

ROTTERDAM PUBLIC LIBRARY: THE QUEST FOR ENTREPRENEURSHIP AND NEW BUSINESS MODELS

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It was a Friday afternoon early September 2017. Theo Kemperman, the newly appointed CEO of the Rotterdam Public library (RPL) looked out of his office window. The weather was stormy and it rained heavily. In the Caribbean, hurricane Irma had just hit Saint- Maarten which is part of The Dutch Antilles. Metaphorically speaking Kemperman, thought that this weather represented the turmoil the RPL had faced over the past five years. Two reorganizations, a frequently changed management and budget cuts had put a lot of strain on the organization. All of this made the organization focus primarily on executing the going concern, but there was little energy and space to innovate, develop and provide the necessary transition from a classic lending library to a broader, social community library. For the coming four years Kemperman and his management team (MT) were in calmer waters. The municipality committed to the new budget for the period 2017-2020. Kemperman was thinking however what could happen after this planning cycle. Would other budget cuts occur? Meaning providing the same level of service with less recourses? Could they grow as an organization? Should they increase their revenue stream by offering commercial activities? The legal and statutory constrains made it difficult for him to become a cultural entrepreneur. Nevertheless Kemperman was determent to investigating the possibilities of becoming more self-sufficient in the future. With this in mind he was wrapping up some papers and heading home for the weekend.

New Management for a new Challenge

Prior to the 1st of January, 2013 the RPL was part of the municipality of Rotterdam. As of the 1st of January, 2013 the RPL was privatized and legally incorporated as a foundation. The governance structure of the RPL is based on a two tier structure. The Organization is led by the executive director (CEO). Since February 2015 this is Theo Kemperman. The Supervisory Board appoints the CEO and supervises the organization. Members of the Supervisory Board are appointed by the board of the municipality of Rotterdam. The CEO has appointed a management team (MT) consisting of two unit managers, Annerie Brenninkmeijer and Paul Adels for the Libraries unit and the Market and Product development unit. Both entered into service in April 2015. Besides Brenninkmeijer and Adels a new head of HRM was appointed in May 2015, Jannet Wiersma. Also Jaap Naber, as Business Controller was added to the management team. The Business controller can use a direct reporting line to the Supervisory Board and vice versa. The libraries unit and the market & product development unit are organized in teams who are led by a team manager. The middle management layer consists of eleven managers plus the head of the finance department. (see Exhibit 1)

The Rotterdam Public Library

The service area of the RPL consists of the municipality of Rotterdam with 14 communities¹ Rozenburg and Hoek van Holland. An area of 319 square Km and a population of approximately 620.000 people. The

¹ <http://www.gis.rotterdam.nl/dik/Default2.aspx>

civil task of the RPL has been formulated by the Dutch library act in January 2015. It states five core functions (responsibilities) that need to be addressed by the public library (1) to make available knowledge & information, (2) to facilitate learning, (3) to promote reading and a taste for literature, (4) to organize social encounters and debate and (5) to promote art and culture. The RPL meets this assignment by delivering educational, civil and cultural programs in line with the municipal requirements. (See Exhibit 2) In 2016 this resulted in over 549 cultural activities which reached over 39.000 people. The organization is spanning the city with 15 physical locations reaching approximately 230.000 citizens. With a collection of physical and digital materials containing over 700.000 items (books, cd's films etc.) it offers a deep and varied collection². The most remarkable collection of the library is the so-called Erasmus collection. This is the largest collection of the works of Erasmus in the world. There is also the Window of Shanghai collection with about 500 Chinese, English and Chinese-English books donated by the Shanghai Library to the Rotterdam Library. The RPL is proud that contrary to the national trend of a decline in readership³ the library has managed to increase its number of visitors and readership. 2.3 million Items circulated in 2016.

Mission

Rotterdam Public Library provides all residents of Rotterdam with access to information, knowledge, language and culture, using various media. It's an attractive meeting spot, physically as well as online, a place where the people of Rotterdam like to be. In RPL people can increase their knowledge, develop their skills and have fun at the same time. In doing so, they can participate in Rotterdam's society in a conscious, critical and active way.

Recent History

The earliest known foundation for the first public library in Rotterdam were laid in 1604 when money was raised for the 'publycke bibliotheke' also known as the 'Bibliotheca Laurentiana' in de Laurens Church⁴. In 1869 the basis was laid for the library as we know it today and in 2019 the RPL will be celebrating its 150th anniversary. The library not only safeguarded the city's heritage and culture, but it also had a role in ensuring its future. The RPL was found to take responsibility to make information more convenient and accessible to the masses. The RPL had to evolve to meet the changing needs of its stakeholders in order to remain relevant. In line with the municipality's expectations, it provided educational resources and helped to develop the social capital of Rotterdam. Over time its mandate grew along with its physical size. The RPL is the guardian of local heritage, the library helps to create a sense of identity for a population that consists of people of different religions, languages and races. With over 170 different nationalities represented in the city⁵, this is a formidable task. In February 2017 the library expanded its footprint by opening a new branch in Slinge in the South section of Rotterdam. The past five years have been quite a roller coaster for the RPL caused by two major reorganizations in 2012 and 2014, the privatization process in 2013 and the fact that in a relatively short time many directors came and went. The new management effectively appointed in 2015 focused on restoring the basic processes, which had suffered from the aftermath of the privatization and reorganizations, and stabilizing the operations. On the other hand they had to formulate a new vision and strategy for the period 2017-2020. A new dawn and a new phase had arrived. A phase of development and realization. For the coming four years Kemperman and his MT were in calmer waters. The municipality committed to the new budget for this period. Kemperman was thinking however what could happen after this planning cycle. His urge to become more self-sufficient was based on the research⁶ undertaken by the committee chaired by Job Cohen on the future of the public library and its place in society (See Exhibit 3).

