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BiblioMondo Goes Private

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BiblioMondo Goes Private

Consistent with the dominant trend in the library automation industry, BiblioMondo changes its status from a publicly traded company to private ownership.

Montreal-based BiblioMondo, or its parent company ISACSOFT, may not be one of the most recognizable names in the library automation industry in the United States, but it's a major company in the French-speaking sector of the industry. Tracing its roots through companies including Best-Seller and ALS International, BiblioMondo provides the Portfolio and Concerto automation systems to public libraries in Quebec and France, with smaller number of customers in Europe and the United States. The company offers Zones as a front-end interface for both Concerto and Portfolio.

BiblioMondo has undergone a number of organizational changes in its history. Its most recent phase has been as the library automation division of ISAC-SOFT, a public company traded on the Toronto Venture Exchange (TSX-V ISF). The company will now make the transition to a private company wholly owned by Ronald Brisebois, the current Chairman, CEO, and President of ISACSOFT. ISAC-SOFT, originally formed to be involved in a variety of technology-related business activities, has scaled back and will focus on library automation, with BiblioMondo as its primary operating division.

The sale of ISACSOFT to Brisebois represents a major transition for the company, providing a sense of stability to the company which for the last few years has been uncertain at best. In February 2007 ISACSOFT announced it would enter into a review of its strategic alternatives, including the possibility of being acquired by another company. The current transition concludes this strategic review, with the result that the company will go forward under private ownership. Brisebois believes that the company can be run more efficiently and effectively without the overhead imposed by public ownership and remains optimistic regarding its prospects for future growth. According to Brisebois, "The company is no longer for sale."

Products: Portfolio, Concerto, and Zones

BiblioMondo offers two major library automation systems, the Portfolio library automation system and Concerto. The company has developed the Zones Web-based interface that can be used with either Portfolio or Concerto.

BiblioMondo is sold primarily to libraries in Quebec and France. Some of the larger implementations of Portfolio include special libraries of the Paris library system (not the branch libraries), the city of Lyon, and Montpellier. The company recently signed contracts with the City of Drummondville and Come Saint-Germain libraries in France.

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Only a handful of libraries in the United States use Portfolio. The marketing effort for this region initiated in 1993 was short-lived, but some of the libraries that purchased Best-Seller continue today with Portfolio, including the Cerritos Public Library in California.

BiblioMondo also supports Concerto developed by ALS International, which was sold to public libraries primarily in the United Kingdom and Europe. This system has not seen substantial sales in recent years and many of the libraries running it have migrated to other systems.

Details of the Transaction

Ronald Brisebois, current Chairman, President, and CEO of ISACSOFT, will purchase all outstanding shares of the company and assume complete ownership. Prior to this transaction, Brisebois was the largest stockholder, holding about 14 percent of company shares. The first step of the transition of the company involved the purchase of 13.78 percent of the company stock held by Desjardins Venture Capital at $CDN 0.33 per share, giving Brisebois ownership of 28 percent of the company. Over the next few months, Brisebois will purchase shares from the remaining investors.

The corporate histories of BiblioMondo and ISACSOFT involve a complex set of transactions spanning several decades. BiblioMondo, prior to its acquisition by ISACSOFT, was already a consolidated company with a long history of involvement in library automation. ISACSOFT was formed more recently, buying and selling a number of companies in various sectors until it settled into its current strategy focused solely on library automation.

BiblioMondo Background

BiblioMondo was formed in 2001 through the merger of Best-Seller and ALS International, backed by a consor-

tium of venture capital firms. Led by Ian Farquharson and Jean-Pierre Theoret, BiblioMondo brought together two major library automation firms, each with its own geographic niche, into a somewhat larger company with a broader impact on the international library automation scene.

BiblioMondo, and its antecedent companies Best-Seller, Infocentre, and Info-Botique, specialized in creating business software based on a fourth-generation language (4GL) it created named Speedware. The company created software for several other business sectors other than library automation. The company's current flagship product, Portfolio, is based on Speedware.

