# Annual Report

## 2012–2013

OCLC® The world's libraries.
Connected.™

Founded in 1967, OCLC is a nonprofit, membership, computer library service and research organization dedicated to the public purposes of furthering access to the world's information and reducing library costs. Libraries around the world use OCLC services to locate, acquire, catalog, lend, preserve and manage library materials. Researchers, students, faculty, scholars, professional librarians and other information seekers use OCLC services to obtain bibliographic, abstract and full-text information when and where they need it. OCLC and its member libraries cooperatively produce and maintain WorldCat—the OCLC Online Union Catalog.

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# To the Membership



**What an honor it is to present my first annual report to the OCLC membership.**

Jay Jordan and Skip Prichard at OCLC, August 16, 2013

On July, 1, 2013, Jay Jordan retired after 15 years of service to the OCLC cooperative. Jay presided over a period of remarkable growth, innovation and global expansion. All of us at OCLC will honor his tenure by continuing this pace of growth around the world.

As I assume my duties as OCLC's fifth President and CEO, I want to be clear about how I see my role. Everything I do is designed to serve you and our public purpose. To do that, we need to be a strong organization designed to meet the challenges you face. We need to innovate both our current services and partner with you to develop new services.

I have been serving libraries in various capacities nearly my entire career. Leading OCLC is in some ways similar to, and in other ways completely different from, my past experience. It is similar in that there are organizational disciplines that are essential to all leadership positions whether operational efficiency, technological innovation or product development. It is different because OCLC is a nonprofit cooperative with a unique mission, passionate and engaged members and a unique governance model. Member needs guide our actions and our investments. I report to a Board of Trustees led by librarians.

Profit achievement, quarterly financial results and growing shareholder value are not our drivers. We are driven to fulfill a public purpose for libraries and their users. It is this fundamental difference that attracted me to the cooperative.

In my first few months, I have been on a worldwide listening tour. Whether at ALA in Chicago or IFLA in Singapore, whether visiting libraries in Michigan or Bangkok, whether public, private or special, I am listening to your needs and your perceptions. It has been eye-opening and rewarding.

We have our work cut out for us. Our financials are not forecasted to be at our historical goal levels (please see the Financial Review and Management Commentary of this report). We must ensure that our investments create services that help members achieve their goals. Our strategy needs to be refined, and we need to be clearer about where OCLC is headed. Our operations need to become even more member-centric, service-oriented and designed for maximum efficiency.

Working hard and striving for improvements that can deliver even greater impact energizes organizations and their leaders. I am excited about the potential ahead. OCLC's current work is bold and important. Users' expectations continue to accelerate, driving demand for new services and approaches that are cloud-based, mobile and social. With its new technological platform and cloud-based services, OCLC is well-positioned, and committed, to serve you. We are investing in the people, technology and infrastructure to support libraries in a period of rapid change.

# Finances

Libraries' use of OCLC services in fiscal 2013 generated revenues of $206.6 million and operating results (loss) of $2.8 million. Please see the Financial Review and Management Commentary for additional discussion.

During the year, OCLC provided libraries with $16.4 million in credits, primarily for cataloging and resource sharing. In April 2013, the OCLC Global Council, after an 18-month analysis and discussion with members, recommended to the OCLC Board of Trustees that the cooperative gradually phase out the credits and incentives program, starting July 1, 2014. Introduced in 1985, the program was determined to be no longer in synch with the norms, collection management practices or member composition of the cooperative. The phase-out will be managed so that it will not materially affect costs of OCLC services to members.

# Strategic Directions

OCLC continued to move forward with its strategy of working collaboratively with libraries to build services in a cloud computing environment. On March 6, the staff of the Criss Library at the University of Nebraska Omaha celebrated the launch of its OCLC WorldShare Management Services (WMS); this was the 100th implementation of WMS since the services went into production in 2011. At year's end, there were 120 WMS sites in operation.

OCLC also began moving its services in cataloging, resource sharing and discovery to the cloud.

In March 2013, the first of some 5,700 libraries began migrating from WorldCat Resource Sharing to the new WorldShare Interlibrary Loan service on the cloud-based technological platform. We will shut down WorldCat Resource Sharing in May 2014.

A beta test of the new FirstSearch discovery interface got under way in February 2013, with migration of approximately 16,500 users expected to begin in 2014.

The following new services became available on the new platform during the year: WorldShare Metadata Collection Manager, WorldShare Metadata Record Manager and the WorldShare Analytics Collection Evaluation Tool.

On May 4, 2013, the number of holdings in WorldCat exceeded 2 billion. It took the OCLC cooperative almost 34 years, from August 26, 1971 to August 11, 2005, to put 1 billion holding symbols in WorldCat, and only 7 years and 8 months to add the next billion.

Additional results and accomplishments of OCLC in fiscal 2013 are reported in detail elsewhere in this annual report.

# Moving Forward

2014 is the centenary of OCLC founder Frederick G. Kilgour's birth. As we celebrate his contributions to librarianship, we must also ask: How do we build on our historic strengths to create services, research and programs that will support members and librarianship for the future?

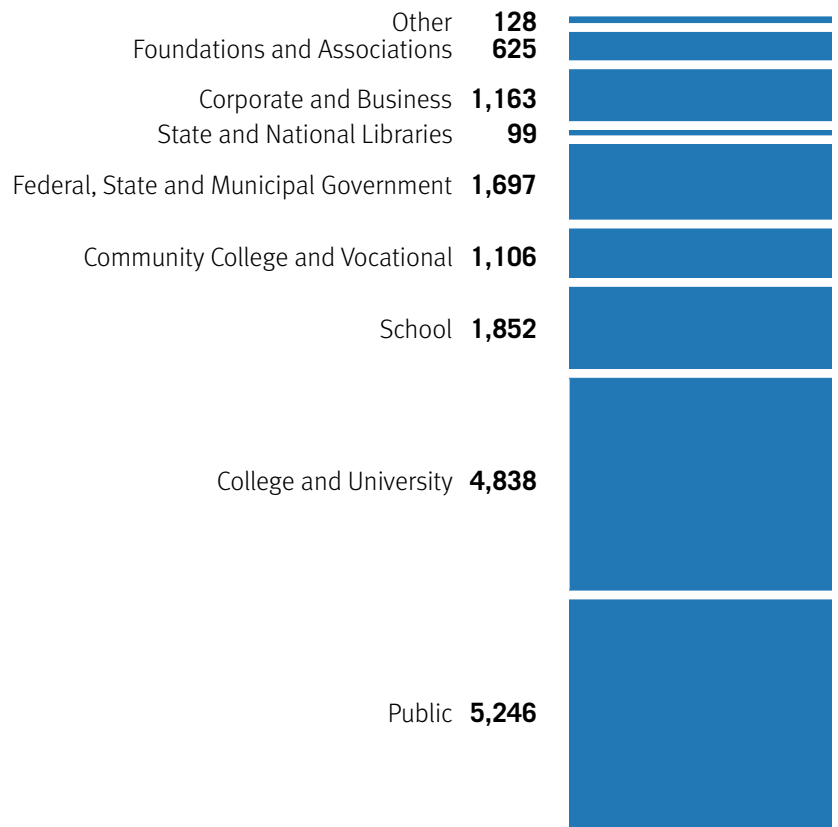I look forward to working with you to build that future.

**Skip Prichard**
President and CEO
OCLC
November 8, 2013

# Year in Review

# 16,754
## OCLC Members

A member of the OCLC cooperative is any library, archive or museum that contractually agrees to contribute intellectual content to the OCLC cooperative or share resources with it. A member can participate in governance of the OCLC cooperative through one of three Regional Councils: OCLC Asia Pacific; OCLC Europe, The Middle East and Africa (EMEA); or OCLC the Americas. The Regional Councils send Member Delegates to the OCLC Global Council, which in turn elects six members of the OCLC Board of Trustees.

| Category | Count |
|---|---|
| Other | **128** |
| Foundations and Associations | **625** |
| Corporate and Business | **1,163** |
| State and National Libraries | **99** |
| Federal, State and Municipal Government | **1,697** |
| Community College and Vocational | **1,106** |
| School | **1,852** |
| College and University | **4,838** |
| Public | **5,246** |

# Financial Highlights

|  | 2012/13 | 2011/12 |
|---|---|---|
| Revenues | $206,612,500 | $203,469,300 |
| Operating Results before Portfolio Gains/(Losses) and Other Gains | ($2,825,500) | $610,000 |
| Excess of Revenues Over Expenses | 2,352,900 | $6,835,700 |
| Total Corporate Equity/Net Worth | $244,976,600 | $236,683,700 |
| Total Assets | $391,882,300 | $369,813,100 |
| Current Ratio | 3.0:1 | 2.7:1 |
| Long-term Debt/Corporate Equity | 0.17 | 0.13 |

# Percent Change in HEPI, CPI and OCLC Cost Sharing

As of June 30, 2013

■ HEPI   ■ CPI   ■ OCLC

HEPI: Higher Education Price Index. CPI: Consumer Price Index for All Urban Consumers & All items. Base year 2002. OCLC calculations are based on Online Cataloging and Resource Sharing services.
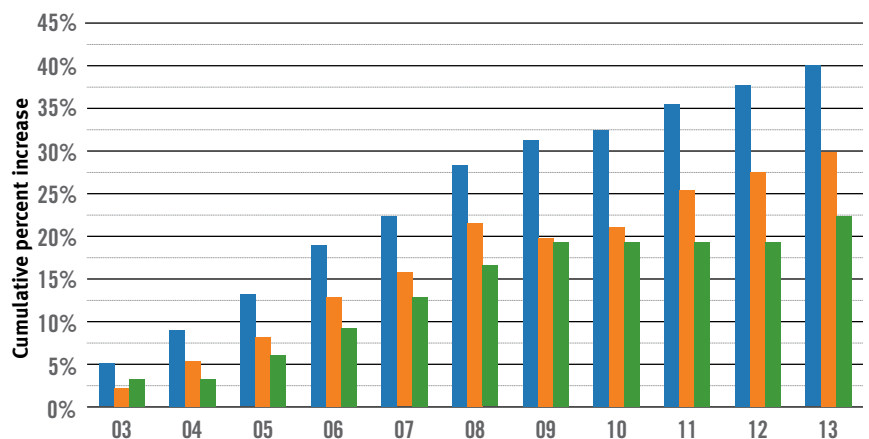
# Program Highlights

| | 2012/13 | 2011/12 |
|---|---|---|
| Participating libraries (includes active and inactive symbols) | 78,985 | 74,029 |
| Total number of records in WorldCat (after duplicate detection and resolution) | 303.0 million | 273.7 million |
| Books and other materials cataloged online | 32.3 million | 30.9 million |
| Books and other materials cataloged by batchloading processes | 550.1 million | 393.0 million |
| Cataloging records added to WorldCat | 29.6 million | 37.9 million |
| OCLC CatExpress service subscriptions | 1,622 | 1,552 |
| OCLC Contract Cataloging | 82 institutions | 93 institutions |
| | 203,988 records | 227,679 records |
| | 33 languages | 67 languages |
| Duplicate records removed from WorldCat through the | | |
|        Duplicate Detection and Resolution Program | 1.3 million | 2.1 million |
|        Total records removed since 1991 | 12.9 million | 11.6 million |
| Catalog records generated in computer tape or by FTP for subscribers | 6.1 million | 4.7 million |
| Number of records exported online from WorldCat to local systems | 57.1 million | 56.9 million |
| Custom-printed catalog cards ordered | 746,433 | 945,583 |
| Location listings in WorldCat for library materials | 2.03 billion | 1.85 billion |
| Local holdings records | 51.5 million | 43.8 million |
| Online interlibrary loans transacted | 8.9 million | 9.2 million |
| OCLC ILL Fee Management service participants | 2,858 | 2,877 |
|        Transactions | 867,891 | 898,781 |
|        ILL charges transferred | $13.5 million | $13.9 million |
| OCLC FirstSearch authorizations | 26,982 | 29,938 |
| OCLC FirstSearch searches | 46.0 million | 58.0 million |
| Referrals from partner sites to WorldCat.org landing page | 227.0 million | 231.3 million |
| Click-throughs from WorldCat.org to library services | 15.5 million | 11.0 million |
| Click-throughs to information from FirstSearch | 7.1 million | 8.7 million |
| *Dewey Decimal Classification and Relative Index*, Edition 23—copies sold (published April 2011) | 1,419 | 3,261 |
| Abridged Dewey Decimal Classification and Relative Index, Edition 15—copies sold (published February 2012) | 965 | 925 |
| WebDewey & Abridged WebDewey (copies sold) | 2,223 | 2,389 |
| QuestionPoint libraries | 1,245 | 1,463 |
|        Global Knowledge Base | 26,705 records | 25,909 records |
|        Countries | 33 | 33 |
|        Total transactions | 8.5 million | 7.7 million |
| CONTENTdm licenses | 1,132 | 948 |
|        Total records harvested via the Gateway | 32.6 million | 21.7 million |
|        Organizations that have contributed records via the Gateway | 1,798 | 1,279 |
| Integrated library systems (Amlib, Bibliotheca, LBS4, OLIB, SunRise) | 5,220 | 5,035 |
| CBS metadata management systems | 16 | 16 |
| WorldCat knowledge base of e-content | | |
|        Libraries | 1,007 | 400 |
|        Records | 13.1 million | 11.7 million |
|        Holdings | 254 million | 196 million |
| OCLC WorldShare Management Services | 120 libraries | 47 libraries |
| WorldCat Local sites | 1,724 | 1,537 |

# Year in Review

| July | August | September | October | November | December |
|------|--------|-----------|---------|----------|----------|

## July

Article Exchange API for documents in OCLC Resource Sharing becomes available

Institute of Museum and Library Services awards $99,957 grant to OCLC to partner with American Library Association and Public Library Association to develop recommendations for managing the e-book environment to ensure adequate public access

**20,000,000**
A record from *Consilience*, Columbia University's Journal of Sustainable Development, is the 20 millionth record harvested to the WorldCat database via the WorldCat Digital Collection Gateway