² Annual account RPL 2016

³ <http://www.fobid.nl/statistieken>

⁴ https://wikivisually.com/lang-nl/wiki/Bibliotheek_Rotterdam

⁵ <https://rotterdampartners.nl/pers/facts-and-figures/>

⁶ https://www.kb.nl/sites/default/files/library_of_the_future_12082014_def.pdf

Strategic Challenges

Human Resources

The RPL is since 2013 a privatized foundation and falls under the CAO⁷ public libraries. In 2017 the organization had 244 employees. The public service labor force of the library included librarians, library assistants, and collection and lending service employees. Several departments like IT, marketing & development, HR and finance were staffed with specialists. The average staff tenure was long. Most RPL employees had witnessed many changes over the last few years such as the reorganizations, the introduction of the internet and its development as a mainstream communication and content vehicle, music and food in the library, a greater emphasis on community development and partnerships and recent branch revitalization projects. RPL employees were very passionate and had a strong belief about how service should be delivered to the public. Employees worked hard and were often stretched to the limit as they indicated in the last employee satisfaction survey⁸. In addition, some of the changes that were going on in the world around the RPL were entirely new challenges and these were tested the traditional ways that employees approached customer service and work processes at the library. The new ambition and objectives of the library would mean adjustments for a large part of the workforce. A more customer centered and entrepreneurial attitude were necessary to accommodate the needs and wants of the current customers. Training programs such as digital skills, customer orientation and entrepreneurship had been initiated by the MT to accommodate for a smooth transfer of doing things differently.

Financial Pressure

The majority of its core operating funds were provided by municipal public funding and small provincial grants for special events and projects. In addition the RPL had some sources of revenue such as fine revenue for late returns of material and subscription fees. Other revenue generating opportunities were somewhat limited. Therefore, financial considerations were very relevant. The RPL had a detailed budget and it accounted for all of its services. Allowing only a small percentage for allocation to new development and innovation. The challenge in public sector organizations such as the public library was to deliver the best service levels possible within the means available. This was an exercise of constant trade-offs as the impact of different programs per euro spent was difficult to quantify. The quality of level of service relative to cost was of major concern to the RPL.

Business Model Innovation

The RPL provided public services and in doing so created public value. This was also recognized by the municipal who contributes 29 euro per capita to the budget of the RPL. The current business model of the RPL is a traditional model predominantly based on subsidies, subscription and fine collection. Besides that there are a limited amount of commercial activities undertaken. In the central library, space is being leased to third party vendors. An example hereof is the café area. Other such initiatives are being discussed and form part of the new plans to rebuild the central library. In 2016 the various spaces have been rented out to over 200 users⁹. Kemperman is anxious about the fact that the contribution per capita could be reduced overtime and he is determined to investigate new business models to become more self-sufficient. As a social entrepreneur it is necessary to understand the donor value proposition as well as the recipient value proposition. As a not for profit organization Kemperman has to be in two businesses one related to the program activities and the other related to raising charitable subsidies. For this reason a fund raising manager was hired to focus on this process. One of the models under review is a so called infrastructure as a service model. At the moment the library offers 643 study and workstations to outside users. A second

⁷ The collective labor agreement (CAO) regulates the terms and conditions of employees in their workplace, their duties and the duties of the employer.

⁸ Self Evaluation Audit 2015

⁹ Annual Report RPL 2016

model that is reviewed is a platform as a service model. Kemperman is convinced that there are other models one could think of and would like these to be addressed in the next MT meeting.

Competition

The RPL competed with other organizations for public attention and time. Library users had a variety of options as to where they could spend their time and the internet and social media were certainly emerging as serious competitors in the library space. For the last years a decline in library use could be observed as a national trend¹⁰. The RPL needed to continually review and measure the use and impact of its services, collections and programming in order to ensure and remain relevant to Rotterdam residents in complex and changing times. The public it attempted to attract was made up of the full spectrum of Rotterdam residents with diverse expectations and needs.

The Dutch Library Landscape

The Netherlands has a population of nearly 17 million and is divided into: the central government, provinces and municipalities / local authorities. The responsibility for the implementation of numerous policy domains - welfare, culture, care and also public libraries - has been decentralized towards the local authorities¹¹. In the densely populated western part, a large number of nationalities and cultures can be found. As an international trade and immigrant country this diversity in the population, has a long history. The Netherlands being a place where promotion of freedom of expression has gone hand in hand with entrepreneurship, has developed a large variety of book- and media related industries and library- and information services, ranging from school and public libraries to specialized libraries and the National Library¹² (See Exhibit 4). The number of people who are members of the public libraries decreases. Today, 23% of the Dutch inhabitants is a member of a public library: 4 million. Despite cutbacks, the closely-knit spread of library outlets more or less survives, although the combination of cutbacks and declining visiting numbers mean that outlets are converted into smaller service points, often forming part of a village hall, house of culture or a school (See Exhibit 5). The world is changing. The advent of the Internet has consequences, also for the libraries. Distribution and communication have fundamentally changed our behavior. The economic crisis has led to serious budget cuts. In the mind of many politicians the lending library has almost ended its life cycle. The public library is expected to fulfil a different, more versatile, broader role. The Dutch government and the public libraries are looking for new joint principles for the future of the library in a changing society. Public libraries must be more than the lending library they were mostly. Ultimately a library has been chosen with a community purpose. Libraries, with the municipality as contracting authority, must implement all functions; not per branch, but as a library organization as a whole.

The network of Dutch libraries works closely together and features the following components:

- The national library catalogue including the entire range of all public libraries
- Inter-library lending traffic
- A joint collection plan
- Nationwide digital infrastructure and a digital collection
- A national library card – harmonization of membership records / coordination of general terms and conditions for the use of the library
- Service provision to education

Academic libraries, UKB cooperative

¹⁰ <http://www.fobid.nl/sites/fobid/files/FOBID%2058.16%20NL%20Library%20Statistics%202015%20def.pdf>

¹¹ <http://www.fobid.nl/sites/fobid/files/Libraries%20in%20the%20Netherlands%2C%20Koren%202016.pdf>

¹² <http://www.fobid.nl/sites/fobid/files/Libraries%20in%20the%20Netherlands%2C%20Koren%202016.pdf>

Dutch universities have a long academic tradition. The first Dutch university was founded in Leiden in 1575 by prince William of Orange. Today the Netherlands has 14 research universities, all of which offer high-standard education and research. There are three universities of technology, in Delft, Eindhoven and Twente, and one university which focuses on agriculture and life sciences: Wageningen. The remaining ten research universities are broad-based. There are also eight university medical centers. University libraries, increasingly centralized, have a mixed budget: for facilities provided centrally and for resources (acquisition, databases and media) provided by faculties. Innovation started early by the proposal of the Tilburg University to build a new high tech library, in 1992. The cooperation of its library and computer center resulted in Utrecht in the Electronic Library project (1995-1998). Increasing cooperation among the university libraries in this field led to a steering group for innovative projects, later integrated in SURF. (See Exhibit 6). The 13 university libraries are working together in an informal cooperative body, called UKB (1977), which also includes the Koninklijke Bibliotheek (KB, the National Library) in The Hague. Associate members are Open University Netherlands, the Working Group of Special Academic Libraries (WSWB), Netherlands Organization for Scientific Research (NWO) and the Royal Netherlands Academy of Arts and Sciences (KNAW)¹³.

