

ANNUAL
REPORT



2016

Transforming LYRASIS

LYRASIS supports enduring access to our shared academic, scientific and cultural heritage through leadership in open technologies, content services, digital solutions and collaboration with archives, libraries, museums and knowledge communities worldwide.

Dear Members

You are reading our first annual report since 2009. For me, I embark upon my second year at LYRASIS, knowing that each day brings a new opportunity to not only support, but to act, to advocate and to lead with our members. For LYRASIS, it is a celebration of the 80th anniversary of our humble historical beginnings, when PALINET (1936) and SOLINET (1937) emerged from the WPA efforts during the Great Depression. And, for you, this means you are a part of the most dynamic, uniquely diverse cultural heritage membership organization around that is focused on transforming the ways your institution can serve your community better.

You will read about how our past year of transformation, transition and restructuring has benefited you. You will get a sense of where we are headed as we work together to change how content and knowledge is shared, is preserved and even distributed in ways that will allow our institution to be open, relevant and future-proofed in ways that might not be possible when acting alone.



Here are some of my favorite accomplishments undertaken on your behalf.

Value – We are committed to offering more value to you. Three examples to showcase this focus: Over \$10 million of savings with group purchasing; a reduction of over 10% in the cost of storage and migration services, and over 300,000 hours of training. We have also increased our new service offerings, negotiated more centralized license agreements and completed more negotiated transactional agreements on your behalf.

Leaders Circle – After meeting with over 200 key members in our Leaders Forums throughout the United States - where we had deeply focused discussions on technology, digital services and open source software - a new membership tier has been created for the thought leaders amongst us – our Leaders Circle.

World-class team – I am proud to announce that we now have a flatter, highly talented, fast-thinking, forward-looking management team. Their extremely relevant and varied backgrounds will help you stay on point regardless of whether you are an archive, library or museum

Fiscal health – We have lowered our internal cost structure by becoming a more efficient and adaptive organization. We have also continued to invest in systems that provide even higher levels of support and service. By utilizing the power of leverage and increased participation, we have lowered the prices of many of our services and this is the finest example of the power of working collectively to drive costs down. Through this all, we have elected for a second straight year to not raise our dues!

Please take a few minutes to enjoy the following contributions from our team at LYRASIS. Feel free to reach out to me directly or any of my talented team to let us know how we can better serve you.



Robert Miller, CEO, LYRASIS

A handwritten signature in black ink that reads "Robert Miller". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

P.S. A special thanks to my fantastic, member elected Board, who serves tirelessly on your behalf. Your help in my first year was most appreciated.

Our members are our most important asset at LYRASIS, and we continually seek new ways to communicate, collaborate and work with you directly.



We have members and users in:



States



Countries



Continents

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Listening to Our Members and Bringing Them Together

LYRASIS members span the full range of cultural heritage organizations and knowledge communities worldwide, including archives, libraries, museums and more in 50 states and internationally. This diverse membership is important to the work that we do because it enables us to not only leverage our size in licensing and vendor negotiations, but it allows us to bring together a diverse group of institutions who are united in their missions to protect and provide access to cultural, academic and scholarly resources. **This year has been a great year for member engagement. LYRASIS attended and presented at more than 70 conferences in the FY2015 - FY2016 fiscal year and we bolstered those outreach opportunities with 170 site visits to member institutions across the country.**

Introducing a New Way to Engage with LYRASIS

Our members are our most important asset at LYRASIS, and we continually seek new ways to communicate, collaborate and work with you directly. In FY2016 we kicked off our Leaders Forums, a series of 12 in-person forums held across the country and funded through a Leadership Grant from The Andrew W. Mellon Foundation. These sessions brought together more than 200 members and users for conversations about digital technologies, services and community supported open source software. During these sessions, we heard consistent themes voiced by our members – the need for discussion and collaboration with peers and an expectation for LYRASIS to provide more leadership in the community.

The Leaders Circle gives members:

- A new way to actively collaborate with other information and collections-holding institutions
- A forum to convene important discussions about what's on the horizon for the field
- A low-risk way to test and try new ideas
- Access to LYRASIS' Catalyst fund



“

We designed this new program as a direct result of member requests for Expertise, Collaboration and Action.”

- Robert Miller, CEO of LYRASIS



Engaging and supporting our members, in unique ways both locally, nationally and globally

LYRASIS has a uniquely qualified team, engaging with its members both onsite and remotely. Our staff includes librarians and other experts from in and outside the field and can work with you to solve problems and make your operation run more effectively. Our team members are located throughout the United States and in your time zone.