In its October 2000 acquisition of ALS International, BiblioMondo gained control of the Concerto library automation system. While the company has continued to perform some development on Concerto, its position in the market continues to slip. Many of the libraries that have implemented Concerto have migrated to competing products.

ALS International was based in Herfordshire, England, with subsidiaries in the Netherlands, Germany, and France. ALSi traces its roots to Automated Library Systems, founded in 1969.

ISACSOFT Background

Ronald Brisebois launched ISACSOFT in 2003 with a strategy to build a computer services company involved in a diverse set of industries, generally focused on e-learning technologies. In 2003-2004, ISACSOFT completed a series of strategic acquisitions, culminating in the purchase of BiblioMondo in September 2004. BiblioMondo ranked as ISACSOFT's largest acquisition and is now the sole focus of the company. ISACSOFT has since divested its other business units.

The beginnings of ISACSOFT must be framed in the context of the demise of Cognicase, a very large Canadian com-

puter services company founded and led by Ronald Brisebois. Cognicase grew into the second largest computer services company in Canada, employing over 4,800 with net revenues exceeding US$ 500 million. This company met its end in January 2003 when it was acquired by CGI, the largest computer services company in Canada in an unsolicited hostile take-over. The value of the acquisition was US$ 300 million.

Though Brisebois relinquished control of the company as it was absorbed within CGI, the acquisition of his stock left him with more than adequate resources to continue his entrepreneurship and launch a new company. The resources gained in the sale of Cognicase make it well within Brisebois' means to acquire all the stock of ISACSOFT from its other investors.

Moving forward from Cognicase, Brisebois launched in April 2003 a new company called Information Solutions Analytics Compliance (ISAC) Technologies. Brisebois intended to assemble a new computer services company, but with a different focus and on a smaller scale than Cognicase. This new company would build its business on various aspects of e-learning technologies. Shortly after its founding, it initiated a series of strategic acquisitions, commencing with a company named ZAQ, essentially an insolvent shell company. ZAQ was re-launched with a new board of directors and corporate officers. Through a number of transactions a new company was assembled, transformed, and eventually downsized:

> Nov 2003. ZAQ acquired Nobelia, Inc, a software and services company based in Victoria, Quebec.

> Feb 2004. ZAQ acquired CogniScience Enterprises, Inc., a company specializing in e-learning technologies, offering The Learning Equation (TLE) as its key product. This company based its products

BiblioMondo	
Formed in 2001 through the merger of Best-Seller and ALS International Jan 1, 2001, Best-Seller begins operating under the name BiblioMondo	
Best-Seller	**ALS International**
• Oct 2000. Best-Seller acquires ALS Intenational. • Sep 1999. Investissement Desjardins makes $2.5 million investment in Best-Seller • Sept 1999 TechnoCap Invests $1.25 million in Best Seller • Mar 1998. Best-Seller acquires Library Division of Speedware France, a closely related company. This acquisition expands Best-Sellers presence into France • Oct 1997 Todd Joron appointed CEO of Best-Seller • 1996 Best-Seller introduces the Portfolio library automation system. • May 1993. Best-Seller enters the United States library automation market led by Joan Frye Williams and Janet L. Bruman, both formerly of INLEX. Williams and Bruman exited INLEX as it was acquired by DRA. • 1986 Best-Seller formed as the Library Management Division of Speedware Corporation becomes a separate company. • 1976 Info-Boutique launched by Jean-Pierre Theoret and Ian Farquharson to develop business software. The company later changed its name to InfoCentre Corporation. One of the company's early products was the Best-Seller/Library. Other products included TOURS, business software for travel agents, Best-Seller/Corporation, a business records management system, and SPEED LEDGER, a business accounting system.	• Oct 2000. ALS International acquired by Best-Seller • 1997 Company changes its name to ALS International or ALSi • 1969 Automated Library Systems founded, based in Herefordshire, UK.

on RAINBOW, an XML-based technology platform for e-learning product development.

Feb 2004. ZAQ acquired Silver Leap Technologies, a software development company offering solutions for engineering firms.