Libraries in Higher Education: Universities of Applied Sciences, SHB cooperative

In the last decades a concentration of Higher Education institutes has taken place, the merger also included name changes into Universities of Applied Sciences. There are about 40 other higher education libraries, of which 32 form part of the SHB (Samenwerkingsverband Hogeschool Bibliotheken), the cooperative body of higher education libraries in the Netherlands.

National Library: Koninklijke Bibliotheek, the power of the network

The Koninklijke Bibliotheek, the National Library of the Netherlands was founded in 1798, starting with the decision of the parliament of the Republic to turn the collection of the fled Governor, Stadhouders Willem V, into a national library. As the wall decoration in the KB tells: the royal sound has its roots in the revolution! The first 5500 items have grown into 7 million; the title National Library was only legally attributed in 1982, when the KB moved to its current premises next to the Central Railway Station in The Hague. The systematic acquisition of all Dutch titles only started in 1974, there is no legal deposit, but publishers deliver these items on a voluntary basis. Now, the KB is the central deposit library for all printed and some electronic publications produced in the Netherlands, and also serves as an international deposit library for e-journals. It is responsible for the coordination of national preservation and digitization projects. The library furthermore compiles a variety of national special collections in the humanities and social sciences, and research collections related to Dutch culture, history and language.

Public Libraries

Public libraries have been introduced around 1900, on initiative of well to do liberals, church groups and the labor organizations. This diversity in the roots of the public library service disappeared in the 1950ies when all libraries became truly public without denomination, are professionally run libraries and members of the Netherlands Public Library Association (VOB). Currently, the public library network in the Netherlands comprises 156 public library organizations (legal form: non-profit foundations) and 9 provincial library service organizations with a total of approximately 1000 libraries and service points (2015).

National Innovation Agenda

Building on the new library law the Association of Public Libraries (VOB) agreed on a national Innovation Agenda, a guiding framework for innovation in the library network and in both the physical and digital domain. Innovation covers developing ideas as well as the dissemination and implementation of innovation.

¹³ <http://www.fobid.nl/sites/fobid/files/Libraries%20in%20the%20Netherlands%2C%20Koren%202016.pdf>

The four priorities for the period 2016-2018 are: Youth and Education; Participation and empowerment; Personal development, and Change and widening of the classical library.

Rotterdam a City of Contrast

The Rotterdam-Rijnmond area where Rotterdam is part of consists of 21 communities (COROP¹⁴) and has a population of about 1.4 million residents. Its economy is predominantly based on trade, transport and logistics, warehousing and the petro-chemical industry. The gross regional product (GRP) of the area is 43.000 euro per capita. This is a sharp contrast to the Amsterdam region where the GRP, is almost twice that of the Rotterdam-Rijnmond area namely 75.000 euro per capita in 2016¹⁵. The Rotterdam-Rijnmond area grew with 2.3 percent in 2016 which was in line with the national growth rate of 2.2 percent. The Amsterdam area grew with 3 percent outperforming the Rotterdam-Rijnmond area as well as the national economy. With an average standardized income of 25.000 euro the Rotterdam-Rijnmond region belongs to the lower half of all the regions in the Netherlands. The investments per capita in fixed assets in the region lag behind that of the Amsterdam region on average 2800 euro¹⁶. Out of all the regions in the Netherlands the Rotterdam-Rijnmond area has the highest percentage (8%) of unemployed citizens in 2016 compared to that of 6 percent for the whole Netherlands. The number of people that were using an unemployed benefit arrangement were 41 on every 1000 citizens in the region. Overall the economy of the Rotterdam-Rijnmond region is performing less compared to that of the Amsterdam region. It seems that the pillars of the Rotterdam-Rijnmond economy are longer term diminishing in importance and value. The chemical cluster and the harbor will have to transform to renewable energy and different business models. The municipal was keen to reposition Rotterdam for the economic challenges ahead. To elaborate on the economic blueprint: next economy a number of studies were conducted on how best to make Rotterdam ready. Part of these studies were based and inspired on the ideas of the American economist Jeremy Rifkin¹⁷. The RPL can play an important role in the transition from an industry based economy towards a knowledge economy by developing its population and by creating social capital for Rotterdam.

Rotterdam's main socio-demographic characteristics

A growing population in the period 2013-2030, but at a lower rate than in recent years. Neighborhoods can experience quick transformations in population structure and profile. In just a few years, what is an impoverished neighborhood now can turn into an up-and-coming trendy part of town. Rotterdam has a relatively young population. There is an overrepresentation of age categories 20-29 and 30-39 years. The share of youths (0-19 years) in the total population has stabilized. Rotterdam has a mildly rising aging population: 14% in 2012 goes up to 18% in 2030 (national average: 16% up to 24%)¹⁸.

Many people have low incomes.

14.1% of household incomes are below the low-income threshold. 17.6% of children under 17 are being raised in poverty. 28% of the elderly (over 65 years) have their old-age pension as their single income.

Growing population of ethnic minorities.

In 2014, 49% of a total of 618.357 residents belong to an ethnic minority. This percentage is more than twice as high as the national average (21%). In 2030 the percentage of 'indigenous' people will be around 40%. Many people are functionally illiterate: a percentage of 18.8% in Rotterdam as opposed to 11.9% nationally¹⁹.

¹⁴ <https://en.wikipedia.org/wiki/COROP>

¹⁵ <https://www.cbs.nl/nl-nl/achtergrond/2017/19/de-economie-van-amsterdam-en-rotterdam-vergeleken>

¹⁶ <https://www.cbs.nl/nl-nl/achtergrond/2017/19/de-economie-van-amsterdam-en-rotterdam-vergeleken>

¹⁷ <http://www.thezeromarginalcostsociety.com/>

¹⁸ <https://www.narcis.nl/organisation/RecordID/ORG1237090>

¹⁹ Stichting Lezen & Schrijven

Low level of education.

The level of education among Rotterdam's working population is rising, yet is lower than in other major cities. High level of unemployment. Of the four major cities, Rotterdam has the highest share of people on welfare. Around 30% of Rotterdam's residents in the age category 19 to 64 years have no paid employment.

Low score in social index.

The social index measures and plots different aspects of social well-being: competences, living environment, participation, and social contacts. It serves as an important indicator for social participation. Scoring a 5.5 in 2012, Rotterdam classifies as 'socially vulnerable'²⁰.

Just like other Dutch municipalities, Rotterdam is accommodating refugees. Looking at the next five years, it is expected that this situation remains unchanged.