This regionality allows us to have a deeper and more immediate understanding of underlying regional demands and influences. **LYRASIS is here to help you do your job better, faster, more efficiently and with fewer resources.** We do this by providing multi level support, single point of contact and access to member platforms. **We help you position the Library to be central to the University, College, your Community and your users.** We employ regionally-based librarians, and have specialists in the areas of open source software, technology services, digitization.

A blurred photograph of a modern office interior. In the foreground, a person with dark hair tied back, wearing a dark blazer, is seated at a light-colored table, looking down. To their right, another person is partially visible, also seated at the table. The table has a water bottle and some papers on it. The background shows a large, open-plan office space with high ceilings, exposed wooden beams, and industrial-style lighting. Other people are visible in the distance, some sitting at tables. The overall atmosphere is professional and collaborative.

LYRASIS differentiates itself from other consortia by having a highly qualified member engagement team located throughout the United States, and we are passionate about the mission and services we provide to members.

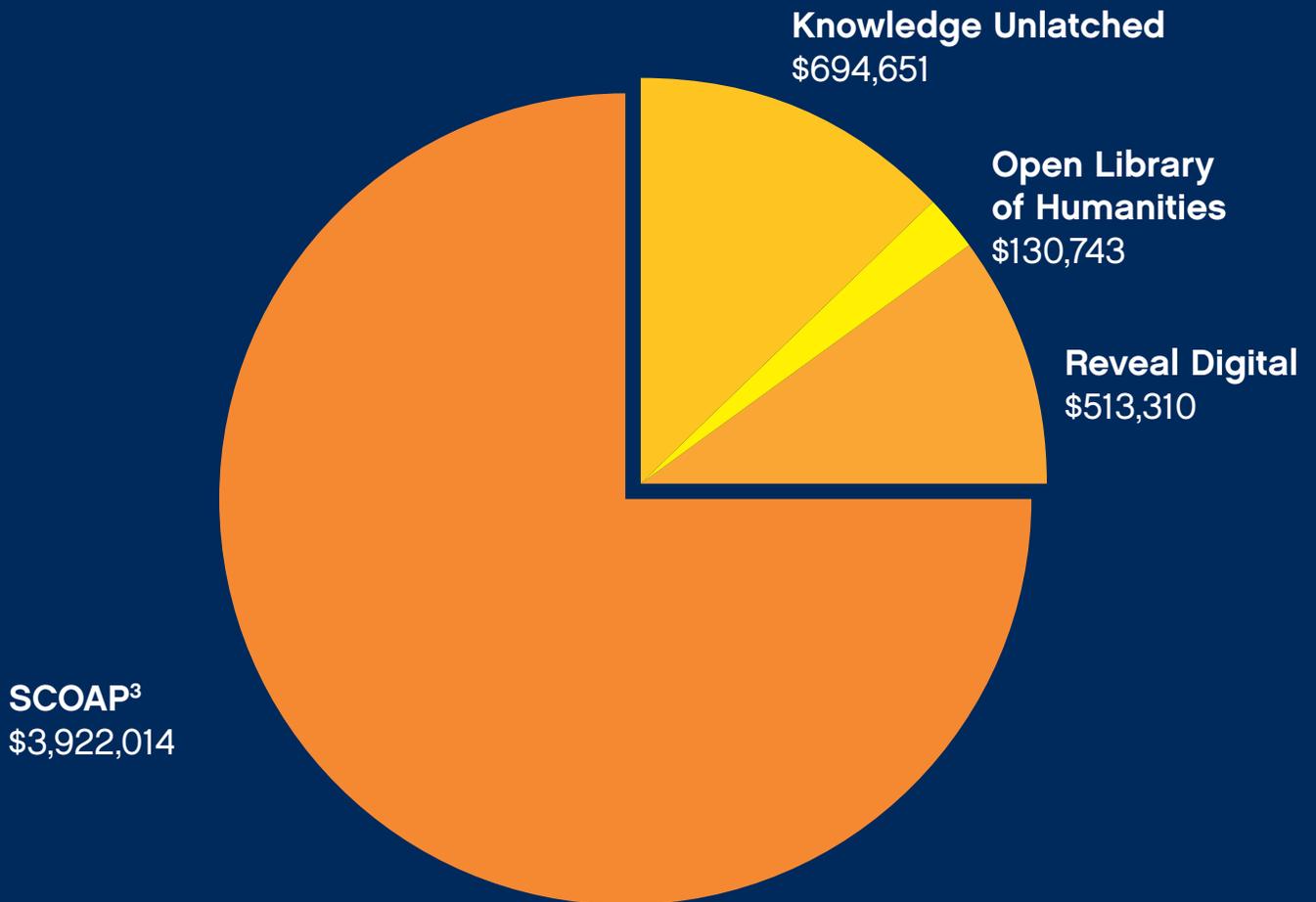
More Open Content and Better Value for our Members

The open knowledge movement is growing beyond scientific journal literature, with new initiatives and sustainable models that are appropriate for the humanities and social sciences. The LYRASIS portfolio of online resources, services, and supplies continued to grow in FY2016. We now offer products from over 80 vetted vendors, with carefully negotiated pricing and license terms that meet our high standards. Through the use of effective community-building techniques, we continue to increase our leverage with vendors to develop the best possible opportunities for our members.