OCLC opens data center in Toronto, Ontario, Canada

OCLC Research publishes report, *Print Management at 'Mega-scale': A Regional Perspective on Print Book Collections in North America*

## August

OCLC recommends Open Data Commons Attribution License (ODC-BY) for WorldCat data

OCLC releases 15-minute video on "Linked Data for Libraries"

OCLC provides downloadable linked data file for the 1 million most widely held works in WorldCat

BIBSYS, a consortium in Norway, to participate in Virtual International Authority File
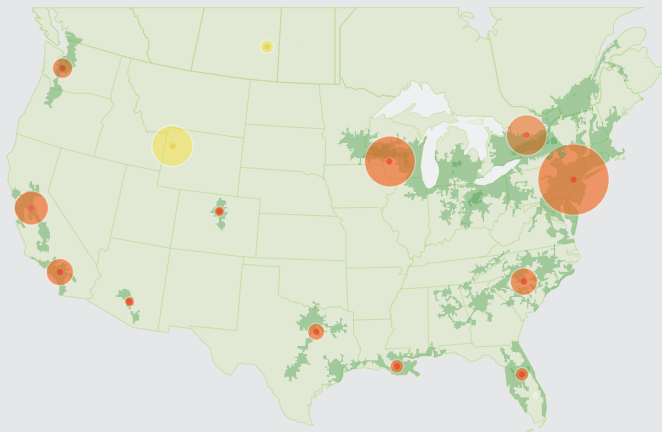
Europeana and OCLC Research investigate ways of improving end-user experience of Europeana.eu portal through "similar object browsing"

OCLC releases WorldShare Metadata Collection Manager in the Americas, which maintains WorldCat holdings and automatically delivers WorldCat MARC records for electronic materials

| January | February | March | April | May | June |
| --- | --- | --- | --- | --- | --- |

## September                                    ## October

Bill & Melinda Gates Foundation awards OCLC $4.1 million grant to support five years of operations of WebJunction, the learning place for libraries

Bill & Melinda Gates Foundation awards OCLC $1.9 million to extend participation in OCLC's "Geek the Library" community awareness campaign

Europeana and OCLC agree on approach for member libraries to contribute metadata to the Europeana.eu portal

OCLC members in Canada and U.S. can purchase IFLA vouchers for international interlibrary loans

The National Library of Malaysia in Kuala Lumpur hosted the Asia Pacific Regional Council Membership Conference, September 3–4, 2012



The 2013 class of Jay Jordan IFLA/OCLC Early Career Development Fellows, from left to right: Caroline Nyaga-Kithinji (Kenya); Chona San Pedro (Philippines); Dwaymian Brissette (Jamaica); Rozita Petrinska-Labudovikj (Republic of Macedonia); and David Ofili (Nigeria)

The IE Business School Library in Madrid and IE University Library in Segovia become the first libraries in Spain to acquire OCLC WorldShare Management Services

OCLC Research develops Kindred Works, a prototype content-based recommendation service

# Year in Review

## November

## December

OCLC Global Council meets in Dublin, Ohio, USA, November 5–7, 2012






Barbara Lison, Director, Bremen Public Library, Bremen, Germany, elected to OCLC Board of Trustees

EZproxy hosted service goes live in Europe

Walden University enters 6 millionth question into QuestionPoint

French Research Institute for Exploration of the Sea to use OCLC WorldShare Management Services and WorldCat Local

250,000 reciprocal links from the OCLC Virtual International Authority File added to Wikipedia through VIAFbot software

| January | February | March | April | May | June |
|---------|----------|-------|-------|-----|------|

## January

ArchiveGrid database of archival collection descriptions becomes free service on new interface developed and managed by OCLC Research

WorldCat.org and WorldCat Local sites now available in Italian

OCLC launches Shared Print Management Program to help libraries register shared print collections holdings in WorldCat so that they can collaborate closely to more efficiently manage and share these collections

Gale and OCLC to make all Gale databases and archives fully discoverable through WorldCat Local

Michael Panzer is named Editor-in-Chief of the Dewey Decimal Classification, the tenth in that position since 1876

Americas Regional Council meets in Seattle, Washington, USA, January 25, 2013

FamilySearch International, the largest genealogy organization in the world, and OCLC to enrich WorldCat and FamilySearch services with data from both organizations

## February

OCLC receives a CSO40 Award from IDG's *CSO* magazine for its information security initiatives in support of all OCLC products and services used by member libraries worldwide

DOGObooks.com, the leading website for book reviews by children, partners with OCLC to connect children to resources in libraries through WorldCat

Libraries in Europe, the Middle East and Africa as well as Australia and New Zealand begin piloting OCLC WorldShare Metadata Collection Manager

Tilburg University in the Netherlands becomes the first European library to implement OCLC WorldShare Management Services

TILBURG ◆ UNIVERSITY

ProQuest and OCLC launch metadata exchange program for users of OCLC's WorldCat Local service, ProQuest's Summon® service, the full-text of ProQuest Central and ebrary e-books

OCLC EMEA Regional Council meets February 26–27, 2013, in Strasbourg, France

# Year in Review

| July | August | September | October | November | December |

March        April

OCLC Global Council meets April 22–24, 2013 in The Hague, Netherlands



The University of Nebraska Omaha becomes the 100th institution worldwide to implement OCLC WorldShare Management Services

OCLC releases WorldCat Live! API, which provides a real-time stream of newly added records to WorldCat and lets developers build applications with real-time data

Libraries in the U.S., the U.K., Australia and Spain beta test OCLC WorldShare Metadata Record Manager

OCLC releases new WorldShare Interlibrary Loan service

University of Pennsylvania and OCLC host "MOOCs and Libraries: Massive Opportunity or Overwhelming Challenge?" on March 18–19, 2013

January    February    March    April    May    June

## May

## June

# 2 billionth holding

in WorldCat is added on May 4 by
University of Alberta Libraries



Daniel Boivin, Executive Director, OCLC Canada, Latin America and the Caribbean (left), presents a plaque commemorating the addition of the 2 billionth holding to WorldCat to Sharon Marshall, Bibliographic Services Coordinator, University of Alberta Libraries

Celebrating
10 YEARS
#WJ10th
WebJunction

### WebJunction marks 10th anniversary

# 30 millionth record

added to WorldCat via the WorldCat Digital Collection Gateway by the International Food Policy Research Institute

European Commission Central Library adds

# 300 millionth record

to WorldCat on June 7

OCLC upgrades technological infrastructure by converting WorldCat database to Apache HBase platform

Public libraries partner with Redbox and OCLC to pilot community initiative for shared entertainment experiences

OCLC releases new WorldCat Metadata API

COMPUTERWORLD 100 BEST PLACES TO WORK IN IT 2013

OCLC named among *Computerworld's* Best Places to Work in Information Technology for eighth consecutive year
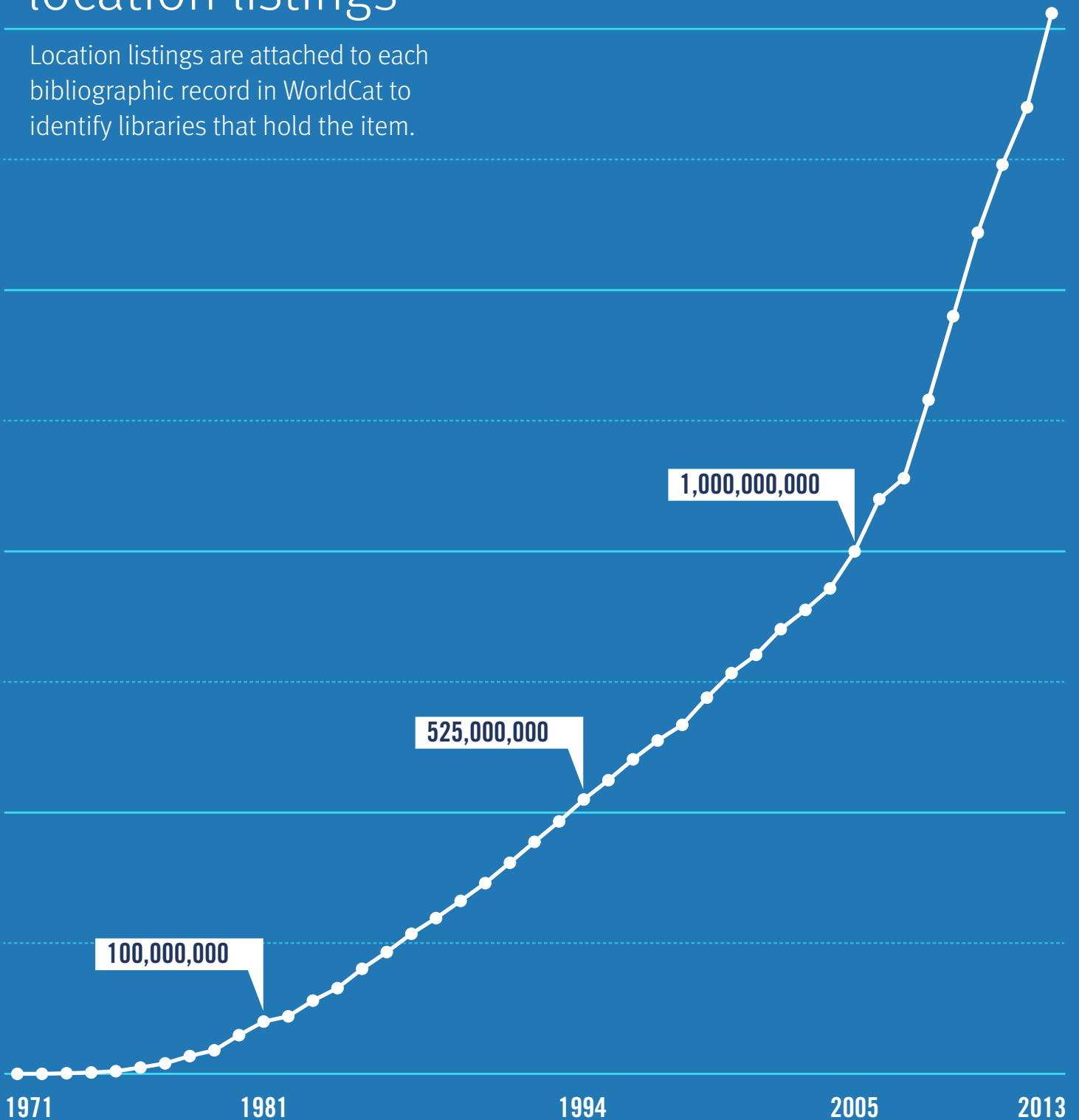
Institute of Museum and Library Services awards $284,000 grant to OCLC WebJunction to help librarians provide information to the public about the new U.S. health care law that goes into effect in October 2013
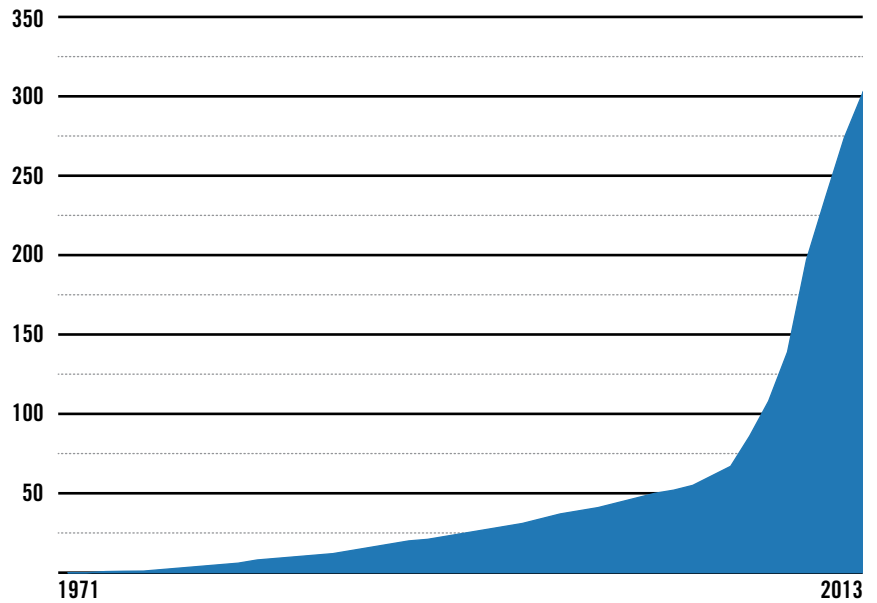
# WorldCat Highlights

## 2.03 billion
### location listings

Location listings are attached to each bibliographic record in WorldCat to identify libraries that hold the item.
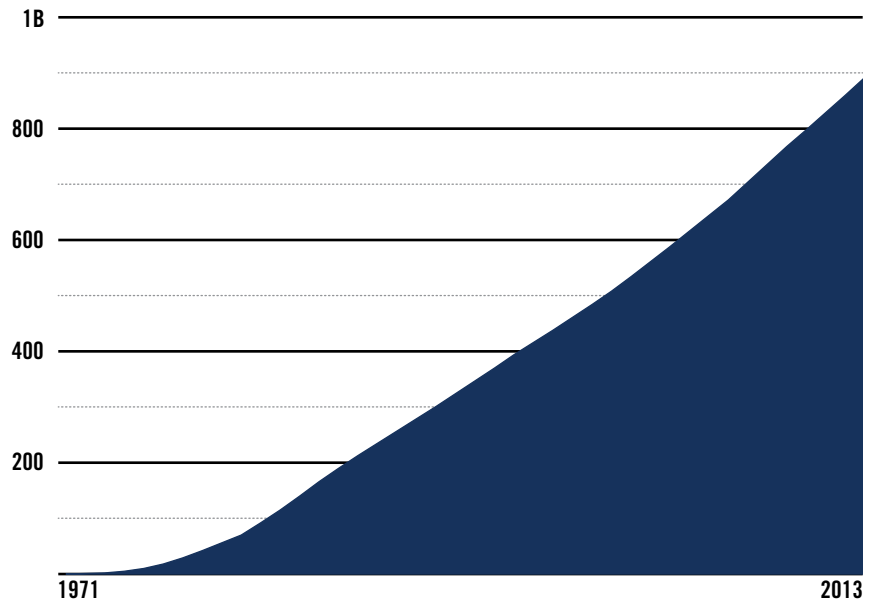
1,000,000,000

