



# Smart Libraries™

Formerly Library Systems Newsletter™

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



## Smarter Libraries through Technology

### *Developments in E-books and RFID*

By Marshall Breeding

The two major stories featured in this issue of *Smart Libraries Newsletter* deal with two very different niches of library technology—e-books and RFID. In one story, we'll learn about 3M Library Systems, a business that has until very recently been rooted in products and services that help libraries deal with their physical items, and is now taking a major leap into the e-book realm. In the other story, we'll see how some of 3M's competitors in the RFID and self-service arena have banded together into a new organization that meets or exceeds its scale. We'll also see how both of these moves reflect strategies that make sense in the context of trends at play in today's library world.

When considering library technology today, we must ask why a library should make large investments in technologies that deal with the management and circulation of their physical collections. There is a clear trend toward digital content—especially with the rise of e-books—and the conventional wisdom

holds that physical books are a declining media. I believe, however, that most public libraries will see the co-existence of physical and virtual materials for the foreseeable future, and that well-engaged libraries will continue to see vigorous circulation activity for many years. Given the reality that most libraries are being asked to operate with fewer and fewer financial and staff resources, any technologies that help librarians process materials more efficiently and that involve self-service will be necessary strategic investments for a period of time that will represent at least the typical lifespan of physical library materials.

In this context, ramping up a set of business activities that will meet the immediate demand that libraries have for better e-book solutions seems like a prudent strategy for a company like 3M Library Systems. The strategy also hedges the company's long term bets should interest in products for physical circulation decline.

The consolidation of three companies involved in RFID services for libraries creates a new global powerhouse focused on RFID and other technologies that aid libraries with their physical collections. This is further evidence of the continuing demand for physical resources and the means to manage them. It will be interesting to see how this global consolidation results in more innovative products and services, as the consolidated force will be able to use the best product lines of the three incumbent companies and see the talents of former competitors come together into a single development, sales, and support organization.

It will also be interesting to observe how the products of all the parties

## IN THIS ISSUE

Developments in E-books and RFID  
PAGE 1

3M Library Systems Makes a Bold Step Into the Library e-book Arena  
PAGE 2

Global Consolidation: Three firms Join to gain Global RFID Synergies  
PAGE 5

Library Technology News in Brief  
PAGE 6



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involved coalesce around standards. In the United States in particular, we're in a critical time with decisions in play regarding whether the ISO 28560-2 will become the national standard, or something else will ultimately prevail.

I think that the timing of these two industry events reinforces the idea that the present reality and unfolding future

of libraries will involve both electronic and physical dimensions, and that both areas bring a complex matrix of opportunities and challenges. Libraries need the best technologies available to optimize the way that they deal with both circulation printed books and the increasing arena of e-book lending.

## 3M Library Systems Makes a Bold Step Into the Library e-book Arena

In a move that places it in direct competition with established competitors, 3M Library Systems will launch a new service called the 3M Cloud Library. 3M aims to provide libraries with an e-book lending service that's easy for library patrons to use and for libraries to manage, with a competitive collection of titles.

3M is no newcomer to the library market. The company has been involved with libraries for 40 years, initially through theft-detection products like its Tattle-Tape Strips and exit control gates and eventually through modern innovations like self-check stations, automated return and sorting equipment, and many products based on RFID technology. With the launch of this new set of e-book-related offerings, 3M expands its presence in libraries beyond products geared toward a library's physical collection into the realm of electronic materials.

3M will leverage many of its existing technologies, core areas of expertise, and its existing relationships with over 10,000 libraries to deliver products in this new territory.

With the rapid rise in the e-reader market, increased consumer interest in e-books, and the current desire of librarians to find appropriate models of involvement with e-books all major factors, 3M decided to enter this market. According to Tom Mercer, 3M Library Systems Digital Business Development Leader, "We see this is a tremendous opportunity to provide services for libraries in a new way."

The 3M Cloud Library consists of a suite of components, including an aggregated library of e-book titles, technology for searching, browsing and checking out items from the collection, e-book readers that can be loaned to patrons, and tools for integrating the service into the library's existing automation environment.