We are committed to giving our members increased access to high quality content from traditional and non-traditional sources, including Open Access. It is through support of programs like Open Access, that we can build together sustainable business models that provide quality scholarly content at lower costs. **LYRASIS is facilitating change that will have significant and beneficial impact for our members well into the future.**

During the past 3 years, FY2014 to FY2016, 294 libraries and consortia have contributed over \$5.2 million to four Open Access programs for which LYRASIS provides exclusive outreach, education, and administrative support in the United States.

LYRASIS' support for four Open Access programs in the United States has provided \$5.2 million to date.



LYRASIS continues our strong support for these dynamic programs that have the potential to transform the scholarly communications ecosystem.

LYRASIS is facilitating change that will have significant and beneficial impact for our members well into the future.

Expertise in Licensing and Strategic Partnerships

The LYRASIS Licensing and Strategic Partnerships team is focused on advocacy for our members. We negotiate the best possible pricing and license terms for more than 1,500 members in 50 states. Over the past year, the team has focused on three core areas:



Community Building: Our team creates opportunities for members to build communities for new and continuing products. Those communities inform the content and pricing of our offers, and are used to gain leverage in future transactions.

Strategic Partnerships: LYRASIS actively seeks new partnerships with other organizations that support the work of our members across a diverse array of programs, services, and educational opportunities.

Preservation Services: By expanding our focus beyond traditional e-resources, our portfolio of services now includes robust offerings for digitization services that address the needs of libraries, archives, museums, and other cultural heritage organizations. All digitization services have been updated with new flat discounts for members. New offerings include document conservation and repair, scanning equipment, preservation/conservation supplies, and data recovery services.

More offerings and Value in Technology Services

Under new leadership, the Technology Services (TS) group has expanded its offerings, streamlined its operations, and yes, **lowered its prices** to better serve members. TS has become an expert in cloud-based, full-service offerings for the ArchivesSpace, CollectionSpace and Islandora open-source platforms. **Technology Services has increased the number of hosted clients by over 75% compared to last year.** Our hosting clients have been able to upload/migrate content to these systems with the expertise and guidance of the TS staff. **We actively participate in all three open-source communities, contributing code, serving in leadership and advisory roles, and presenting at conferences.** TS is dedicated not only to our hosting clients but also to the entire community of open-source software. We truly believe that a rising tide lifts all boats.

Current services offered by TS include:

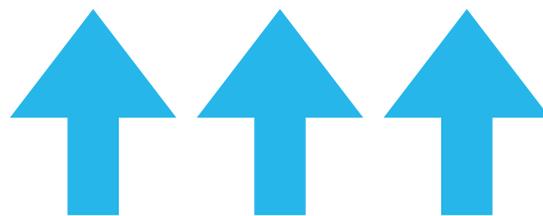
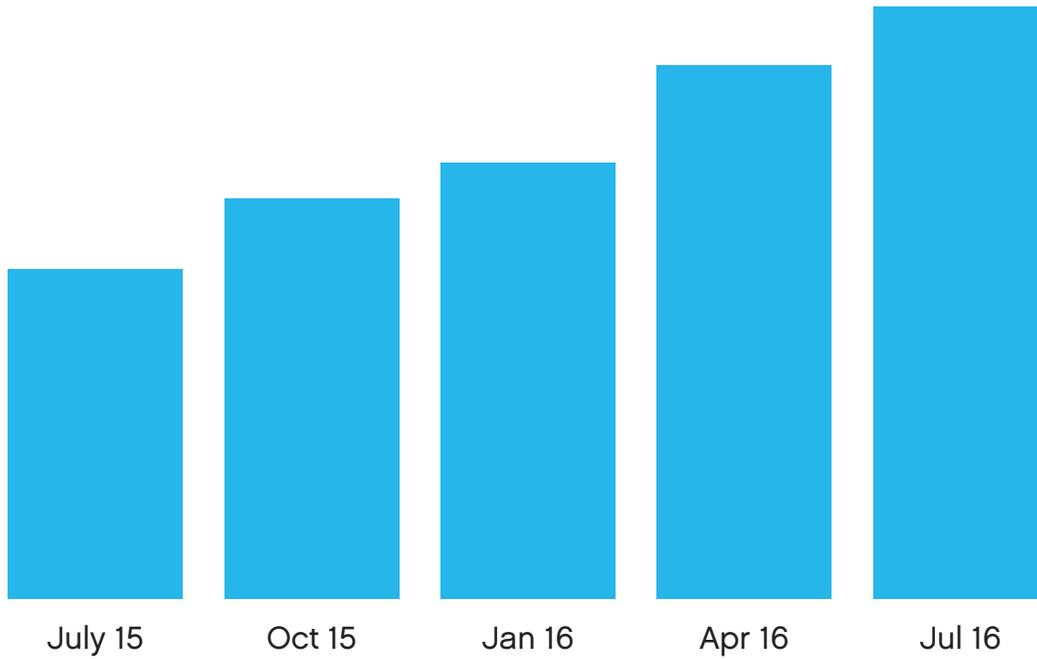
- Cloud-based hosting of open-source software
- Data migration
- Technical support
- Training