525,000,000

100,000,000

1971        1981        1994        2005        2013

# 303 million
## bibliographic records



350
300
250
200
150
100
50

1971                                    2013

# 892 million
## cataloged online

Books and other items cataloged
online since 1971 via OCLC services



1B
800
600
400
200

1971                                    2013

# 2.73 billion
## batchload cataloged

Books and other items cataloged via
OCLC batchloading services since
1990, when batchloading began



3.0
2.5
2.0
1.5
1.0
.5

1971                                    2013

# WorldCat Highlights

**OCLC WorldCat®**

## WorldCat Statistics

As of June 30, 2013

**486**
Languages

**18,122,102**
E-books

**186,313,046**
Works

**302,951,264**
Manifestations (records)

**2,032,707,972**
Total Holdings

## Multilingual Composition of WorldCat

As of June 30, 2013

**39.2%** English

**60.8%** non-English

**303.0** million records

WorldCat is a database of bibliographic information built continuously by libraries around the world and OCLC since 1971. Each record in the WorldCat database contains a bibliographic description of a single item or work and a list of institutions that hold the item. The institutions share these records, using them to create local catalogs, arrange interlibrary loans and conduct reference work. Libraries contribute records for items not found in WorldCat using the OCLC shared cataloging system.
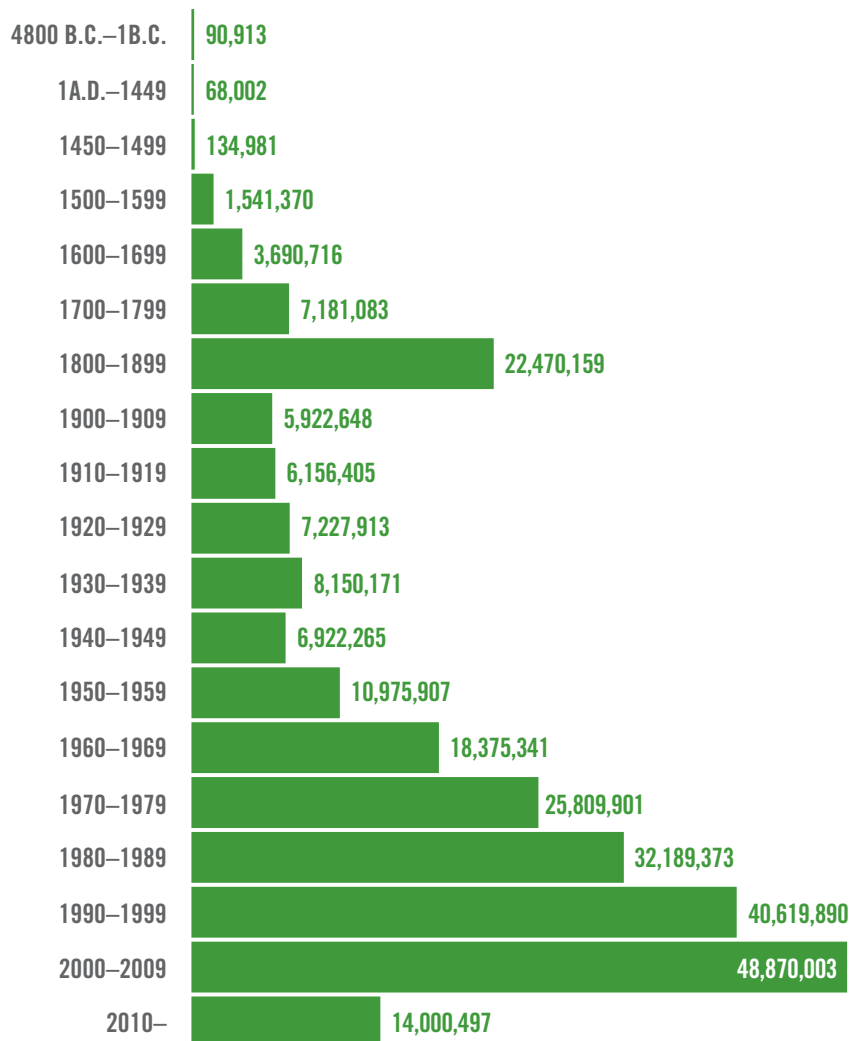
As of June 30, 2013, nearly 303 million records had been added to WorldCat, spanning six millennia of recorded knowledge, from about 4800 B.C. to the present. This unique store of information encompasses records in eight formats—books, serials, sound recordings, musical scores, maps, visual materials, mixed materials and computer files. Like the knowledge it describes, WorldCat grows steadily. A new record enters WorldCat every second.

In fiscal 2013, WorldCat grew by 29.6 million records. Libraries used WorldCat to catalog and set holdings for 582.4 million items and arrange 8.9 million interlibrary loan transactions. OCLC FirstSearch service users accessed WorldCat to conduct 28.7 million reference searches.

## Date Ranges of Records

| Date Range | Records |
|---|---|
| 4800 B.C.–1B.C. | 90,913 |
| 1A.D.–1449 | 68,002 |
| 1450–1499 | 134,981 |
| 1500–1599 | 1,541,370 |
| 1600–1699 | 3,690,716 |
| 1700–1799 | 7,181,083 |
| 1800–1899 | 22,470,159 |
| 1900–1909 | 5,922,648 |
| 1910–1919 | 6,156,405 |
| 1920–1929 | 7,227,913 |
| 1930–1939 | 8,150,171 |
| 1940–1949 | 6,922,265 |
| 1950–1959 | 10,975,907 |
| 1960–1969 | 18,375,341 |
| 1970–1979 | 25,809,901 |
| 1980–1989 | 32,189,373 |
| 1990–1999 | 40,619,890 |
| 2000–2009 | 48,870,003 |
| 2010– | 14,000,497 |

# Records by Format

| Format | Total LC Records | Total Participant-input | Total LC-created Participant-input | Total Records |
|---|---|---|---|---|
| Books | 8,434,723 | 220,914,218 | 1,747,462 | 231,096,313 |
| Continuing Resources Format (Serials) | 623,352 | 10,602,452 | 57,724 | 11,283,528 |
| Visual Materials | 221,088 | 10,927,485 | 20,312 | 11,168,885 |
| Maps | 299,135 | 4,033,117 | 8,788 | 4,341,100 |
| Mixed Materials | 49,237 | 20,389,168 | 3,917 | 20,442,322 |
| Sound Recordings | 359,802 | 11,372,009 | 64,577 | 11,796,388 |
| Scores | 106,297 | 6,803,274 | 56,992 | 6,966,563 |
| Computer Files | 9,677 | 5,843,645 | 2,843 | 5,856,165 |
| Totals | 10,103,311 | 290,885,338 | 1,962,615 | 302,951,264 |

# Top 15 Interlibrary Loan Lenders
Fiscal 2013

| Organization | Items Lent |
|---|---|
| Minitex | 54,032 |
| University of Chicago | 50,511 |
| University of Texas at Austin | 41,608 |
| University of Wisconsin–Madison | 40,132 |
| University of Michigan | 38,804 |
| Baylor University | 38,776 |
| Indiana University | 38,116 |
| The Ohio State University | 36,955 |
| University of North Carolina at Chapel Hill | 36,169 |
| University of Iowa | 34,322 |
| Pennsylvania State University | 33,046 |
| University of Illinois at Urbana–Champaign | 31,250 |
| Northwestern University | 29,406 |
| Texas A&M University | 28,019 |
| University of Georgia | 26,584 |

# Top 15 Online Original Catalogers
Fiscal 2013

| Organization | Records Added |
|---|---|
| University of Hong Kong | 66,997 |
| National Central Library (Taiwan) | 35,942 |
| State Library of Massachusetts | 24,130 |
| Peabody Essex Museum | 21,868 |
| National Library Board, Singapore | 21,729 |
| University of Illinois at Urbana–Champaign | 18,344 |
| New York Public Library | 16,624 |
| U.S. Government Printing Office | 13,793 |
| Stanford University | 13,436 |
| National Dairy Research Institute (India) | 12,035 |
| University of Washington | 10,777 |
| University of California, San Diego | 10,295 |
| University of Wisconsin–Madison | 9,928 |
| Northwestern University, Transportation Library | 9,483 |
| Thammasat University | 9,430 |

# Top 50 Languages

| Language | Records |
|---|---|
| English | 118,709,932 |
| German | 39,449,095 |
| French | 27,846,202 |
| Spanish | 13,817,161 |
| Japanese | 9,111,588 |
| Chinese | 8,310,095 |
| Italian | 6,000,956 |
| Dutch | 4,816,377 |
| Latin | 4,018,252 |
| Russian | 3,878,100 |
| Polish | 3,531,471 |
| Danish | 2,519,840 |
| Portuguese | 2,387,258 |
| Swedish | 2,241,799 |
| Slovenian | 1,884,617 |
| Hebrew | 1,845,820 |
| Arabic | 1,471,475 |
| Czech | 1,405,030 |
| Catalan | 881,915 |
| Finnish | 859,052 |
| Indonesian | 544,002 |
| Korean | 542,606 |
| Turkish | 529,442 |
| Hungarian | 464,644 |
| Croatian | 458,679 |
| Norwegian | 456,467 |
| Thai | 434,273 |
| Greek Modern (1453–) | 394,465 |
| Serbian | 357,355 |
| Persian | 304,091 |
| Romanian | 294,659 |
| Ukrainian | 287,177 |
| Hindi | 258,817 |
| Vietnamese | 254,572 |
| Afrikaans | 252,254 |
| Malay | 251,100 |
| Bulgarian | 248,772 |
| Yiddish | 227,763 |
| Tamil | 224,042 |
| Frisian | 202,379 |
| Urdu | 193,320 |
| Greek, Ancient (to 1453) | 171,253 |
| Slovak | 136,361 |
| Bengali | 120,770 |
| Lithuanian | 111,833 |
| Sanskrit | 90,551 |
| Welsh | 81,599 |
| Icelandic | 80,098 |
| Armenian | 79,713 |
| Basque | 75,569 |

As of June 30, 2013

# WorldCat Highlights

## The Collective Collection

OCLC is extending WorldCat to represent the collective collection of the OCLC cooperative, including physical holdings such as books and journals, licensed digital content and the growing array of local content that is being digitized. Records in the collective collection are accessible through the WorldCat.org and WorldCat Local services.

**Bibliographic information in WorldCat**

# 302+ million
bibliographic records

# 2+ billion
holdings

**Licensed digital content/articles in library collections**

# 980 million
records

**Digitized local library content**

# 38 million
items (*institutional repositories, Google, HathiTrust, OAIster*)

As of June 30, 2013

## WorldCat Community Maintenance

OCLC member libraries voluntarily improve and upgrade WorldCat master bibliographic records in the ongoing quality programs listed below.

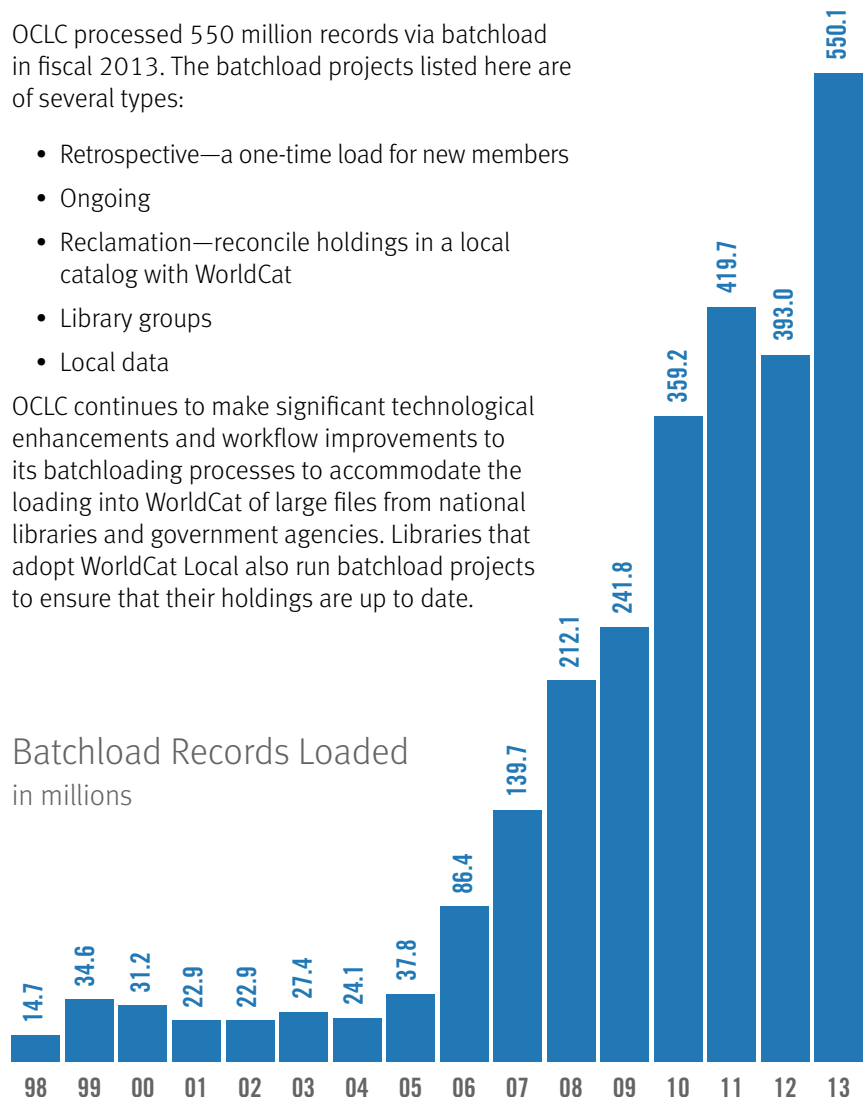|  | FY13 | FY12 |
|---|---|---|
| Expert Community | 301,527 | 296,763 |
| Database Enrichment | 264,284 | 233,628 |
| Minimal-level Upgrade | 207,832 | 212,427 |
| Enhance Regular | 139,421 | 143,911 |
| Enhance National | 40,985 | 46,976 |
| CONSER Authentication | 11,203 | 13,412 |
| CONSER Maintenance | 49,502 | 56,992 |
| TOTAL | 1,014,754 | 1,004,109 |

## Batchloading Review

OCLC processed 550 million records via batchload in fiscal 2013. The batchload projects listed here are of several types:

- Retrospective—a one-time load for new members
- Ongoing
- Reclamation—reconcile holdings in a local catalog with WorldCat
- Library groups
- Local data

OCLC continues to make significant technological enhancements and workflow improvements to its batchloading processes to accommodate the loading into WorldCat of large files from national libraries and government agencies. Libraries that adopt WorldCat Local also run batchload projects to ensure that their holdings are up to date.

