

4th Nordic Conference on Scholarly Communication 21-23 April 2008

Openness—Trade, Tools and Transparency
Emerging Business Models

Transformative Scholarly Publishing Models: Some Perspectives

Lorelei Tanji
Associate University Librarian, Collections
University of California Irvine Libraries
ltanji@uci.edu



Some perspectives

1. Emerging business models
2. Value-based approach negotiating
3. Criteria for evaluating transformative models
4. Some trends & audience response



Growth of Journal Publishing

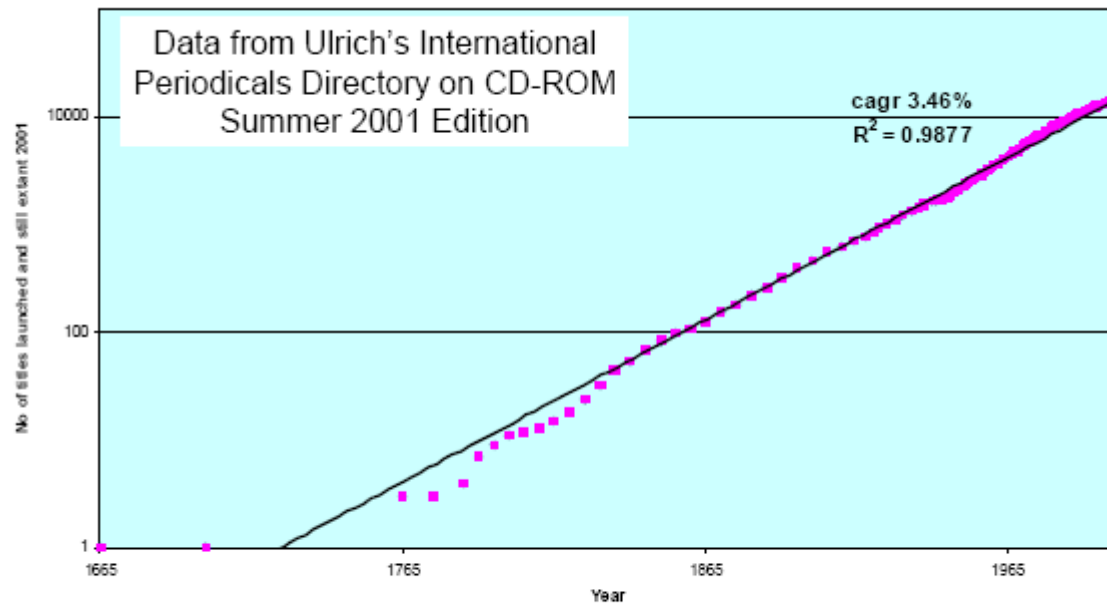
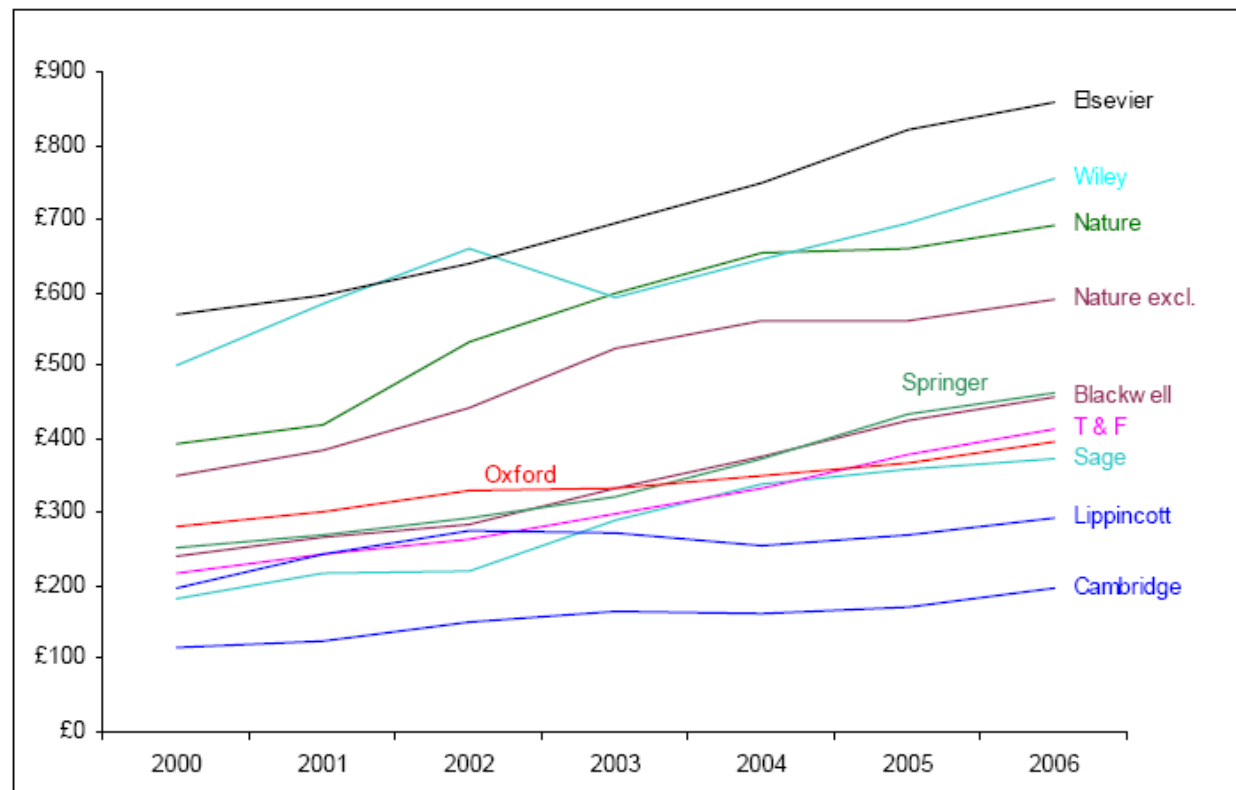