### A collection of e-book titles licensed from major publishers

3M has already inked a number of deals with publishers including Random House and Independent Publishers Group. Titles from

*"We see this is a tremendous opportunity to provide services for libraries in a new way."*

these houses will be available when the service launches, even as 3M pursues additional licensing agreements. The company has engaged consultants in New York to provide assistance in publisher relations that will allow them to expand the content available through the service, initially focusing on the popular trade titles with the highest interest to public libraries. 3M anticipates working with a variety of publishers to deliver a collection of e-books competitive with offerings from other vendors.

When a library subscribes to the service, it will purchase the titles to add to its local collection. When library patrons search the 3M Cloud Library or the library's own online catalog or discovery service, they will see only the items the library has purchased. The 3M discovery station will have an option to search or browse from the entire universe of available titles, which can be added to the patron's "wish list," a feature that identifies titles that the library may want to consider purchasing. The wish list is an optional feature that can be activated at the discretion of the library.

The service will provide reports and analytics to assist the library in building its collection of e-books. In addition to basic circulation activity, reports would include information like an analysis of the most popular titles and other data that will assist the library in evaluating the popularity of the service and support collection development personnel in making acquisition decisions.

### Technology for easily browsing or searching the collection

Library patrons will be able to search for titles available in the 3M Cloud Library Collection in a variety of ways.

- 3M will offer in-library touch screen kiosks for library patrons to search or browse for available e-books and check them out to their library accounts. The kiosks will provide a conspicuous presence that allows libraries to market their e-books to patrons. The large-panel displays also make it easy for librarians to show patrons how to use the machines, whether individually or in groups.
- A software only version of the Cloud Library can also be installed on other library workstations, using the mouse and keyboard for navigation rather than the touch-screen. Patrons would be able to use their library cards, with the pin or password, to check out items from these stations. The 3M kiosks would have barcode readers to facilitate these check-outs.
- Patrons will be able to search the 3M Cloud Library from their home, office, or other remote locations through the library's Web site.
- Patrons searching the library's online catalog or discovery system will search the 3M Cloud Library e-books alongside other library materials. Links will be provided on the catalog records that provide availability status and checkout capabilities.

## Technology to allow library users to easily borrow titles from libraries that subscribe to the service

The service aims to provide a simplified process that enables library patrons to borrow e-books from the library with fewer steps than some of the approaches seen in competing products.

The process of checking out e-books will operate solely through the patron's library card number and pin,

without the need to explicitly establish an account on 3M service or on the platform of a Digital Rights Management intermediary, such as Adobe. While the 3M product relies on the DRM technology provided through the Adobe Content Server 4 platform, it manages the registration and account management for the patron entirely behind the scenes. The 3M Cloud Library System uses the SIP protocol to authenticate patrons through the library's integrated library system, and automatically uses the patron's library account to create the supporting accounts needed on its own platform and in the DRM environment. This saves many steps in terms of what a patron needs to do the first time that they check out an e-book. The system also checks to be sure that the patron is in good standing and will not allow a check-out if fines or other issues have blocked their account.

Once checked out, the 3M Cloud Library System allows the patron to load reading copies onto any of their devices. The patron's account (hosted by 3M) allows the user to move reading copies among all eligible devices, synchronizing book marks and other end-user features. Consistent with borrowing rules, only one reading copy can be activated at a time.

Supported devices currently include the Nook, iPad, mobile devices running the Android operating system, as well as personal computers running Mac or Windows. The Amazon Kindle is not currently supported.

## A 3M-branded e-book reader designed specifically to be lent by a library to patrons.

Many librarians are concerned that when offering e-books, their patrons

may not own their own e-readers. Thus, more and more libraries see the need to include loaning these devices as part of their service. Many libraries have experimented with lending e-readers designed for consumers to their patrons. These consumer devices are not conducive to library lending. Many need to be registered to personal e-mail accounts and credit card numbers, or are tied to commercial e-book stores. Many do not allow multiple devices to be associated with a single profile, and create other complications for facilities that wish to circulate them. Their terms of service, designed for individual consumers, may restrict library lending or prevent it entirely.

