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A few weeks ago, you reached out to OCLC to ask us to provide information about the value that Illinois libraries receive from OCLC services provided through the Illinois State Library's contract. We had a team analyze the way Illinois libraries have been utilizing OCLC services provided by the State Library. We found the information we gathered interesting and are happy to share it with you. Below is a summary of the information.

Value that OCLC provides to Illinois libraries

As a nonprofit membership organization, OCLC operates in the interest of libraries of all types and offers a broad range of essential library services including cataloging, resource sharing, discovery, digital collection management and library management services to improve library visibility, workflows and efficiencies.

OCLC's subscription approach to pricing allows libraries to use services as much as they want without concern about impact on cost. Illinois library transactions have increased over 370 percent since its FY2005 contract, from 9.6 million in 2003 to 45.7 million in 2014.

WorldCat is the world's best resource for library cataloging and resource sharing with a database of more than 339 million bibliographic records representing more than 2.2 billion holdings in libraries. Many benefits, such as increased visibility on the Web, automated updates to holdings through vendor partners, enhanced and improved record quality, begin with an OCLC cataloging subscription. Illinois libraries can take full advantage of the variety of services built around OCLC cataloging data without having to build or add on services themselves.

OCLC member libraries are all over the world. WorldShare Interlibrary Loan connects them for resource sharing, making it possible to share resources locally, regionally, statewide, nationally and worldwide as needed. The following FY2014 data illustrates the value of this approach:

- OCLC member libraries outside Illinois filled 36 percent of Illinois libraries' resource-sharing requests.
- Of the 64 percent of ILL requests filled within Illinois by Illinois libraries:
 - 84 percent were filled by libraries outside of the borrowing libraries' shared ILS (LLSAP). This is only possible because Illinois libraries are using a statewide resource sharing system.
 - 48 percent were filled by libraries outside of the libraries' regional library system. This also is only possible because Illinois libraries are using a statewide resource sharing system.
- 41 percent of loans made by Illinois libraries were for requests from libraries outside of Illinois, some of which provided additional fees paid to Illinois libraries. In addition, OCLC's Interlibrary Loan Fee Management (IFM) feature of WorldShare ILL automates the process for libraries to reconcile resource-sharing charges and payments through a monthly invoice. Since July 2005, Illinois libraries have managed \$8,644,833 in ILL lending fees through OCLC's IFM service. This is an average of \$66,499 per month that Illinois libraries would have had to bill manually without the IFM service.

Value of cataloging subscription and access to WorldCat

- Thousands of OCLC member libraries around the world contribute to and enrich WorldCat, the world's largest database of more than 339 million bibliographic records representing more than 2.2 billion holdings in libraries.
- With a database as comprehensive as WorldCat, libraries are able to find what they need for cataloging and resource sharing quickly, and without costly and time-consuming searching of individual library catalogs or other resources.
- Libraries that catalog with WorldCat save time editing and updating records in their local systems because of the rich data created by peers using OCLC cooperative services. OCLC has a documented quality initiative in place that makes WorldCat an exceptional resource and value to libraries. OCLC's cooperative cataloging model is unique.
- Illinois libraries' cataloging efforts automatically expand and enhance the resources available through the Statewide Illinois Library Catalog (SILC). No separate effort is needed to maintain this resource and use it for resource sharing.
- With OCLC's new WorldShare Collection Manager and WorldCat knowledge base, which are included in Illinois libraries' cataloging subscription, Illinois libraries can secure MARC records for electronic collections to load into their ILS without cataloging the items in these collections one-by-one.
- OCLC and leading publishers and database providers around the world work together to automate the process to keep e-book and e-journal holdings up-to-date in WorldCat and library catalogs. The automated process ensures seamless access to subscribed content without any intervention from library staff.
- A statewide cataloging subscription combined with the Illinois State Library subscription to WorldCat Discovery Services automatically increases visibility of Illinois library collections on the Web. With a Discovery subscription, materials cataloged in WorldCat—and the libraries that hold them—are more easily discovered through WorldCat.org and more than 50 popular consumer and research websites such as Google, Goodreads, FamilySearch and Wikipedia. Because of the size and scale of WorldCat, the presence of linked data schema.org identifiers in WorldCat records, and OCLC's syndication program with web partners, all libraries gain a level of visibility on the Web that individual libraries or small groups of libraries would not be able to achieve. (See the "Value of WorldCat Discovery" flier for more information.)

Value of OCLC Resource Sharing Subscription

- OCLC has cooperative agreements in place with a variety of service providers, publishers and aggregators to allow Illinois libraries and their users to seamlessly access and get the materials they need in a variety of formats.
- OCLC member libraries are all over the world, so resource sharing is not dictated by regional boundaries. While much of the resource sharing traffic is being managed across Illinois regional systems, LSSAPs and CARLI I-Share, Illinois libraries rely on OCLC member libraries outside of the state to fill 36 percent of Illinois libraries' resource-sharing requests in FY2014.
- WorldShare ILL, in conjunction with WorldCat and the Statewide Illinois Library Catalog, enables Illinois libraries to share materials within their consortia, regional groups, the state of Illinois and its bordering states, the United States and worldwide without creating and maintaining a separate union catalog and overlay system.

