

MLNC/MOBIUS Merger Exploration White Paper

October 15, 2008

Purpose

This white paper has been drafted by the Merger Exploration Task Force appointed by the executive officers of both MLNC and MOBIUS, as a result of their joint meeting on October 1, 2008. Members of the Task Force are MLNC Board President Laura Rein, MOBIUS Executive Committee Chair Mollie Dinwiddie, Shirley Baker of Washington University representing academic libraries, and Annie Busch of Springfield-Greene County Library representing public libraries. The contents of this white paper strive to address the interests of all Missouri libraries. The purpose of considering a merger of MLNC and MOBIUS is to find the best way to provide high levels of service to Missouri libraries and to maximize the benefits achieved with judicious investment of our resources. As outlined below, the time appears right for such a consideration.

The Organizations

The Missouri Library Network Corporation (MLNC) was formed in 1981 by library leaders across the state for the purpose of delivering to its member libraries and other contracting entities OCLC-based information services, related electronic services and content, and training in the management and use of information. MLNC has been in continuous operation for 27 years, brokering the changing panoply of OCLC and other services and providing training and support to Missouri libraries of all types. The services MLNC has provided are critical to the effective operation of member libraries and are highly visible to many of our staff. MLNC serves Missouri libraries of all types and provides some services to libraries in other states.

MLNC has had three executive directors since its inception and has evolved and matured as an organization. MLNC has been funded by service charges to members and by commissions paid on brokered products. MLNC is at a critical juncture in its history, as technological changes and OCLC strategic directions affect the networks that distribute and support their services.

MOBIUS was initially imagined by Missouri academic library leaders, at the Council on Public Higher Education and with the active support of the Coordinating Board for Higher Education. Initial plans to provide shared integrated library systems and patron-initiated expedited resource sharing drew 50 forward-looking members – community colleges, four-year institutions, and every major Missouri university library. State funding and excellent volunteer and paid leadership resulted in a working system for all within three years. The number of members quickly grew to 60 members and 2 cooperating partners. MOBIUS services have high visibility for our library staff and broad visibility to and value for our user communities across the state.

In recent years, MOBIUS has been developing ways to incorporate public libraries into its successful system. To date two libraries have come on board. Sorting out governance issues to fully include public libraries, reaching out to more libraries, and stabilizing the supporting

organization are strategic objectives. MOBIUS has become an essential service for every member and, indeed, when state funding ended in 2005, all member institutions stepped forward to cover participation costs, making MOBIUS a priority over other possible investments. MOBIUS, under the leadership of its second executive director, is evolving from its implementation focus to a solid platform for the next generation of services for Missouri Libraries.

Cooperation and Collaboration

There was significant collaboration between MLNC and MOBIUS in the MOBIUS implementation years. MLNC provided services to those MOBIUS libraries that needed to have their catalog records up to the standards set by MOBIUS.

There has been other communication over the years between MLNC and MOBIUS, both to avoid duplication of service and because member leadership often overlapped. As the technological environment has changed and as both organizations have matured and developed, members have come to consider whether working closely might not be enough; perhaps the best services for Missouri libraries might be achieved by a merger of the two organizations.

The Organizations' Challenges

Each organization faces challenges to viability – for MOBIUS, attracting and supporting expanded public library membership and for MLNC adjusting to changing patterns of delivery of OCLC services. Each organization brings strengths, often complementary rather than overlapping. MLNC has deep experience with financial management, human resources, and delivering state-wide training to libraries of all types. MOBIUS has expertise in implementing and managing integrated library systems, complex union catalogs, and statewide delivery.

All around us, we see existing organizations rethinking their missions and evolving to thrive in a changing world. Within our libraries, we have had to abandon long-held tenets to meet the needs of today's library patrons. We have had to modify our buildings, change our organizations, phase out some functions, and add new ones. We must be just as flexible with the organizations that we have created to serve libraries collectively. We did create them and we can change them. We would not be sailing into totally uncharted waters; we can draw on the experience of other non-profit organizations that have changed directions or merged with others. And, we can hire expertise to work with us through the process.

Issues to be Addressed for a Merger

There are many unknowns in a merger. But there are also many clear advantages. MLNC's strong history of providing services to libraries of all types will complement MOBIUS's concentration on academic libraries and will ease the approaches to potential public library members of MOBIUS. Merger of the two organizations would strengthen our negotiating power in licensing electronic resources statewide.