Figure 2: The growth of active, peer reviewed learned journals since 1665⁴

Scientific publishing in transition: an overview of current developments
Mark Ware Consulting Ltd (2007)

Increasing Journal Prices

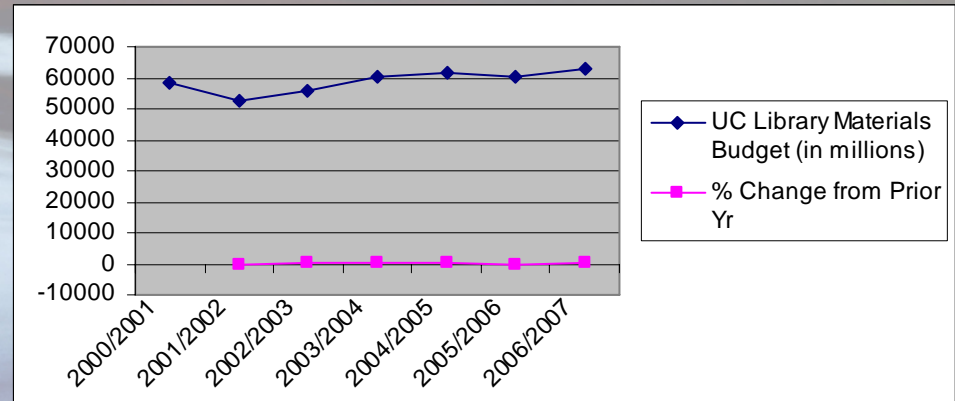
2.3 Median journal prices



Flat Library Budgets

University of California Library Budgets Overall,
2001-2007: Up 6%
($<1\%$ per year)

UC Library Materials Budgets, 2001-2007:
Up 8% (1% per year)



Leaders in the field

- Ted Bergstrom <http://www.econ.ucsb.edu/~tedb/>
- Mark McCabe
<http://www.econ.gatech.edu/faculty/mark-mccabe/>
- Peter Suber
<http://www.earlham.edu/~peters/hometoc.htm>
- SPARC Europe <http://www.sparceurope.org/>
- SPARC <http://www.arl.org/sparc/>



Issues at stake

- Access to scholarly information is at risk
- Trends in scholarly publishing limit the ability of academic libraries to maintain collections
- Current model threatens to reduce exposure to and impact of scholars' work
- Benefits to society curtailed





Hindawi



STANFORD ENCYCLOPEDIA OF PHILOSOPHY



SCOAP³

Milestone events

- European Research Council: EU-wide mandate to make research available within 6 months
- U.S. National Institutes of Health (NIH): Mandate to make NIH grant-funded research available within 12 months



Milestone events

- Harvard's Faculty of Arts & Sciences voting to post their research in an institutional repository
- SCOAP3: Convert high-energy physics journals to OA; form consortium; redirect funds to support peer review process



Growth of transformative models & potential benefits

- Promise to create change
- Correlation to high citation impact
- Potential to accelerate recognition & dissemination of research
- Potential cost efficiencies in publishing