- OCLC helps to deliver documents easily and securely through Article Exchange, which provides a single, secure location where lending libraries worldwide can place scanned articles or book chapters obtained through ILL for easy retrieval by requestors.
- OCLC services simplify the sharing of e-resources, such as journal articles and ebooks, through the WorldCat knowledge base. Lending libraries receive loan requests with direct links to articles they own and are licensed to supply. ILL staff can quickly retrieve needed items without manually consulting multiple sites to determine item location.
- OCLC streamlines and automates many manual processes required to select lenders, determine availability of needed items before requesting them, and identify lender fees.
- OCLC's Interlibrary Loan Fee Management (IFM) feature of WorldShare ILL helps libraries save money while consolidating management of ILL fees. IFM automates the process for libraries to reconcile resource-sharing charges and payments through a monthly invoice so that individual libraries don't need to bill each borrowing library for the item. Since July 2005, Illinois libraries have managed \$8,644,833 in ILL lending fees through OCLC's IFM service. This is an average of \$66,499 per month that Illinois libraries would have had to bill manually without the IFM service.

Pricing

- The overall subscription price for the FY2005 Illinois Group Services agreement was set based on cataloging and interlibrary loan usage for the entire state. Since the subscription pricing was set based on usage, libraries similar in size, circulation and population-served could have very different pricing. Libraries with higher usage paid a higher subscription price, and libraries with lower usage paid a lower price.
- The Group Services agreement made it possible for Illinois libraries to plan and budget years in advance for cataloging and interlibrary loan services, and to improve library workflows by removing concern over usage and transaction counts.
- The group's annual price has included annual percentage increases as defined in the Illinois Group Services agreement. Throughout the contract term of FY2005-2011, the Illinois State Library served as the central agent and allocated the pricing among the libraries.
- The subscription pricing model that was set based on usage remains in place for Illinois. This structure is not unique to Illinois; it is the basis for the vast majority of cataloging subscriptions throughout the United States. OCLC has not adjusted pricing for individual libraries in Illinois based on changes in usage since the move to an unlimited-use subscription model. The subscription allows libraries to use services as much as they want without worrying about impact on cost. Illinois library transactions have increased over 370 percent since the FY2005 contract, from 9.6 million in 2003 to 45.7 million in 2014.
- In addition to encouraging unlimited usage under the subscription model in Illinois, OCLC has added many new features to cataloging and resource sharing services at no additional charge. New features include the WorldCat knowledge base, Collection Manager, Article Exchange, Patron Initiated ILL, enhanced lending strings, and other tools to help manage and deliver electronic, digital and print resources.

Evaluating alternatives

- Libraries that move to alternatives for cataloging have often experienced increased cataloging costs because they cannot copy catalog as efficiently without the depth and breadth of WorldCat's 339 million records at their fingertips. Because of these inefficiencies, some libraries that had left for alternative services have returned as OCLC Cataloging subscribers.

- Since OCLC member libraries share cataloging records, they continually enhance and improve the quality of records. Alternatives to OCLC cataloging cannot provide the community enrichment WorldCat provides to offer the best quality catalog records.
- Libraries that provide material in non-English languages cannot find a better resource for cataloging than WorldCat.
- OCLC cataloging tools vary from simple and basic export to every level of sophistication a library could want, all included as part of the subscription. While day-to-day simple searching may be all that's needed, at other times batch processing and the loading of records and/or holdings from partners and other providers is invaluable. OCLC members regularly load records/holdings secured from other providers to keep their holdings current in WorldCat.
- The WorldCat Cataloging Partners service automatically delivers records already in WorldCat based on titles purchased from materials vendors. This makes material shelf-ready when they arrive at the library. This service is included in the library's Cataloging Subscription at no extra charge.
- OCLC's work with linked data is building on efforts to make library collections more visible and accessible through the Web. OCLC is a leader in research and technology, and libraries benefit from OCLC's stewardship in planning for the future.
- Illinois libraries participate in many reciprocal ILL borrowing groups that require libraries to lend collections to or to borrow at no charge. Reducing the visibility of library collection in Illinois would jeopardize participation and increase the cost to deliver material to library users.

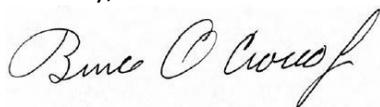
OCLC provides the research, planning and development of integrated services on a massive scale so that individual libraries can focus on delivering those services to their users. OCLC is best positioned to effectively bring together various partners, systems and services, library types and library materials into one single, integrated solution for Illinois libraries.

OCLC provides more than access to integrated services. OCLC is committed to making sure that staff and users at Illinois libraries have access to the training and support materials they can use to optimize their use of all OCLC services. Training is free and unlimited.

We will continue to look at pricing. OCLC's Board Chair, Sandy Yee, will soon announce the formation of a Board Task Force on pricing to review our current policies, practices, and procedures. I look forward to reviewing all possible options and potential solutions.

Thank you again for meeting with us to review the information above. We look forward to working with you and your team to build an appropriate plan to communicate the ongoing value of services offered by OCLC to Illinois libraries.

Sincerely,



Bruce Crocco
Vice President, Library Services for the Americas

cc: Andy Bush – OCLC
Paul Cappuzzello – OCLC