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ATG Interviews K. Wayne Smith

PRESIDENT AND CEO, OCLC

by Ron Chepesiuk (Winthrop University) <104551.2330@compuserve.com>

This past October, **K. Wayne Smith**, President and Chief Executive Officer of OCLC and one of the major figures in the library world, announced his retirement after nearly nine years at the helm. Dr. Smith had an illustrious career before coming to OCLC. Among other positions, Smith worked as a Special Assistant to the Assistant Secretary of Defense Systems, Program Manager for Defense Studies at the Rand Corporation, President and CEO of Dart Properties Group, Chairman and Chief Executive Officer, World Books. He has also served in numerous offices in higher education, business, government, and international relations, including membership on the Council on Higher Education, the American Society for Information Science, and the American Library Association.

Dr. Smith is the coauthor of **How Much Is Enough? Shaping the Defense Program, 1961-1969**, and he has lectured and written extensively on management systems, information technology, and international affairs. Among his numerous honors are a Distinguished Service Award from the U.S. Department of Energy and an Outstanding Leadership award from Dart Industries.

During Dr. Smith's tenure, many major developments took place at OCLC, including the implementation of a new \$70 million telecommunications network and a new \$30 million cataloging system (PRISM). Contributing editor **Ron Chepesiuk** secured an exclusive interview with Dr. Smith to get his thoughts on his tenure as OCLC CEO, the future of the non-profit corporation, and the present state of the library profession.

ATG: Your retirement came as a surprise to the library community. Why are you retiring?

KWS: There are a number of reasons. First, I have been working now for nearly

forty years, the last twenty-five of them as a CEO. I will have been at OCLC nearly ten years and I worry about CEOs who stay too long, particularly in a high-tech organization. Second, because OCLC is an international membership organization, it requires a tremendous amount of time and energy, including some thirty weekends a year of travel. I want to spend more of those weekends on my farm in North Carolina. Third, I am stepping down because OCLC is in very good shape, financially and otherwise. In fact, in all good conscience, I would not be leaving if OCLC weren't in such excellent shape. We have a good strategic plan, exceptional staff and managers,

"Truly, we are in a business for the quick or the dead."

great opportunities, a very supportive membership, and are working on our fifth consecutive record year. I have done more than I set out to do and stayed longer than I originally planned. Finally, when I first came to OCLC back in January 1989, I told my wife of thirty-nine years and fifteen moves that I would only be at OCLC for three years. She has been very patient.

ATG: So, was it a tough decision?

KWS: Given my personal interests, this job is a great fit and a great joy. It's going to be difficult to say goodbye both to the staff and to the OCLC community, but I believe that it is the right decision at the right time for me and for OCLC.

ATG: What will your relationship with

OCLC be after next June when you step down?

KWS: I am stepping down from day-to-day management, but I expect to continue to be involved with OCLC in some capacity, which will be determined by the Board of Trustees.

ATG: What do you see as your biggest accomplishment during your tenure as OCLC's CEO?

KWS: I will let history sort out the "biggest," but I am very proud of a number of things. My successor will inherit a diverse and international library membership, a talented and dedicated staff, a financially strong organization, a firm commitment to our public purposes, and the opportunity for even greater success in the 21st century. More importantly, OCLC remains firmly what it should be — a non-profit, library membership organization. Its core values are intact. During my tenure, OCLC has provided libraries with more than \$60 million in membership credits, subsidies, and savings, while holding the line on prices with only two modest increases in nine years. We have been able to do this by rigorously controlling costs. For example, when I came on board in January 1989, OCLC served 10,000 member libraries with some 900 staff members. Nine years later, we are serving more than 25,000 libraries with about the same number of staff.

Financial strength and a talented staff have also let us provide member libraries with a steady stream of innovative and cost-effective products. We completely retooled the OCLC factory in 1991 and 1992 with a new telecommunications network and new online system for cataloging and resource sharing. Our new, modular, technological platform is enabling us to keep up with steady advances in computing and telecommunication. In 1997, for example, we installed another new network based on TCP-IP which will provide member libraries five times the telecommunications capacity at the same cost they now have. Nine years ago, OCLC was mainly a technical services organization. Today, we have moved from the back room of the library to the front room, where we are a leader in reference services. OCLC **FirstSearch**, which was introduced in 1991, has in five years gone from no place to first place in terms of connect time. And

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WorldCat, the OCLC Online Union Catalog, is now the most consulted database in higher education. In electronic publishing, our new **FirstSearch Electronic Collections Online** service has already lined up 1,100 journals from twenty-five publishers. This new service builds on more than a decade of pioneering research and development that OCLC has done in electronic journals and electronic publishing.