**Batchload Records Loaded**
in millions

| Year | Value |
|---|---|
| 98 | 14.7 |
| 99 | 34.6 |
| 00 | 31.2 |
| 01 | 22.9 |
| 02 | 22.9 |
| 03 | 27.4 |
| 04 | 24.1 |
| 05 | 37.8 |
| 06 | 86.4 |
| 07 | 139.7 |
| 08 | 212.1 |
| 09 | 241.8 |
| 10 | 359.2 |
| 11 | 419.7 |
| 12 | 393.0 |
| 13 | 550.1 |

# WorldCat: Major Batchloads in Fiscal 2013

| | Holdings set | Records Processed | Originals Added |
|---|---|---|---|
| UnityUK Live | 129,000,000 | 14,174,136 | 7,190 |
| Gemeinsamen Bibliotheksverbundes | 59,345,982 | 39,968,036 | 4,732,614 |
| ABES (l'Agence Bibliographique de l'Enseignement Supérieur) | 38,532,441 | 5,561,227 | 567,683 |
| Ebrary Group Batchload | 17,446,117 | 8,181,095 | - |
| Danish Union Catalog and Danish National Bibliography | 17,199,642 | 16,401,339 | 536,283 |
| National Bibliographic Information Network Taiwan | 10,737,160 | 3,830,191 | 1,571,166 |
| GGC Group Interactive Update (Dutch Union Catalogue) | 6,732,486 | 3,094,832 | - |
| University of Alberta | 6,712,911 | 1,913,797 | 37,518 |
| New Zealand Department of Internal Affairs | 5,276,906 | 5,034,640 | 147,475 |
| North American Libraries Group Batchload | 4,643,870 | 978,731 | - |
| CBUC Group Batchload | 4,629,821 | 3,524,637 | 2,734,327 |
| The Ohio State University | 4,020,027 | 4,229,678 | - |
| University of North Carolina, Charlotte | 3,610,514 | 2,135,834 | 1,009,233 |
| Alibris | 3,560,392 | 16,992,604 | - |
| Trinity College, Dublin | 3,397,336 | 4,447,860 | 415,646 |
| Catalogo bibliografico trentino (CBT) Trento | 3,269,743 | 1,507,387 | 1,162,186 |
| Bibliotheks Verbund Bayern (BVB) | 3,186,102 | 1,173,802 | 218,544 |
| International Libraries Group Batchload | 3,160,557 | 842,449 | - |
| University of California, Irvine | 3,136,648 | 3,744,591 | 798,485 |
| The British Library | 3,005,249 | 3,671,958 | 532,546 |
| University of California, Riverside | 2,967,271 | 3,330,322 | 701,071 |
| Yankee Book Peddler | 2,858,645 | 2,860,016 | 420,272 |
| University of Maryland, College Park | 2,769,724 | 3,041,005 | 2,843,020 |
| University of Michigan | 2,714,603 | 2,751,484 | 662,226 |
| Baltimore County Public Library | 2,457,970 | 2,524,140 | 11,633 |
| University of North Carolina at Greensboro | 2,437,380 | 1,339,706 | 1,256,982 |
| Stanford University | 2,345,819 | 2,520,376 | 224,516 |
| University of New Brunswick | 2,332,170 | 1,317,527 | 1,328,287 |
| Réseau Uq8 | 2,323,689 | 1,638,373 | 138,656 |
| Cornell University | 2,297,160 | 3,169,481 | 728,753 |
| Waseda University Library | 2,260,519 | 2,482,934 | 724,971 |
| University of Missouri, Columbia | 2,224,316 | 2,812,137 | 5,296 |
| Illinois Virtual Catalog | 2,152,615 | 2,613,787 | - |
| University of Manchester | 2,010,735 | 2,183,038 | 104,308 |
| University of Nebraska at Omaha | 1,903,364 | 1,148,257 | 835,599 |
| University of Manitoba | 1,876,181 | 2,024,595 | 1,978 |
| Syracuse University | 1,840,082 | 1,858,823 | 26,036 |
| Harvard University | 1,753,840 | 1,858,334 | 275,183 |
| NovaNET | 1,711,992 | 1,067,569 | 34,174 |
| Bibliothèque nationale de France | 1,680,316 | 2,938,972 | 1,892,469 |

# Rowland C. W. Brown

October 11, 1923–September 23, 2013

" The collaboration of so many people from so many different institutions for such a laudable public purpose is exciting to behold. My belief in the mission of OCLC and libraries remains undaunted."

**ROWLAND C. W. BROWN**
IN HIS LAST ANNUAL REPORT TO
THE OCLC MEMBERSHIP
OCTOBER 11, 1988
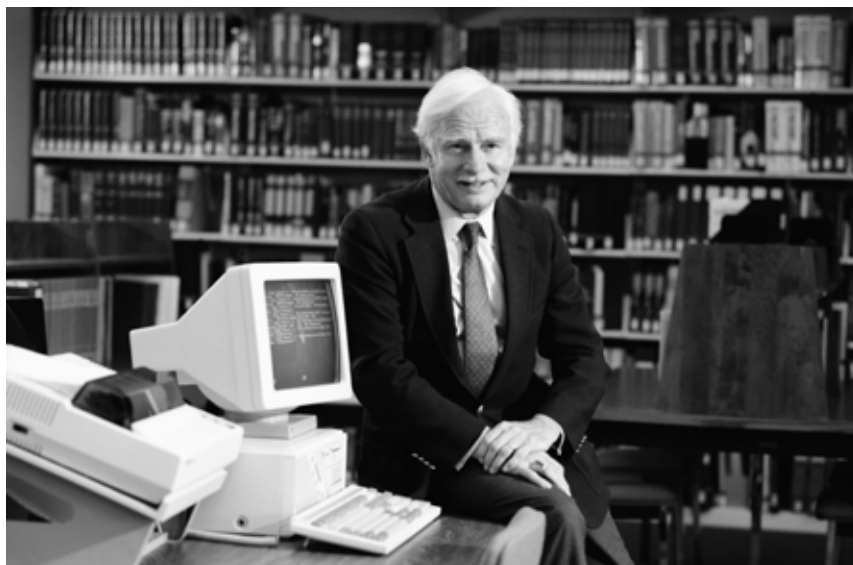


Rowland Brown in 1988

Rowland C. W. Brown died on September 23, 2013, at the age of 89.

Mr. Brown was OCLC's second President and CEO, serving from 1980 to 1989.

During that time, OCLC moved into a new building in Dublin, Ohio, consolidating staff from five different locations in the Columbus area. OCLC expanded its product and service line to some 60 different services that helped librarians run their libraries. OCLC opened its first international office in Birmingham, United Kingdom, and started to look at ways that it could move beyond bibliographic information and provide the information itself, the book or the article.

Under Mr. Brown's leadership, revenues increased from $27 million to $85 million. The number of participating libraries grew from 2,300 to 9,400. The number of employees nearly doubled to over 1,000. And, the number of records in WorldCat, the OCLC Online Union Catalog, grew from 5 million to 18 million.

Mr. Brown received the A.B. (cum laude) in International Relations from Harvard University and the J.D. from Harvard Law School.

Mr. Brown had an illustrious and productive life as an attorney, businessman, educator and community leader. He was a decorated U.S. Marines Corps fighter pilot, serving in both World War II and the Korean War. He was also a highly regarded member of the Columbus, Ohio, community for his roles in desegregating Columbus schools and promoting the arts.

# Building services in the cloud with libraries

OCLC and member libraries are building the next generation of services in the computing cloud, where applications and data are stored on the Internet rather than on a local computer. Libraries can use an application without having to worry about supporting technology. The goal is to simultaneously lower the total cost of managing library collections while enhancing the library user's experience.

## OCLC's strategy for building cloud services encompasses four areas:

Create system-wide efficiencies in library management

Represent the full range of member collections and services where the library user is

Build a global infrastructure that is responsive to local conditions

Advance the future of libraries through research, advocacy and community making

# OCLC WorldShare Management Services

OCLC WorldShare Management Services (WMS) allow library staff to collaborate in the computing "cloud" to manage internal operations more efficiently and improve services to users.

WMS is rapidly growing around the world. In 2013, the services expanded to libraries on three continents—Australia, Europe and North America. In March 2013, WMS reached a significant milestone, the 100th live implementation. By the end of June 2013, 120 libraries were live with WMS. This growth enhances network effects for libraries that join this cloud-based cooperative endeavor that launched for general release in 2011.



**UNIVERSITY OF Nebraska Omaha**



> " The move to WorldShare Management Services has already generated cost and time savings. The move has helped us to acquire 300,000 e-book titles for the campus, and in the future we plan to reallocate library staff to create an institutional repository for the university."
>
> **STEVE SHORB**
> DEAN, CRISS LIBRARY, UNIVERSITY OF NEBRASKA OMAHA

In March 2013, the Criss Library, which serves 15,395 students and 2,171 faculty and staff, became the 100th library to implement WorldShare Management Services. The move to WMS is allowing the library to keep pace with current and emerging trends in technology and take full advantage of new developments and applications created specifically for libraries as they become available.

> " Before we used to talk about how, in our library, we were updating data and enhancing records just for the benefit of our local library. Now with WMS, when we update records we do it for the benefit of the world. We're really pretty happy about that."

**JENNIFER CLARKE**
ASSISTANT DIRECTOR, COLLECTION DEVELOPMENT &
ACCESS SERVICES, BUCKNELL UNIVERSITY

Located in Lewisburg, Pennsylvania, Bucknell University serves 3,400 undergraduate and 150 graduate students. The library implemented WMS in six months and is experiencing significant savings through reduced hardware costs and streamlined technical services workflows.

> " One of the things our cataloger said was it's so much easier to catalog in WMS. And now that she has more time, she's been able to work on our archive, which is our library's undiscovered treasure."

**JULIE PINNELL**
DIRECTOR OF PERKINS LIBRARY, DOANE COLLEGE

WMS provides features—mobile services, social media, ease of use, integrated discovery for library resources—to support Perkins Library in its goal of becoming an enhanced learning commons at Doane College in Crete, Nebraska.

# OCLC WorldShare Metadata

## OCLC is introducing new metadata tools to help libraries manage their collections and meet changing expectations of library users.

**WorldShare Metadata Collection Manager** automatically maintains WorldCat holdings and outputs WorldCat MARC records from the WorldCat knowledge base, allowing libraries to easily provide access to e-content for their patrons. Launched in the Americas, OCLC continues to pilot this service in Europe as well as Australia and New Zealand to address localized needs. In fiscal 2013, 88 libraries and groups in eight countries used the service to receive 41 million MARC records for their discovery interfaces.

**WorldShare Metadata Record Manager**, piloted in fiscal 2013 and set for launch in fiscal 2014, provides efficient record-at-a-time metadata creation and editing for physical, licensed and digital items in a library's collection.

The **WorldCat Metadata API**, launched in June 2013, helps libraries conveniently manage WorldCat records and holdings and local bibliographic data through integration with library- and partner-built applications.

## The University of Groningen

The University of Groningen in the Netherlands is piloting Collection Manager. The University wants to use the service to set its holdings on e-journals and e-books in the Dutch Union Catalogue, the GGC.

"First tests with Collection Manager look hopeful," says Ane van der Leij, Information and Collection Specialist General and Special Collections. "Cooperation with OCLC staff to realize a connection to GGC (Dutch Union Catalogue) is excellent."

Adds Harma Haak-Otten, "The primary aim for using Collection Manager is to maintain our knowledge base. It is essential for our organization that this is kept up to date. Our patrons need to be certain to have access to all our collections, both print and digital."

"Furthermore, Collection Manager will assure that WorldCat Local will be in sync with our ILS/OPAC and the Union Catalogue. We hope to be able to use Collection Manager and the knowledge base to efficiently add newly acquired collections to our OPAC."

Ane van der Leij, top, and Harma Haak-Otten, bottom, lead the efforts at the University of Groningen to pilot Collection Manager, which is improving user access to the library's digital collections.

## The Virtual Library of Virginia

VIVA, the Virtual Library of Virginia, Arlington, Virginia, is using WorldShare Metadata Collection Manager with the WorldCat knowledge base to manage a 'demand-driven acquisitions' (DDA) collection of e-books for 51 of its 73 member libraries. Ebook Library (EBL) sends OCLC files of VIVA's e-book holdings on a weekly basis, and OCLC maintains those collections in the WorldCat knowledge base. VIVA then 'shares' the collection with its members so they can either use the collection in WorldCat Local or export MARC records for their catalogs or discovery layers.

"This process is wonderful for us because it allows for a wide distribution of records and libraries can use the system to customize the records for their own purposes," says Anne Elguindi, Associate Director, VIVA. "Once you set this up, it is an automated process and a low burden for the value you get out of this program."

As Associate Director of VIVA, Anne Elguindi oversees the effort to provide—in an equitable, cooperative and cost-effective manner—enhanced access to library and information resources for Virginia's academic libraries that serve the nonprofit higher education community.