3M addresses these problems by offering its own branded e-book reader specifically designed for library use. Its internal configuration, terms of service, and other features have been tailored to integrate with the 3M Cloud Library.

Titles can only be loaded into the reader through a USB port that connects to a library workstation, synchronizing the e-reader with the titles checked out by the patron. The device will not support wireless connectivity. While that may seem like a drawback, from a library perspective, it has a major advantage—the absence of wireless options and other simplifications result in a very long battery life for these devices.

The 3M e-reader, designed specifically as a component of the 3M Cloud Library, aims to solve the problems that libraries have experienced in lending consumer devices with one purpose: built for the requirements of library lending. 3M has not yet announced the hardware platform that will be used for its reader, which will be manufactured by a third party.

The e-book reader will be an optional component of the 3M Cloud

Library service. The service has been designed to work with patron-owned devices or with the 3M-supplied e-readers.

### Integration into the library's existing automation and discovery environment.

3M provides a set of tools and technologies designed to fully integrate its Cloud Library System into the automation or discovery systems used by the library. The library will receive MARC records for each title that it purchases from the service, which will make them searchable along with other library materials in the library's online catalog or discovery system. Each MARC record will include an 856 tag that provides a link which activates a pop-up window where a patron can view its availability and check it out.

The 3M Cloud Library will rely on DRM technology to enforce the restrictions and policies that apply to the use of the e-books. The service will make use of the Adobe Content Server 4 platform, which is also used by competing services like Overdrive. The DRM technology, in conjunction with the 3M delivery environment, will enforce policies such as allowing a licensed title to be checked out by only one library patron at a time, and also allowing a reading copy to be active on only one device at a time, and disabling access at the end of the loan period.

The 3M Cloud Library will also enforce restrictions stipulated by publishers, including the infamous expiration of a title following 26 checkouts required by Harper Collins. 3M will provide tools to assist libraries in dealing with publisher restrictions, such as reports and scripts that provide lists of titles nearing expiration and automated ways to delete expired titles from the online catalog.

While 3M incorporates the use of DRM into its product, it aims to make the technology less cumbersome and as transparent to the library patron as possible. One of the most confusing parts of some of the existing e-book services involve the steps required for the patron to create an account within the Adobe DRM environment. The 3M Cloud Library keeps the patron registration process in the background, creating processes that push the account information into the DRM platform and making it happen in a seamless manner without any involvement from the borrower. 3M, though its extensive experience in library self-checkout, is able to leverage SIP and other technologies to optimize the authentication and authorization from the ILS for its e-book service.

Despite the fact that the current e-book market is already saturated, 3M bases its case for launching a new e-book service on its capacity to develop products well



suited for libraries, leveraging some of its existing technologies, products and well-established relationships with its customers. The company asserts that the approach embodied within the 3M Cloud Library will be much easier for both patrons and library personnel. A lower threshold of complexity inherent in the service should allow librarians to focus more on interactions involving the content of the collection and less on helping patrons deal with the logistics of the delivery mechanisms. According to Mercer "In designing the 3M Cloud Library System, the key goal was to increase patron satisfaction with the service with less support time needed by librarians."

The 3M Cloud Library will also include a message center, which provides a tool to send messages or notes to its community of users. This capability can be used for publicizing information about the e-book collection, but can also be used for anything the library chooses. This component of the system can be used to help the library communicate with its patrons and increase awareness of all of its services and programs.

Pricing for the 3M Cloud Library has not yet been made public. 3M anticipates a set-up fee to install or initiate the service and an annual subscription fee scaled to the size of the library, in addition to the expenditures the library makes to purchase e-books to add to their collection. The 3M Cloud Library will initially be offered to libraries in North America, with other international sectors to follow at a later time. Formal announcement of the service will take place on Friday June 24, 2011 at the American Library Association Annual Conference in New Orleans, LA.