A merger should not - and probably cannot - be justified in terms of significant savings. Any possible savings would accrue after a period of organizational maturation. But advantages would immediately accrue from combining the complementary staff expertise.

Having a single organization would simplify matters for those in our community in understanding the single source of Missouri library services. A single organization would save time for the leaders and the members, with only one series of meetings to attend, whether board or membership or task-oriented committees.

A combined membership and a larger range of services could bring added stability, as the new organization would not be so dependent on the fate of a single service. Enhanced stability could enable new services and reaching outside the state to expand our markets. We have seen this happen in MLNC, as that organization matured, and we could well see it happen in the merged MLNC/MOBIUS organization.

A key issue for merger discussions will be the role of the University of Missouri as host institution. The University has served MOBIUS well in this role. But, however good the services, there has always been concern among some MOBIUS members about tension between the needs of the University of Missouri as an organization and the competing needs of other campuses in the state. Discussions with the University of Missouri about continuation of the current agreement versus other options should be explored.

Merger discussions must also include exploration of the role the Department of Higher Education (DHE) and the Coordinating Board of Higher Education (CBHE) as bodies with interest in MOBIUS.

One of the expected challenges for a merged organization will be choosing a name. We need to consider honoring historical accomplishments and building on history. We also need to consider the meaningfulness and the recognition level of the chosen name. Our internal library community, our user community, and outside constituents such as the state legislature and the general public need to be taken into account.

Looking to the Future

What would a merged MLNC/MOBIUS organization do? It would, of course, continue the MOBIUS common library platform and delivery service and could dramatically expand the number and type of member libraries. MOBIUS/MLNC could enhance and expand the training and support for all services. It would provide the necessary OCLC services above and beyond what OCLC itself will provide. It would license databases and other services for the wide range of member libraries, gaining economies of scale for Missouri and for other interested libraries. It could continue and expand on the MLNC speaker series that has brought the ideas of key library leaders to our Missouri colleagues, and it could continue and expand the successful MOBIUS Annual Conference, which provides important and affordable professional development opportunities to Missouri library staff members at all levels. A combined and integrated organization could increase self-sufficiency, reduce duplicative overhead, and provide the best services efficiently and effectively.

We cannot yet imagine all that the merged organization could do in the coming years. We know that, as the library technology marketplace evolves, we must maximize the life of our installed

systems. We must also participate in the development of the next-generation technologies. New systems, open source, international collaborations, and digital collections are developing that could transform library operations as radically as did bibliographic utilities, integrated library systems, and dial-up database searching more than forty years ago. Missouri libraries must focus our resources and talent to respond to these new opportunities and challenges.

Engaging Community Discussion and Making a Recommendation

While there have been a number of informal discussions of a possible merger, the joint meeting of the executive officers of both organizations was the first such formal discussion. In their October 1st meeting, that group, led by Laura Rein for MLNC and Mollie Dinwiddie for MOBIUS stressed the importance of moving expeditiously. Among the options for engaging discussion are regional meetings or a video conference. After consideration of time pressures and the desire for broadest interaction, we recommended the creation of the MLNC/MOBIUS Merger Blog for discussion of this paper.

Based on the interchange on the blog, the Merger Exploration Task Force will make a final recommendation to the MLNC Board and the MOBIUS Executive Committee. The blog will be open until November 5th, and directors of both organizations are strongly encouraged to participate. Others interested in the discussion may also choose to participate. The blog discussion will be invaluable to the recommendations Task Force members are charged to make to the MLNC Board and MOBIUS Executive Committee.

Summary

The Merger Exploration Task Force is honored to have been asked to prepare this paper. We hope and trust that our work will move forward the strengthening of library services across Missouri. If the Task Force makes a recommendation to proceed with a merger and it is accepted by both organizations, the next step will be to form a Merger Implementation Task Force. The Merger Implementation Task Force will work with an outside consultant who specializes in non-profit mergers to accomplish the following tasks:

- Create a timeline
- Work closely and continuously with both boards
- Identify stumbling blocks
- Identify merger costs
- Delineate governance issues
- Determine initial leadership and staffing
- Determine the array of services, including possible outsourcing
- Determine membership and assessment models and member costs
- Determine appropriate designation of collective assets
- Determine mechanism for handling existing contracts
- Evaluate the MOBIUS host institution arrangement
- Clarify a non-profit's eligibility for state funds