Over the coming year, TS will continue to expand its service offerings and will be evaluating ways to improve interoperability between the software platforms. Our long-term vision is to provide end-to-end services that will allow users to move content seamlessly from digitization to access and preservation without having to manage multiple isolated systems.

A close-up, side-profile shot of a Black man with short hair and glasses, wearing a light blue button-down shirt. He is looking down intently at a laptop keyboard. In the background, other people in blue shirts are visible, suggesting a professional meeting or office environment. A blue text box is overlaid on the bottom left of the image.

TS has increased the number of hosted clients by over 75% compared to last year and lowered its prices an average of 13%.

Growth in LYRASIS Hosted Clients



78%

Growth during FY16



Leaders in Providing a Home for Open Source Programs to Grow and Flourish

LYRASIS is the organizational home for two open source software programs ArchivesSpace and CollectionSpace. Over the past year, ArchivesSpace and CollectionSpace have been able to increase their memberships, increase project financial support, and expand the community of users with the guidance and support of LYRASIS, as a trusted organizational home.

As the organizational home, LYRASIS provides several services to the projects working in concert with the program leadership and community, these include:

- Management of online tools - website, wiki, mailing list
- Fiscal management - developing and tracking program budgets and expenses
- Recruitment of new members
- Developing grant funding opportunities
- Marketing and communications
- Management of documentation
- Assistance with technical issues
- Recruitment and management of project staff

318 members supporting open source projects

LYRASIS will continue to review potential programs that can flourish under the Organization Home structure. Programs that provide enduring access to, or discovery of, digital content would be viable candidates to benefit from fiscal management, marketing support and technical know-how.



L. A. Ring, I Høst, 1885



28%

Increase in membership
for Open Source projects

Continued Commitment to Digital and Preservation Services

Our Digital and Preservation Services team works with archives, libraries and museums across the country to provide expertise in the areas of digital planning and assessment, curation and management, preservation and workflow.

Digital Preservation Assessments:

LYRASIS experts meet onsite with your staff to discuss digital preservation practices, and discuss needs moving forward. Resulting reports provide institutions with a roadmap for long-term access to their digitized or born-digital content.

Digitization Services:

LYRASIS members receive discounts on digitization services from our vendor partners.. Our vendor partners can digitize a wide range of materials, including manuscripts, photographs, archival documents, audio, video, film, and more.

Workflow Analysis:

LYRASIS works with institutions to analyze five different areas regarding digitization workflows; Administration, Collections, Technology Environment, Facilities, and Staffing. LYRASIS provides recommendations to make the process as effective and efficient as possible.

Digital Planning:

LYRASIS assists institutions in writing a complete digital plan that will look at mission, vision, goals and audience development, standards and best practices for content creation and metadata, as well as including policies regarding collection selection, copyright, access, preservation, and use of digital collections long into the future-

Disaster Preparedness:

LYRASIS help institutions prepare for disasters by providing training on disaster preparedness, from managing risks to salvaging wet collections. Our 24-hour emergency number can help you get advice or connect you to resources in case of a collections emergency.



Preservation and digitization class offerings continue to expand, focusing on online training to keep the cost of participation low. DPS will continue developing new classes over the next year, covering timely topics in cultural heritage.

Classes developed in FY2016:

- Crowdsourcing for Digital Projects
- Outsourcing Audiovisual Digitization
- Loaning and Borrowing Special Collections
- Archival Appraisal for Non-Archivists
- Digital Preservation Toolbox – introduction and metadata manipulation

New classes coming in FY2017:

- Outsourcing Newspaper Digitization
- Digital Preservation on a Shoestring: Triage for the Underfunded
- Introduction to Computer Aided Design (CAD) for Archivists
- Digital Audio Preservation
- Getting Started with Community Digitization Programs

Key Digital and Preservation Services Projects

Key projects over the last year include working with organizations across the country listed below in the areas described.