Strategy Program 2017-2020

A journey of transformation to a library as a platform: 'Rotterdam Wide Web'

The RPLs strategic plan²¹ has been formulated by the newly appointed management team to investigate the significance and place the library has within Rotterdam society. The management team has taken the proper time to consult employees, partners and other stakeholders. The developed policy is based on three strategic pillars: (see Exhibit 7)

Core functions and programming:

This pillar contains all products and services that Rotterdam Public Library has to offer. These core functions will be incorporated in the choices Rotterdam Public Library makes in its programming. For instance, the core function 'skills & education' will be observed by programming a wide and diverse range of courses in linguistic skills and 21st century skills. But also by supporting people in filling out their tax declaration forms and by setting up a real live Makerspace.

Presence:

Over the next few years, The RPL presence in the city will become much stronger. Access to Rotterdam Public Library's products and services is no longer restricted to its traditional locations only. Cooperating with a choice selection of commercial and cultural partners, they have an ever increasing number of service points and mobile facilities. And what's more, they're facing a major milestone in the upcoming renovation of the Central Library. This multiannual renovation not only includes a redevelopment of the building itself, but also a substantive step forward in order to be well equipped for their new vision and tasks. A tailored approach, flexibility, accessibility and reachability are the words that will lead Rotterdam Public Library ever closer to seizing its new position in their changing society.

Digital library:

This pillar is about the essential integration of the physical and digital worlds. Rotterdam Public Library is transforming from a traditional library and an organization aimed at lending books, into a physical and digital platform where people can meet, study, relax and explore. The platform 'Rotterdam Wide Web' will become an innovative, accessible, independent, welcoming and inspiring platform that is deeply rooted in the city. A platform made for and created together with the people of Rotterdam.

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<http://www.plusconfidence.nl/sites/default/files/Professionals%20working%20in%20disadvantaged%20neighbourhoods%20in%20Rotterdam.pdf>

²¹ <https://www.bibliotheek.rotterdam.nl/images/Beleidsplan-Bibliotheek-Rdam-A4-Low-Res.pdf>

The library needs to become a dynamic place where people can work, live, gain various skills, enjoy culture and meet other people. And ‘place’ is no longer just about a physical space, but refers to a virtual environment as well. Soon the library will not be a library in the traditional sense anymore, but instead will become Rotterdam Wide Web! A third place of significance to many, preferably all citizens of Rotterdam.

Customer segments

All residents of the Rotterdam region are welcome in Rotterdam Public Library. But also people living outside the city are warmly invited to visit. Rotterdam Public Library sees all people of Rotterdam together as its ‘public’, the group of people its social core functions are aimed at. Within this definition of its public, Rotterdam Public Library distinguishes three specific target groups:

- 1. Families with children of young ages (0-12 years)*
- 2. Youths (13-26 years)*
- 3. Elderly people*

Blue and green world

In its public, RPL distinguishes the people of Rotterdam who are ‘able to live independently’ and those who are ‘learning to live independently’. Living independently is defined as: participate in society without being hindered by problems in language, math, digital skills and general communication skills. To distinguish these two groups neutrally, Rotterdam Public Library uses the terms ‘blue world’ for people ‘able to live independently’ (readers and digital frontrunners), 85 percent (525.000) of the population belongs to the blue world²². And ‘green world’ for those ‘learning to live independently’ (functionally illiterate people or people needing digital help), about 10 percent (62.000) of the population belongs to the green world. The remaining 5 percent consists of people with a disability. RPL’s products and services created for the blue world are focused on maintaining people’s ability to live independently and supporting people’s self-development. The products and services created for the green world are focused on supporting people in the process of learning to live independently. The distinction between both worlds isn’t strict – they overlap. Some people may for instance be part of the ‘blue world’ regarding language skills, but find themselves in the ‘green world’ when it comes to digital skills.

Vision on products and services

The Rotterdam Wide Web is aimed at the needs of the people of Rotterdam to explore, study, meet and relax. Rotterdam Public Library’s products and services are linked up with these needs. In addition, every product and service has to connect to one or more of the five legal core functions. Many of the products and services have a (largely) public character. Rotterdam Public Library distinguishes three categories in its products and services:

Category 1 public space and platform

RPL’s locations are open spaces, free of charge. Locals can meet each other here, study, and read a book or newspaper. Meeting rooms can be rented.

Category 2 information and lending function

Visitors are free to consult the catalogues and collections. Employees are there to assist guests in finding the information they are looking for, and to provide context and interpretation. Members can lend all materials, with the exception of cultural heritage collections.

Category 3 programming

²² New Rotterdam welfare 2016-2019

Activities are developed and organized relating to reading pleasure & literature, education, (new) media, healthcare & well-being, culture and (local Rotterdam) heritage. These are activities such as language cafés, theatrical performances and new media workshops. In the near future, the public space and platform will remain of great value to Rotterdam's society. The information and lending function will decline. The challenge here is to make our customer practices and operations as efficient and as effective as possible. The category programming on the other hand will grow. By focusing on good programming concerning language, digital skills, personal development, social growth, and culture, Rotterdam Public Library creates an ever growing social value, as described in the five legal core functions.

Vision on locations

RPL tends to its services from a very accessible and strong network of locations. In addition, Rotterdam Public Library also provides its products and services on the internet. The basic principle is that the virtual and physical library will reinforce each other in realizing the core functions and the social and cultural tasks. We call this development 'from collection to connection'. (See Exhibit 8)

Epilogue

In the near future, the public space and platform will remain of great value to Rotterdam's society. The information and lending function will decline. The challenge here is to make their customer practices and operations as efficient and as effective as possible. However Kemperman is convinced that a cost recovering strategy will not suffice in the future. The objective will have to be profit not merely cost recovery. One of the challenges will be to cater to a market outside the RPL's system. The question that occupies him is: how much should we grow? And should we grow at all? Kemperman believed that growth especially in commercial activities, would lead to a certain degree of self-sufficiency. Envisaging that the municipality grants might be limited in the future or that financial assistance might be offered only in the form a loan, he understood the importance of moving towards self-sufficiency. On his way out of the office Kemperman realized that the shops were open until 21.00 hours on Friday night. This made it possible for him to visit Donner, a large book store in Rotterdam to search for some literature on entrepreneurship and business models. On the second floor where the management books were stocked his eyes were drawn towards a book called *The Business Model Navigator* written by Grassmann, Frankenberger & Csik²³²⁴. Kemperman is willing to find out if there are other models one could think of. He would like to investigate some ideas over the weekend in preparation of the next MT meeting on Monday. At the moment the RPL still has to cover approximately 15 to 19 percent of own income. These percentages might well be increased in the future and Kemperman would like to be prepared if they do.