## The IE Library

OCLC worked with 15 libraries on three continents to beta test OCLC WorldShare Metadata Record Manager, including the IE Library, Madrid Spain. "Being part of the Record Manager pilot was a great opportunity for the IE Library team," says Henar Silvestre Ferradal, Director for Adjunct. "The pilot has given us the chance to test this new WMS module and be part of its development." Enrique Escaño, Responsible for Cataloguing, says, "The most useful functionality of Record Manager is being able to manage local holdings records and master records from the same interface, as well as the use of templates for both MARC21 and ISBD formats." Adds María de la Peña, Responsible for Collection Development, "The new metadata module makes cataloguing easier and more intuitive to catalogue. It is a big improvement."

The team that piloted OCLC WorldShare Metadata Record Manager at the IE Library was, from left: María de la Peña, Collection Development; Enrique Escaño, Cataloguing; and Henar Silvestre Ferradal, Director for Adjunct.

> " We have found WorldShare Metadata Collection Manager to be invaluable as a 'one-stop shop' for sourcing MARC records for our e-book collections, with the huge advantage of WorldCat holdings being automatically added as part of the process. OCLC support has been exceptional, guiding us through every step."
>
> **CLAUDIA REYNOLDS**
> CATALOGUER, UNIVERSITY OF JOHANNESBURG, SOUTH AFRICA

# OCLC WorldShare Interlibrary Loan

> " Since it is impossible for any library to purchase all of the materials needed by its patrons, we view interlibrary loan as a vital and important part of our library services. This has been particularly true with the recent addition of four graduate programs. WorldShare Interlibrary Loan has made it possible for us to expand our interlibrary loan services without adding additional staff."

**MARILYN MURPHY**
DIRECTOR OF LIBRARY SERVICES,
MOUNT MERCY UNIVERSITY



Robyn Clark-Bridges, left, and Marilyn Murphy believe the work that OCLC does 'in the cloud' enables people to access information more quickly and securely than ever before.



In January 2012, OCLC began beta testing the new OCLC WorldShare Interlibrary Loan service, which will replace WorldCat Resource Sharing in 2014. WorldShare Interlibrary Loan transforms traditional interlibrary loan into a broader fulfillment service that centralizes workflows now managed in multiple systems and provides new functionality that saves time for both library staff and library users.

Mount Mercy University, Cedar Rapids, Iowa, has been an OCLC member since 1988 and in 2011 began using OCLC WorldShare Management Services. The Library uses OCLC's online services to arrange loans for almost 3,000 items a year and to borrow approximately 1,800 items.

Mount Mercy also uses the WorldCat knowledge base and Article Exchange to respond to interlibrary loan requests for articles in its electronic journals collection.

Founded by the Sisters of Mercy in 1928, Mount Mercy University is a small, Catholic university with an enrollment of 1,800 students. The University offers a variety of liberal arts, professional, accelerated and graduate degree programs on a wooded, picturesque campus overlooking Cedar Rapids, Iowa. The Busse Library serves students, faculty and the community with eight full-time staff and more than 140,000 volumes, 25 databases, 10,000 e-journals and 85,000 e-books.

# FirstSearch and OCLC discovery



Verletta Kern, Music Outreach Services & Instructional Services Librarian, University of Washington

OCLC members are beta-testing a new discovery interface for FirstSearch.

Library users want an easy-to-use, comprehensive search experience that brings them the information they need, when and where they want it. Library staff want expert search capabilities and expanded record views that will assist them in library operations. The new service provides both.

A new design combines the user-friendly features and reach of WorldCat.org with the precision search features of FirstSearch. It also will have adaptive displays for desktop, mobile or tablet use from the same URL and 180 million additional article-level records not currently accessible through FirstSearch.

More than 650 librarians are participating in the beta test. They are providing valuable input that is shaping development of the interface and functionality of the new service.

Verletta Kern, Music Outreach Services & Instructional Services Librarian, University of Washington, serves on the FirstSearch Transition Advisory Group and is participating in the beta of the new service.

"FirstSearch has been important to my work as a librarian over the past five years," she says. "For me, it is a go-to source for making collection development decisions, a source to consult for reference questions, and a source I share with my graduate students searching for specific, known items."

"I am excited to take part in the development of a new user experience to help build on the strengths FirstSearch has to offer and offer ideas for improvement from the perspective of music users. The new service will continue to be my go-to resource for my work at the University of Washington and will remain an important resource to share with our graduate students."

> " With the new FirstSearch discovery interface, music users can look forward to increased prominence of the performer listings, making it easier to find just the right recording. It will also be easier to determine who played what role in operatic performances, which is essential to budding music performers studying for their own operatic roles."
>
> **VERLETTA KERN**
> MUSIC OUTREACH SERVICES & INSTRUCTIONAL SERVICES LIBRARIAN, UNIVERSITY OF WASHINGTON

The Music Library at the University of Washington contains more than 70,000 books and scores, 46,000 recordings and other media including videotapes and computer software, and current subscriptions to approximately 300 periodicals. Subjects covered include acoustics and physics of music, ethnomusicology, jazz, music education, and the history, literature, theory and performance of music.

# Achieving scale in the cloud with innovative technology

On June 6, the OCLC cooperative took a major step forward in providing cloud solutions by converting the underlying technology for WorldCat to Apache Hbase/Hadoop. This new structure, which is used by many global information providers, including Facebook, Adobe and Salesforce.com, has reduced hardware storage requirements and simplified OCLC's computing footprint to support growth. Execution time for some major data operations has been slashed from days to hours. In addition, the upgrade enables OCLC to explore new areas such as detailed analytics and enriched relationships that will increase the value of the cooperative's data for all libraries.



OCLC staff on the HBase/Hadoop Team: Seated (l-r): Cathi Hughes, Jane Woodward, Amin Haghighi, Julie Gay, Haiyan Qian, Kelly Womble and Linda Bingham. Standing (l-r): Richard Boyne, Geoff Curtis, Kristy Gain, Russ Pollock, Gary Fisher, Gregg Hoffman, Ed Tripp, Herb Marine, Mei Jin, Mark Trotter, Mei-Chin Chung, Ron Buckley, Hadoop the Elephant, Jason Ash, Dena Bovee, Randy Van Fossan, Dewey Copley, Dawn Hendricks, Adam Nerderman, Ben Shuai, Helene Babich, Rob Hermance-Moore and Kevin Agullana. Inset: Lisa Cox.

" This is a very exciting technology transition and service upgrade. As we move our OCLC services to the cloud, we need to find ways to optimize performance of our operations on large datasets like local and national catalogs and authority datasets. This upgrade will also help ongoing quality improvement efforts, record matching and merging, and will enable new representations and uses of the cooperative's data."

**GREG ZICK**
OCLC VICE PRESIDENT, GLOBAL ENGINEERING

# OCLC global infrastructure

OCLC operates services, including WorldShare Management Services, EZproxy hosted service, CONTENTdm Hosting Services and other management services, from data centers in the United States, Australia, Canada and Europe.



LONDON
UNITED KINGDOM

TORONTO
ONTARIO, CANADA

LEIDEN
THE NETHERLANDS

DUBLIN
OHIO, USA

WESTERVILLE
OHIO, USA

SYDNEY
AUSTRALIA

# Te Puna Interloan Service

The National Library of New Zealand has moved its nationwide Te Puna Interloan service to OCLC's data center in Dublin, Ohio, in order to offer increased interoperability with disparate local library systems and to maintain local control of resource sharing.

About 350 New Zealand libraries of all types—88 percent of the nation's libraries—use Te Puna to borrow and lend more than 100,000 items each year and to manage the financial transactions between the supplying and requesting organizations.

The national interlibrary loan service is now hosted by OCLC's data center with management and customer service desk functions operating out of Melbourne, Australia. This is the first time a national library has moved its national infrastructure to a hosted OCLC service.

"There has been an increasing trend over the last two to three years for libraries to have OCLC host and manage their resource sharing and document delivery systems," says Chris Thewlis, OCLC Regional Manager, Australia. "Libraries are finding it more efficient and cost-effective if the provider of the system manages it for them. OCLC has now developed considerable expertise in managing systems, which is essential for supporting such important national infrastructure such as Te Puna Interloans."

Te Puna Mātauranga o Aotearoa
**NATIONAL LIBRARY**
OF NEW ZEALAND



Kaye Foran, National Library of New Zealand

> " The OCLC Melbourne Office was very supportive throughout the whole process of migration and upgrade. They worked hard to provide the configurations we required and to adapt to the requirements of a wide range of libraries within New Zealand. They have continued to provide prompt and efficient service."
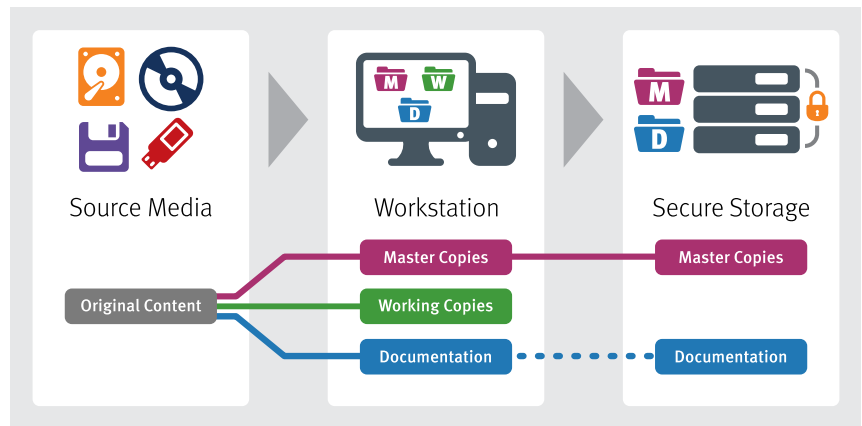>
> **KAYE FORAN**
> CUSTOMER SUPPORT CONSULTANT (TE PUNA), NATIONAL LIBRARY OF NEW ZEALAND

# Helping libraries manage "born-digital" materials

"Born-digital" materials originate in digital form. They pose new challenges for libraries that seek to acquire and organize them, provide access to them and pass them on to future generations.

As part of OCLC Research surveys of librarians responsible for special collections and archives in the United Kingdom, Ireland, the United States and Canada, Jackie Dooley, Program Officer, OCLC Research, identified needs and concerns about handling born-digital materials. The survey results indicated that born digital is under-collected, under-counted, under-managed, unpreserved and inaccessible. To address these challenges, OCLC Research assembled a group of experts who worked with Jackie Dooley and Ricky Erway, Senior Program Officer, OCLC Research, to develop basic guidance for dealing with the explosion of born-digital content.



Source Media    Workstation    Secure Storage

| Original Content | Master Copies | Master Copies |
| | Working Copies | |
| | Documentation | Documentation |

## Born-digital Materials

| | | |
|---|---|---|
| Digital photographs | Electronic records | Digital art |
| Harvested Web content | Static data sets | Digital media |
| Digital manuscripts | Dynamic data | publications |

## www.oclc.org/research/activities/borndigital/

*You've Got to Walk Before You Can Run: First Steps for Managing Born-Digital Content Received on Physical Media*

*Swatting the Long Tail of Digital Media: A Call for Collaboration*

*Walk This Way Report Details Steps for Transferring Born-Digital Content from Readable Media*

## Advisors to OCLC Research on Managing Born-digital Materials

**Nancy Enneking**, Head of Institutional Records and Archives, Getty Research Institute
**Riccardo Ferrante**, Director, Digital Services, Smithsonian Institution Archives
**Ben Goldman**, Digital Records Archivist, Pennsylvania State University
**Gretchen Gueguen**, Digital Archivist, Albert and Shirley Small Special Collections Library, University of Virginia
**Matthew Kirschenbaum**, Associate Director, Maryland Institute for Technology in the Humanities (MITH), University of Maryland
**Christopher (Cal) Lee**, Associate Professor, School of Information and Library Science, University of North Carolina at Chapel Hill
**Veronica Martzahl**, Records Archivist, Digital Collections and Archives, Tufts University
**Matthew McKinley**, Digital Project Specialist, University of California, Irvine
**Naomi L. Nelson**, Director, David M. Rubenstein Rare Book & Manuscript Library, Duke University
**Erin O'Meara**, Archivist, Gates Archive
**Chris Prom**, Assistant University Archivist, University of Illinois at Urbana–Champaign
**Gabriela Redwine**, Digital Archivist, Beinecke Library, Yale University
**Seth Shaw**, Assistant Professor, Clayton State University
**Rob Spindler**, University Archivist and Head, Archives and Special Collections, Arizona State University Libraries
**Susan Thomas**, Digital Archivist and Project Manager, Bodleian Library, Oxford University
**Dave Thompson**, Digital Curator, Wellcome Library
**Jennifer Waxman**, Senior Manager for Preservation & Access, Center for Jewish History



" OCLC Research is tapping the collective knowledge of experts in managing born-digital materials to help research institutions get started with inventorying, transferring and preserving the ever-increasing body of born-digital content."