—Marshall Breeding

## Global Consolidation: Three firms Join to gain Global RFID Synergies

Over the course of the last few months, a series of business transactions have consolidated a group of companies in different international regions into a single corporate structure focused on providing RFID and related products. Each of these companies brings a different set of assets and strengths to a broader organization to constitute a new company with a worldwide impact on the library RFID industry. The transactions span Europe and North America, and involve a variety of incumbent companies including Bibliotheca RFID Systems (based in Switzerland), Integrated Technology Group (North America), and Intellident (United Kingdom and France). The business transactions result in three operational companies in different geographical regions that comprise a new virtual company bound together under unified ownership and executive management.

The transactions bring all of the companies under a single global holding company called Library Solutions BV, incorporated in The Netherlands. Library Solutions BV is majority owned by One Equity Partners, a division of JPMorgan Chase & Co, (<http://www.oneequity.com/>) a major firm with over \$8 billion in investments. Other minority shareholders include Shai Robkin, who also owns Vernon Library Supplies. Three different business transactions have taken place:

### Bibliotheca RFID Systems

Bibliotheca RFID Systems, based in Cham, Switzerland, was acquired by One Equity Partners in April

2011 from a group of private investors. This company will continue to operate under its original name and management structure.

### Bibliotheca ITG

One Equity Partners also purchased the assets of Integrated Technology Group, a division of Vernon Library Supplies, from Shai Robkin to form a new company called Bibliotheca ITG. The assets of Bibliotheca, Inc., the subsidiary of Bibliotheca Library Systems in North America will be acquired by the newly incorporated company. Bibliotheca ITG will be based in Atlanta, GA.

Bibliotheca, Inc. is operated as a wholly owned subsidiary of Bibliotheca RFID Library Systems, with headquarters in Huntsville, AL.

Through this transaction, Robkin became partial owner of Library Solutions BV, the higher-level holding company. Shai Robkin now serves as Chief Executive Officer of Bibliotheca ITG and is part of the senior executive team for Library Solutions BV. Lamar Jackson, previously President and CEO of Bibliotheca, Inc, now serves as Director of Sales for Bibliotheca ITG. Robkin purchased Vernon Library Supplies from its founders in 1984, and launched Integrated Technology Group in 2004.

### Intellident

On June 1, 2011, One Equity Partners purchased Intellident, Ltd, with headquarters in South Manchester in the United Kingdom, from Chamonix Private Equity. This transaction

also includes Ident SAS, previously the French subsidiary of Intellident. Bibliotheca Ltd., the subsidiary of Bibliotheca RFID Systems in the UK, will be merged into the operations of this new company, which will operate under the name Intellident, and will focus on the United Kingdom and central Europe. Darren Ratcliffe, previously Sales and Marketing Director of Intellident Ltd., will serve as Managing Director of the merged company. Jim Hopwood, one of the founders and previously Managing Director of Intellident, joins the executive leadership of the combined company.

Intellident was previously owned by LINPAC Group, a major conglomerate of businesses related to plastic packaging. At the end of 2010, Intellident was one of five LINPAC business units that were considered non-core assets and divested through a transaction where they became portfolio companies of Chamonix Private Equity.

### A Global RFID-focused Organization

All three of these companies operate as part of a new organization, Library Solutions BV. Each of the three operating companies will focus on their own geographic regions and bring along their own products, research and development efforts, and manufacturing capacity.

The combined group will be led by the principals from each of the constituent companies: Matthias Joos, CEO of Bibliotheca RFID Library Systems; Jim Hopwood, formerly Managing Direc-

## Corporate Chronology

**June 1, 2011:** One Equity Partners acquires Intellident

**April 5, 2011:** One Equity partners acquires the assets of Integrated Technology Group from Shai Robkin. Vernon Library Supplies, the parent company of ITG, remains under private ownership of Shai Robkin.

**April 2011:** One Equity Partners acquires Bibliotheca RFID Library Systems.

**Dec 31, 2010:** Intellident acquired from LINPAC by Cham-onix Private Equity.

**2004:** Integrated Technology Group founded as a spin-off of Vernon Library Supplies to develop and market material flow management technologies for libraries. Based in Norcross, GA.