In technical services, we have added automated cataloging options, new authority control services, and outsourcing services. We have also greatly expanded resource-sharing options for libraries at the same time that we are helping them reduce costs. Our new ILL fee management service, for example, has already allowed nearly 1,000 libraries to avoid processing small checks for interlibrary loans at a savings of over \$10 million. Our **SiteSearch** software has been an integral part of exciting, new models in resource sharing such as **GALILEO** in Georgia and the **Virtual Electronic Library** for the **Committee on Institutional Cooperation** in the Midwest.

Over the last nine years, OCLC's cam-

pus has grown from forty acres to one hundred acres and we have added badly needed conference and meeting facilities. The OCLC Institute, which was established in 1997, is based in these new, state-of-the-art training facilities.

Last but not least, OCLC's Office of Research has emerged as one of the world's leading centers devoted to the problems and challenges for libraries in the Information Age. Over the years, the OCLC membership has reaped enormous benefits from OCLC research in terms of new prod-

"This is a great time to be a librarian. Indeed, the stars, planets, computers, telecommunications, and the historic mission of libraries and librarians are all in alignment."

ucts and services and in emerging new areas of librarianship, such as the Internet, Metadata, and electronic archiving.

In short, in the last nine years, I believe that OCLC has become a more important force for research, scholarship, and education around the world. It is a commons for the world's libraries and librarians — a commons built through collaboration. And it is increasingly an important counterweight for libraries to the growing information mega-giants. It enables 25,000 li-

braries and hundreds of thousands of individual librarians to work together to further access to the world's information and to reduce information costs.

ATG: Looking back at OCLC's history, what would you consider its biggest accomplishment?

KWS: Without question, **WorldCat**. It's now the most consulted database in higher education. It's a unique, powerful, and priceless tool for finding the world's information — a tool built one record at a time through the cooperation of thousands of libraries. While the technology behind **WorldCat** has changed many times since 1971, it is the continuing commitment of OCLC member libraries to cooperation and sharing information resources that has made **WorldCat** the world's premier bibliographic database.

ATG: What do you see as the biggest challenge facing OCLC in the years ahead?

KWS: The biggest challenge for OCLC will be to continue to increase not only the value of OCLC membership, but the values of OCLC membership — nonprofit perspective, membership governance, resource sharing, cooperation, and commitment to the ideals of research, scholarship, and education. These values transcend the

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technology, and the changing paradigms. They are the foundation of the library commons that OCLC represents.

ATG: *What about the library?*

KWS: The biggest challenge facing the library community will be resource allocation — trying to maintain systems and collections that are both print and electronic with inadequate resources. The hard choices involved in trying to both evolve new electronic services and at the same time maintain traditional library services would frustrate Solomon.

ATG: *When the 1991 strategic plan was put together, the WWW did not exist. Can you comment on the remarkable technological changes that have taken place in the last six years and how this has impacted OCLC services?*

KWS: Technological change is a constant in OCLC's world. The implications of this change are everywhere from our building to our products and services to our economics.

For example, OCLC's main offices are in a 1981 building that was designed to capture heat from large mainframe computers and recycle it throughout the rest of the building. Since we no longer have seventeen large mainframes, we have had to install a gas-fired boiler.

In 1991, we installed the new X.25 telecommunications network; now we are installing another new network based on frame relay technology and TCP/IP. This new network will enable us to provide member libraries with a five-fold increase in capacity at the same price they now have for access to OCLC via the X.25 network. It will also increase reliability and reduce Internet delays and World Wide Web waits.

Five years ago, we only had Internet access to **FirstSearch**; today, we have Internet access to most of our products and services. We also have Web interfaces for our reference services.

In 1991, OCLC pioneered the world's first peer-reviewed, electronic scholarly journal called the *Online Journal of Current Clinical Trials*. It used technology that OCLC developed over the previous decade — Guidon and Graph-Text. This electronic journal was state-of-the-art, the first to provide typeset-quality and the first to support graphs, tables, and illustrations as well as mathematical equations. By 1995, OCLC was distributing some thirty electronic journals using its Guidon software. By 1996, the technology was essentially obsolete. Truly, we are in a business for

the quick or the dead.

One of the under-appreciated consequences of this relentless technological change is the rapidly declining depreciation schedules and the resulting huge impact for all organizations on business basics like cash flow, capital spending, margins, and pricing. The useful life of workstations, for example, is now measured in months rather than years. Libraries are particularly ill-prepared — financially and psychologically — for such rapid obsolescence of essential equipment.