**RICKY ERWAY**
SENIOR PROGRAM OFFICER
OCLC RESEARCH

# Researchers season cookbooks with metadata
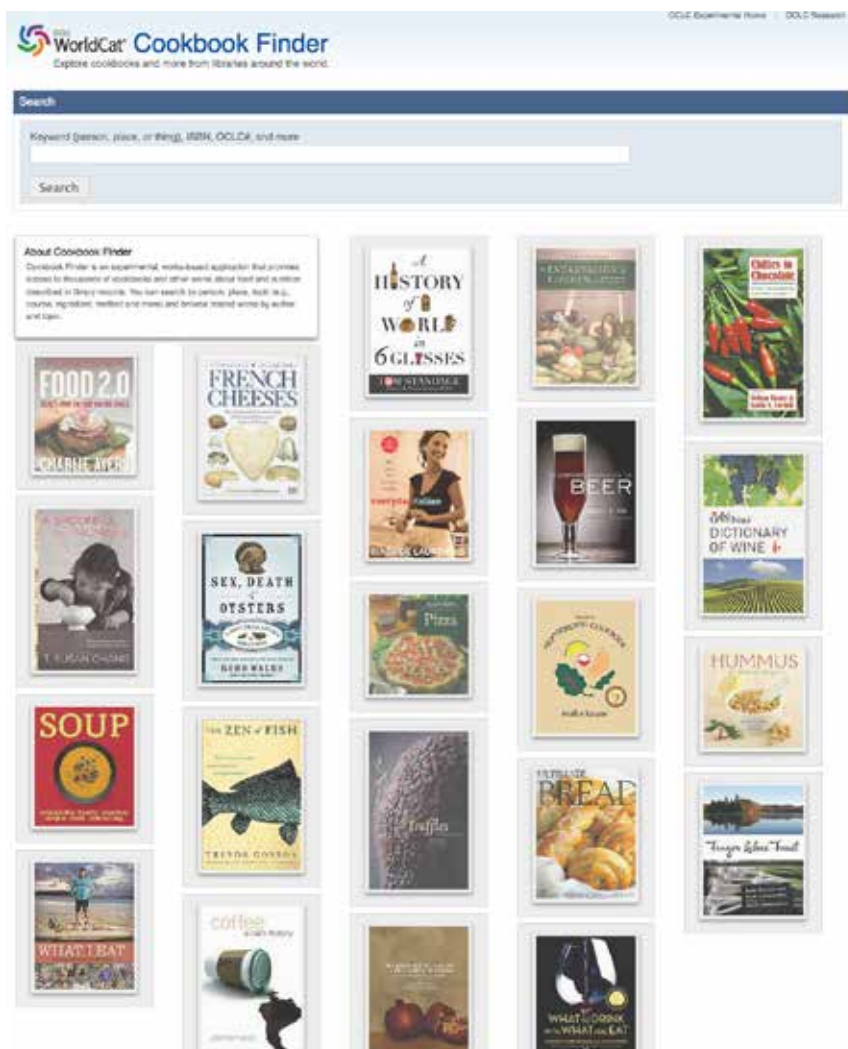


## Looking for recipes for tapas, antipasto or meze?

Find them fast with Cookbook Finder. It is an experimental, works-based application developed in OCLC Research that provides access to thousands of cookbooks and other works about food and nutrition described in library bibliographic records.

Users can search by person, place and topic (e.g., course, ingredient, method and more), and browse related works by author and topic. Results include links to full text when available from HathiTrust and Project Gutenberg.

> " The Cookbook Finder helps get the resources of libraries into the broader information environment so they can be discovered by users regardless of language."
>
> **DIANE VIZINE-GOETZ**
> OCLC SENIOR RESEARCH SCIENTIST



Cookbook Finder is improving access to the extensive collection of cookbooks at the Dublin Branch, Columbus (Ohio) Metropolitan Library. Left to right: Diane Vizine-Goetz, Senior Research Scientist and Project Lead; Mary Biscuso, Information Services Specialist, Dublin Library; and OCLC Research project team members: Roger Thompson, Consulting Software Engineer; JD Shipengrover, Information Architect; and Harry Wagner, Consulting Software Engineer.

# Helping public libraries lead in their communities

Even with staff and dollars stretched, many public libraries are evolving their services to meet rapidly changing needs. OCLC has a long history of creating, testing and scaling programs that link funders and communities to the collective power of public libraries. Since 2003, OCLC has managed more than $50 million in federal and philanthropic investments in service of local community needs, such as job seeking, health and wellness, access to technology, personal enrichment and outreach to underserved populations.

"When we equip library staff with new skills, or advocate for local support, we become active agents for positive change in libraries and for the people and communities libraries serve," says Chrystie Hill, Director, OCLC Community Relations. In fiscal 2013, OCLC continued its partnerships with foundations, public and private funders to deliver and sustain innovative initiatives that empower libraries and the communities they serve. Here are a few highlights.



## geekthelibrary.org

Guided by the success of the Geek the Library community awareness campaign in the U.S., OCLC is piloting three language localization pilots in Europe. The initiatives are supported by libraries in the European Union (Austria, France, Germany, the Netherlands and Switzerland) to develop French, Dutch and German language versions of some elements of the Geek the Library concept.

# WebJunction



Built and launched with grant funding from the Bill & Melinda Gates Foundation, OCLC's flagship public library program, WebJunction, celebrated its 10-year anniversary in May 2013. As the learning place for libraries, WebJunction provides a range of resources—including self-paced e-learning from leading course providers, live webinar programs on timely topics, downloadable curricula and best practices from libraries—that build the knowledge, skills and support library staff need to lead innovation at their libraries in the U.S. and Canada. Over the past year, 350,000 library staff visited WebJunction.org, 16,000 registered for 28 free webinars and 9,800 enrolled in online courses.

" We work with partners all over the world to support public libraries, strengthen the overall library environment, contribute knowledge and leadership, and advocate for public libraries. Our goal with WebJunction has been to make sure library staff have the training they need to provide excellent library services to their communities."

**DEBORAH JACOBS**
DIRECTOR OF THE GLOBAL LIBRARIES INITIATIVE AT THE BILL & MELINDA GATES FOUNDATION

## Health Happens in Libraries

The Institute of Museum and Library Services (IMLS) awarded a special grant to OCLC's WebJunction to build "Health Happens in Libraries." This program improves public library eHealth services and increases library staff capacity to respond to patron requests for information regarding the Affordable Care Act in the U.S. In collaboration with ZeroDivide, the program acknowledges the growing intersection of digital technologies and individual health management, and the opportunities for libraries to provide digital access to health information in their communities.



**Health Happens In Libraries**



**OUTSIDE THE BOX**
**A COMMUNITY CONNECTOR**

In December 2012, OCLC joined forces with Redbox, public libraries and the Project for Public Spaces to build community through shared entertainment experiences. This pilot project supported five libraries from across the U.S. in leading community planning workshops and producing entertainment events in transformed public spaces.

# Board of Trustees



June 2013

# Strategic Leadership Team



June 2013

Front row, left to right:

**Jim Michalko**
Vice President
OCLC Research Library Partnership

**Andrew Wang**
Vice President
OCLC Asia Pacific

**Skip Prichard**
President and
Chief Executive Officer

**Cathy De Rosa**
Vice President for the Americas and
Global Vice President of Marketing

**Eric van Lubeek**
Managing Director
OCLC EMEA

Back row, left to right:

**Robin Murray**
Vice President
Global Product Management

**Greg Zick**
Vice President
Global Engineering

**Gene Oliver**
Vice President
Global Systems and Information Technology

**George Needham**
Vice President
Global and Regional Councils

**Jim Houfek**
Vice President and
General Counsel

**Lorcan Dempsey**
Vice President Research
and Chief Strategist

**Tammi Spayde**
Vice President
Corporate Human Resources

**Rick Schwieterman**
Executive Vice President and
Chief Financial Officer

**Mike Teets**
Vice President
Innovation

**Bruce Crocco**
Vice President
Library Services for the Americas

**Chip Nilges**
Vice President
Business Development

# OCLC Global Council—
## *The voice of OCLC members*



November 2012

At the start of this, the fourth year under OCLC's new governance structure, the Global Council Executive Committee began with a very ambitious annual plan. As the year ends, I am pleased that we have completed some activities and even more excited to have begun efforts that will help set the cooperative's path for the future.

Being part of a global organization means working with differing cultures, business practices and the multiple priorities of members around the world. Our simple but crucial goal was to improve our communications and actively engage with members, the OCLC Board of Trustees and OCLC staff. This work involved some very sensitive issues, many of which lie at the core of a membership organization. We have examined and come to resolution on defining membership, firmly established the individuality of Regional Councils, examined incentive methods and established a task force for archives and museums.

This has been a particularly exciting time for the Regional Councils. They have successfully held multiple meetings of the membership, increased their level of communications and have begun active dialogues to ensure that a variety of voices are heard and acknowledged throughout the region. For example, the Americas Regional Council (ARC) has launched the ARC Ambassadors program and Communications Committee that have been very successful models.

The Global Council created a task force on Sustainable Business Models that has begun dialogues with OCLC management and the Board of Trustees on future business models for the cooperative.

As we face the inevitable changes of a global cooperative, including decreasing library funding, competitive services and the introduction of our own disruptive technology of Webscale services like WMS, OCLC as an organization must also adapt. We want to be actively engaged from a member's perspective to facilitate a clear corresponding business model to support the current members, control costs and allow for easy adoption of the cooperative model for new members.

I have frequently said that on Global Council we want to help to grow the denominator—the number of libraries that use OCLC services worldwide, to help reduce the cost to current members and enable increased participation and sustainability. We look forward to working with Skip Prichard, President and CEO of OCLC, on these and other matters.

This past year was also an appropriate time to fine-tune our governance structures. All three Regional Councils and the Global Council modified their by-laws to ensure continuity and better representation and to avoid conflicts of interest.

On April 22–24, 2013, the Global Council met for the first time outside North America. Delegates traveled to The Hague in the Netherlands to conduct the Council's business. That extremely successful meeting helped to demonstrate that OCLC is moving to be a truly global organization.

Lastly, I would like to take a moment to thank and acknowledge the fine work of OCLC President and CEO Jay Jordan. The Global Council and I want to thank him for the many of years of devotion to this organization and say that because of his leadership we are a better cooperative. Earlier the Global Council expressed our appreciation by referring to Jay as the person who put the "World" in WorldCat. Libraries throughout the globe thank him for his service and wish him well in his retirement. We know that the best

way to honor Jay and his contribution is to continue to expand and improve the cooperative with his successor, Skip Prichard, whom I would like to welcome to OCLC on behalf of the Global Council.

It has been my pleasure and honor to serve as Global Council President. I look forward to continuing to work with incoming Global Council President Anne Prestamo.

**ChewLeng Beh**
2012/2013 President
OCLC Global Council

## 2012/2013 Global Council Executive Committee

### Officers:

**ChewLeng Beh**
President

**Anne Prestamo**
Vice President/President-Elect

**Berndt Dugall**
Past President

### Delegates:

**Hsueh-hua Chen**

**Robert Moropa**

**Barbara Preece**

**Peter Sidorko**

**Anja Smit**

**Jane Treadwell**

www.oclc.org/councils/global/

# OCLC Global Council delegates 2012/2013

**Bonnie Allen**
Middle Tennessee State University

**Rosann Bazirjian**
University of North Carolina at Greensboro

**ChewLeng Beh**
National Library Board

**Raymond Bérard**
ABES

**Sarah Campbell**
Portland Public Library

**Melinda Cervantes**
Pima County Public Library

**Hsueh-hua Chen**
National Taiwan University Library

**Dalia Corkrum**
Whitman College

**Deborah Dancik**
Willamette University

**John DeSantis**
Dartmouth College

**Carol Diedrichs**
The Ohio State University

**Berndt Dugall**
Universität Frankfurt

**Gwen Ebbett**
University of Windsor

**Alison Elliott**
National Library of New Zealand

**Poul Erlandsen**
The Royal Library – CULIS

**Ian Fairclough**
George Mason University

**Helen Fried**
Orange County Public Libraries

**Joyce Garnett**
The University of Western Ontario

**Robin Green**
University of Warwick

**Cendrella Habre**
Lebanese American University

**Debbie Johnson-Houston**
McNeese State University

**Oleg Kreymer**
The Metropolitan Museum of Art

**Karen Lequay**
The University of the West Indies

**Annette Le Roux**
University of South Africa Library

**Bert Looper**
Tresoar

**Marilyn Montalvo**
University of Puerto Rico

**Robert Moropa**
University of Pretoria

**Makoto Nakamoto**
Waseda University Library

**Kenley Neufeld**
Santa Barbara City College

**Lisa O'Hara**
University of Manitoba

**Annsofie Oscarsson**
Mälardalen University

**Ann Pederson**
Altru Health System

**Lori Phillips**
University of Wyoming

**Barbara Preece**
Loyola/Notre Dame Library

**Anne Prestamo**
Oklahoma State University

**Mark Pumphrey**
El Paso Public Library

**Donna Reed**
Portland Community College

**Rupert Schaab**
University of Göttingen

**Debbie Schachter**
Douglas College Library

**Peter Sidorko**
University of Hong Kong

**Anja Smit**
Utrecht University

**Jay Starratt**
Washington State University

**Cynthia Steinhoff**
Anne Arundel Community College

**Jerry Stephens**
University of Alabama at Birmingham

**Wilbur Stolt**
University of North Dakota

**John Szabo**
Atlanta-Fulton Public Library System

**Jane Treadwell**
University of Illinois at Springfield

**Anne Van Camp**
Smithsonian Institution Archives

**Jon Walker**
Pueblo City-County Library District

**Andrew Wells**
University of New South Wales

**Patrick Wilkinson**
University of Wisconsin–Oshkosh

## OCLC Global Council Delegates' Institutions

UNCG

LAU Lebanese American University

McNEESE STATE UNIVERSITY

THE ROYAL LIBRARY
NATIONAL LIBRARY OF DENMARK AND COPENHAGEN UNIVERSITY LIBRARY

abes
agence bibliographique de l'enseignement supérieur

UNIVERSIDAD DE PUERTO RICO
upr

Portland Community College

UIS

PUEBLO CITY-COUNTY LIBRARY
Ideas · Imagination · Information

THE UNIVERSITY OF ALABAMA

GOETHE UNIVERSITÄT FRANKFURT AM MAIN

THE UNIVERSITY OF WARWICK

Pima County Public Library

Altru HEALTH SYSTEM

The Metropolitan Museum of Art

NLB

WASHINGTON STATE UNIVERSITY

WASEDA University

SB CC

Anne Arundel Community College

THE OHIO STATE UNIVERSITY

PORTLAND PUBLIC LIBRARY

a f i
atlanta-fulton public library system

MT

OC PUBLIC Libraries

GEORG-AUGUST-UNIVERSITÄT GÖTTINGEN

Smithsonian Institution Archives

Dartmouth

UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

OKLAHOMA STATE UNIVERSITY

UNISA university of south africa

EL PASO PUBLIC LIBRARY

NATIONAL TAIWAN UNIVERSITY LIBRARY

UNIVERSITY of WYOMING

GEORGE MASON UNIVERSITY

Western UNIVERSITY · CANADA

香港大學
THE UNIVERSITY OF HONG KONG

University of Windsor

Te Puna Mātauranga o Aotearoa
NATIONAL LIBRARY OF NEW ZEALAND

LOYOLA · NOTRE DAME LIBRARY
serving Notre Dame of Maryland University and Loyola University Maryland