²³Business Model Navigator Grassmann, Frankenberger & Csik

²⁴ <https://managementmodellensite.nl/webcontent/uploads/Magische-driehoek-businessmodel-innovatie-Engelstalig.pdf>

EXHIBIT 1: ORGANIGRAM ROTTERDAM PUBLIC LIBRARY

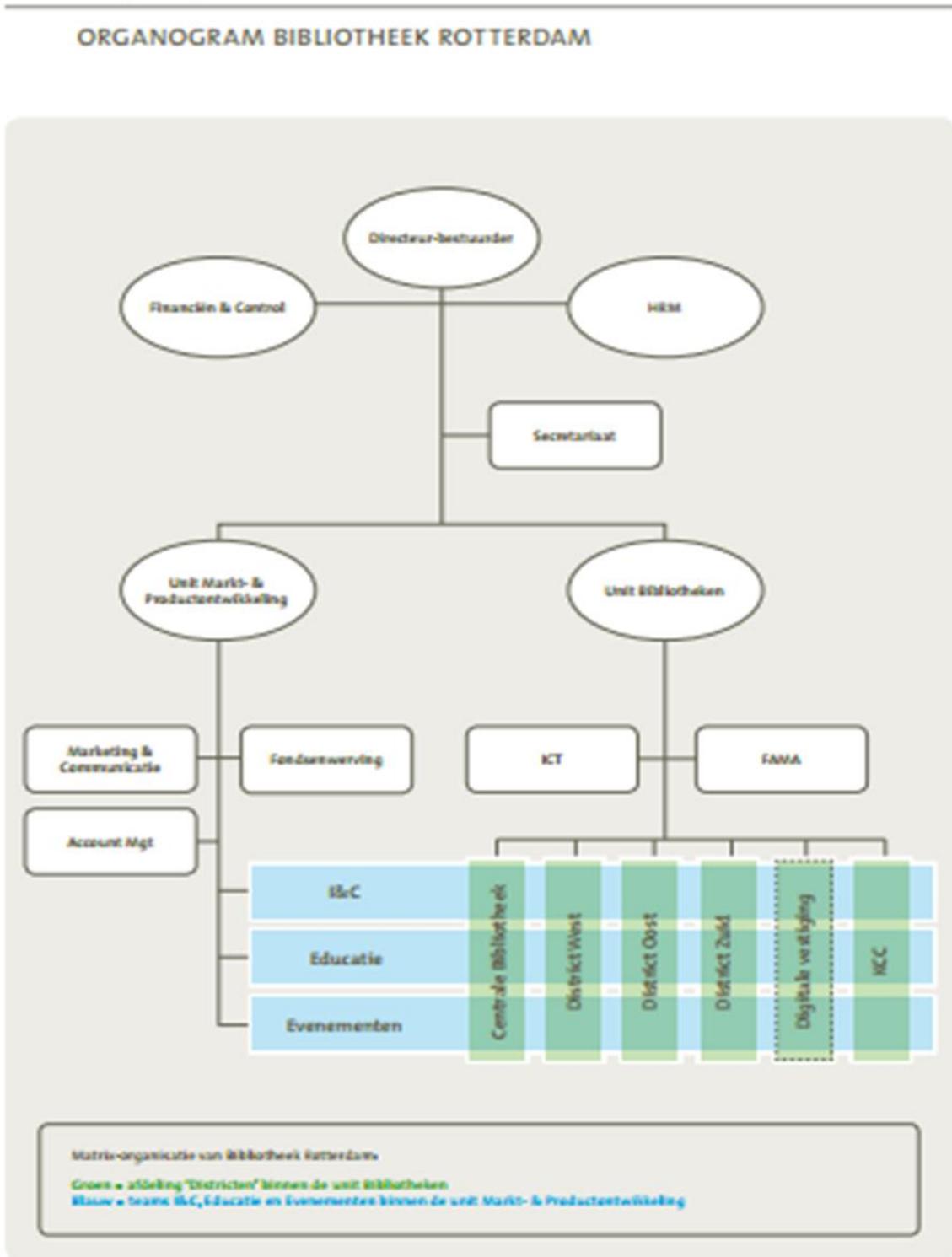


EXHIBIT 2: MUNICIPALITY POLICY OBJECTIVES & PERFORMANCE COMPLIANCE INDICATORS

Legal framework

Acting as legal framework is the Wet stelsel openbare bibliotheekvoorzieningen (Wsob), which is effective as of January 1st 2015. The core functions of a library as defined by the Wsob are:

1. To provide in knowledge and information.
2. To stimulate reading and to introduce people to literature.
3. To create opportunities for personal growth and education.
4. To organize social events and debates.
5. To introduce people to art and culture.

These five core functions should, according to Wsob article 5, contribute to the personal growth of the general public and to the improvement of social opportunities. Additionally, the Wsob defines the relationship between the (public) libraries and the Koninklijke Bibliotheek (KB), the national library.

Independent foundation with ANBI-status

Rotterdam Public Library became an independent organization as of January 1st 2013, and is now a foundation under a Board of Supervision. This had led to a more distant relationship with the municipality. The principal objective of becoming independent was to equip the library more thoroughly for (rapid) future developments in the media environment and library sector. Rotterdam Public Library has obtained the status of related party in order to be able to serve the public interest. Articles of association have been established to describe relations and authorities between library and municipality. The municipality still has an influence on the foundation by means of the eligibility rules and its associated performance requirements. Along with deciding to privatize the library, the city council also decided that it will keep defining the basic principles of the library policy and test the multiannual policy plan against these principles. Rotterdam Public Library has an ANBI-status, indicating that at least 90% of its operations will serve the public interest.

Basic principles as defined by the municipality

Mayor and Aldermen (the municipal executive board) have defined basic principles against which the new 2017-2020 policy plan will be tested.

A tailored approach

Rotterdam Public Library will adjust her products and services to the specific circumstances and needs of neighborhoods and to target groups like functionally illiterate people.

Accessibility and reachability

Rotterdam Public Library aims to be as accessible and reachable as possible by having nearby locations for residents, reasonable prices, and long opening hours (depending on demand). An optional possibility here is join in and cooperate with 'Huizen van de Wijk' (community centers) and other local partners.

Municipal priorities

Rotterdam Public Library is expected to follow trends and developments and to contribute to (future) municipal priorities as defined in policy programs like talent development, participation and integration.

