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Op Ed — Forget About Sleeping

by Karen Hunter (Senior Vice President, Strategy, Elsevier) <k.hunter@elsevier.com>

When **Katina** asked me to write my first end-of-the-year article some years ago, I wrote about things that kept me awake at night. When I look at that early list, it looks tame by comparison with the year just past and current nightmares. What was that phrase that **Queen Elizabeth** used? *Annus horribilis*? And 2004 does not look a whole lot better.

The December 19, 2003 *Chronicle of Higher Education* cover article on "The Big Squeeze" started with this sobering thought:

In 2004, colleges and universities will experience financial pressures that could reduce a hardened corporate CEO to tears. Revenue from endowments, fund raising, state appropriations, federal grants, and tuition paid by foreign students is expected to decline, be flat, or rise only slightly. Costs of new construction, employee health care, computer security, legal services, and debt service on borrowed money will go up, in some cases sharply. As a result, higher-education budgets in the coming year will be tight.

The only solace I took from this assessment was that for once the cost of journals was not touted as the cause of everyone's problems. Given that cost of all journals typically is less than 0.5% of a university's budget (and the journal publishers' total profits probably less than 0.1%), it should not be surprising that we didn't make the top villain list.

But, wait — skip now to page A33 in the same *Chronicle* issue and an article entitled "Libraries With Tight Budgets Renew Complaints About Elsevier's Online Pricing." Yep, I knew it was too good to be true. The Evil Empire strikes (or is struck) again. As happens all too often, this article has some fundamental misunderstandings. I sometimes think journalists really don't want to get the facts correct if it lessens the juiciness of the story they prefer to tell. Or — maybe electronic journal pricing and packages are just too complicated for *The Chronicle* to get right. And, if so, whose fault is that — theirs or ours?

For a company that has about 50% of its revenues from its international sales to academic libraries (and most of those revenues from journals), the severely depressed state of college and university funding is obviously of concern. What we and other publishers are hearing is the clear message that, while there are enormous advantages in having access to as many reputable journals electronically as possible, when push comes to shove, there has to be a way to downsize gracefully.

This is easier said than done, but somehow it must be done.

This raises some very basic questions, such as what constitutes value in an online environment and how is value related to pricing? Usage has been assumed to be one critical measure of value. And usage for us and for presumably many other online publishers has been increasing at a phenomenal rate. Usage is effectively still doubling every year. For example, we anticipate nearly 300 million downloads from **ScienceDirect** in 2004. While the number of discrete repeat users is steadily increasing (now about 9 million), this is not the main source of the usage increase. It is coming from more intensive use from existing customers. That is clear from the usage data that licensees receive.

This is certainly what we interpret as being of value. Yet somehow that value cannot be translated into retained access in some (fortunately few) cases. Some titles are being cancelled, albeit the least used titles. But it is not that these titles aren't being used at all, which means that either the pricing is wrong, the understanding of the value is wrong, both are right but there simply isn't enough money, or some combination of the three.

So, Challenge No. 1 for 2004: try to agree with the academic community on what constitutes value and establish a revised model that more clearly permits cost/benefit decisions to be made, based on value to the customer. And keep that new model simple enough that (even) journalists can understand it. Is this possible? I don't know. Is a new model even desired by academic libraries? Don't really know that either. We are told that the present model "doesn't work" but alternatives are not clearly articulated. One thing that is clear is that there is no urgency in the academic community to go to a usage-based model unless there are caps on the upside.

At the same time that this fundamental challenge of pricing models within the subscriber-pays model is in front of us, we (traditional publishers generally) are being nipped at by frisky puppies such as **BioMed Central** to go to an author-paid ("open access") model. There are by now some pretty well-known arguments against the author-paid model: it is biased toward developed countries, it is biased toward accepting rather than rejecting publications (as that becomes the revenue source) and, most critically, it does not

appear that it can be economically sustainable in the long term.

Evidence to date suggests that the open access model is not viable without continuous financial subsidy. Proponents of open access journals themselves admit that it costs about \$3,750 (see the **Open Society Institute Website**) to publish and mount an article on the Internet. Current open access publishers are charging only \$500-\$1500 per published article. They believe the \$2000-\$3000 deficit per article can be made up through other sources such as sponsorships and charitable donations. If OA were to be adopted for all scientific articles, this would mean annual recurrent subsidies of the order of \$2-\$3 billion each year.

I do not believe this is realistic or sustainable.