THE UNIVERSITY OF WISCONSIN
OSHKOSH

TRESOAR

UNSW AUSTRALIA

UND UNIVERSITY OF NORTH DAKOTA

MÄLARDALEN UNIVERSITY SWEDEN

Universiteit Utrecht

THE UNIVERSITY OF THE WEST INDIES
ORIENS EX OCCIDENTE LUX

WILLAMETTE
THE FIRST UNIVERSITY IN THE WEST

DOUGLAS COLLEGE LIBRARY

WHITMAN COLLEGE

UNIVERSITY OF MANITOBA

# Advisory Committees

## OCLC E-resource Advisory Council

**Brett Bonfield**
Collingswood Public Library

**David Bryant**
Louisville Free Public Library

**Maria Collins**
North Carolina State University

**Dawn Hale**
Johns Hopkins University

**Simone Kortekaas**
University of Utrecht

**Jennifer Kuehn**
The Ohio State University

**Sarah Price**
University of Birmingham

**Sarah Haight Sanabria**
Southern Methodist University

**Gregg Silvis**
University of Delaware

**Holly Tomren**
Drexel University

**Nick Woolley**
Northumbria University

**Jill Fluvog**
OCLC

**Ted Fons**
OCLC

**Andrew Pace**
OCLC

## WorldShare Metadata Record Manager Advisory Group

**Cindy Barrilleaux**
State Library of Louisiana

**MaryBeth Betzold**
State University of New York, Buffalo

**Kevin Clair**
University of Denver

**Jennifer Clarke**
Bucknell University

**Janet Fileman**
Natural Environment Resource Council
United Kingdom

**Joel Hahn**
Niles Public Library District

**Lisa Hatt**
De Anza Community College

**Gabrielle Meßmer**
Bayerische Staatsbibliothek

**Mary Roach**
University of Kansas

**Linda Roberts**
Nashville Public Libraries

**Jessica Tobin**
Fred Hutchinson Cancer Research Center

**Dana Tonkonow**
Central Connecticut State University

**Marion van Brunschot**
Universiteit van Amsterdam

**Elizabeth Windsor**
Art Institute of Seattle/Argosy University

**Margaretta Yarborough**
UNC Chapel Hill

**John Chapman**
OCLC

**Jeff Ehlers**
OCLC

**Anna Sylvester**
OCLC

## Dewey Decimal Classification Editorial Policy Committee

**Gert de Jaqer**
University of South Africa

**Jonathan Furner**
University of California at Los Angeles

**Andrea Kappler**
Evansville Vanderburgh Public Library

**Caroline Kent**
British Library

**Lyn McKinney**
Billings Senior High School Library

**Pat Riva**
Library and Archives Québec/
Bibliothèque et Archives nationales du Québec

**Anne Robertson**
Australian Committee on Cataloguing

**Deborah Rose-Lefmann**
Northwestern University

**Caroline Saccucci**
LC Continuing Member
Library of Congress

**Paula Van Strien**
Library and Archives Canada/
Bibliothèque et Archives Canada

**Michael Panzer**
OCLC

## Technology Advisory Board

**Domenic DiLalla**
Exel, Inc

**Angelo Mazzocco**
Pillar Technology Group

**Allan McLaughlin**
JTA Enterprises, LLC

**Gene Oliver**
OCLC

## WorldShare Interlibrary Loan Advisory Group

**Karen Barnes**
Seattle Public Library

**Lynn Bierma**
Illinois State Library

**Noah Brubaker, Andrea Cohn, Bryan Hamilton**
Harrison College

**Anna Lois Kroll**
Master's Seminary Library

**Cassie Maringer**
Washington County Cooperative Library Services

**Franca Rosen**
Jefferson County Public Library

**Andrew Shuping**
Mercer University

**Emily Stivers**
Spalding University

**Helen Subbio**
Delaware County Library System

**Anita Weathers**
West Kentucky Community & Technical College

**Teanna Weeks**
Cleveland Heights-University Heights Public Library

**Denise Wirrig**
Bartholomew County Public Library

**Katie Birch**
OCLC

**Kathy Fishbaugh**
OCLC

**Christa Starck**
OCLC

## FirstSearch Transition Advisory Group

**Susanna Boylston**
Davidson College

**Leslie Horner Button**
University of Massachusetts Amherst

**Erica Cherup**
Columbus Metropolitan Library

**Emily Keller**
University of Washington

**Verletta Kern**
University of Washington

**Oleg Kreymer**
Metropolitan Museum of Art

**Joscelyn Langholt**
University of Maryland College Park

**Kari Sime**
Johnson County Library System of Johnson County, Kansas

**Christine Turner**
University of Massachusetts Amherst

**Marlene Vikor**
University of Maryland College Park

**Wendy Walker**
University of Glasgow

**Lisa Williams**
University of North Carolina Wilmington

**Arnold Arcolio**
OCLC

**Colleen Way**
OCLC

# Financial Report 2012/2013

## OCLC Charter

The purpose or purposes for which this corporation is formed are to establish, maintain and operate a computerized library network and to promote the evolution of library use, of libraries themselves, and of librarianship, and to provide processes and products for the benefit of library users and libraries, including such objectives as increasing availability of library resources to individual library patrons and reducing the rate of rise of library per-unit costs, all for the fundamental public purpose of furthering ease of access to and use of the ever-expanding body of worldwide scientific, literary and educational knowledge and information.

## Audit Committee:

**Cindy Hilsheimer,** Chair

**Maggie Farrell**

**Anthony Ferguson**

**Barbara Lison**

**Jim Neal**

**John Patrick**

**Jennifer Younger**

**Sandra Yee,** *ex-officio*

## Management Representatives:

**Skip Prichard**
President and
Chief Executive Officer, OCLC

**Rick J. Schwieterman**
Executive Vice President and
Chief Financial Officer, OCLC

# Report of the Audit Committee

The Audit Committee, consisting entirely of independent trustees, assists the Board of Trustees in its oversight of OCLC's financial reporting process, and is responsible for, among other things, reviewing with Deloitte & Touche LLP, independent auditors, the scope and results of its audit engagement.

The management of OCLC has the primary responsibility for the preparation and integrity of OCLC's financial statements, accounting and financial reporting principles and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. OCLC's independent auditors are responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on their conformity with accounting principles generally accepted in the United States of America.

The accompanying condensed consolidated financial statements and financial information included elsewhere in the annual report are derived from the audited consolidated financial statements and include amounts that represent the best estimates and judgments of management.

In fulfilling its oversight responsibilities, the Audit Committee has:

- Reviewed and discussed with management the audited consolidated financial statements of OCLC for fiscal 2013.

- Discussed with Deloitte & Touche LLP the matters required by AICPA AU 380, The Auditor's Communication With Those Charged With Governance.

- Received from and discussed with Deloitte & Touche LLP the communications required by AICPA Independence Rule 101.

Based on the Audit Committee's independent discussions with management and the independent auditors, and the Audit Committee's review of the representations of management, and the report of the independent auditors to the Audit Committee, the Audit Committee recommended to the Board of Trustees that the audited consolidated financial statements for the year ended June 30, 2013 be accepted. The audited consolidated financial statements, accepted by the Board of Trustees, appear at OCLC's website: **www.oclc.org/en-US/about/sustainability/financial.html**.

# Financial Review and Management Commentary

## Financial Review

In fiscal 2013, OCLC revenues were $206.6 million, up $3.1 million (1.5 percent) from fiscal 2012 revenues of $203.5 million. Revenue growth was due to: increased adoption of new services such as OCLC WorldShare Management Services; a modest 2–3 percent price increase in cataloging, resource sharing, FirstSearch and other services; and additional grant funding, primarily from the Bill & Melinda Gates Foundation for WebJunction.

Operating results (Contribution to equity before portfolio gains) in fiscal 2013 were a loss of $2.8 million, compared to a positive performance of $610,000 the previous year. Net Contribution (appears in the financial statement on page 45 as "Excess of Revenues over Expenses") in fiscal 2013 was $2.4 million, compared to $6.8 million in fiscal 2012. See chart "Summary of Consolidated Activities."

### FY 2013 Revenue by Region
Total **$206.6 Million**



**Americas**
**77%**

**Asia Pacific**
**4%**

**Europe, Middle East, Africa**
**19%**

### Summary of Consolidated Activities

(Amounts in Thousands)

| | 2013 | 2012 |
|---|---|---|
| Revenues | $206,610 | $203,470 |
| Products & services | 202,190 | 200,830 |
| Grants | 3,600 | 1,800 |
| Research Library Partner Dues | 820 | 840 |
| Dividends and Interest Income–Sustainability Fund | 5,250 | 5,850 |
| Operating Results before Portfolio Gains/(Losses) & Other Gains | (2,830) | 610 |
| Net Realized Gains on Investment Portfolio–Sustainability Fund | 5,180 | 3,650 |
| Gain on Sale of Product Lines | 0 | 2,580 |
| Net Contribution to Corporate Equity | $2,350 | $6,840 |

Revenues from libraries and institutions outside the U.S. increased by $1.4 million to $54.8 million, primarily due to increased revenues from Bibliotheca in Germany. The increase, however, was offset by a corresponding $1.4 million decrease due to currency translation. See chart "FY 2013 Revenue by Region."
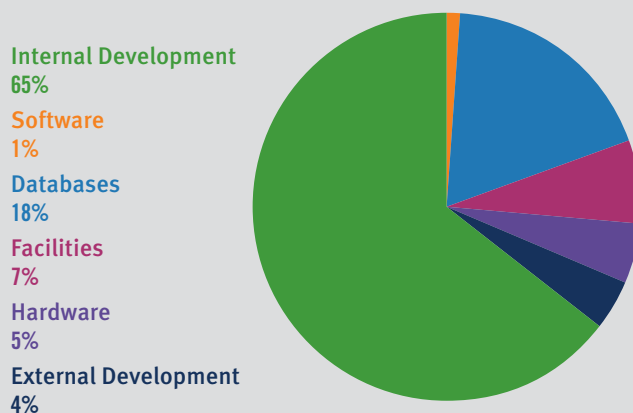
OCLC continuously invests in new hardware, software, databases and development of systems to provide services to participating institutions. This investment fluctuates, depending on service growth, new product introductions and replacement cycles for facilities, equipment and software. In fiscal 2013, enterprise resource investment was $55.6 million (including capitalized development costs), an increase of $2 million from the previous year. Over the last five years, enterprise resource investment has totaled approximately $260 million. See chart "Enterprise Resource Investment."
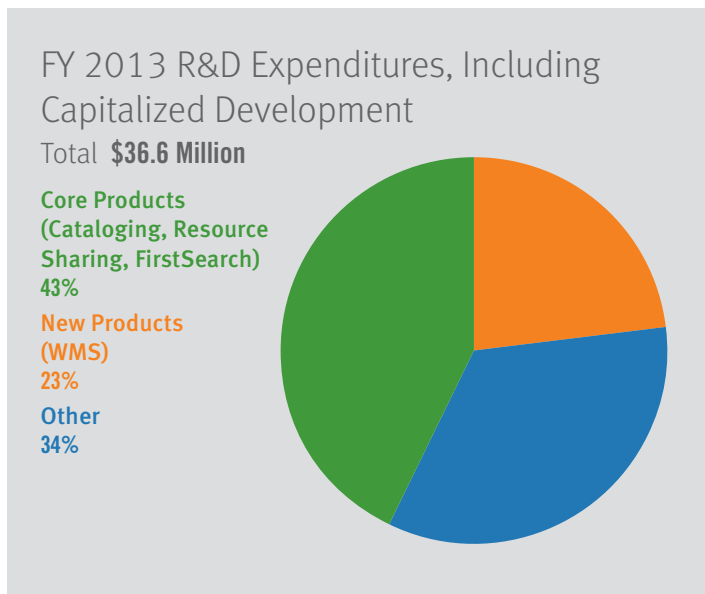
### FY 2013 Enterprise Resource Investment
Total **$55.6 Million**



**Internal Development**
**65%**

**Software**
**1%**

**Databases**
**18%**

**Facilities**
**7%**

**Hardware**
**5%**

**External Development**
**4%**

# Financial Review and Management Commentary

In fiscal 2013, research and development expenditures, including capitalized development, were $36.6 million. Development efforts focused on OCLC's strategy to build cloud services with libraries. See chart "R & D Expenditures Including Capitalized Development."

## FY 2013 R&D Expenditures, Including Capitalized Development

Total **$36.6 Million**

**Core Products (Cataloging, Resource Sharing, FirstSearch) 43%**

**New Products (WMS) 23%**

**Other 34%**

During the year, OCLC provided libraries with $16.4 million in credits, incentives and subsidies for cooperative programs, primarily for cataloging and resource sharing, to encourage the growth and quality of WorldCat, clearly demonstrating OCLC's commitment to its public purposes. Since 1998, OCLC has returned nearly $250 million in credits and subsidies to member libraries. As noted on page 2 of this report, on the recommendation of the OCLC Global Council and Board of Trustees, OCLC will begin phasing out this program in July 2014.

