

# Sustainable Models of Publishing?

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# SPARC Europe

## *Scholarly Publishing & Academic Resources Coalition*

- Formed in 2002 following the success of SPARC (launched in 1998 by the US Association of Research Libraries)
- Encourages partnership between libraries, academics, societies and responsible publishers
- Originally focused on STM, but coverage expanding
- Has over 110 members in 14 countries
- By acting together the members can influence the future of scholarly publishing



# Everybody's Hurting

## ARL Survey of Members:

- 40% already experienced cut-backs
- 82% expect cut-backs for 2009-2010
- 50% expect reductions of 5-10%, but
- 5% expect budget cuts of greater than 10%

<http://www.arl.org/sparc/bm~doc/ala09lowry.pdf>



# Everybody's Hurting

- Stanford University Libraries facing a 13.5% reduction in general funds budget (2009-2010)
- Already 60 library positions have been affected by layoffs, reassignments and other cost-cutting measures
- 'In addition to trimming its workforce, University Libraries has cut expenses by reducing the purchase of books, journals and online subscriptions; closing Green Library at 1 a.m.; eliminating patron outreach programs, including the semi-annual magazine Imprint; and eliminating most staff travel.'
- And in 2010 the Physics Library will be closed with holdings transferred to other locations

<http://digital-scholarship.org/digitalkoans/2009/06/15/stanford-university-libraries-have-laid-off-32-employees-will-close-physics-library/>



# Everybody's Hurting

- Fall in value of Sterling has impacted UK libraries
- Library purchasing power reduced by 16% in 2008-2009, leaving shortfall of up to £400,000 for some large libraries

[http://www.rin.ac.uk/files/Scholarly\\_books\\_journals\\_at\\_risk.pdf](http://www.rin.ac.uk/files/Scholarly_books_journals_at_risk.pdf)

- Assessment for Times Higher Education highlighted a series of financial hurdles that universities must clear, including:
  - cuts to government funding
  - the growing burden of debt repayments
  - pension and pay commitments
  - a potential drop in international and domestic student numbers
- The analysis shows that before the recession, university surpluses grew year on year; but as financial pressures increase, a "typical" institution's surplus is set to drop from £5 million this year to zero by 2012.
- "The general view is that there may be 30 [UK] institutions facing a deficit this year. I think that is a significant underestimation." Anonymous UK vice-chancellor

<http://www.timeshighereducation.co.uk/story.asp?sectioncode=26&storycode=407753&c=2>



# ..or Almost Everybody!

## Reed Elsevier Interim 2009 Results

- For Elsevier results relative to 2008:
  - Revenue: +22% (+3% at constant currencies)
  - Profits: +29% (+14%)
  - Operating margin: 32.3% (from 30.6%)
- ‘The second half should see continued revenue progress with good online sales and a strong publishing programme’
- ‘Elsevier is working with customers to ensure that their growing information needs are met and research productivity enhanced in a **moderating pricing environment** for science journal subscription renewals so as to address the pressure on academic budgets.’

<http://www.reedelsevier.com/mediacentre/pressreleases/Documents/2009/Reed%20Elsevier%20Interim%20Announcement%2029%20July%20FINAL.pdf>



# ..or Almost Everybody!

## John Wiley & Sons 2009 Results

- For Scientific, Technical, Medical, and Scholarly (STMS)
  - Full year revenue +9% and fourth quarter revenue +17% on currency neutral basis
  - Full year contribution to profit +14% and fourth quarter contribution to profit +22% on a currency neutral basis

<http://au.wiley.com/WileyCDA/Section/id-301452,newsId-2418.html>

## Informa

- Publishing (including Taylor & Francis)
  - Revenues of £322m (2008: £286m) have increased by 13% (+1.4% constant currencies)
  - Adjusted operating profits of £97m (2008: £73m) have increased by 32%, (4.6% constant currency basis)

[http://www.informa.com/\\_data/assets/pdf\\_file/0009/155376/Full\\_Interims\\_Announcement.pdf](http://www.informa.com/_data/assets/pdf_file/0009/155376/Full_Interims_Announcement.pdf)



# Business as Usual?

‘We have little visibility yet on academic institutional budgets for 2010 but will approach the renewal process in the same way as we have done in previous years.’