**2003:** Intellident acquired by LINPAC, to be involved in general use of RFID for supply chain applications.

**2002:** Jacques and Marcel Nauer found Bibliotheca RFID Library Systems AG in Zug, Switzerland. Acquired library RFID system from Lucatron.

**1997:** Lucatron, a company based in Switzerland, begins technical development of an RFID, initially with the Winterthur City Library as pilot.

**1984:** Vernon Library Supplies purchased by Shai Robkin.

**1973:** Vernon Library Supplies founded by Anthony G. Vernon

tor of Intellident; Dr. Simon Plankenhorn, Chief Financial Officer of Bibliotheca RFID Library Systems ; and Shai Robkin, formerly owner and president of Integrated Technology Group. Additionally, Gary Potts, Thomas Ehrle, Phillip Sykes, Urs Jaeggli and Andy Chadbourne will also participate in the management of the global company.

Although the changes in ownership structure have been executed, the process of operational alignment and integration has just begun. The existing personnel and other assets of Bibliotheca, Inc will be consolidated into Bibliotheca ITG and the assets of Bibliotheca, Ltd will be consolidated into the Intellident's organization.

This organization brings together the research and development, customer support resources, and the engineering and manufacturing capacity of three major companies, along with the deep financial resources of One Equity Partners, creating a new formidable competitor in the library RFID industry.

The new combined company becomes one of the largest worldwide providers of RFID products to libraries. 3M Library Services operates on a similar global scale. In the United States other somewhat smaller competitors in this arena include EnvisionWare, Tech Logic (owned by The Library Corporation), and Libramation. Demco distributes RFID and self-service products from The Finnish company PV Supa, which also distributes its products through EnvisionWare and increasingly markets and supports its products directly in North America. While the business transactions have consolidated the RFID industry both within North America and internationally, a vigorous competition remains between the giants, 3M Library Systems and the three Library Solutions BV companies as well as the these other players.

—Marshall Breeding

## Library Technology News in Brief

*Excerpted from Press Releases Posted on Marshall Breeding's Website (<http://www.librarytechnology.org/>)*

### A Drupal Module for Searching Summon via API

The University of Michigan Library's Web Systems department built a Drupal module for searching Serials Solutions'

Summon product using the Summon API. Developed by Web System's lead developer, Albert Bertram, the Article Discovery module conducts searches in Summon, replicating much of the search functionality offered by Summon's native interface. It presents search results with facets, offers an advanced search, and allows users to export selected records to EndNote, RefWorks, or a simple citation list that can be emailed.

## Softlink Preparing for RDA

Softlink's Liberty and Oliver ILS (Integrated Library System) now include support for three of the high impact aspects of the new Resource Description and Access (RDA) standard.

The RDA changes which have been included for Liberty and Oliver, v5, are support for three new MARC fields: 336 (Content type), 337 (Media type) and 338 (Carrier type), to ensure that organizations can readily adopt the RDA changes when they are implemented.

As a major provider of ILS worldwide, Softlink is dedicated to developing their solutions to support current library trends, according to Mr Dion Dias, Softlink's Product Manager.

"Our system updates include preparation for new trends, standards and issues in the library industry, as well as enhancement requests from our clients," he said.

"Softlink is continually focused on developing solutions to provide the best possible product for libraries."

The new RDA standard has been implemented in the MARC format. RDA is set to replace the Anglo-American Cataloguing Rules (AACR2).

## 32 libraries lead the way to Web-scale innovation—OCLC Web-scale Management Services on target for July 1 general release

DUBLIN, Ohio, USA, 2 June 2011—Since OCLC announced it was making its cloud-based library management services available to early adopters just 10 months ago, 32 libraries have committed to using OCLC Web-scale Management Services, the Web-based cooperative library management tools for metadata management, acquisitions, circulation, license management and workflow improvement. The early-adopter phase has now ended, and July 1 will mark general release of these innovative cloud-based services.



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## July 2011 Developments in E-books and RFID

### *Smart Libraries Newsletter*

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

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