As of June 30, 2013, the investment portfolio stood at $202.3 million, of which $57.7 million secured library deposits for the advanced subscription program and unearned revenue for library services. OCLC returns to libraries 4 percent interest on advanced subscription payments, which are applied to charges for OCLC services. Realized gains and losses are reflected in the annual net contribution. OCLC's sustainability fund is used for working capital, long-term growth and funding development opportunities. See chart "Investment Portfolio Composition: Securing Member Library Funds."
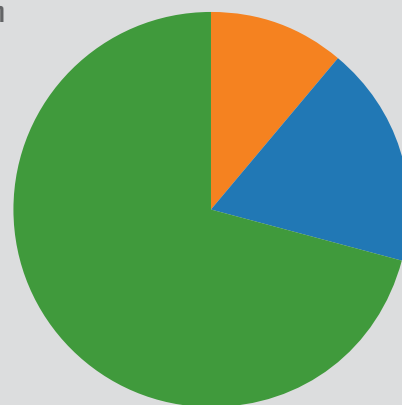
## June 2013 Investment Portfolio Composition: Securing Member Library Funds

Total **$202.3 Million**

**Sustainability Fund 71%**

**Library Deposit Program 11%**

**Deferred Revenue 18%**

As of June 30, 2013, OCLC had assets of $391.9 million and corporate equity of $245.0 million. Net working capital, which represents funds available for current operations, development and library programs, was $179.4 million.

In summary, OCLC is financially well-positioned to continue to fund innovative services on behalf of its members.

## Management Commentary

OCLC is a nonprofit, membership, computer library service and research organization whose public purposes of furthering access to the world's information and reducing library costs dominate its plans and activities.

In support of these purposes, OCLC strives to maintain a strong financial base by operating in a business-like manner in order to accommodate growth, upgrade technological platforms, conduct research and development and subsidize worthwhile projects for the benefit of libraries and their users.

OCLC follows a conservative, nonaggressive accounting and operating philosophy in maintaining its financial reporting and internal control systems.
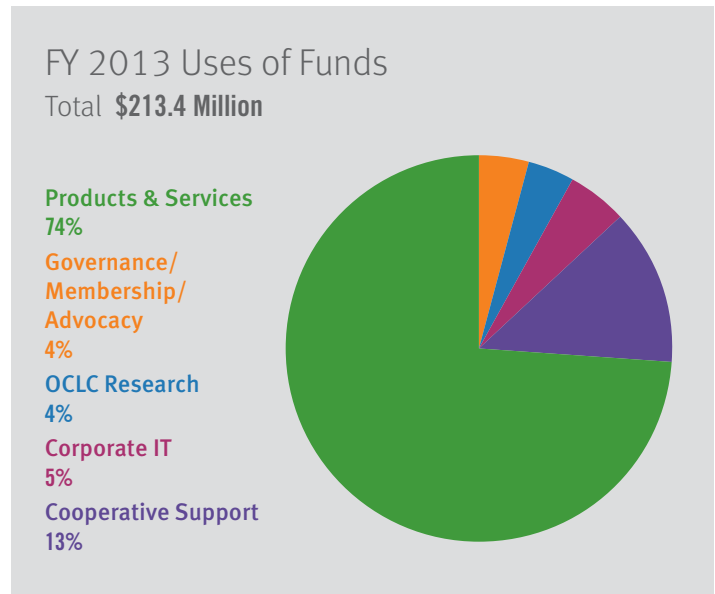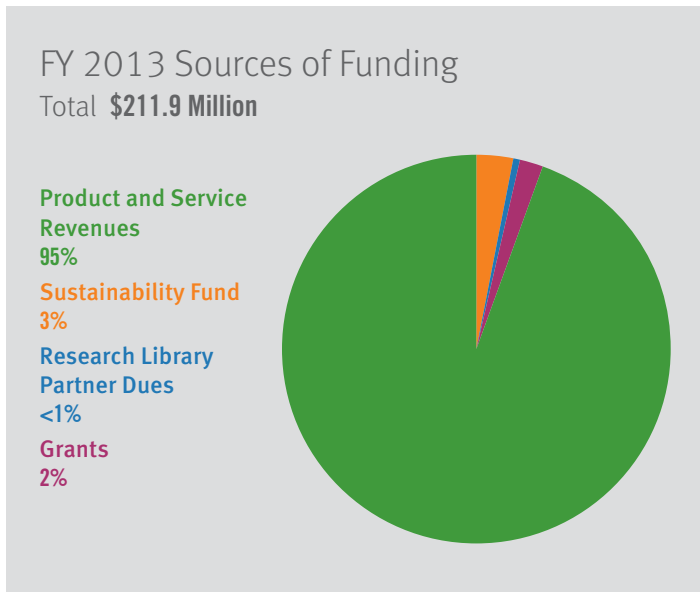
# Member-governed

OCLC is member-governed. This major characteristic distinguishes the OCLC-member relationship from the traditional vendor-customer model. Librarians throughout the cooperative, in both large and small libraries, rightfully regard their institutions as stakeholders in OCLC.

Indeed, throughout OCLC's history, on any significant matter involving prices and charges to the membership, there has been full disclosure, thorough due process and open communications between the membership and OCLC through the Global Council and Board of Trustees.

OCLC primarily funds its operations and research and development with revenues generated by services provided to participating libraries. In addition, in fiscal 2013, OCLC generated $3.6 million in revenue from foundation grants and $5.3 million in interest and dividend income.
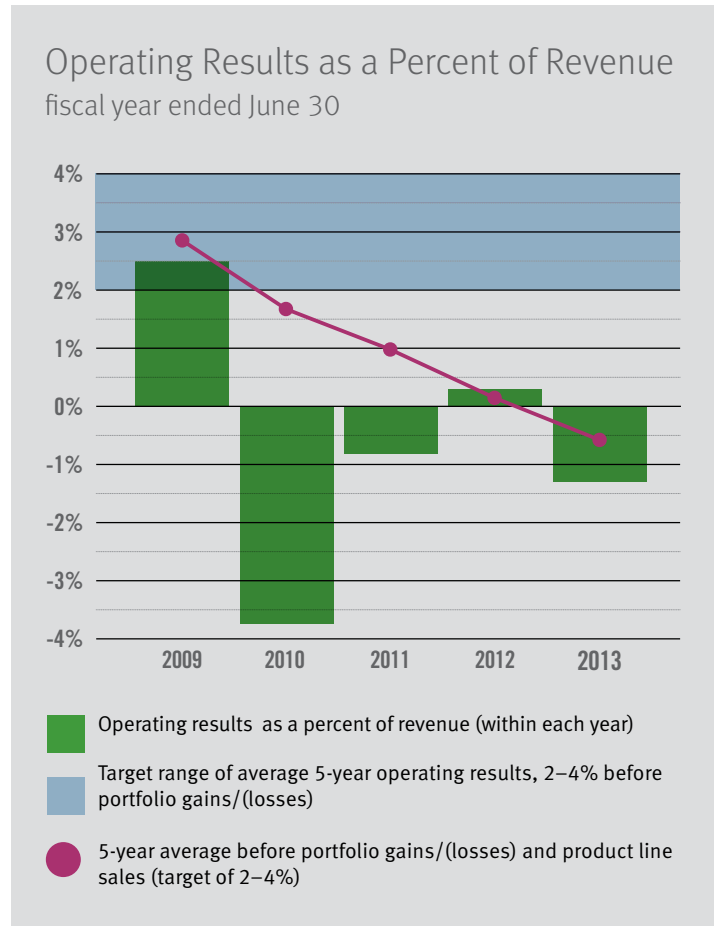
It should be noted that in fiscal 2013, OCLC spent approximately $33 million on growth and maintenance of WorldCat and other databases. This includes $10 million for development (see chart "Enterprise Resource Investment" on page 41) and $23 million for batchloading, quality control and compliance with standards.

Approximately 74 percent of OCLC's expenditures are in support of developing new and maintaining existing products and services. Expenditures for Governance, Membership, Advocacy and Research comprise 8 percent ($17.9 million) of OCLC's expenditures and directly benefit OCLC's member libraries. See charts "Sources of Funding" and "Uses of Funds."

## FY 2013 Uses of Funds
### Total **$213.4 Million**

**Products & Services**
**74%**

**Governance/ Membership/ Advocacy**
**4%**

**OCLC Research**
**4%**

**Corporate IT**
**5%**

**Cooperative Support**
**13%**



# Operating at Breakeven

Historically, OCLC has operated at near breakeven, realizing revenues that approximate the costs to deliver services and programs to libraries and institutions. See chart below, "Operating Results as a Percent of Revenue." With the concurrence of the Board of Trustees and Global Council, OCLC strives to achieve annual operating results on a five-year rolling average of 2 to 4 percent in order to maintain long-term financial viability in pursuing its public purposes. OCLC recognizes that in some years it will meet

## FY 2013 Sources of Funding
### Total **$211.9 Million**

**Product and Service Revenues**
**95%**

**Sustainability Fund**
**3%**

**Research Library Partner Dues**
**<1%**

**Grants**
**2%**



## Operating Results as a Percent of Revenue
### fiscal year ended June 30



■ Operating results as a percent of revenue (within each year)

■ Target range of average 5-year operating results, 2−4% before portfolio gains/(losses)

● 5-year average before portfolio gains/(losses) and product line sales (target of 2−4%)

# Financial Review and Management Commentary

or exceed that objective, while in others it will not. The five-year rolling average through 2013 was slightly below breakeven at -0.6 percent and reflects the cumulative effect of no price increases for three consecutive years, continued investment in new cloud services and the write-offs in fiscal 2013. OCLC's financial strength gave it the wherewithal to support this deviation from the 2 to 4 percent benchmark. Overall, OCLC continues to meets its chartered financial objective of reducing the rate of rise of library costs. See chart "Percent Change in HEPI, CPI and OCLC Cost Sharing," on page 4.

## Economic benefits of OCLC membership

Since OCLC began providing online services in 1971, the network effects and economies of scale have steadily accumulated as the number of participants has increased. The following are examples of OCLC services that generated dramatic costs savings for the libraries that used them in fiscal 2013.

Libraries that copy-cataloged on OCLC in fiscal 2013 enjoyed an average hit rate of 95 percent, which means for each 100 items they catalog, they will have to create an original catalog record for only five items. This is a significant savings in labor costs.

Libraries used OCLC ILL Fee Management in fiscal 2013 to reconcile 867,891 interlibrary loan transactions, thereby realizing significant savings by eliminating costs associated with invoice processing and payments between libraries.

The 2,000 libraries that used WorldCat Cataloging Partners in fiscal 2013 received 6.5 million records in their catalogs through machine-to-machine interactions requiring minimal human interventions.

The new WorldShare Management Services discussed elsewhere in this annual report are beginning to realize the promise of reducing per-unit costs for libraries and improving library workflows consistent with OCLC's public purposes.

Going forward, OCLC management will continue to be diligent stewards of the cooperative's assets and conduct its financial activities in a conservative manner and with the highest standards of ethical conduct.

**Rick J. Schwieterman**
Executive Vice President and Chief Financial Officer

# Condensed Consolidated Balance Sheets

June 30, 2013 and 2012

| | 2012/13 | 2011/12 |
|---|---|---|
| **Assets** | | |
| CURRENT ASSETS | $270,959,900 | $247,862,500 |
| FIXED ASSETS—At cost, less accumulated depreciation and amortization | 112,795,100 | 114,027,600 |
| OTHER ASSETS | 8,127,300 | 7,923,000 |
| TOTAL | $391,882,300 | $369,813,100 |
| **Liabilities and Corporate Equity** | | |
| CURRENT LIABILITIES | $91,569,900 | $91,644,300 |
| LONG-TERM DEBT AND CAPITAL LEASES—Less current portion | 40,951,300 | 29,638,800 |
| OTHER NONCURRENT LIABILITIES | 14,384,500 | 11,846,300 |
| CORPORATE EQUITY | 244,976,600 | 236,683,700 |
| TOTAL | $391,882,300 | $369,813,100 |

# Condensed Consolidated Statements of Revenues, Expenses and Corporate Equity

for the years ended June 30, 2013 and 2012

| | 2013 | 2012 |
|---|---|---|
| REVENUES | $ 206,612,500 | $ 203,469,300 |
| OPERATING EXPENSES: | | |
| Salaries, wages and related fringe benefits | 120,068,000 | 115,552,500 |
| Selling, general and administrative | 36,852,800 | 35,738,200 |
| Library services | 25,756,400 | 24,567,500 |
| Depreciation and amortization | 22,205,300 | 23,304,100 |
| Building and utilities | 7,581,600 | 7,141,000 |
| Total operating expenses | 212,464,100 | 206,303,300 |
| DEFICIT OF REVENUES OVER OPERATING EXPENSES | (5,851,600) | (2,834,000) |
| OTHER INCOME—Including investment income | 8,204,500 | 9,669,700 |
| EXCESS OF REVENUES OVER EXPENSES | 2,352,900 | 6,835,700 |
| NET CHANGE IN UNREALIZED GAIN (LOSS) ON INVESTMENTS | 8,147,500 | (11,508,600) |
| POSTRETIREMENT BENEFIT PLAN ADJUSTMENT | (2,556,900) | 2,899,900 |
| FOREIGN CURRENCY TRANSLATION ADJUSTMENT | 349,400 | (1,205,600) |
| INCREASE (DECREASE) IN CORPORATE EQUITY | 8,292,900 | (2,978,600) |
| CORPORATE EQUITY—Beginning of year | 236,683,700 | 239,662,300 |
| CORPORATE EQUITY—End of year | $ 244,976,600 | $ 236,683,700 |

These condensed consolidated financial statements are derived from the audited consolidated financial statements that appear at OCLC's website:

# www.oclc.org/en-US/about/sustainability/financial.html

OCLC Online Computer Library Center, Inc. and Subsidiaries

# OCLC Offices, Distributors and Partners

## OCLC Headquarters

Staff at OCLC Headquarters in Dublin, Ohio, USA, work with colleagues in other OCLC offices around the world.

**OCLC**
6565 Kilgour Place
Dublin, Ohio 43017-3395 USA
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   1-800-848-5878 (USA / Canada only)
F +1-614-764-6096
E usa@oclc.org

## OCLC Offices

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E smithar@oclc.org

### The Americas

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   1-866-321-6762, ext. 2
F +1-204-927-2700
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