[http://www.informa.com/data/assets/pdf\\_file/0009/155376/Full Interims Announcement.pdf](http://www.informa.com/data/assets/pdf_file/0009/155376/Full_Interims_Announcement.pdf)



# Business Unusual

## Oddities of the journals business:

- Payment in advance – 6-18 month interest-free loans to publishers
- Payment in publishers' choice of currency, not currency of customer
- No guarantee of volume of material purchased
- No guarantee of quality of material purchased (normally 'peer reviewed' but there are no peer review standards)
- Little correlation between price and quality (however you define it)
- Limited flexibility in big deals
- Price in one medium based (in part) on price in another (obsolete?) medium



# Business Unusual

Many of these issues are not factors that the customers (librarians) would choose.

This is indicative of a basically disfunctional market:

- Inelastic – customers respond weakly to price changes (both positive and negative)
- Non-substitutable
- Monopolistic

“The market under consideration is very far away from the ‘ideal perfectly competitive private market’ that has been celebrated ever since Adam Smith (1776).”

[Study on the Economic and Technical Evolution of the Scientific Publication Markets in Europe](#), 2006



# The Ideal?

The recent ICOLC **Statement on the Global Economic Crisis and Its Impact on Consortial Licenses** gives some clues:

Principle 1: **Flexible** pricing that offers customers real options, including the ability to reduce expenditures without disproportionate loss of content, will be the most successful.

Principle 2: It is in the best interest of both publishers and consortia to seek creative solutions that allow licenses to remain as intact as possible, without major content or access reductions.

With these two principles in mind, we suggest the following approaches:

1. Purchasers will **trade features for price**; that is, we can do without costly new interfaces and features.
2. Putting price first will help all parties, because budget pressures will drive decisions in a way never seen before. **Real price reductions will be welcomed** and can help to sustain relationships through the hard times.
3. **Tailoring content to need** and pricing accordingly can be very helpful.
4. Multi-year contracts will be possible only with clear opt-out and/or reduction clauses.
5. While annual payments currently are the most prevalent payment schedule for group licenses, options will be needed for semi-annual or quarterly payment schedules, in combination with more flexible opt-out/reduction clauses and renewal cycles.

<http://www.library.yale.edu/consortia/icolc-econcrisis-0109.htm>



# But is this Enough?

What is missing is a debate on the nature of value.

Traditionally, value is based on historic print spend. This is increasingly becoming anachronistic.

If we were starting from scratch what metrics would we use to determine value:

- Total citations
- Local citations
- Downloads
- Research spend
- Academic and/or student FTEs
- National or local peer review/evaluation

# The Determination of Value – Some Thoughts from Publishers

American Chemical Society – Value-Based Pricing.

ACS has 'identified issues related to basing our licensing fees on historical print expenditure.

- Our institutional customers in North America have expressed dissatisfaction with being held to duplicate print copies
- We lacked a basis for pricing new journals and customers with no print history
- We needed new approach that would allow us to keep pace with editorial initiatives.'

Pricing by value-based metrics including:

- journal's usage
- number of articles published
- impact factor

[http://pubs.acs.org/page/4librarians/vbp/background/rationale\\_story.html](http://pubs.acs.org/page/4librarians/vbp/background/rationale_story.html)



# The Determination of Value – Some Thoughts from Publishers

“A next step we are considering is to apply tiered pricing on a broader scale. Criteria that would help determine customer tiering include:

- **Research type** (e.g., Carnegie Classification in the US) – taking into account the focus on primary research within an institution (i.e., all things being equal a teaching institution would pay less than a dedicated research institution for access to the same journal).
- **Size** – taking into account how many (potential) users have access (i.e., all things being equal an institution with 1,500 staff and students would pay less than an institution with 25,000 staff and students for access to the same journal).
- **Geography** – taking into account relative purchasing power (i.e., an institution in an emerging market like Indonesia would be charged less than an institution in a mature market like the United Kingdom for access to the same journal).”

**Alexander Van Boetzelaer, Elsevier, [Reconsidering Journal Pricing In an Electronic Environment](#)**



# A New Contract

But let's not wait for publisher offering!

The academic community (led by the libraries) needs to develop new ways of measuring the value of journals and big deal packages.

