

Breakfast briefing with the Dialog Corporation

Speaker:

Patrick Summer Chief Operating Officer, The Dialog Corporation
Evolution of the Online Information Providers: How the Industry Has Evolved and Where it's Heading As We Approach the Millenium.

Keeping the World Better Informed

Sommers starts his Briefing by observing that the good news is that we're in the right industry, and now is the right time. IIA estimates that the US database industry generates approximately \$200 billion in annual sales and is growing. But ours is an always changing industry and one with a growing appreciation of the competitive value of information. Old ideas have given way to a growing recognition of the value in knowledge management and widespread acceptance of the need to invest in information. Sommers indicates that it is imperative that companies get better information or data that can be turned into knowledge, and that this is how corporations will be managed in the future.

Dialog's online model is changing. Some of the factors influencing the change are:

- Publishers, having mastered the technology, are now offering direct access to their information.
- The Internet has opened up new opportunities in that a wide array of information is available to mass markets and appears to be free.
- Opportunity exists for more focused or niche information providers to make their information available to customers via the Web.
- Corporate Intranets will have an impact on disseminating information into corporate markets.

How will Dialog continue to add value in this new world? It is estimated that the US information retrieval market is doubling every five years. In 1992, the value of the market was \$11.4 billion; in 1997 it was \$22.2 billion; and estimates are that in 2002 it will be \$42.3 billion. The information industry used to be dominated by a handful of players. Today no one knows how many players there are, and the number of new players is causing fragmentation of the market. And, while the number of people offering services has increased at an impressive rate, the number of customers requiring services has not increased to the same degree. The result has been competition among partners that has resulted in declining royalties and revenues. Sommers expects this situation to change due to the fact that:

- There is simply too much information available.
- Internal and external information needs to be integrated into a common platform to be useful, and this is not easy.

- New customers will not be information professionals. As the world of the Internet and Intranets are opened, millions of people will have direct access to information which will result in a growing need for people who can assist end users.

Nearly 87% of all enterprises have Intranets, and 11% more plan to have one within 12 months. The percent of the corporate work force that will have access to 3rd party content on the Intranet will increase from 55% in 1997 to 87% in 2000. Driving the shift to knowledge management is a growing appreciation of the cost of gathering free information from the Web and the rapidly rising investment in technologies, such as Intranets, that facilitate knowledge management.

In a survey of Information Systems Administrators, 6% say they make “heavy organizational use” of the Intranet today, but 39% plan to use it heavily within 24 months (AMA). This finding indicates that Intranets are in companies, but they are not being used, which means that the true impact of the Internet on the information world has yet to be felt. Most Intranets today are used for e-mail and financial and record management but are not realizing the enormous potential for information dissemination. The move to knowledge management requires new capabilities.

There are three ways that Dialog will add value as it moves forward. The first is through the development of new indexing and advanced search technology. Dialog will be using InfoSort, a proprietary software developed over the last ten years that enables indexing of an organization’s internal and external information resources to the same high standard. Dialog also has several powerful search and retrieval engines for extracting internal and external resources developed over the last ten years at both M.A.I.D. and Dialog that it will make available to customers and partners.

The second way of adding value is the area of virtual publishing. Dialog has more than 900 files, the power of which can only be superficially used in the current model. It would like to use “push” technologies to take merged information into places it has never been – markets that have not been explored by the publishers and markets where Dialog can create value through aggregation.

The third new area is the creation of user tools. Dialog has launched two new Intranet solutions. LiveIntranet is the world’s first automated system for indexing and categorizing both internal and external knowledge to the same standard and is currently being used by the BBC. The Dialog Intranet Toolkit equips information professionals to build end-user interfaces to the Dialog content collection for installation on Intranets. This customization ability supports knowledge management at all levels of an organization.