Heritage

Rotterdam Public Library is responsible for preserving, managing and unlocking (local) heritage, wherein the Erasmus collection is seen as a priority case.

Flexibility

Considering the dynamic developments in Rotterdam Public Library's playing field, it is expected to organize its products and services in a flexible way as to be able to react to current developments in neighborhoods and/or in new municipal policy priorities.

Entrepreneurship and innovation

Rotterdam Public Library is challenged, within the limits of its legal framework, public interest and municipal policies, to explore additional 'markets' and funds, improve its products and services, and cut costs, aiming to eventually reach a situation of being less dependent on municipal funding and being able to meet possible future cost increases. In addition, Rotterdam Public Library is challenged to perform its legal tasks and reach its municipal targets in an innovative way. There should be scope for experiments.

Performance requirements

In conjunction with Rotterdam Public Library, and taking into account the basic principles as defined by the municipality, an actual and relevant set of performance requirements and indicators has to be established, based on the new multiannual policy plan and the yet to be finalized financial framework. This set will function as the basis for municipal funding.

Ambitions municipality of Rotterdam

The context in which Rotterdam Public Library performs its social tasks is of great significance. Where possible, Rotterdam Public Library wants to contribute to the ambitions of the municipality of Rotterdam, such as:

- Optimal labor market participation of all residents of Rotterdam.
- Stimulate initiatives and networks which can help people to organize themselves.
- Focus on groups who need the support of the municipality and its subsidized partners most
- Increase the use of volunteers in (semi)professional organizations, thereby making the professionals more effective.
- Increase the dedication of public institutions to organizing employment and apprenticeships for socially vulnerable people, as well as supporting volunteer work.
- Stimulate people in their ability to live independently, including by increasing basic skills and health literacy.
- See to it that (elderly and socially vulnerable) residents of Rotterdam can live independently as long as possible within their own network, using the available public services.

EXHIBIT 3: THE FUTURE OF THE PUBLIC LIBRARY

Forced by the digitisation of society, rapid social and economic change and the scaling back of the government sector, the library needs to reinvent itself. What, therefore, will be the purpose of the public library in 2025, and how will it be put into practice²⁵?

Developments in society

Society is changing, and knowledge and information are becoming increasingly essential production resources. If people are to take part in and contribute to the knowledge and information society, they need to be able to continually acquire knowledge and information, interpret it correctly and exchange it with other people. As the development of any skill is based on language skills, these are therefore essential for accessing and understanding any area of knowledge. Even so, despite the increasing importance of reading, developments seem to point to a fragmentation of the reading culture. Although the growth in digital media means that more is read on-screen, people spend less time reading books, and Dutch school children have, compared with children in other countries, a more negative attitude to reading. The closure of book shops, the transfer of sales channels to the digital domain and the shift from the printed word to digital also means that the visible elements and places that promote reading are disappearing from our physical surroundings. Continuing digitisation and the growing amount of information to be found on the Internet means that ICT literacy has become a basic skill. ICT literacy consists not just of basic computing skills, but also skills such as finding, assessing, interpreting and using information sources. Furthermore, the increased personalisation of content using algorithms means that users need to be aware that the information they see is a result of their online search behaviour, and that there is other information that they do not see. Not everyone is equally capable of acquiring these ICT skills and, although they have grown up in a digital society, young people are apparently less skilled in the use of the Internet than was previously thought. Even though the gap between those who do and those who do not have access to ICT has closed considerably, a new divide is opening up between those with sufficient ICT skills and those without. Because of that, there will still be groups that get left behind in the future, either due to lack of access to the latest technologies, or due to a lack of the required skills.

The rapid changes taking place in society mean that people need to develop the necessary knowledge and skills and continue to do so throughout their lifetimes: lifelong learning. In addition to language, information and ICT literacy skills, there will also be an increasing focus on '21st century skills'. These are teamwork, creativity, communication and problem-solving skills and critical thinking – all essential in the 21st century economy. Various developments can change the way in which these skills are acquired and in which knowledge is developed. Information dissemination is increasingly a two-way process, in which the distinction between author, reader and publisher (consumer and producer) is becoming more and more blurred. In addition, learning more often takes place outside the formal structures and within a social process. Aided and stimulated by modern communication technologies, people are informally organizing themselves in horizontal – sometimes global – structures around particular themes and interests. Community connections, knowledge sharing and synergy are becoming increasingly important, and the intelligence of the community is increasingly being drawn on to answer questions, generate creativity and innovate. Despite the growing connectivity in the digital domain, some are concerned about increasingly weaker connections in the physical domain. Physical social contact not only stimulates mutual trust, recognition and solidarity, but can also help prevent loneliness and develop mutual understanding. The closure of community centres means that there are fewer public organisations able to contribute to social cohesion within local communities, which affects the vitality of these communities. This applies in particular to smaller rural communities, in which facilities are increasingly under pressure due to the exodus to the towns. Leisure time is also increasingly under pressure. People have a growing need for convenience, speed and flexibility to be able to effectively organise and combine their working and private lives. Digital media can help, but can also contribute to feelings of stress and pressure due to the continuous demand for connectivity and accessibility. This therefore also creates a need to get away from it all from time to

²⁵ https://www.kb.nl/sites/default/files/library_of_the_future_12082014_def.pdf

time. As far as recreational activities are concerned, a shift can be discerned from an emphasis on observation to experience.

The future purpose of public libraries

The core purpose of libraries will be to contribute to and form a foundation for the knowledge and information society. This means stimulating, supporting, facilitating and equipping people with what they need to be able to participate in and contribute to the modern knowledge society. The core task of the library begins with literacy in the broadest sense. Reading is the cornerstone of knowledge acquisition, and stimulates imagination and creativity. Supporting reading skills and promoting a reading and literary culture therefore need to remain at the heart of the service provided by public libraries, certainly now that the reading culture is under such threat. ICT literacy, and in particular correct information interpretation and usage, is also a basic skill for participation in society and for the acquisition and exchange of knowledge. Libraries are experts in finding, connecting and transferring information and will continue to play an important advisory role in this in the future. The library will surprise and inspire, and challenge people to embrace enrichment and reflection in a world of personalisation and filtered information. The library will also need to focus on other important skills that are required of people in the 21st century. By putting in place a stimulating learning environment, the library will provide a platform for people to meet and to share knowledge, so that they can acquire these specific skills. The library will focus therefore not just on eliminating disadvantage but also on developing talent. In an increasingly individualised society, the library provides a meeting place. After all, knowledge cannot be developed without some form of socio-cultural meeting place. Libraries add vital value to all the opportunities provided by digital resources: an attractive, stimulating environment to learn and to read, to be amongst other people or to escape from the constant pressure of connection. The library of the future will therefore be a modern agora – a modern socio-cultural marketplace – a central, dynamic meeting place where people can relax and meet other people, and where they are encouraged to take an active part in society.