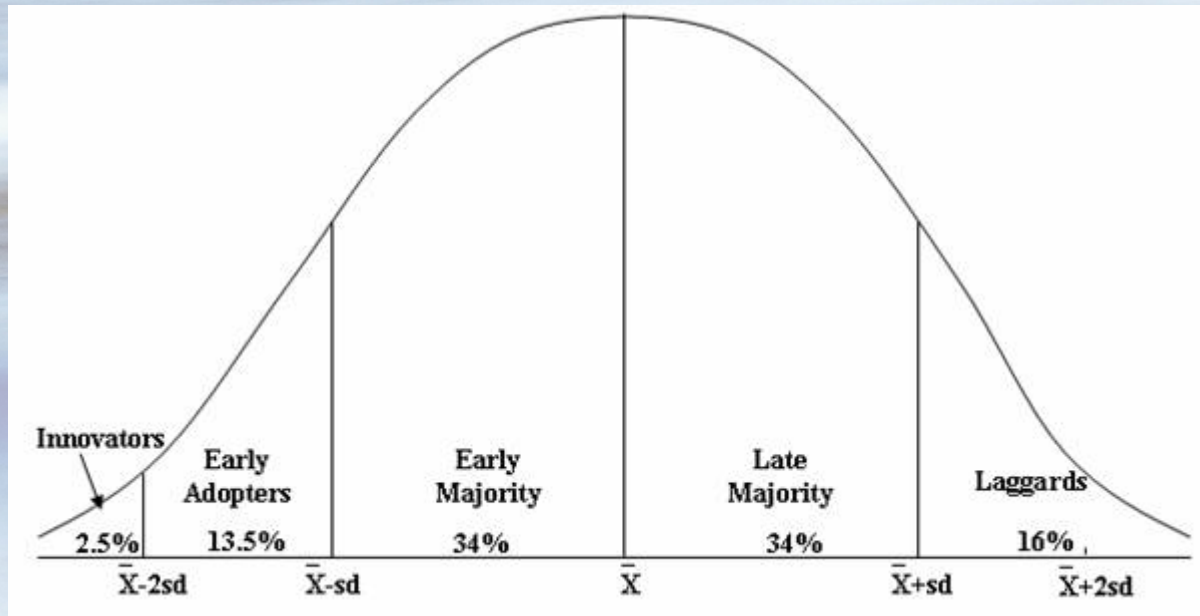


Transformative business models

- How do we define “transformative”?
- What criteria can be used to assess whether a particular publishing model is transformative?
- What is the return on investment and range of expectations in exchange for supporting various business models?
- How do we assess and compare the value of various scholarly publishing models?
- What informs decisions about supporting initial start-up ventures vs. long-term support?
- How can we influence the emerging business models?

