

5 MARKET ANALYSIS

5.1 PEST Analysis

The ODL is influenced by a number of external factors, including political, economic, social and technological (“PEST”) changes in the external environment. The PEST analysis involves three stages:

- Gathering research about trends in these four areas
- Considering their implications for the ODL
- Making choices about actions

5.1.1 Political

The political environment in Ontario has been relatively stable over the past several years. The Federal Liberals have held power for the past 10 years and the Provincial Conservative government has completed their second term as a majority government. A new majority Liberal Provincial Government has taken office and it is anticipated that over the next 12 months both federal and municipal governments will hold elections. Leading up to elections, one may see governments reluctant to commit to new projects and delay decision-making on funding.

Over the past decade all levels of government have been focussed on fiscal austerity, eliminating deficits and delivering balanced budgets. This has resulted in severe financial pressures on many critical government services including education, health care and social services, as programs compete for scarcer government funds. However, both the federal and provincial governments have been successful in producing balanced budgets over the past several years and there is room now to maintain a stronger course of spending growth than we have seen in the recent past. Average annual growth in public spending at all levels of government is expected to reach 2.7 per cent over the 2001-05 period, in contrast to 1.1 per cent in the preceding five years¹.

Over the next 10 to 15 years governments will be under increasing pressure to provide adequate health care services to a rapidly ageing population and to increase spending on public education to meet the demands of a growing youth population in the next decade. Recent power outage events in Ontario also indicate the need for attention to upgrading hydro infrastructure across the province.

Libraries in Ontario are supported by several different Provincial ministries. A number of recent government objectives related to libraries and library services, and education and training include:

- Promoting Internet connectivity throughout Ontario;
- Maximizing the potential of technology as a teaching or a learning tool, such as through E-Learning or on-line learning programs;
- Providing digital and electronic services to smaller, remote, rural and First Nations library branches that do not possess a high level of in-house technological expertise;
- Promoting lifelong learning initiatives; and
- Providing resources for job skills training and upgrading.

¹ The Conference Board of Canada. Provincial Outlook Long-Term Forecast 2003: Economic Forecast

As information and knowledge repositories, libraries provide services and products that offer benefits to and impact numerous Provincial and Federal ministries, including:

A. Provincial

- Ministry of Education
- Ministry of Training, Colleges and Universities
- Ministry of Culture
- Ministry of Health and Long-Term Care
- Ministry of Enterprise, Opportunity and Innovation
- Ministry of Consumer and Business Services
- Ministry of Northern Development and Mines
- Ministry of Municipal Affairs and Housing, Rural Affairs

B. Federal

- Ministry of Heritage
- Industry Canada

Implications

While pending elections and/or a potential change in the seat of power in our governments is forthcoming it does not change the basic need or the business case for developing the ODL as proposed in this business plan. All political parties should support the fundamental merits of the ODL as it is an extremely beneficial information and education service that will be available to all citizens of Ontario and will enhance Ontario society across many sectors ranging from business to healthcare to education.

5.1.2 Economic

The Ontario economy is forecasted to be among the most robust in Canada over the next several years, driven in part by a strong labour force, a healthy climate for investments and increases in consumption and exports. Between 2002 and 2020 the Ontario economy is expected to grow by a compound annual rate of 2.7 per cent². Granted that forecasts are difficult to determine as many unforeseen forces can play havoc on economic activity such as natural disasters, health epidemics (i.e. SARS) and even acts of terrorism, it is believed that many of the factors for a vibrant economy over the long-term are present in Ontario, including evidence of a strengthening U.S. economy.

Implications

Whether the economic forecast is strong or weak the ODL must be viewed as a catalyst for making Ontario's economy thrive. Access to quality electronic information through an integrated system of library partnerships will be a driver for business development, skills and job training, and life-long learning, all vital aspects of a healthy economy and vibrant society. Additional benefits delivered by the ODL having a positive impact on Ontario's economy include:

- Increasing the ability of businesses to access quality information needed to succeed in today's competitive global environment through a single point of entry interface;
- Addressing emerging job skills shortages and facilitating school-to-work and job-to-job transitions through upgrading skills with the necessary information and knowledge support and tools;

² The Conference Board of Canada. Provincial Outlook Long-Term Forecast 2003: Economic Forecast

- Providing and supporting E-Learning, literacy, education and training programs, professional development; and
- Informing and updating Ontario citizens of useful information services and resources and connecting them to Government initiatives and programs.

