

The global economic crisis and its impact on consortia: a financial perspective

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There is nothing new about library co-operation

- Interlibrary loan: In 1898, the University of California Librarian announced he was willing to lend to other libraries who were willing to reciprocate
- Catalogues: In 1901 the first regional union catalogue was developed at California State Library

The first 'real' library consortium?

- In the later 1980s the first US state-wide consortium – OhioLink – was established
- Received widespread attention as they were able to obtain additional state funding for their cooperative work

The role of consortia

- “Consortia are like snowflakes, each one is unique” (Merryll Penson, Galileo)
- What do they do?
 - Licensing & negotiation
 - Union catalogues
 - Interlibrary loan
 - Cooperative collection development
 - Shared storage
 - Research projects
 - Digital initiatives
 - Training



Statement on the global economic crisis and its impact in consortial licenses (2009)

“We expect significant and widespread cuts in budget levels for libraries and consortia”

“These cuts will be prolonged”

“Library consortia are uniquely positioned to be the most effective and efficient means to preserve the customer base for publishers and create solutions that provide the greatest good for the greatest number. By working together, publishers and consortia can create the most effective pricing and renewal options and maintain the broadest base of subscribing libraries and services”

The economic downturn & libraries

....the short-term outlook for libraries in all sectors is a challenging one, given the slow down in the economy in many parts of the world. It is clear that most libraries are feeling the pinch, with budget settlements for the current financial year that are either stand still or smaller than last year.

*CIBER, The economic downturn
& libraries, 2010*

What do consortia want?

- Flexible pricing that offers customers real options, including the ability to reduce expenditure without disproportionate loss of content
 - Real price reductions
 - Trade features for price
 - Multi-year deals – opt outs
 - Flexible payment options

What's at risk?

- **Journals and the “big deals”**
 - e-journal big deals are consuming an ever increasing proportion of the acquisition budget
 - larger publishers are flourishing at the expense of smaller publishers
 - impact of the ‘big deal’ with year-on-year price increases & difficulty of making cancellations

Not everyone agrees!

“The Big deal is the best invention since sliced bread. I agree that there was once a serial pricing problem; I have never denied there was a problem. But it was the Big Deal that solved it”

Derk Haank, CEO, Springer

www.infotoday.com/IT/jan11/Interview-with-Derk-Haank.shtml

Pros and Cons

- Pros

- A big deal is a great deal
- Easy to manage the full list rather individual titles
- Cost per download is low
- Everyone keeps renewing (so far)

- Cons

- Cost based on historical print subscriptions which bear no relation to current research/teaching
- Big research libraries can't reduce costs
- All or nothing – title-by-title purchase means unrealistically high cost

What's at risk?

- **Book purchasing**
 - has already taken a hit over a number of years
 - many librarians think it is time to reverse the slide
 - is it time for a radical re-think? (Kent Study: 40% of printed books had never circulated during 6 year period)
 - are e-books the future? CIBER study shows the outlook for e-books is strong
 - customer-driven e-book purchasing

What's at risk?

- **Abstract & Indexing services**
 - Internet search engines are the first port of call for students & researchers (CIBER, 2008; BL 2009)
 - Google Scholar – utilising metadata from publishers & libraries – impact on A&I databases

So what's happening on the ground?

- At March 2011 ICOLC meeting in Austin, Texas it was agreed to undertake a journal cancellation survey
 - How many packages have you already cancelled/ reduced?
 - % reduction in spend
 - % reduction in number of titles
 - Did you replace this with title-by-title purchasing from same publisher?
 - How many packages do you plan to reduce or cancel at next renewal?
- The results will be presented at the Autumn ICOLC meeting in Istanbul

What are our options?

- JISC Collections Survey of NESLi2 reps, 2011
 - Around 75% of respondents want JC to explore a core list of journals (as an alternative to the big deal)
 - “A reduced price core list could be useful, provided that we have the option to subscribe to additional titles”
 - “You’ll never find a core list that satisfies everyone”
 - “The economic situation means a more targeted approach to subscriptions and cancellations will most certainly be required”
 - [72% of respondents want JC to explore subject collections]



What are our options?

- Less content
 - Smaller packages
 - Title-by-title
 - Pay-per-view
- Ration use!
- Limit other services
- Reduce staffing levels
- Charge back for content creation – authorship, peer review, editorial roles
- **“The value of UK HEIs contribution to the publishing process”** (JISC Collections)
- The cost of peer review to UK universities is between £110 and £165 million per year
- Editors & editorial boards cost UK universities up to £30 million per year
- For comparison, UK universities spend between £113 and £121 million annually on journal subscriptions

We need some new business models

- User population
 - FTE: all students; faculty; pg students; researchers
 - Relevant departments/ disciplines
- Research environment
 - Degrees awarded
 - Publications (measured by WoS, Scopus etc)
 - Grants income

Elements of new business models

- Library materials budget
- Institutional budget
- Usage (full text downloads/ snap shot or trend)
- Bands – based on a combination of some/all of above (e.g. Carnegie, JISC Collections)