

Ontario Catalogue Service

Business Plan

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Ontario Catalogue Service – Business Plan

Executive Summary

The Ontario Catalogue Service will develop and maintain a unified catalogue for the holdings of all public and academic libraries in Ontario. The organization will offer this service as a subscription-based service that users can use to search the catalogue database similar to a regular OPAC. The service's focus will be on aiding librarians and the public in locating rare resources.

The catalogue database will be developed and maintained in-house while connection to the Internet, web development, and web hosting will be contracted out to Primus. An availability of 99.5% will be assured through regular back-ups and mirroring of the database and website at Primus.

Revenues will be acquired through subscription-based fees according to the level of access and size of organization.

The company will initially employ nine full-time employees. Plans are to have the organization up and running by the middle of 2008. First year start-up costs are \$547, 664 with projected earnings of over one million dollars per annum. The company should begin to turn a profit in 2010.

Business Plan

1. Assumptions

The formulation of this business plan will assume that:

- Every library in Ontario will make available a copy of their OPAC information
- Web development and web hosting will be contracted out while the setup and maintenance of the database will be done on-site
- The company will be owned by myself and it will operate in Canada
- There is enough money to establish the business
- A study had been conducted which indicated a genuine need for this service and organizations are willing to pay the prices quoted in this document for a unified catalogue access
- Space rent is \$17 per sq. ft.
- Salary benefits are 10% of salary

2. Purpose of the Organization

The unified catalogue will provide librarians and the public a single place to search for rare research material such as original diaries written during the early parts of the 20th

Century. These items would most likely be located in archives scattered across the province and discovering all of them would be a time-consuming process without a unified catalogue.

The initial service offering will:

1. Provide a single search location for all public and academic libraries in Ontario
2. Provide a comprehensive unified catalogue
3. Focus on searches for rare and hard-to-find books for patrons and foster inter-library loans across the province

3. Services

a. Services Offered

The company will provide an Ontario catalogue database search service for Ontario libraries and its patrons. Although the service will be initially offered in Ontario, future plans are to eventually expand across Canada.

Services will be provided on a subscription basis based on a three-tier price schedule and level of access.

b. Service Restrictions and Access Control

This service will be available by paid subscription only. Libraries will pay for either staff or patron levels of access. This will be enforced by IP detection software, hypertext secure markup language and password protection. Since this service is merely access to a large OPAC, moderation censorship and age requirements will not be necessary.

c. Promotion and Marketing

As libraries and librarians are the targeted customer base, promotions and marketing efforts will be largely focused on library-centered events. The hope is to create a buzz within the library community and news of the catalogue services will be spread by word of mouth. This will be further backed up by an electronic and traditional mailing campaign. Therefore, marketing will take the following forms:

- Presentation at CLA/OLA conferences
- Word of mouth
- E-mail distribution
- Mail campaign

d. Service Quality Evaluation

Since the customer base is likely to be geographically scattered, an electronic means of communication will be adopted to provide timely customer feedback and to address any of their concerns when not at a CLA or OLA conference.

Feedback will be solicited by:

- E-mail
- On-line electronic forms
- Telephone contact
- Web surveys
- Chat with clients at CLA/OLA conferences

4. Organization and Responsibilities

Initially, the company will be small with staff performing multiple functions in some cases. Basically, the company will be broken down into sales, technical support, administration, and management functions. As the company grows, more staff will be hired for specific functions. The company will have staff with the following roles and responsibilities:

1. An owner/manager who will be responsible for managing operations, planning, and directing the service
2. Technical support in setting up the servers, loading and maintaining the software, trouble shooting both hardware and software
3. Librarians to advise technical support/software developers regarding system requirements, use, and improvements
4. Software developers to develop and maintain the database
5. Sales staff to solicit and manage sales
6. Administration will handle the various business aspects such as contracts, accounts receivable, salaries, and bill payments

5. Management and Control

The organization will develop and maintain a unified catalogue with the holdings of public and academic libraries in Ontario. The business decisions, rules, policies, and management practices of the service are as follows:

1. The website will be in both official languages
2. The service will be run from a single database located on-site but accessible viay the Internet in a similar fashion to pre-existing databases
3. Service up-time is targeted at 99.5%
4. Internet site development and maintenance will be out-sourced as it is cheaper in the short term
5. The service will be offered at competitive rates and will offer a fee reduction to libraries who actively provide us with updates of their holdings
6. Monthly updates will account for library acquisitions and weeding
7. Facilitate libraries' control of their patrons' remote access via a web proxy

8. Access by institutions at a staff or patron level will be enforced by IP recognition software
9. Catalogue will use library standards including:
 - Library of Congress Subject Headings
 - Machine readable catalogue
 - Dewey Decimal System
 - Library of Congress Classification System
 - Library of Congress Subject Headings
 - Medical Subject Headings

Management will create, review, and modify business rules, practices, and policies. Policies will be reviewed at the end of the first three years of operation and every five years thereafter.

6. Skills Required

Ontario Catalogue Service will initially require the following skills to be successful:

- Web developer (out-sourced)
- Software developer
- Systems analyst
- Database developer
- Cataloguing specialist
- Marketing and communications specialist
- Management
- Administration

Some of these skills will be hired on a part-time basis and later increased to full-time as the business matures.

7. Technical Requirements

a. In-House

i. Hardware

The servers will be Sun servers running Linux with Apache web hosting software. This will provide the required performance and stability at a minimum cost as there is no purchase cost for Linux and Apache. In the event of an emergency to minimize down-time and to prevent the loss of service, a hot mirrored site will be established off-site with a web developer.

- 2 Sun servers (one database server and one application server)
- 7 high performance PCs (for staff)

ii. Software

Ontario Catalogue will require the following software:

- **Open Office** for office work
- **MySQL** for database management
- **Photoshop** for image editing
- **WS_FTP** or **FileZilla** for file transfer
- **Perl** for server-side scripting

Open Office will be used as it will save the organization approximately 3,000 dollars. However, Adobe's Photoshop suite will be purchased since the organization will rely on the development of professional level marketing documents and flyers.

iii. Security and Reliability

To ensure high service reliability if the primary database server or web server were to fail, mirrored sites will be automatically activated. This contingency will provide an up-time of 99.5% or greater.

Although there is no concern for protecting personal data, the integrity of the catalogue database must be maintained. Appropriate security measures, both technical and operational, will be implemented. These are as follows:

- Firewall
- Anti-virus protection
- Spam protection
- Malware prevention software
- Off-site mirroring and backups
- Standardized operating procedures
- Password access
- Access code lock for server room

Off-site mirroring and backup will minimize down-time. Additional security will be provided by the ISP.

b. Out-Sourced

Primus has been selected as the ISP as well as for web hosting and development.

i. Web Hosting and Development

Having examined several web hosting services, it has been decided to contract services from one of the major web hosting services,

Primus Canada. Primus guarantees their servers will work 99.9 percent of the timeⁱ. This speaks volumes with respect to their reliability and, as with any guarantee; compliance can be enforced by contract law. They will also be contracted for web development.

ii. Internet Service Provider

“Primus' backbone consists of a "multi-homed" ISP network with redundant backbone connections to five major providers and two Internet exchanges, the Toronto Internet Exchange (TORIX) and the Ottawa Internet Exchange (OTTIX).”ⁱⁱ

Primus provides access to advanced web stats, log files and the ability to customize the webpage with scripts written in C/C++, PERL, or shell scripts. Furthermore, Primus has advanced security and recovery features including SSH access, redundant firewalls, anti-virus protection, and backup. Primus also has the required 24/7 tech support. The website will operate from Ottawa. The local support number is 613-564-0322.

The following technical requirements will be contracted with Primus:

- Web space – 1,500 MB
- Bandwidth - 1 GB/s - expect no more than 1,000 concurrent users (allows 10 MB/s per user)
- Connection type - DSL
- Server side scripting
- Full security suite including firewall, antivirus, and anti-malware protection
- Guaranteed 99% up-time – (multi-homed ISP network – with redundant backbone connections)ⁱⁱⁱ
- Full technical support 24/7

8. Space Requirements

The organization will be based out of Ottawa and require roughly 1,850 square feet of office space. At 40 dollars a square foot, office space will cost \$7,400 annually.