Whether in boom-time or in a recession the ODL will be an invaluable resource for Ontario citizens to be connected with quality information sources to serve their needs. An informed society is an empowered society.

5.1.3 Social

Understanding changes in demography and changes in social attitudes are key determinants in prioritizing content and service offerings of the ODL. Principle features of Ontario's demographic outlook are³:

- The ageing of the population;
- The slowing of the natural rate of population growth; and
- The increase in international immigration as a share of the total population.

Ontario, with a population of 12.1 million in April 2003, represents nearly 40% of Canada's total population⁴. It is expected that by the year 2011, the population of Ontario will increase by another 1.2 million to reach 13.3 million⁵. Furthermore, nearly three-quarters of Ontario's population lives in metropolitan areas, of which almost 60% live in the Greater Toronto Area (GTA).

In 2002, 12.6 per cent of the population was aged 65 and over. This is expected to rise to 16.5 per cent of the population by 2020⁶. This shift is primarily the ageing of the well-documented postwar baby-boom population, currently aged 35-54, with the largest segment of this cohort between 40 and 44 years old today.

Growing population increases demands on education and learning resources – Another general trend in society having an impact on library resources is that more graduating high school students are continuing on to post-secondary education and more and more adults are returning to school or enrolling in continuing education programs. By 2011, it is estimated that university enrolments will be 40% higher than they were in 2000⁷.

Implications

Provincial leadership – Given Ontario's significant presence and size in Canada, its growing population base and its influx of international immigration, the province should act as a leader, to the rest of Canada, in providing exceptional quality services; the creation of a high-quality, comprehensible, province-wide digital library should be no exception. The opportunity for Ontario is clear.

Valuable resource for seniors – Recognising the growing elderly population in Ontario, the ODL can be a gateway to providing education and training services to seniors and be an access to

³ The Conference Board of Canada. Provincial Outlook Long-Term Forecast 2003: Economic Forecast

⁴ Statistics Canada

⁵ Ontario Ministry of Finance Projections

⁶ The Conference Board of Canada. Provincial Outlook Long-Term Forecast 2003: Economic Forecast

⁷ Strategic Directions Council (SDC) – Strategic Planning, June 8 2000

quality Internet and electronic library services for their information needs, such as supporting their hobbies (i.e. information on nutrition, gardening, genealogy, birding, etc.). Such initiatives will enhance their overall quality of life and personal enjoyment in their retirement years. A quality information service, such as the proposed ODL, will add value to the lives of seniors, and to all Ontarians.

Tool for lifelong learning – The continual emphasis on life-long learning and the wide array of educational options available to adults returning to school in Ontario further drives the need for a one-stop repository of quality electronic library services in Ontario accessible anywhere and anytime. Equality in education is important across Ontario; wherever a student lives in Ontario, through the ODL concept, they will have equal access to the same quality electronic and library resources as any other Ontario resident.

Equal access to information – While the majority of residents live in urban areas of the province, it is vital that all residents have access to quality information resources including those who live in remote areas. A province-wide, electronic resource will support that goal.

5.1.4 Technological

Major technological advances in recent times have significantly influenced the way information is processed, shared and accessed by governments, organizations and individuals. The advances include new computing systems architecture, interoperability, increased sophistication of software, personalization of applications, e-commerce, and increases in broadband services and their availability⁸.

It is well documented that e-mail and Internet services are now widely used throughout Canada and most of the world and that their usage continues to increase dramatically. Despite this there still remains a “digital divide” as people in disparate areas across Ontario do not have equal access to electronic resources and information.

Computer technology and the interconnectedness of the digital world have opened the door for E-Learning, a concept where one can access web-based courses specific to their personal development needs anytime and anywhere. The digital revolution has spawned e-books and e-publishing (including journals, periodicals, newspapers and magazines), digitized text (digitizing older literature and printed collections) and streaming media (such as video-on-demand), all of which are valuable tools that make E-Learning possible.

Implications

The ODL is an opportunity for libraries across Ontario to work together to address technological change in a cost-effective manner and reduce the “digital divide”.

The explosive growth in the volume of information available on the Internet means that there is no means to standardize (or control) the content quality and source of that information. The ODL is an opportunity to apply the library’s traditional skills of accessing, evaluating and organizing information for the user in a digital and on-line capacity. More than ever Ontarians have increasing expectations of information service providers and to remain viable libraries must meet or surpass these standards⁹.