Feb 2004. ZAQ changes its name to ISACSOFT, traded on the TSE Venture Exchange under the symbol ISF.

Feb 2004. ISACSOFT attempts to acquire Logo Computer Systems, an international company specializing in e-publishing and e-learning software for educational institutions. This acquisition did not complete.

Feb 2004. ISACSOFT acquires Rate4Me, a company that developed software for the insurance industry.

June 2004. ISACSOFT formally acquires ISAC Technologies, a company already closely related and under the leadership of Brisebois.

Sep 2004. ISACSOFT acquires Americam, Inc., a company involved in smart card technologies.

Sep 2004 ISACSOFT acquires BiblioMondo for CDN$ 13 million.

Jan 2005. ISACSOFT attempted to acquire Synesis Desktop Publishing Consultants, but by May 2005 announced that it had terminated discussions. Based in Montreal, Synesis offered training in business productivity applications and recruiting services.

Jan 2005. ISACSOFT acquires a data center from Groupe Conseil O.S.I. in support of its Software as a Service offerings.

Feb 2007. ISACSOFT announces review of strategic alternatives.

Jun 2007. ISACSOFT relocates its headquarters and software development operations to smaller and less costly facilities in Montreal.

Oct 2007. ISACSOFT sells its Versalys training division to Synesis, Inc, a company it attempted to acquire in Jan 2005 for $400,000 in cash; other considerations increase the value of the sale to $800,000. The Versalys division of ISACSOFT subsumes all its business activities not related to library automation.

Feb 2008. ISACSOFT announces intent to become private.

Today, BiblioMondo ranks as a mid-sized library automation company, employing a total of about 95 personnel. The company operates on a much

smaller scale than in the earlier days of ISACSOFT when it was involved in multiple business sectors. At the end of 2004, ISACSOFT employed 250 personnel, by 2005 it scaled back to 120. The company saw some growth by the end of 2006, employing 150.

Perspective: Public Versus Private Ownership

Almost all the companies involved in the library automation industry operate under private ownership. Even the largest companies, such as SirsiDynix, rank far below the size of a typical publicly-traded corporation. The few attempts at operating public companies in the field have not found great long-term success.

The current business climate imposes a great deal of overhead for public companies, providing strong incentives for private ownership. For small companies the overhead involved in operating as a public company can present a large financial burden. Public companies must comply with strict regulations regarding accounting procedures, reporting, and insurance. Brisebois indicated that for a company the size of ISACSOFT, the cost of meeting these requirements totaled over $CDN 700,000 annually. More importantly, private ownership by a single entity gives a

company more flexibility in formulating business strategies. Rather than having to vet major corporate strategies through a board of directors representing the major shareholders, a company owned by a single entity can set directions according to its own judgment.

The library automaton industry has not been a good environment for public companies. Auto-Graphics stands as the last remaining public company in the industry. Even this company minimally qualifies, following the deregistration of its common stock in May 2004. The company currently reports its public filings on the Pink Sheets LLC. Robert Pope, the Chairman of Auto-Graphics, stated very similar circumstances as ISACSOFT, especially the high cost of the SEC reporting requirements and the competitive disadvantages of full reporting in a market of primarily private companies.

Geac, one of the main competitors of the industry in the 1980's and 1990's operated as a public company. The company grew to a very large scale and its library automation division represented a small portion of its overall business activities. The business history of Geac included many advances and setbacks as it made strategic acquisitions. Geac made the transition from public to private hands when Golden Gate Capital, a

large private equity firm, acquired it and merged it into Infor. Today, Infor Library and Information Systems operates as a very small business unit of a very large and diverse company.

Data Research Associates operated as a public company from its initial public offering in April 1992 through its acquisition by Sirsi Corporation in May 2001. Though the company was very successful during the time it was public, it ultimately was outmaneuvered in the industry and was acquired by a private company supported by venture capital.

Ex Libris attempted to go public in September 2005 trough an initial public offering on the London-based AIM stock exchange. The proposed IPO ultimately failed to raise the level of capital desired by the company and did not go forward. Less than a year later, in July 2006, the company was acquired by private equity firm Francisco Partners.