University of Nevada Reno (NV)

Digital Preservation Assessment



Charleston County Records (SC)

Preservation Assessment



Chicago Public Library (IL)

Digital Plan



San Luis Valley Museum Association (CO)

Digital Planning Assessment



Mississippi Gulf Coast Alliance for Responce (MS)

Disaster Preparedness



Oregon Heritage Commission (OR)

Statewide Digitization and Digital Preservation Training and Care and Handling of Photographs





Building a strong foundation for investment in the future

It's an exciting time at LYRASIS, both from a fiscal, and operational perspective. **Our balance sheet, which has helped sustain us in the past during periods of mergers and program development, is healthier than it's ever been.** We are on track for a second consecutive year of positive operating results in FY2017. Our historical core business of e Content remains strong. We continue to respond to our member needs by building other services that include migration and hosting. These services are a growing part of our business, and are what set us apart from other consortia. Please reach out to your Member Support Representative to learn more about not only the content we can provide, but also the training and consulting, digitization, preservation, Hosting Services and Community Supported Open Source Software opportunities that we offer. We think you'll be impressed.

LYRASIS Revenue Growth

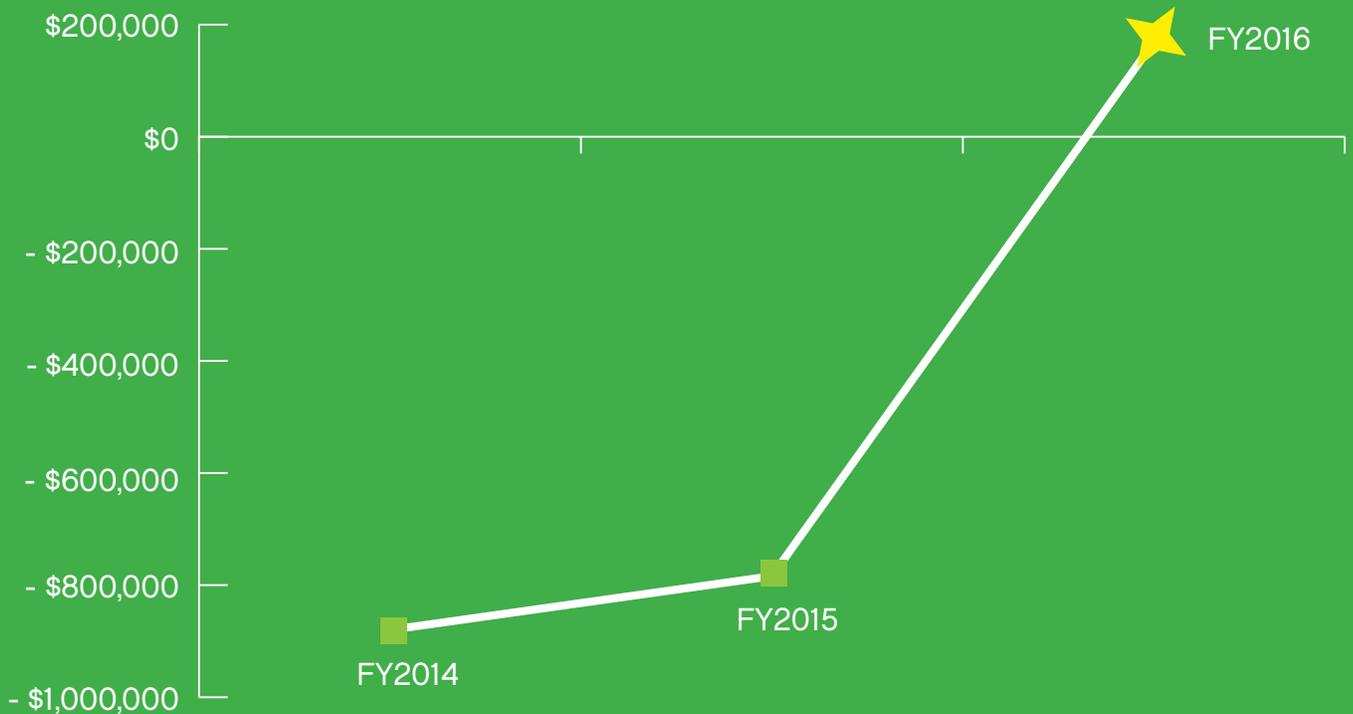
Revenue for FY2016 was up \$945K vs prior year, due almost entirely to growth in content and technology services.