Quantity	Type of Space	Size (sq. ft.)	Total (sq. ft.)
9	Offices	100	900
1	Conference room	600	600
1	Server room	200	200
1	Break room	150	150
Total Space Required			1,850 *

* Total 1,850 square feet @ \$17/sq. ft. = \$31,450 per year

9. Personnel

A service of this size will begin with a staff of nine having the following FTE positions:

- One owner/manager
- Three technical support positions
- Two librarians
- Two sales, marketing and communications staff
- One administration position

Web development will be contracted out in order to save money both in setup and salary.

10. Budget

The annual budget is \$ 547,644.20 and relies on \$ 1,000,000 revenue from subscription fees. Details are as follows:

a. Income

Revenues will be obtained through subscription fees. Prices will be based on size of the library and the population served. The subscription fees schedule is outlined in the chart below.

	Staff Access	Patron Access	Price
Small *	√		\$ 1,500.00
	√	√	\$ 3,000.00
Medium **	√		\$ 3,000.00
	√	√	\$ 5,000.00
Large ***	√		\$ 5,000.00
	√	√	\$10,000.00

* Small = ≤10 users; ** Medium up to 100 users; *** Large = site license

Small and medium libraries buying access will receive a \$500 credit for providing Ontario Catalogue Service a copy of their MARC records. Large libraries will receive a \$1,000 credit for providing their OPAC records. Assuming 25 large libraries, 100 medium libraries, and 25 small libraries subscribe in the first year, revenues will be \$700,000. Based on this estimate, the organization will turn a profit after two years.

b. Capital budget expenditures

Annual Capital Budget			
Qty	Item	Cost per unit	Total
9	PC	\$ 2,000.00	\$ 18,000.00
2	Sun SPARC Enterprise T5220 Servers	\$ 15,000.00	\$ 30,000.00
2	DSL Modem	\$ 45.00	\$ 90.00
9	Computer security suite	\$ 600.00	\$ 5,400.00
2	Server security suite	\$ 1,500.00	\$ 3,000.00
1	Adobe Creative Suite Design	\$ 1,200.00	\$ 1,200.00
1	MY SQL Enterprise basic	\$ 600.00	\$ 600.00
1	Perl	\$ 10.00	\$ 10.00
1	FileZilla	\$ 10.00	\$ 10.00
1	Open Office	\$ 10.00	\$ 10.00
	Sub Total		\$ 58,320.00
	Tax	14%	\$ 8,164.80
	Total		\$ 66,484.80

c. Operational Expenditures

Annual Operating Budget			
Qty	Staff Member	Salary	Total
3	Technical support people	\$ 45,000.00	\$ 135,000.00
2	Librarians	\$ 46,000.00	\$ 92,000.00
2	Sales staff	\$ 40,000.00	\$ 80,000.00
1	Adminstrator	\$ 35,000.00	\$ 35,000.00
1	Owner/ Manager	\$ 48,000.00	\$ 48,000.00
	Sub-total		\$ 390,000.00
	Benefits	10%	\$ 39,000.00
	Salary Total		\$ 429,000.00
Qty	Contracts & Licenses		Cost
1	Website developers (contract)		\$ 5,000.00
1	Primus Contract		\$ 359.40
1	Server backup contract		\$ 15,000.00
	Phone bill		\$ 350.00
	Office space lease		\$ 31,450.00
	Total		\$ 52,159.40
	Total Operating costs		\$ 481,159.40
	First year setup costs		\$ 547,644.20

11. Summary

Ontario Catalogue Services will employ a staff of nine with revenues of over 1 million dollars and become profitable after two years.

Significant capital investment will be required in the first year. It will require two Sun servers, and nine high performances PCs. Software would include Linux operating system, Apache server, MySQL, Open Office, Photoshop for photo editing, WS_FTP for FTP.

The operational budget is split between Ontario Catalogue Service and out-sourcing. In order to save money, web development and hosting will be contracted out to Primus Canada. As part of disaster planning, the contract will include an off-site mirror and backup in order to ensure over 99% up-time of the servers.

When market conditions are right, the service will be expanded Canada-wide.

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ii <http://www.primustel.ca/en/business/security/performance.html>

iii <http://www.primustel.ca/en/business/security/performance.html>