The transition of BiblioMondo to private ownership brings it more in line with the business model that presently prevails in the library automation industry. The company remains basically intact. Given the other possible outcomes, such as acquisition by a competitor, this transition provides continuity and avoids disruption to the company's library customers. In an industry phase characterized by consolidation and acquisition by private equity firms, the recent transition of BiblioMondo bucks the trend as it embraces an ownership model more consistent with the library automation industry at large. **–Marshall Breeding**

More Info. @:

BiblioMondo Press Release:
　　http://www.bibliomondo.com/
　　data/BiblioMondo_ISACSOFT_PR
　　_EN_Final.pdf

Company	Ownership
SirsiDynix	Vista Equity Partners
Ex Libris	Francisco Partners
Infor	Golden Gate Capital
Innovative Interfaces	Co-founder Jerry Kline
The Library Corporation	Annette Murphy family
VTLS	Founder Vinod Chachra
Polaris	Croydon Company – Martin Blackman and family of late Morris Bergreen
Isacsoft	Ronald Brisebois

This table describes the ownership of some of the major companies involved in the library automation industry

NMC and Sun's Open Virtual Worlds Project

Many librarians observe that, while they have few qualms about librarianship moving into three-dimensional virtual world environments, they have major reservations about investing time, talent, and money in building a library presence in the virtual world Second Life, because it is operated in an essentially proprietary manner by Linden Lab, a for-profit company. Many librarians would welcome a viable open-source alternative. In late February the New Media Consortium (NMC), a group of approximately 225 colleges, universities, and research centers, and Sun Microsystems announced a two-year project to develop an open-source platform for virtual world development.

According to the press release, "The project will develop a range of standards-based, portable open-source educational spaces, content, and objects, and use them to extend Sun Microsystems's open source Project Darkstar and Project Wonderland virtual world platforms." NMC sees the Open Virtual Worlds Project as a second plank in their NMC Virtual Worlds Program. Quoting from the NMC Virtual Worlds website, "The mission of NMC Virtual Worlds is to help learning-focused organizations to explore the potential of virtual spaces in a manner that builds on community knowledge, is cost-effective, and ensures high quality." NMC already has invested heavily in building a presence in Second Life, and they indicate no intention to abandon Second Life. NMC and Sun believe that an open-source virtual world option will offer participating organizations greater security, less fuzziness about the ownership of intellectual property developed and/ or presented in a virtual world, and easier portability of assets from one virtual world to another. For example, Saint Paul

College already has moved their entire island space from Second Life to Wonderland.

During a talk given by Kevin Roebuck, the Community Manager of the Immersion Special Interest Group at Sun, at the March 8, 2008 "Virtual Worlds: Libraries, Education, and Museums" Conference held in Second Life, he noted that many companies and institutions have reached a tipping point in terms of far-flung employees, with over 50 percent of people categorized as distance learners or working remotely from home or other geographic locations. Virtual worlds foster and facilitate collaborative work, learning, and brainstorming in a familiar three-dimensional space. Roebuck noted that, compared to other forms of distance group communication, such as telephone conference calls and web conferencing, virtual worlds offer higher emotional and social bandwidth.

Project Wonderland, an extant component of this larger collaborative effort, is a toolkit for developing three-dimensional worlds that includes high-quality audio, application sharing, multi-user gaming, and other features within a virtual world environment. Sun and NMC believe that the Open Virtual Worlds Project will make it easier to integrate enterprise data into virtual world interactions

and activities, maintain and locally control security, manage and protect intellectual property rights, and gracefully scale access to virtual worlds to lower and smaller technologies. Eventually, you may be able to enter virtual worlds in a meaningful way from your cell phone or personal portable media player.