\$945,000

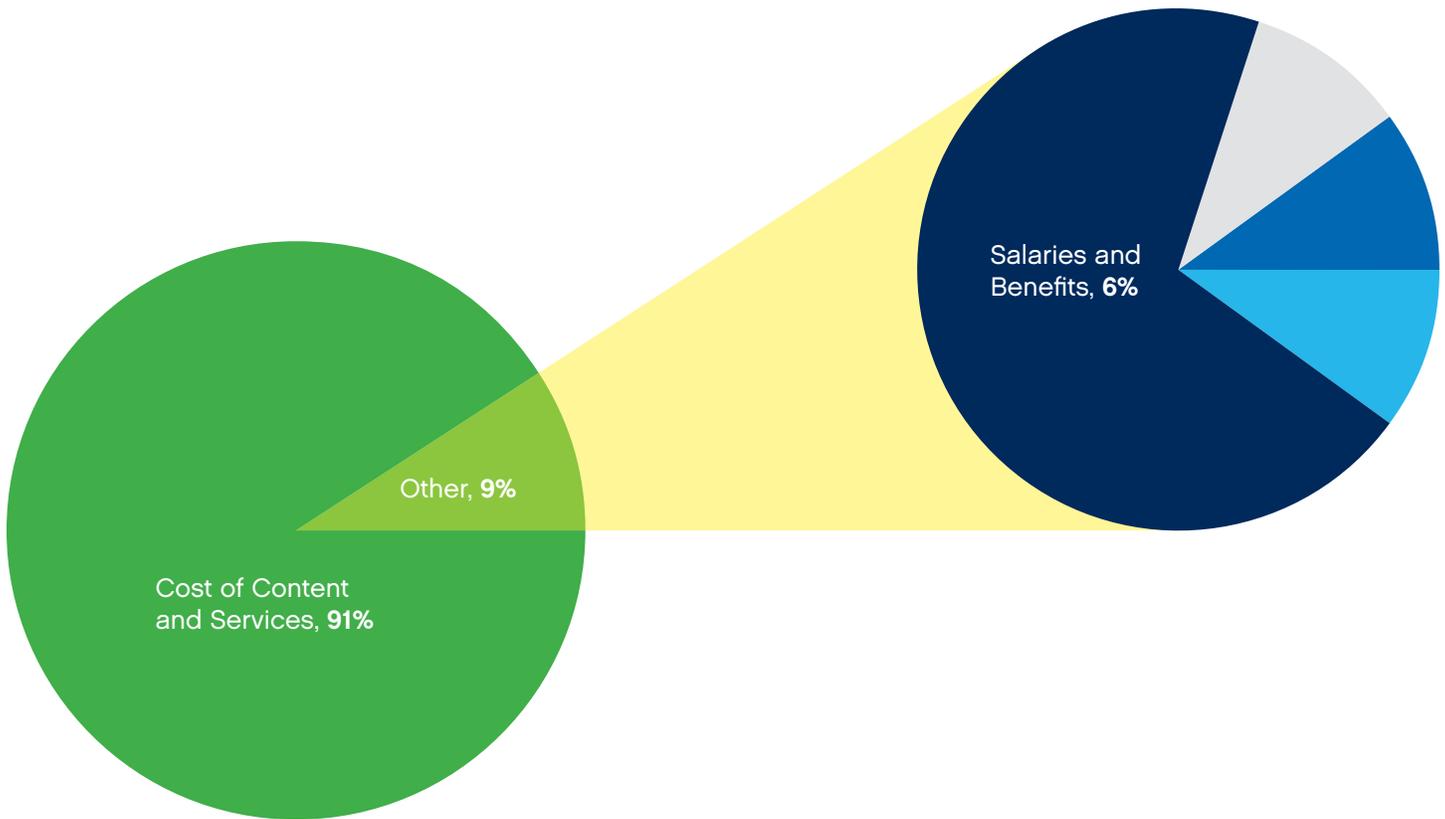
Operational Profitability

LYRASIS' stable revenue streams from its content programs, combined with growth in its technology programs, resulted in positive operating results for FY2016.



LYRASIS Operating Expenses FY2016

Costs of Content and Services paid to our vendor partners made up the majority of these operating expenses. LYRASIS understands that keeping operating expenses low means we can pass more savings on to you, our members.



Cost of Content and Services, 91%

Other, 9%

Salary and Benefits, 6%

Building and Office Operations, 1%

Travel and Conferences, 1%

Professional Fees, 1%

Supporting Special Projects for Our Members

LYRASIS seeks grants for special projects for members and other cultural heritage organizations to address shared needs. Current grant projects are focused on preserving collections, providing new technologies, and making unique collections more widely accessible. In FY2015 - FY2016, LYRASIS administered \$1.2 million in grant funds and provided grants directly to a dozen institutions:



San Diego Chinese
Historical Museum (CA)



The Watermill
Center (NY)



The Bolinas
Museum (CA)



The Bonsai Garden
at Lake Merritt (CA)



The Pacific
Bonsai Museum (WA)