It needs to become clearer on terms and conditions:

- Flexibility
- Perpetual access
- Confidentiality clauses (or lack of)
- Etc



# Negotiate from Strength

‘We foolishly signed the contract’

The community needs to be able to negotiate new deals from a position of strength. In practice, this means the library needs political (small ‘p’ and large ‘P’) support for new deals and new models



# A New Contract - Disaggregation

Big deals aggregation journals (and journals aggregate articles!)

But journals and big deals also aggregate services

Should we disaggregate services (and pay for just those that we want)?



# The Aggregated Journal

Scholarly journals comprises four functions:

<b>REGISTRATION</b> Establishing intellectual priority	<b>CERTIFICATION</b> Certifying the quality/validity of the research	<b>AWARENESS</b> Assuring accessibility of research	<b>ARCHIVING</b> Preserving research for future use
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## Current models:

- Aggregate these functions
- This made sense in print environment

# The Dis-Aggregated Journal

Each function fulfilled by different players:

<b>REGISTRATION</b> Institutional (or discipline) repository	<b>CERTIFICATION</b> Peer review services from publishers	<b>AWARENESS</b> Search tools (Google), linking (CrossRef), etc	<b>ARCHIVING</b> Institution, Portico, National Libraries, etc
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PubMed Central  
Search Journal List



**JOURNAL OF VIROLOGY**  
Published Twice Monthly by the American Society for Microbiology  
1967-present

Journal List > J Virol > v.80(10); May 2006

- Abstract
- Full Text
- PDF (226K)
- Contents
- Archive
- Journal Homepage

J Virol. 2006 May, 80(10): 5092-5096. PMCID: PMC1472084  
doi: 10.1128/JVI.80.10.5092-5096.2006.

[Copyright](#) © 2006, American Society for Microbiology

## Isolation and Genetic Characterization of New Reassortant **H3N1** Swine Influenza Virus from Pigs in the Midwestern United States

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Received July 26, 2005; Accepted February 10, 2006.

▶ This article has been [cited by](#) other articles in PMC.

### ABSTRACT

Since the introduction of H3N2 swine influenza viruses (SIVs) into U.S. swine in 1998, H1N2 and H1N1 reassortant viruses have emerged from reassortment between classical H1N1 and H3N2 viruses. In 2004, a new reassortant H3N1 virus (*A/Swine/Minnesota/00395/2004*) was identified from coughing pigs.

Related material:

- PubMed related arts
- PubMed record
- PubMed related arts
- PubMed LinkOut
- Nucleotide
- Protein
- Taxonomy
- Taxonomy tree

Yoon, K.

- TOP
- ABSTRACT
- NUCLEOTIDE SEQUENCE
- ACCESSION NUMBERS.

# Integrate Research outputs into E-Science / E-Research

- Take content from journals and repositories (local and remote)
- Add Web 2.0 functionality
- Plus user desire for increased collaborative working
- Create resources that serve the community in new ways by providing not just content, but a complete research environment
- Discrete silos of information stand in the way of such integration – **this is not money well spent and the library should not be paying for it!**



# Scalability

- Journal literature growing by approximately 3% per year
- Doubling every 25 years
- Growth in number of publications from India and China
- Worldwide stimulus packages will only add to the number of papers being published

No subscription model can keep pace

What about input models?



# Open Access

The only scalable model is one that ties dissemination costs to research costs

Open access (though publication charges) does this.

Funders increasingly see dissemination as part of the research process and publication costs as research costs

‘Our mission of disseminating knowledge is only half complete if the information is not made widely and readily available to society.’

Berlin Declaration in Support of Open Access

<http://www.zim.mpg.de/openaccess-berlin/berlindeclaration.html>



# Conclusions

- Open access cures all ills, but in the meantime...
- We need a new contract for providing access to the journal literature
- The community cannot afford to wait for models from the publishers, so
- We must move from being reactive to being proactive
- Let's determine our metrics of value – what are these packages worth to us? What are the cost/benefit equations
- We need to engage with academics, administrators, and politicians to ensure that we enter negotiations with strong backing.



# Determining Value

**“A cynic is a man who knows the price of everything but the value of nothing.”**

Oscar Wilde

**“Arguments are extremely vulgar, for everyone in good society holds exactly the same opinion.”**

Oscar Wilde