One of Sun's key interests in this project is to develop "mixed reality" environments that break down the conceptual and practical barriers between meeting, working, and learning in the real world and doing the same in one or more virtual worlds. **–Tom Peters**

More Info. @:

NMC Press Release:
http://www.nmc.org/news/nmc/nmc-launches-open-virtual-worlds-project

NMC Video about this Project:
http://www.youtube.com/watch?v=c20P3Vd3RD4

NMC Virtual Worlds website:
http://virtualworlds.nmc.org/

Project Darkstar Website:
http://www.projectdarkstar.com/

Project Wonderland Website:
https://lg3d-wonderland.dev.java.net/

OverDrive Explores the Retail Borders

In March OverDrive announced that it has reached an agreement with Borders to sell downloadable digital audio books directly to end-users using OverDrive's platform and content. Customers at selected Borders bricks-and-mortar stores, beginning with its new concept store in Ann Arbor, Michigan, as well as anyone who visits Borders' web-based online store, may purchase this digital audio content. By the end of 2008 Borders plans to offer the service in over a dozen of its stores.

David Burleigh, the Director of Marketing at OverDrive, said that although this is not OverDrive's first foray into the retail market, it certainly is their biggest and most high-profile venture. Supplying digital audiobooks, ebooks, and other digital content to institutional customers (libraries, penal institutions, military organizations, etc.) continues to be the meat and potatoes of OverDrive's business.

The Borders audiobook service already offers over 15,000 titles. Burleigh reports that most of the audiobooks available to libraries as OverDrive's institutional customers also will be available through Borders, although some authors and rights holders may specify that their audiobooks be made available only through one channel or the other.

The press release also notes that the Borders digital audiobook service will be integrated into a new proprietary e-commerce site that Borders plans to launch in the next few months.

According to the FAQ section of the Borders Audiobook website, the OverDrive audiobook system currently supports the following computer operating systems:

- Microsoft Windows 98 Second Edition (SE)
- Microsoft Windows Millennium Edition (ME)
- Microsoft Windows 2000 (Professional or Server®)
- Microsoft Windows XP (Professional, Home, Tablet PC, or Media Center Edition)
- Microsoft Windows Vista (Home Basic, Home Premium, Business, or Ultimate edition)

In a subsequent March press release OverDrive announced that it plans to begin offering DRM-free downloadable digital audio books in MP3 file format through these Borders outlets as early as May. This is a major step toward overcoming the "iPod impasse" whereby protected WMA audio books would not play on popular portable devices, such as the iPod, the iPhone, and the Zune. OverDrive also plans to make DRM-free MP3 audiobooks available for library lending soon.

Users need to sign up for a free account to be able to use Borders online service. As with library patrons using an audiobook service powered by OverDrive, Borders customers will need to download and install the free OverDrive Media Console software. In addition to listening to an audiobook on your main computer, you may transfer it to a portable playback device or burn a set of audio CDs, if the publisher allows burning.

Customers at bricks-and-mortar Borders stores that offer the digital audiobook kiosks will be able to bring in their personal portable media player, plug it into the kiosk, select and purchase their titles, fill up, and go. Reminiscent of the old listening booths in record stores, if a potential purchaser would like to sample an audiobook before purchasing it, he or she may don a set of headphones at the kiosk and listen to an excerpt. If this concept catches on, physical libraries and bookstores make begin to resemble filling stations. The concept could be easily extended to other high-traffic areas, such as malls, airports, and arenas.

Borders new downloadable digital audio book service probably will affect library downloadable digital audiobook services in ways similar to the ways other content formats (printed books, DVDs, CDs) affect usage of similar library materials. At Borders, consumers can purchase and own this content. At libraries that offer the service, users can gain access to a limited time for no out-of-pocket cost (unless they elect to purchase a portable playback device). **–Tom Peters**
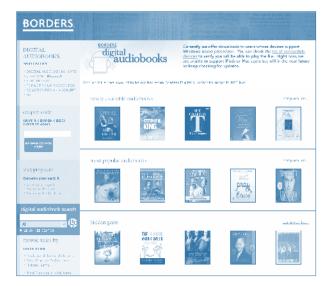
More Info. @:

OverDrive's Borders Press Release:
    http://www.overdrive.com/aboutus/getArticle.aspx?newsArticleID=20080310

Borders Audiobook website:
    http://audiobooks.bordersstores.com

WebFeat Acquired by ProQuest and Merged with Serials Solutions

In a move that consolidates the federated search sector of the library automation market, WebFeat has been acquired by ProQuest and will be merged into its Serials Solutions subsidiary. ProQuest is part of Cambridge Information Group, which also owns R.R. Bowker. Although Cambridge Information Group's strategic focus has been on publishing and electronic content, the company has increasingly become involved in technology.