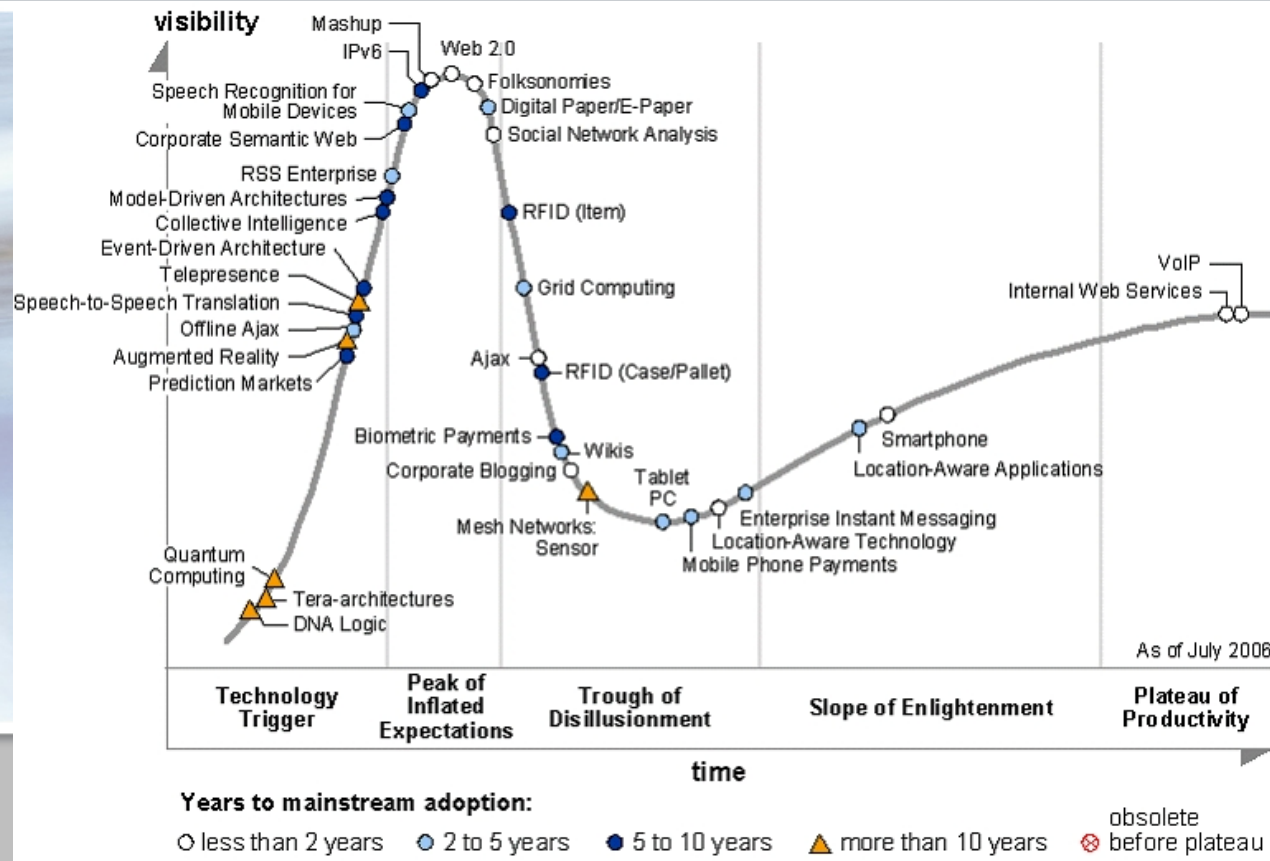


Roger's Diffusion of Innovation



Gartner Hype Cycle

2006 Emerging Technologies Industry



University of California (UC)



University of California Environment

- 10 campuses + California Digital Library (CDL)
- Annual systemwide materials budget of approximately \$64 million
- UC expends over \$27 million annually on digital resources
- Strategic priority is to leverage our market buying power in order to advance economically balanced and sustainable scholarly communication system



UC groups

- UC Collection Development Committee (CDC)
<http://libraries.universityofcalifornia.edu/cdc/>
- UC Scholarly Communication Officers Group (SCO)
<http://libraries.universityofcalifornia.edu/sco/>
- UC Office of Scholarly Communication (OSC)
<http://osc.universityofcalifornia.edu/>



Collaborative approach

- CDC (10 campus reps + CDL rep)
 - 25+ UC-wide bibliographer groups reporting to CDC
- SCO (10 campus reps+ CDL/OSC rep)



The Saga of UC

Grave concern about the pricing of large journal packages



Hold a Summit Meeting!



Summit meeting (2005)



Edict from on high

SCO--go forth and develop criteria for what constitutes a transformative business model

- CDC--go forth and develop strategies and solutions for negotiating better deals!



Looked for inspiration: 3 B's

- Budapest <http://www.soros.org/openaccess>
- Bethesda
<http://www.earlham.edu/~peters/fos/bethesda.htm>
- Berlin <http://oa.mpg.de/openaccess-berlin/berlindeclaration.html>



SPARC criteria for partners, leading edge ventures, scientific communities

- Market impact
- International perspective
- Uses electronic media & technologies to add value
- Advance users' interests in IP, usage rights, archiving
- Well-defined purpose
- Reputation of partner & compatibility of values
- Contribution to a paradigm shift in technology use
- Critical mass; aggregating a critical mass of prestigious peer-reviewed journals & content
- Base in non-profit sector
- Editorial standards
- Financial viability
- Project management



Transformative Models

SCO developed a report:

“UC Library Investments in Transformative Scholarly Communication Models” (March 2005)

http://libraries.universityofcalifornia.edu/sco/UC_Libraries_investments_in_Transformative_Models4-14-05.pdf



UC SCO Report: Key Factors/Qualities for Transformative Models

- Potential for transformative influence = Extremely important
- Economic sustainability = Extremely important
- Operational Transparency = Very important
- Uniqueness = Important
- Scholar-led = Important
- Protection from financial risk = Important
- Non-profit status = Important



Collection Development Committee (CDC)

- UC Collection Development Committee worked to:
“...determine how the libraries should exercise their buying power in the marketplace [to achieve] more reasonable and more sustainable subscription pricing.”