Defining the purpose: from collection to connection

The way in which the library achieves its purpose will change in the coming years. The easier it becomes to find information elsewhere, the less need there is for libraries to provide access to their own collections. In a modern network society, reading and learning will be increasingly influenced by, or even part of, social processes. Rapidly-developing information and communication technologies will also make it easier to ask questions of and share information with other members of the community. The library of the future will therefore need to focus more on creating, stimulating and facilitating useful connections. More than ever before, people can learn and study by themselves and at home, as they can find everything they need on the World Wide Web. The library will supplement this, and become a social learning platform where people – supported and stimulated by the resources available – can work and study together. Visitors to the library will come to learn and share knowledge. Libraries operate in the local social context. Their success depends on the connections they are able to make with and between people and the local community, local government, the local business community and local public organisations. Their firmly-anchored, physical presence in society, their accessibility and their trustworthiness makes them an attractive partner for other organisations. They can therefore facilitate access to a wide variety of activities and take on a role of local guide and agent.

The road ahead

The developments in information technology and the social and economic changes taking place mean that libraries are going to have to change both the way they are run and the services they provide. They also need to make it clearer to people what the outcomes and benefits of their social purpose and corresponding tasks are.

The logical question is what the relationship between the physical and the digital library will look like. Of course, it is clear that libraries will need to transfer a large part of their operations to the digital domain, as digitisation is in full swing. The two domains should supplement, rather than be independent of, one another: the digital library will complement the physical, and vice versa. Both will strengthen and enrich one another, and in each domain people will be invited to make use of the other. This kind of integrated approach will

enable libraries to offer visitors a richer experience. A successful transformation to an innovative library based on connections implies a proactive attitude on the part of the library. Successful socio-cultural entrepreneurs are alert, creative, bold and convincing, combine substance with marketing acumen and look for support for their organisation and services, also financially. They constantly weigh up the balance between demand and supply-focused products, they network, enter into social alliances and create a learning library network in which successes are shared and adopted if they are found to fit the local environment and situation.

Conclusion

Since its origins in the early 20th century, the library has focused on the development of both the individual and society as a whole. The founding principles of the public library will remain unchanged in 2025: the library will still contribute to the development of the individual, and therefore remain a vital link in the future knowledge society. Apart from schools, the library will be the only institute to guarantee open access to information and sources for the development of the individual. The library in 2025 will, like that of now and a century earlier, provide access to information and knowledge. Whereas printed matter has been the main carrier of such information and knowledge for many decades, we will see a multiplicity of knowledge and information forms in the future – in databanks and electronic books, as well as on paper and in people's heads. The library will form a hub in which much of this knowledge comes together, is actively shared and further developed. The library will be a present-day agora – a modern socio-cultural marketplace – the beating heart of the community. It will distinguish itself from other meeting places by its easily-accessible, non-commercial character. Its physical location will give it socio-cultural value in cities, towns and villages, and ensure that it makes a real contribution to a sense of community and cohesion.

EXHIBIT 4: COMPETITOR LANDSCAPE DUTCH LIBRARIES



EXHIBIT 5: NATIONAL STATISTICS ON READERSHIP AND MEMBERSHIP

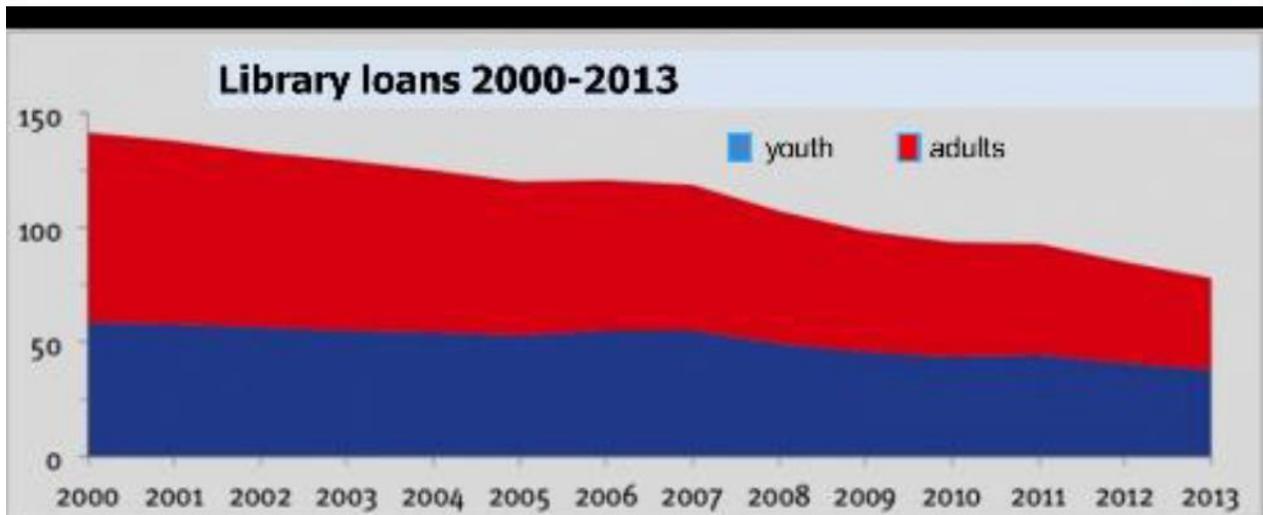
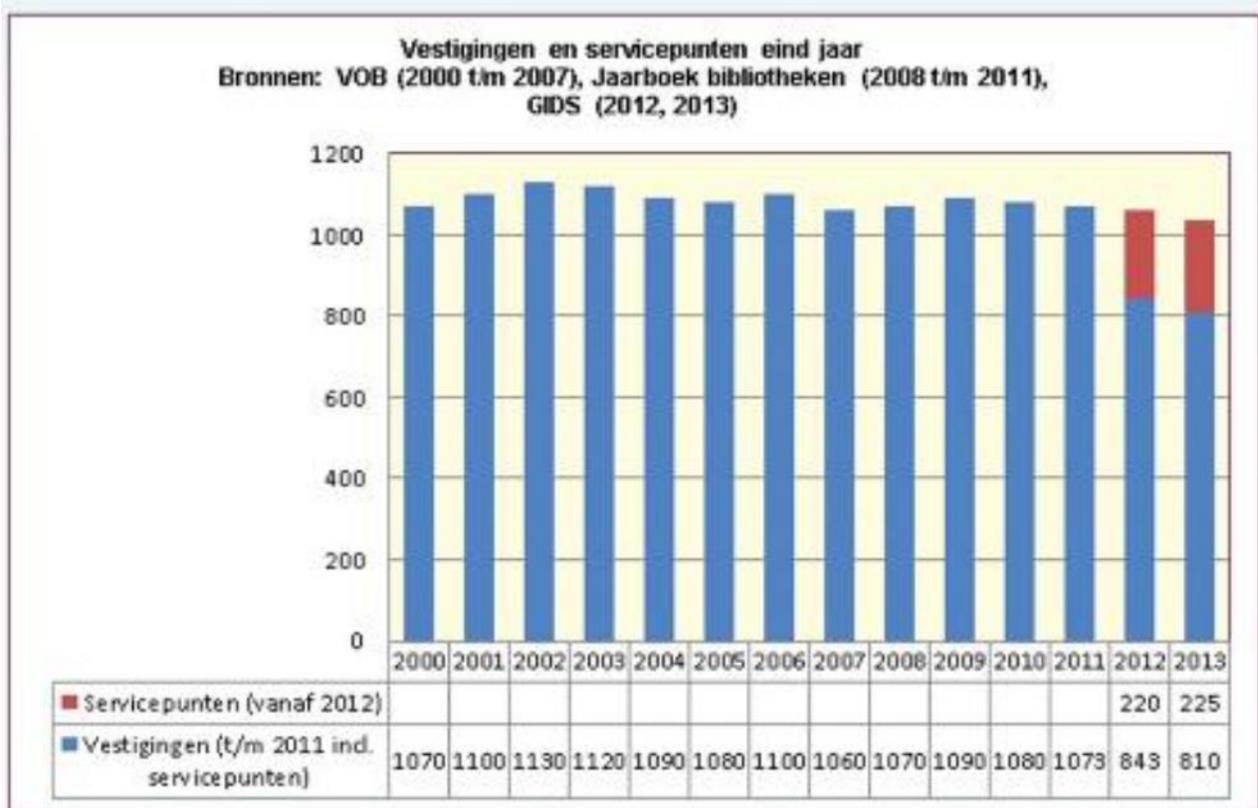