In addition to the many portfolio companies dealing with publishing, content, and other endeavors, Cambridge Information Group controls an increasing number of companies involved in library automation, with a focus on products involved with providing access to electronic content. Under ProQuest, Serials Solutions offers it 360 suite of products that help libraries manage and provide access to electronic content. R.R. Bowker recently acquired AquaBrowser, one of the leading new generation library interfaces. R.R. Bowker also owns Syndetic Solutions, a company that provides content to enrich bibliographic records, such as cover art, summaries, reviews, and tables of contents.

The addition of WebFeat to ProQuest results in a major consolidation in the federated search arena—narrowing the number of choices available to libraries. WebFeat and Serials Solutions have until now been the two top competitors in the federated search arena. Federated search has been the primary focus of WebFeat throughout its business history. Serials Solution offers federated search as one of the components in its arsenal of tools for managing and providing access to electronic content. This acquisition essentially doubles the size of the federated search component of Serials Solutions' business and makes it by far the leading company in this sector.

Serials Solutions indicates that it will sell and support both the WebFeat product and its own 360 Search through 2008, but that in 2009 there will be a single product that combines their features. Both Serials Solutions and WebFeat customers will be migrated to this new platform. Serials Solutions and WebFeat offer federated search as a hosted, or software as a service (SaaS), model. This approach greatly reduces the impact and any inconvenience of this transition to the users of these products. But the implications of the merger are clear. Previously two companies engaged in a vigorous competition for federated search. One of those competitors has been eliminated.

Serials Solutions and WebFeat dominated the federated search arena, but other products also joined the competition. Several library automation vendors have created their own federated search offerings: Ex Libris offers MetaLib, primarily to its target audience of academic libraries; Innovative Interfaces offers Research Pro, Infor offers V-Spaces; and Auto-Graphics offers AGent. On the open source front, Index Data has created MasterKey. Other companies involved in open source products such as LibLime and Care Affiliates offer service and support for MasterKey.

The acquisition of WebFeat brings into the Serials Solutions fold both the customer base built by WebFeat and important technology assets. Given the similarity of the products and the lack of convenient alternatives, it seems quite likely that the vast majority of WebFeat's customers will transition into the follow-on federated search product that Serials Solutions will offer that blends the best components of WebFeat with its own 360 Search.

In order to ensure that its federated search products operate with the broadest possible range of target information sources, WebFeat developed an extensive library of translators. In addition to using these library of translators within its own products, WebFeat licensed its translators to other companies and organizations. Given that the providers of the information products make frequent changes to their interfaces, the translators can be fragile and require constant adjustments. By licensing the connector library from WebFeat, companies developing federated search products can essentially outsource the constant effort involved in maintaining functional and fine-tuned connectors.

In its initial federated search offering, Serials Solutions licensed components from Federated Search, which were integrated with its own technology as part of its federated search offering, originally called Central Search, now known as 360 Search. The contract for the use of WebFeat connectors in 360 Search expired in Fall 2007 and Serials Solutions had been independently maintaining this layer of their product. With the acquisition of WebFeat, the company once again gains access to the WebFeat library of connectors. The preferred approach, however, has evolved toward the use of XML gateways, somewhat mitigating the need for these fragile connectors.

Another initiative, called Open Translators, was recently launched through a collaboration between WebFeat, Index Data, and Care Affiliates. Open Translators allows other federated search products, such as the open source MasterKey product, to take advantage of the library of translators developed by WebFeat. Serials Solutions indicates that it will continue to support this initiative.

–Marshall Breeding

More Info. @:
ProQuest Press Release:
http://www.proquest.com/
pressroom/pressrelease/08/
20080214.shtml