⁸ Building Value Together – discussion paper, Ontario Public Libraries SDC

⁹ Building Value Together – discussion paper, Ontario Public Libraries SDC

In his report on education, for the Ministry of Education, Mordechai Rozanski noted the importance of digital libraries and E-Learning as a delivery channel for education services. Mr. Rozanski also suggested governments should play a leadership role in supporting the necessary investments in the hard infrastructure required to support E-Learning¹⁰. The ODL is one channel to enhance the quality of the E-Learning experience as well as a means of offering E-Learning opportunities.

5.2 SWOT Analysis

A SWOT analysis of the proposed ODL (i.e. potential Strengths, Weaknesses, Opportunities and Threats) is an important tool to help start prioritizing areas to concentrate on.

Strengths

- Puts into place in Ontario a concept proven successful in Canadian, American, British and Australian jurisdictions
- Has strong support within all sectors of the library community in all regions and cities in Ontario
- Is a unique response to solving the problems of Ontario libraries to deliver digital products and services and to meet the needs of Ontarians
- Supports the Ontario Government's strategies for education, training and lifelong learning
- Builds upon the key success factors in other jurisdictions, (i.e. receives government support; implements an effective branding strategy; benefits all residents of Ontario, has leadership and commitment from all library sectors; as well as the academic, education, municipal, training and health care communities; has an effective governance structure, adopts an evolutionary, phased-in approach)

Weaknesses

- The ability to effectively foster partnerships and cooperation between the library sectors (public, academic, college and K-12), library associations and individual libraries themselves
- Ensuring sufficient resources, in terms of funding and knowledgeable staff, are available and committed to the success of the ODL over the long-term (this will be possible through strong provincial leadership and support)
- Several of the electronic databases and streaming media projects planned for the ODL will require high-speed Internet connections, however currently many rural and remote areas of the province only have access to (regular) dial-up Internet connections

Opportunities

- To be a provincial leader in Canada offering extensive, province-wide, quality electronic library services
- To be at the forefront of technology, offering new and leading edge information services and products on a timely basis
- To provide long-term cost savings through economies of scale – savings through maximizing buying power (in a consortia)
- To foster partnerships and cooperation between the library sectors in Ontario, library associations and individual libraries themselves

¹⁰ Investing in Public Education: Advancing the Goal of Continuous Improvement in Student Learning and Achievement . Report of the Education Equality Task Force, 2002

- To learn and build upon the numerous examples of successfully implemented digital libraries in other jurisdictions

Threats

- Lack of government leadership and commitment to the ODL project, and the coordination between various government ministries that will have a stake in the benefits of the proposed services offered (i.e. including the ministries of Education; Culture; Health and Long-term Care; Training, Colleges and Universities; and, Enterprise, Opportunity and Innovation)
- Attracting adequate sustainable funding to maintain the services and products of the ODL
- Marketing effectively to the Ontario public that the ODL goes “beyond the Internet” and offers superior added value to the Internet (i.e. the ODL will provide full-text articles from journals that would normally cost money through a basic Internet service)
- Avoiding duplication of efforts of other Ontario library consortiums or associations offering similar services to their members

The SWOT analysis indicates that significant tangible strengths and opportunities are inherent in the ODL concept. The major impediments to the success of the ODL are ensuring strong Government support and financing, and maintaining and fostering cooperation and commitment among the various sectors of the Ontario library community.

5.3 Review of Other Jurisdictions

Summary information tables of several Canadian and U.S. examples of digital or “virtual” libraries implemented in other jurisdictions are provided in Appendix C.

The majority of U.S. states initiated state-wide digital libraries similar in vision and concept to the ODL during the mid-nineties. In Canada, there are fewer examples of all library sector involvement in a single, province-wide “digital library” program, although The Alberta Library (“TAL”) has similarities in the way that it purchases province-wide electronic content. In Ontario there is nothing in place of similar size and scope as has been implemented in other jurisdictions.

Some of the key success factors noted in the U.S. state-wide digital library examples include:

- Receiving support from the highest levels of government;
- Implementing an effective “branding” strategy – delivering a consistent image, name and logo to the user to create awareness and loyalty to the services and products offered;
- Having a desire to benefit all residents of the jurisdiction (i.e. a state-wide initiative);
- Having leadership from large academic/post-secondary libraries;
- Having an effective governance structure with representatives from all library sectors involved (often governed by a steering committee with functional sub-committees/taskforces);
- Adopting an evolutionary, phased-in implementation – growing content, services and products each year and updating technology as required; and
- Requiring a strong, committed, bottom-up effort from all library sector stakeholders.