"WorldCat, the OCLC Online Union Catalog, is now the most consulted database in higher education."

ATG: *What types of alliances and partnerships do you see OCLC pursuing in the next century?*

KWS: First, let me say that OCLC has been in the strategic alliance business for a long time. Our first and foremost strategic alliance has been with our member libraries. Another has been with our U.S. regional networks whose efforts in training and support and marketing have been a driving force in OCLC's success. These alliances are part of the bedrock of OCLC.

In general, two organizations enter into a strategic alliance in order to do together what neither could do alone. At OCLC, we enter into such alliances because they can lead to new or better products and services, to a new markets, or to lower costs for our member libraries. Since I have been at OCLC, we have entered into hundreds of such alliances, ranging from professional associations to publishers to database providers to the **Library of Congress** to individual libraries.

With **PromptCat**, we find ourselves in alliance with ten booksellers. With **FirstSearch Electronic Collections Online**, we now have nineteen publishers as partners and will soon have many more.

OCLC's fundamental interests are furthering access to the world's information and reducing information costs for its member libraries. Every strategic alliance we have had or will have must meet this litmus test.

ATG: *You have said that OCLC has a proven record of using technology to facilitate international cooperation on a global basis. Please elaborate.*

KWS: OCLC now serves over 25,000 libraries in sixty-three countries. One of our newest members is the **University of Queensland** in Australia. Queensland recently joined OCLC, according to the Director, so that it could participate in "the global community of libraries." I believe

that is a very good way to put it.

Two recent examples of how OCLC technology has facilitated international cooperation are our new interlibrary loan fee management services, which enabled the **Library of Congress** to resume its international interlibrary lending activities. And in 1996, in an effort led by **Harvard**, OCLC helped create a "Bosnian" database from **WorldCat** to assist in the rebuilding of the war-ravaged **Bosnian National and University Library**. OCLC member libraries are contributing their records of books in this area.

ATG: *How important will the Internet and WWW be in OCLC's development in the next century?*

KWS: The Internet and the Web and its technological successors will be central. And this rapidly changing, almost chaotic telecommunications environment will place new demands on libraries. High cost equipment is becoming obsolete before you get it paid for. Brownouts, blackouts, unreliable service are no longer exceptions. OCLC intends to assist libraries in meeting the challenges for the Web by providing reliable, cost-effective access. We also intend to help libraries plan their future access strategies. That is why, in part, we established the new **OCLC Institute** which now makes our internal telecommunications analysis and training, as well as other topics of interest, available to the general library and educational communities.

ATG: *OCLC has just published an updated Strategic Plan, entitled Beyond 2000. What does it contain?*

KWS: It summarizes what OCLC plans to do, when, and why. We see both great opportunities and great challenges. We see revolution and evolution. On balance, however, we believe that for OCLC, for libraries, and for library users, the best is yet to come.

"Libraries are particularly ill-prepared — financially and psychologically — for such rapid obsolescence of essential equipment."

ATG: *In talking with librarians who have used OCLC's services, they laud OCLC's contribution to the profession, but see areas for improvement. For example, some librarians have said that OCLC needs to improve its user interface and search engine. What is OCLC doing in this area?*

KWS: There is always room for improvement. As I have noted many times before, the online information business is a business for the quick or the dead. While

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OCLC has had thirty years of success in providing technology to help libraries work together, we know that we can't rest on our laurels. Take **FirstSearch**, for example. We have added major enhancements to the system eight times in the past five years. We are currently working hard on the next generation of **FirstSearch**, which is a redesign from top to bottom of both hardware and software. But in terms of the constant need for improvement, this will always be a Sisyphus-like process.

Some librarians would like to see a minimum standard for cataloging records, pointing out that while the coverage is impressive, many records lack call numbers. Cataloging experts at OCLC tell me that OCLC cannot mandate that a call number is included in a record because the call number is based on libraries' own practices and the classification scheme they use. We do, however, encourage libraries to add classification numbers according to their own practices. Moreover, OCLC has always had widely promulgated standards for input cataloging since the cataloging system started operation in 1971 and will continue to evolve these standards.

ATG: Another librarian told me that OCLC's policy regarding a per record charge for contributing to OCLC will deter institutions like his from being contributing members. What is your response?

