



IFLA  
2005  
OSLO

## World Library and Information Congress: 71th IFLA General Conference and Council

### "Libraries - A voyage of discovery"

August 14th - 18th 2005, Oslo, Norway

*Conference Programme:*

<http://www.ifla.org/IV/ifla71/Programme.htm>

August 1, 2005

**Code Number:**

**169-E**

**Meeting:**

**88 Serials and other Continuing Resources**

*"Million dollar baby: changing serials business models for an electronic age".*

### **Caught between print and electronic**

**Kari Stange**

BIBSAM, The Royal Library's Department for National Co-ordination and Development,  
Stockholm, Sweden.

#### ***Abstract***

*The BIBSAM consortium in Sweden has licensed e-journals since 1998. During this period several different business models have been tested. This paper describes some of the experiences gained along the way.*

*The key issue is to strive for models that are cost efficient when taking the whole life cycle of licensing e-journal content into account; first when defining access rights and the basis for cost, next when considering the need for administration during the course of the agreement, and finally in identifying solutions for archival access. The models with the highest potential for cost efficiency for consortia are the "big deals" where all members have identical access rights and where the same terms apply for all journals licensed. This is in conflict with the need for flexibility often expressed by individual libraries.*

*Parallel purchase of both print and electronic formats adds considerably to both complexity and cost in consortium agreements. Moving to e-only allows for more cost efficient models. However, the e-only consortium agreements are still linked to previous print subscriptions as the basis for the total consortium cost is usually based on the publisher's historic print*

*revenue. Mechanisms are needed for adjusting the total consortium e-only cost in “big deals” as the publishers’ portfolios change.*

### **The BIBSAM Consortium**

BIBSAM is a department within the Royal Library, the National Library of Sweden<sup>1</sup>. The mission for BIBSAM is to improve the provision of information for higher education and research. Co-ordinating a licensing consortium and negotiating favourable prices and access terms is one way to fulfil this goal. The department has 11 staff members, of which three are working with licensing issues.

The BIBSAM consortium has about 55 active member institutions including universities, university colleges, and government funded research institutions. The consortium members choose on a deal-by-deal basis which agreements they want to be part of, and they pay the full cost for the licenses out of their own budgets. Currently, BIBSAM manages about 30 licenses, including “big deal” agreements with several of the major journals publishers. In addition, BIBSAM supports a network of National Expert Libraries who negotiate agreements for subject-specific resources on behalf of the BIBSAM consortium. Their efforts significantly extend access to electronic resources for the consortium members.

Helping the libraries through the transition from print based- to electronic information resources was defined as a priority for BIBSAM at an early stage. The pricing models chosen for the consortium reflect this goal. BIBSAM has never worked with e-journal models which mandate the members to keep their print subscriptions.

### **Pricing models 1998-2002: transition to e-only**

The BIBSAM e-journal licensing adventure started with the signing of three agreements in 1998; Johns Hopkins’ Project Muse, Ebsco’s Academic Search Elite, and Academic Press’ IDEAL. The pricing models for the first two had no link to current print subscriptions within the consortium, and they turned out to be easy to administrate.

The pricing model for the IDEAL agreement was an e-only “big deal”; all journals in the publisher’s portfolio were included, all members got access to the same titles, and the same terms applied to all titles. The cost for the consortium was based on print subscriptions held by the members the year prior to entering into the agreement. There was an option to buy print as add-on, a model known as deep discount on print or “DDP”.

Agreements with Springer, Elsevier, and ACS followed soon after, all with the “big deal” concept as a common denominator. The pricing models were different but all used print subscriptions as the basis for the cost. The Springer and ACS agreements had the DDP option, while the early Elsevier model gave the members the option to choose between print+electronic or e-only.

The DDP and the print+electronic options gave the libraries an opportunity to start the transition towards e-only. For some members the transition was fairly smooth while others needed more time to implement this change within their organisation<sup>2</sup>. However, administrating these models turned out to be very labour intensive for all parties involved; for consortium members and staff needing to keep track of the status of subscriptions at the individual journal level, for publishers striving to produce correct invoices, and for subscription agents who were caught in the middle<sup>3</sup>.

After a few years of transition the BIBSAM consortium was ready to move on to true e-only models. Eliminating the complexity associated with the print subscriptions was a prerequisite for the next phase of the BIBSAM e-journal pricing model adventure.