Value Based Prices Report

- CDC Report issued in January 2007

“The Promise of Value-based Journal Prices & Negotiations”

<http://libraries.universityofcalifornia.edu/cdc/valuebasedprices.pdf>

- Tried to answer the question:

How can we establish, validate and communicate an explicit method for aligning the purchase or license costs of scholarly journals with the value they contribute to the academy and the costs to create and deliver them?



Elements of Value Based Prices

1. Alternative base price that accounts for scholarly value and impact
2. Transparency for annual prices increase
3. Value-added contributions from the purchasing/leasing institution
4. Transaction efficiencies



Alternative Base Price

- Borrows from analysis done by Ted Bergstrom and Preston McAfee on journal cost effectiveness
<http://www.journalprices.com>
- Posits that prices should be tied to objective measures of a journal's value



Alternative Base Price: Bergstrom-McAfee

- Calculated a Composite Price Index (CPI)
- Determined a Relative Cost Index (RCI) looking at how a journal relates to non-profit journals in the same discipline
- For-profit journal with same CPI as a non-profit journal has an RCI of 1
- A value below or near 1 is a “good” value; a value above 1.5 is a “low” value



Alternative Base Prices

- Progressively “discount” list price for journals with high RCI scores (low value)
- Did test cases with 2 publishers’ journal lists
 - Yielded discounts in the range of 40% and 50% for the entire list of journals for which RCI data was available



Transparency for Annual Price Increases

- Tie price increases to actual increases in publisher production costs
- Use Producer Price Index's (PPI) "Commodity Finished Goods Less Food and Energy"
- PPI measures price change from seller's perspective
- Use 3-year average to provide stability and predictability
 - Ex: 2003-2005 average: 1.36%



Value-Added Contributions

- Need to acknowledge contributions of labor and overhead from universities and faculty members
- Used Bergstrom and McAfee's estimate that universities contribute some \$12,000 a year
- Calculated potential "Contribution credits"
 - \$211,00 and \$372,000 credit for 2 publisher journal bundles
- Need much more work to determine actual costs



Transaction Efficiencies

- UC libraries often co-invest in systemwide purchases
- Publishers need to make rationales for consortial discounts explicit
- Discounts, when explicit, often based on historic average of print subscriptions
- Need to move away from historic print subscriptions and come up with clear economic rationale and more sophisticated modeling for these discounts



2 Reports as touchstones

- SCO Report (March 2005): “UC Library Investments in Transformative Scholarly Communication Models”
http://libraries.universityofcalifornia.edu/sco/UC_Libraries_investments_in_Transformative_Models4-14-05.pdf
- CDC Report (January 2007)
“The Promise of Value-based Journal Prices & Negotiations”
<http://libraries.universityofcalifornia.edu/cdc/valuebasedprices.pdf>



Negotiation with “transformative publisher”

UC: You have been in business for a couple of years now, and we like your potential for transformative influence (Extremely important).

But since you are raising your prices what is your:

- Economic sustainability (Extremely important)
- Operational Transparency (Very important)

Share with us your business plan, please be transparent.



Negotiation with “transformative publisher”

Transformative publisher responded:

Nyet!



Negotiation with “transformative publisher”

Transformative publisher responded:

Nyet!



The Saga of UC continued

Transformative publisher said:

We have a transformative publishing model so you should buy us for that reason.

And other than your request to be transparent, what do you want? What would make you buy/support our product?



Criteria for supporting transformative models

- Joint CDC/SCO Task Force on Criteria to Determine UC's Support for Transformative Scholarly Publishing Models [forthcoming – April/May 2008]
<http://libraries.universityofcalifornia.edu/sco/>
- Criteria to tell publishers what we want and to influence the publishing models



Transformative Criteria

- Startup product: Investment based on initial expectations of potential impact
- Ongoing product: Continue to invest when it meets the Impact Assessment criteria. Expect “Return on Investment” (ROI) that can be tangible or intangible



Transformative Criteria

Startup:

- Potential for transformative influence
- Operational sustainability
- Disclosure/transparency (economic model, analysis of economic vitality, etc.)
- Uniqueness
- Scholar-led
- Protection from financial risk
- Non-profit status



Transformative Criteria

Ongoing:

- Continued evidence of meeting initial impact criteria
- “Impactful” success indicators like:
 - # of articles and/or journal/book titles cf. with traditional publishing
 - # of authors using transformative effort
 - ISI impact factor
 - Eigen factor
 - Copycat phenomenon
 - Sustainability for UC (costs less than or does not exceed traditional costs)



