a solution for local discovery and delivery services.

• interoperates with locally maintained services such as circulation, resource sharing and resolution to full text to create an integrated experience for library users.

TouchPoint is a new deployable discovery environment that interoperates with a library’s existing ILS and fulfillment systems. It:

• provides a multilingual interface, customizable by the library, for all physical and electronic content held locally or in remote locations.

• in pilot test with GBV at the University of Rostock and also with Erasmus University in the Netherlands.

• last week BVB, the Bavarian union catalogue institution has decided to use TouchPoint on top of their Aleph500 system.

As you all know, we currently serve more than 600 libraries in EMEA with one of our three library systems.

• The ILS business is an important part of our strategy for the future.

• Building web-scale for libraries and creating a compelling user environment must include a new way of managing libraries business processes for their print, licensed and digital materials.

• We are currently investigating all options for moving the ILS to the Web.
Indeed, we are thinking long and hard about what a future library management environment will look like.

2) Grid services

- We recently invited a small group of developers from OCLC cataloging institutions in North America and Europe to use the WorldCat API, or Applications Programming Interface.
- They will build applications that would drive people from the Web to WorldCat and library services.
- One of the API developers is in Germany.

3) Increase OCLC’s global relevance and position of trust.

- OCLC serves more than 69,000 libraries and cultural heritage institutions in 112 countries.
- In 2006, as part of the coming together of RLG and OCLC in 2006, a new unit, OCLC Programs and Research, was formed to advance the state of the art for the library, museum and archive communities and to further the mission of the OCLC cooperative.

4) Create system-wide efficiencies in library management, which is another way of saying, furthering access to the world’s information and reducing library costs.

- Next Generation Cataloging and Metadata service pilot project
- The Dutch Union Catalogue, based on CBS, has started updating WorldCat in real time using SRU technology.
- CONTENTdm makes it possible for libraries to easily manage their own, unique digital collections.

Other efficiencies:

- Recently, OCLC and Google have agreed to exchange data to facilitate the discovery of library collections through Google search services.
- The WorldCat Copyright Evidence Registry (CER) pilot went live for 10 pilot libraries on July 1, 2008—a union catalog of information about the copyright status of books described in WorldCat.

The WorldCat database creates system-wide efficiencies for libraries

- More than 108 million records and 1.3 billion holdings
- There are now slightly more records for materials in languages other than English in WorldCat than there are records for English language materials.

Let me turn again to a discussion about what Web-scale means:

- robust and reliable.
- available on-demand and are scaleable.
- short install/enhance cycles so changes can be introduced more frequently.
- permit sharing of costs (just as in the early days of OCLC online cataloging), making the applications affordable for more libraries.
• maximize integration into workflows and working environments.
• encourage external developers to build applications that exploit functionality and data.

OCLC’s strategy is to provide libraries with computer infrastructure on the Web, where they use the applications they need.
• To achieve that goal, OCLC is combining our 20+ years EMEA ILS experience with our 40+ years US service experience.
• We intend to preserve the functionality of the ILS, but at the same time, we will enhance the library management system by placing it in a network environment, and extend it to manage print, licensed and digitized material with one solution.

Developing a new library management environment is a major investment in time and money.
• The component model we have chosen will allow us to deliver services that can be used long before the whole solution is available.
• It is important, that these services can also be used be integrated into your local infrastructure and your current ILSs.

In the meantime, we will continue to support and enhance LBS, OLIB and SunRise to meet our customers’ needs.
• For each of our ILSs there will be an individual pathway towards the next-gen ILS.
• It will be an evolutionary process over a period of some years starting with the availability of the first components of this new system.

It’s important to understand, that in this process, all existing ILSs will make use of these new services on the OCLC network, by incorporating them in their upcoming releases.
• This happens already today where we put services like XISBN, the WorldCat API or Social Network Services into our deployable solutions.
• The two-way synchronization between WorldCat and CBS indicates also a step into this direction.

Using our ILSs today and in the future will allow you to participate in this development.

As we have seen today, OCLC and its members are making solid progress.
• We are increasing the visibility of library collections on the Web.
• We introducing cost-effective services at various points in library workflows.
• We are on the threshold of creating significant new value for the OCLC cooperative and for our partners like GBV.

We at OCLC believe that libraries have an exciting future.
That future will require more collaboration, more institutions, more Web-scale services, more synchronization, and, of course, more innovation.

We are helping the world’s libraries connect with each other and their users.

END