The Libraries of the
Harvard University
Graduate School
of Design (MA)



Rhode Island
School of Design (RI)



The Western States Arts
Federation
(WESTAF, CO)



The Atlanta University
Center's Robert W.
Woodruff Library (GA)



Fisk University's
John Hope and Aurelia
E. Franklin Library (TN)



Hampton University's
Museum and Archives
(VA)



Johnson C. Smith
University's Inez Moore
Parker Archives (VA)



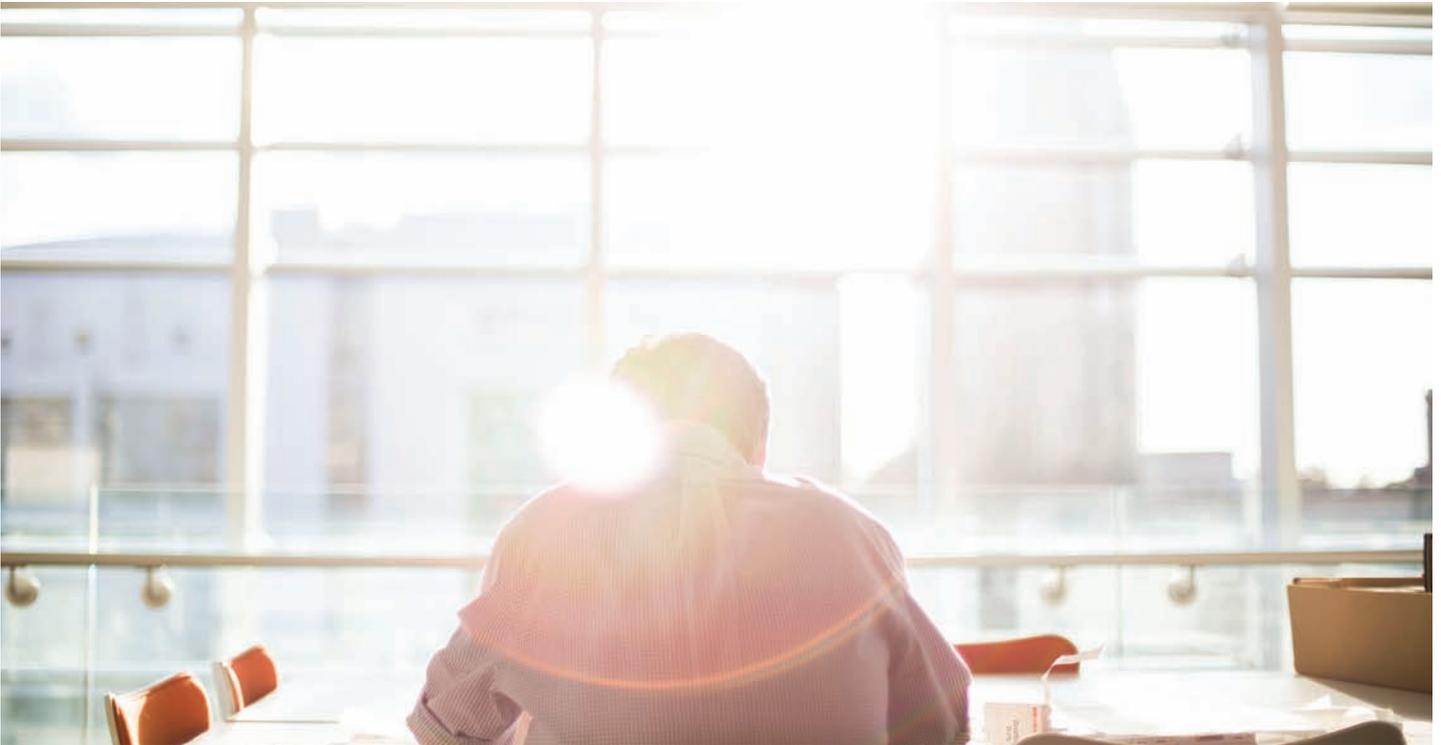
The Tuskegee
University Archives
(AL)

To read more about these grant projects and other grants through LYRASIS, visit www.lyrasis.org.



LYRASIS Continues to Invest in the Future of Historically Black Colleges and Universities (HBCU)

Through the HBCU Library Alliance, LYRASIS maintains its commitment to HBCUs and their knowledge communities. In addition to holding a seat on the HBCU Library Alliance Board, this year LYRASIS was proud to administer the “Preservation of Photographic and Magnetic Media Collections at HBCUs” grant. The project supports the preservation of local photographic and magnetic media collections, encourage their use in teaching and research, and raise awareness of the importance of these and similar special collections within the HBCU community.