Transformative Criteria

Tangible return-on-investment (ROI) factors:

- Author discounts for publishing fees
- Alternative methods for sharing research results
- Input and influence in the scholarly publishing initiative (member of governance or advisory body)

Intangible return-on-investment factor:

- Symbolic & political impact



UC strategy

- We plan to use these criteria to evaluate and assess start-up and ongoing transformative models to inform decision-making



Return on investment (ROI)

White Paper: University investment in the library: What's the return? A case study at the University of Illinois at Urbana-Champaign. -- Judy Luther, President, Informed Strategies
<http://libraryconnect.elsevier.com/whitepapers/lcwp0101.pdf>



Return on investment

“...Elsevier started noticing a theme arising in individual conversations with customers. Librarians told us that their administrations were asking for research performance measurement, cost justification, and return on investment.”



Return on investment

“...libraries are being challenged increasingly to demonstrate their value to their institution in compelling quantitative terms...this study highlights grant income generated by faculty using library materials.”



Return on investment

- Carol Tenopir, Judy Luther, Kira Cooper developed a ROI model “to measure the value of all library content and not be limited to a single publisher’s product”
- Study measures use of citations drawn from library resources and impact on grant proposals and awards



Library/University publishing services as an emerging business model

- Research Library Publishing Services: New Options for University Publishing—Karla Hahn, ARL (April 2008) <http://www.arl.org/resources/pubs/reports/>
- Publishing Needs and Opportunities at the University of California—Catherine Candee and Lynne Withey, (April 2008)
http://www.slp.ucop.edu/consultation/slasiac/102207/SLASIAC_Pub_Task_Force_Report_final.doc



Association of Research Libraries (ARL) Study on Research Library Publishing Services

- 44% of the 80 responding ARL members offered publishing services; viewed as an important part of their mission
- Among 44% of respondents:
 - 88% e-journals
 - 79% conference papers & proceedings
 - 71% monographs



Publishing Needs and Opportunities at the University of California—Catherine Candee and Lynne Withey (April 2008)

- Primary driver of this report = the high cost of scholarly journals and the desire to find out what UC could do
- Survey of publishing activities at each of the 10 UC campuses
- Lots of scholarly publishing, especially departments and research centers



Publishing Needs and Opportunities at the University of California—Catherine Candee and Lynne Withey (April 2008)

- Limited awareness of publishing & scholarly communication issues
- Faculty continue to publish in traditional venues
- Widespread awareness of scholarly publishing as an issue for concern, but no sense of immediacy (“it’s not a problem for me”)
- Two perceived areas of major concern:
 - Non-traditional formats
 - Interdisciplinary research



Publishing Needs and Opportunities at the University of California—Catherine Candee and Lynne Withey (April 2008)

Recommendations:

- Establish a UC-wide publishing program
- Create a system to support publication of non-traditional formats
- Establish more comprehensive services for faculty publishing digital projects
- Collaborative developments of criteria for assessment of non-traditional formats for Promotion & Tenure purposes
- Undertake formal analysis of the economic issues of current & emerging publishing environment



Trends

- Focus on return on investment metrics
- “Library/University as publisher” paradigm

Audience response

I-clickers:

Informal and immediate reactions

À la Malcolm Gladwell's "Blink: Power of Thinking without Thinking"

First impressions count!



Practice question:

How many of you have used an i-clicker or other audience response system?

A: Yes

B: No



Audience demographics: Which category do you most identify with?

A: Publisher

B: Researcher

C: Librarian



Startup Transformative Business Model: Which criterion do you think is the most important?

- A: Potential for transformative influence
- B: Operational sustainability
- C: Disclosure/transparency of economic model
- D: Scholar-led
- E: Non-profit status



Ongoing Transformative Model: Which criterion do you think is the most important?

- A: Potential for transformative influence; copycat phenomenon
- B: Number of articles compared to traditional publishing methods
- C: ISI impact factor or Eigen factor
- D: Tangible ROIs: Author discounts on article fees; ability to provide input as member of governance or advisory board, etc.
- E: Symbolic or political value



Which libraries/universities are offering publishing services?

- A: Already offer publishing services
- B: Planning to offer publishing services
- C: Do not offer publishing services



For those libraries/universities who are already offering publishing services--what type of publication(s) are you publishing?

- A. Publishing e-journals
- B. Conference papers & proceedings
- C. Monographs
- D. Pre-prints & post-prints
- E. All of the above or some combination



Future?