EXHIBIT 6: SURF

About SURF

SURF is the collaborative ICT organization for Dutch higher education and research. The SURF cooperative serves as a joint platform where Dutch research universities, universities of applied sciences, university medical centers, research institutions and senior secondary vocational education institutions, work together to develop ICT innovations. SURF U.A. Cooperative is a cooperative association (of 69 affiliated organizations) with excluded liability. It comprises the cooperative office (SURF office) and three operating companies: SURFmarket (ICT offers for education and research; online store for students and staff), SURFnet (ICT infrastructure networks used by 180 institutions) and SURFsara, Netherlands' national supercomputing center. In its policy plan 2015-2018, SURF focuses on a federative e-infrastructure for education and research; optimal use of data, tailor-made education; impact of research; safe and reliable environment, and efficiency and safety in work processes.

EXHIBIT 7: STRATEGIC PROGRAM 2017-2020



EXHIBIT 8: LOCATION AND PRESENCE RPL IN ROTTERDAM

Aanwezigheidsplan van de Bibliotheek Rotterdam in 2020 (indicatief)

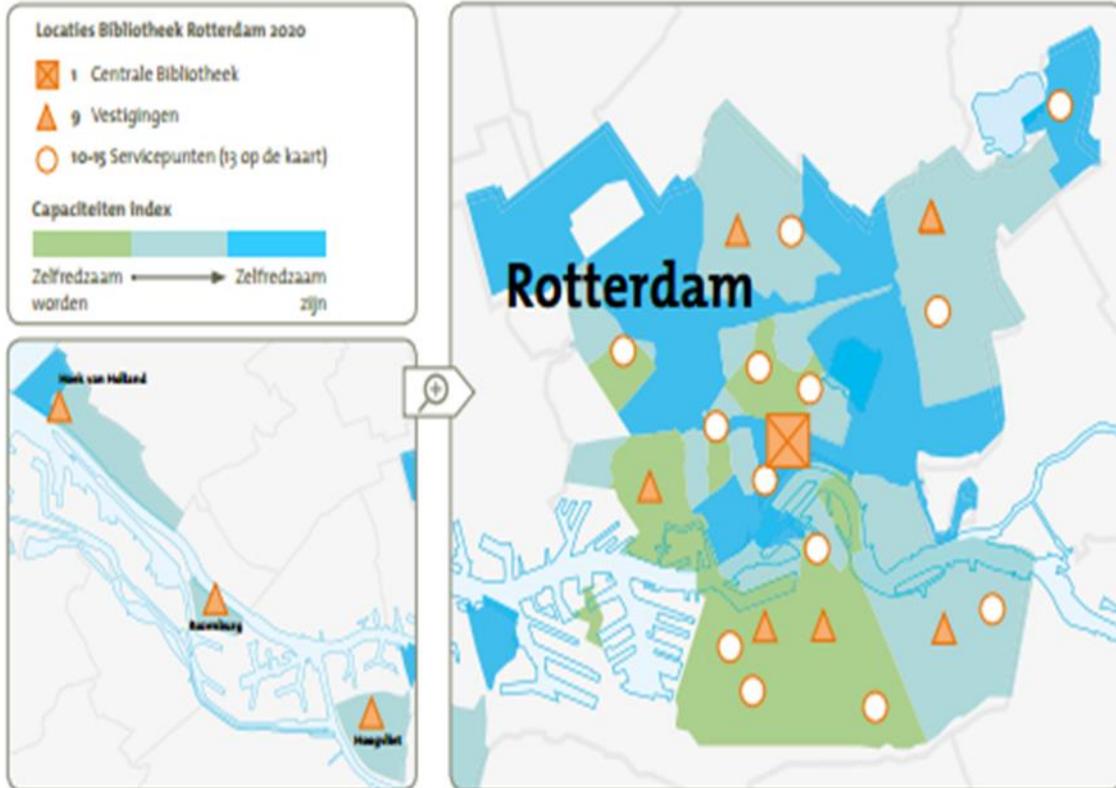


EXHIBIT 9: STRATEGIC PROGRAM 2017-2020

See box

EXHIBIT 10: ANNUAL ACCOUNT 2016

See Box

EXHIBIT 11: ROTTERDAM MUNICIPALITY