Serving Members Through Fiscal Management

In addition to our content and technology offerings, LYRASIS also acts as fiscal agent for other organizations. These fiscal services allow our members to streamline their workflows, ensure accuracy and efficiency and focus on their mission. It's another way we serve our members, by helping them be sustainable and mission-focused.

Past/Present Fiscal Agent Services Include:

- Private and Federally Funded Grant Management
- HBCU (Historically Black Colleges and Universities)
- PLINKIT
- ArchivesSpace Program
- Southern Council

FY2015 - FY2016 Fiscal Stats

- 10,000 invoices
- \$73,000,000 in revenue
- 2,000 customer accounts
- 100 vendor partners
- 1,000 product codes



Thank you to the LYRasis Board of Trustees for their excellent work. We are proud to have a Board that reflects the wide range of knowledge communities and includes representatives from public libraries, academic libraries, state libraries, archives and museums.

Board of Directors FY2015

Front Row – left to right

Wanda Brown, Member Trustee
Winston-Salem State University

Jay Schafer, Treasurer
University of Massachusetts - Amherst

Kathlin Ray, Chair
University of Nevada, Reno

Robert Miller, Ex-Officio
LYRasis

Cynthia Henderson, Immediate Past President
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Julie Walker, Secretary
Georgia Public Library Service

Gregor Trinkaus-Randall
Non-Member Trustee
Massachusetts Board of Library Commissioners

Deborah Robinson
Member Trustee
Tallahassee Community College

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Emily Gore, Non-Member Trustee
Digital Public Library of America (DPLA)

Elizabeth Gail McClenney, Member Trustee
Roanoke College

Joe Lucia, Member Trustee
Temple University

Gina Millsap, Member Trustee
Topeka & Shawnee County Public Library

Ann Joslin, Member Trustee
Idaho Commission for Libraries

Jim Pierce, Non-Member Trustee
Georgia Institute of Technology



Board of Directors FY2016

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Roanoke College

Robert Miller, Ex-Officio
LYRASIS

Kathlin Ray, Immediate Past President
University of Nevada

Middle Row – left to right

Julie Walker, Secretary
Georgia Public Library Service

Joe Lucia, Member Trustee
Temple University

Wanda Brown, Member Trustee
Winston-Salem State University

Tom Rosko, Member Trustee
Massachusetts Institute of Technology

Ann Joslin, Member Trustee
Idaho State Librarian

Gina Millsap, Member Trustee
Topeka & Shawnee County Public Library

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Atlanta University Center

Jay Schafer, Treasurer
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Derick Dreher Ph.D.
Non-Member Trustee
Rosenbach Museum and Library

Rob Spindler, Member Trustee
Arizona State University Libraries

David Singleton, Vice-Chair
Charlotte Mecklenburg Library

Gregor Trinkaus-Randall
Non-Member Trustee
Massachusetts Board of Library
Commissioners

Not pictured: Cory Nimer, Member Trustee, Brigham Young University

Appendix

LYRASIS *Income Statment FY2014 - FY2016

Year ended June 30	2016	2015	2014
Operating Revenue			
Content and Services	\$ 72,998,242	\$ 71,819,624	\$ 71,784,557
Grants	1,153,193	1,387,030	867,909
Membership	1,258,026	1,300,287	1,339,822
Other	328,909	286,560	296,060
Total Operating Revenue	\$ 75,738,370	\$ 74,793,501	\$ 74,288,348
Operating Expenses			
Cost of Content and Services	68,858,283	67,862,772	67,582,515
Salaries and Benefits	4,932,201	5,733,365	5,793,149
Travel and Expenses	499,579	511,128	485,574
Professional Fees	421,113	408,794	237,213
Building and Office Operations	858,562	1,061,394	1,069,785
Total Operating Expenses	\$ 75,569,738	\$ 75,577,453	\$ 75,168,236
Operating Gain/ (Loss)	\$ 168,632	\$ (783,952)	\$ (879,888)
Non Operating Gains/(Loss)	\$ 1,349,166	\$ 330,963	\$ 1,588,962
Change in Net Assets, unrestricted	\$ 1,517,798	\$ (452,989)	\$ 709,074

* Information summarized by management from 2016 audit report.

LYRASIS
**** Balance Sheet**
FY2016

Year ended June 30	2016
Assets	
Current Assets	25,556,966
Fixed Assets	28,481
Other Assets	130,000
Total Assets	\$ 25,715,447

Liabilities	
Current Liabilities	17,549,453
Other Liabilities	876,831
Total Liabilities	18,426,284
Net Assets, Unrestricted	7,289,163
Total Liabilities and Net Assets	\$ 25,715,447

** Information summarized by management from 2016 audit report.

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LYRASIS serves information professionals by providing access to valuable resources, discounts on purchases and professional expertise.

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