KWS: First, let me make it clear that OCLC doesn't charge libraries for inputting an original cataloging record into **WorldCat**. Indeed, OCLC provides a credit to the library when it adds such a record. We do this to encourage growth of the database. Last year alone, for example, we provided some \$4.1 million in cataloging credits to libraries that added original records.

OCLC does, however, charge a fee when a library adds its holding symbol to a record already in **WorldCat**, whether that symbol is added online or by tapeload. Online cataloging members pay for adding their symbols to existing records, and so do tapeloading members. These symbols provide the means to share resources. Last year, we also provided another \$4 million in credits to libraries for online interlibrary loans that were arranged using **WorldCat** holding library symbols.

As I said earlier, **WorldCat** is now the most consulted database in higher education. Library users value it because of its vast bibliographic information and its holdings information. There are now more than 660 million location listings. There is obviously a cost associated with maintaining this database and the location listings, but we have a good record of keeping these

costs as low as possible while continuing to grow **WorldCat**.

ATG: So what more can OCLC do to ensure that its database reflects the international scope it potentially has?

KWS: While **WorldCat** is already an international resource — indeed, librarians are now calling it their “international” online union catalog — we are working hard to maximize its potential for users around the world. Nearly 3,000 libraries in sixty-three countries are now linked to **WorldCat**, and our international membership is growing rapidly. We are currently loading several national bibliographies and large files of records from leading libraries around the world. Just this month, for example, **Waseda University** in Japan has agreed to load 300,000 additional records for Japanese language materials, and **Seoul National University** and the **Australian National University** have announced they will become cataloging members.

In our updated strategic plan, which we sent to member libraries in September 1997, one of our four major goals over the next five years will be to “internationalize” by increasing global expansion and perspective. Making **WorldCat** more international requires an integrated effort in terms of system availability, cataloging formats and rules, and multilingual interfaces. Users are now able to use OCLC for cataloging 157 out of 168 hours a week. We can now load records into **WorldCat** as well as output them in UNIMARC format. We are enhancing our Chinese-Japanese-Korean cataloging system. We are working with Russian libraries on Cyrillic alphabet support. We are working with German libraries on cataloging harmonization. We are developing multilingual interfaces, particularly for **FirstSearch**. And, we are working to improve the reliability of our Internet connections with OCLC around the world.

ATG: There is some worry that the emerging Information Age will make libraries obsolete. What are your thoughts?

KWS: I believe just the opposite. This is a great time to be a librarian. Indeed, the stars, planets, computers, telecommunications, and the historic mission of libraries and librarians are all in alignment. As experienced information organizers and managers in the Information Age, librarians have tremendous opportunities. For example, the difficulty of finding things on the World Wide Web cries out for librarians to bring their skills to bear on organizing and taming this new frontier of information.

Indeed, OCLC researchers are already working with libraries toward that end. For example, the **National Library of Finland** and OCLC co-sponsored, with support from the **National Science Foundation** and the **Coalition for Networked Information**, the fifth metadata workshop last October in Helsinki, Finland. Seventy-five experts from libraries, the networking research community, the digital library research community, and content providers met there to continue work begun in 1995 to reach consensus on conventions for describing electronic resources on the Internet. There are other, similar opportunities out there for librarians. If they seize them, this can truly be a golden age for libraries and librarianship.

ATG: What does the profession need to do to thrive in the Information Age?

KWS: Build on the solid foundation it currently has, such as helping people find needles in the growing haystacks of information and in organizing information. However, like other professions, librarians are also going to have to focus not just on the practice of librarianship, but on other, broader, aspects as well. This means developing and strengthening skills in marketing, communications, economics, management, technology assessment, and above all else, leadership. As I have said many times before, one good woman or good man who wants to lead is worth at least three strategic plans. In my opinion,

“... one good woman or good man who wants to lead is worth at least three strategic plans.”

21st century librarians will have to be better advocates for their libraries and their profession,

not only in the usual budgeting and political processes, but in selling the benefits of librarianship and libraries in general. It will not be enough, however, to just be a squeaky wheel or a banger of drums. Librarians will have to be out front providing realistic solutions for their institutions and their users. It will be an exciting time, but, clearly, the profession has the opportunity to thrive as never before.

ATG: Anything you wish to add?

KWS: Just that I've truly enjoyed my nine years at OCLC. It has been “work worth doing,” to paraphrase **Teddy Roosevelt**. It has been an honor and a privilege to be the third in the line of temporary stewards entrusted with the care of some priceless OCLC membership assets. I am proud of the progress we have made. I will always treasure the memories and the friendships. Libraries are special places, and the people who work in them are very special people indeed. 🌱