### **Pricing models 2002-2005: internal cost division based on population parameters**

Similar to other consortia, BIBSAM has been looking for ways to distribute cost between consortium members that appear more “fair” and thereby reduce tension between consortium members. Cost division models that are based on several parameters including population measures are now implemented in several of the BIBSAM agreements, including the “big deal” agreements with Springer, Emerald, Elsevier, Oxford University Press, and Cambridge University Press<sup>4-5</sup>. While these tailored internal redistribution models allocate the cost based on new parameters, the basis for the total consortium cost is still directly related to the value of the subscriptions held within the group of consortium members at the start of the agreements.

### **Adjusting “big deal” costs as publishers’ portfolios and consortium membership change**

If the total consortium cost for a “big deal” is based on the publisher’s historic print revenue, which again is based on a defined list of journals in combination with a defined list of consortium members and their previous subscriptions – what happens to this total if:

- the publisher cease to publish a number of journals?
- journals are sold off to other publishers?
- the publishers acquire a number of journals from other publishers?
- brand new journals start up?
- members leave the consortium?
- new members join the consortium?

Some of the BIBSAM agreements include detailed descriptions on how to handle these scenarios. The current mechanisms for adjusting the total cost imply that the link to print history can not yet be ignored. In other agreements where the separation from previous print holdings have gone further, no such mechanism is in place to control all aspects of the scenarios described above. While this causes some uncertainty for both publishers and consortia at this stage, maybe it will turn out to be a necessary step along the path towards new cost efficient e-only models.

### **Convergence or divergence?**

The e-journal market is young and a flora of different business models is still being tested. It is tempting to borrow a term from the field of evolutionary biology and apply it to consortium licensing of e-journals: “Convergent evolution” describes the process whereby organisms not closely related independently acquire similar characteristics while evolving in separate and sometimes varying ecosystems<sup>6</sup>. Two examples come to mind. One is the way BIBSAM and the Finnish consortium FinELib arrived at similar but not identical solutions to the internal cost division dilemma<sup>4-5</sup>. Another is the way BIBSAM and the OHIO-link consortium arrived at very similar solutions to the dilemma of adjusting the total consortium cost as publishers’ portfolios change, as briefly mentioned above.

There are also examples that illustrate the opposite, where similar “organisms” represented by libraries or consortia seek solutions or models that are not wanted by others. In a recent study commissioned by the JISC, the “core + peripheral” model is identified by librarians as a promising model for licensing e-journals<sup>7</sup>. A “core + carnet” model with similar characteristics was offered by Springer and tested by BIBSAM and other consortia a few years ago. While this model might be an alternative for individual institutions, BIBSAM

concluded that this model had serious drawbacks and was difficult to manage on a consortium level<sup>3</sup>.

Testing ideas and the gathering and sharing of experiences between libraries and consortia are necessary ingredients in the process towards better models with maximum efficiency and benefits that can be passed on to the end user.

## References

<sup>1</sup> BIBSAM: <http://www.kb.se/BIBSAM/bibsam.htm>

<sup>2</sup> Hunter, K. 2002. Going "Electronic-Only": Early experiences and issues. *Journal of Library Administration*, 35 (3), 51-65.

<sup>3</sup> Stange, K.: Complexity and costs in the purchasing process. ASA 2003 conference, *What's the Big Deal? Journal Purchasing -- Bulk Buying or Cherry Picking?*  
<http://www.subscription-agents.org/conference/200302/index.html>

<sup>4</sup> Hormia-Poutanen. K. and Stange, K.: Cost divisions in consortia - Examples and experiences. 5<sup>th</sup> E-ICOLC 2003. <http://www.deflink.dk/e-icolc/slides.htm>

<sup>5</sup> Stange, K. *et al.* 2003: Cost division models in BIBSAM and FinELib consortia *Serials*, 16 (3), 285-292. <http://uksg.metapress.com/link.asp?id=0xkglfcejut7fc9y>

<sup>6</sup> Wikipedia, the free encyclopedia. [http://en.wikipedia.org/wiki/Main\\_Page](http://en.wikipedia.org/wiki/Main_Page)

<sup>7</sup> *Journals Business Models Study* commissioned by the JISC Journals Working Group, 2005. [http://www.nesli2.ac.uk/jwg\\_studies.htm](http://www.nesli2.ac.uk/jwg_studies.htm)