Below is a sample listing of other jurisdictions that have proven digital libraries/concepts that work, in Canada, the U.S., Australia and the U.K. The state-wide digital library initiatives in Australia have evolved and are driven by the state and territory libraries.

Jurisdiction	Name of Program	Jurisdiction	Name of Program
<i>Canadian Jurisdictions</i>			
Alberta	The Alberta Library (TAL)	Manitoba	Manitoba Library Consortia
<i>U.S. Jurisdictions</i>			
Alabama	AVL (Alabama Virtual Library)	Mississippi	Magnolia (Mississippi Alliance for Gaining New Opportunities through Library Information Access)
Colorado	Colorado Virtual Library	New Jersey	JerseyCAT
Connecticut	iCONN	New York	NOVEL (New York On-Line Virtual Electronic Library)
Delaware	delAWARE	North Carolina	NC LIVE (North Carolina Libraries for Virtual Education)
Georgia	GALILEO (GeorgiA Library LEarning Online)	Ohio	OhioLINK
Hawaii	Hawaii Virtual Library	Oregon	CORE (Connect Oregon)
Idaho	LILI (Libraries Linking Idaho)	Pennsylvania	AccessPennsylvania
Indiana	INSPIRE	South Carolina	DISCUS (Digital Information for South Carolina Users)
Kentucky	KYVL	Utah	Public Pioneer
Massachusetts	MLIN (Massachusetts Library & Information Network)	Virginia	VIVA (Virtual Library of Virginia)
Michigan	MeL (Michigan eLibrary)	Wisconsin	BadgerLink
Minnesota	MnLINK		
<i>Australian Jurisdictions</i>			
New South Wales	State Library of New South Wales	Tasmania	State Library of Tasmania
Queensland	State Library of Queensland	Victoria	State Library of Victoria
South Australia	State Library of South Australia	Western Australia	State Library of Western Australia
<i>U.K. Jurisdictions</i>			
U.K. wide	Joint Information System Committee		

5.4 The Role of Library Consortia

A goal of the ODL is to create a transition in the way that all types of libraries in Ontario deliver electronic information and virtual services. This will be accomplished by the creation of a consortium to reduce the cost of electronic products, to create stronger relationships among libraries in Ontario and share expertise, resources and risk. The ODL will build upon the successes and best practices of consortia and will meet the need for a consortium to represent the needs of Ontario's 12 million citizens.

Formal and informal library purchasing consortia have been developing around the world over the last decade in response to the high costs and rapidly changing environment of electronic information. Informal consortia include a group of Ontario academic law librarians who share the negotiation for legal information products on behalf of other university law libraries. Formal consortia include the Canadian National Site Licensing Program (“CNSLP”), The Alberta Library, the Ontario Council of University Libraries (“OCUL”) and the Consortia of Ontario Libraries (“COOL”). The CELPLO Electronic Database Consortium, which represents large public libraries in the province, is currently exploring the feasibility of jointly negotiating commercial electronic database products.

While these consortia all offer a variety of services to their members, currently there is no province-wide consortium that can act on behalf of all Ontario libraries and the students, researchers, businesses, health care workers and citizens who use them. Given the size of Ontario and the number of its libraries and citizens, it is clear that a strong consortium with a province-wide mandate is needed to speak with one voice in the electronic marketplace. This consortium must have an overall vision for the information needs of Ontarians and be able to move current consortia initiatives to a provincial level.

This consortium must also have a financial and funding model that will reflect its mandate to represent the entire province. There are a number of financial models that have been developed by consortia to fit the needs of their constituents. Some allow members to opt in or out of subscription agreements. Others have shown greater success with an inclusive model where all participating libraries commit to licensing a broad portfolio of content from multiple vendors, with the resources purchased available equally to all participants. This serves to ensure that all libraries and their users have equitable access to the electronic products and strengthens their bargaining position in the marketplace.

The ODL’s funding model mirrors those of successful consortia that pool their funds to purchase a group of electronic products and services to all Ontarians, such examples include the CNSLP and the Bibliocentre. Brief descriptions of these success stories are provided in Appendix D.