There certainly is a populist appeal in the notion of making all research information openly available at no charge to the reader. But isn't it available to everyone now? I

thought that was what interlibrary loan ensured. Oh, wait — you want it instantly available online for free? As noted, the economics have some missing pieces here. But this becomes Challenge No. 2 for 2004: monitoring this area to see if it becomes more than an experiment.

If the author-paid model gains adherents, one place the papers may find a home is on newly-established institutional repositories. While to some degree these are the flavor-of-the-month, they have many, many positive arguments going for them. As universities establish digital homes for the materials created by their community, the question has been raised: how will this affect publishers?

I see four potential situations: (1) there is little or no overlap in content between publishers and institutional repositories; (2) we hold different versions of the same content; (3) we compete for content; and (4) we have complementary content and services.

The "little or no overlap" reflects what I would call the baseline activity for an institutional repository: archiving of theses and dissertations, local special collections, technical reports, teaching materials and locally-developed curricula, and other local databases. This should be at the heart of the institutional repository: organizing and preserving that which is unique to that institution. Given the funding problems alluded to at the start of this discussion, it may be challenge enough to provide for long-term stability (collection,

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organization, archiving and technical migration) in this area alone.

The second situation is where the institutional repository and the publisher hold different versions of the same content. That happens now when **Elsevier** journal authors post their version of a preprint or accepted paper on a local server. It is not the official journal PDF/HTML version that is available on **ScienceDirect**. The two versions can co-exist, perhaps a little uneasily but not terribly so. The publisher assures content integrity and should also ensure permanent archiving of the definitive version.

Some people look to a future where the institutional repository becomes the official place of publication and replaces the publisher. There are a lot of reasons why this vision is a long way from being fulfilled — if it ever will be. I recently looked at ten of the most recently released articles for seven of our journals well-positioned within their fields. For those 70 articles the authors came from 127 institutions in 28 countries. Besides universities there were government agencies, corporations, independent labs and hospitals. While the largest of these entities may have established an institutional repository, most have not and will not any time soon.

In addition, institutional repositories do not have the neutrality for discipline-based peer review. Nor is it how researchers think about seek-

ing out information. I openly acknowledge that researchers are not looking for “an **Elsevier** article.” (This point is vividly made, as someone said to me, when you think that no one goes into a music store thinking “I want to buy a Sony CD today.”) But neither are they looking for “a **University of Kentucky/Minnesota/California** article.” Yes, the leading research centers in a field will have their followers, but it is the journal that facilitates bringing everyone together.

And this is just looking at journals. What about the books that faculty write? Does anyone really think that institutional repositories should be the home for these as well?

What then of complementarity? I suspect that there are a number of ways in which publishers and institutional repositories could work together. **Clifford Lynch** has suggested (*ARL Bi-monthly Report* 226) that we could look at datasets. Publishers have by and large not included large datasets in their archives, and probably we aren't the best ones to do this. But institutional repositories may be (assuming that there is no discipline-based archive already in existence).

Standards are another place where we have complementary interests. The DOI, for example, is now the standard for reference linking. DOIs should be used to link out from references in dissertations and technical reports. DOI look-ups are free, so this is something to be encouraged. Similarly, both institutional repositories and publishers can endorse **OAIS** for archival purposes.

That makes for a relatively modest Challenge No. 3 for 2004: look for ways to work constructively with institutional repositories. No nightmares here (but the year is young).

The final thing on my mind in the middle of the night — if not crowded out by funding and price model challenges, open access and (maybe once or twice) institutional repositories — is what role technological advances can and should play in product development. There is so very much we (advanced publishers) can do. What should we do — and can

we hope to recover our costs and even profit from enhancements?

This issue really brings the three preceding ones together, for it is a question of how to make future investments. Purchasing budgets are very tight. Author-paid publishing is essentially plain vanilla publishing: post an article, perhaps make links from the references, but that's about it. Institutional repositories are even more stark. One cannot expect that many will develop sophisticated data mining or data visualization tools, for example. (Which is not to say it cannot happen or is not already happening — far be it from me to underestimate the power of motivated grad students and faculty.)

We have reached the point where difficult decisions have to be made about what to invest in. In our case we have a group of sophisticated library customers who help us think through the options. That helps. But what are the risks, just as is happening in some cases now, that for all the benefit that can be seen in having access to a large corpus of electronic information, it may not be affordable, or we will have the same problem with technical features. They are nice, but there is no money to pay for them (i.e., for the publisher to recoup its investment). That's Challenge No. 4 for 2004: understanding how to make better decisions on product-related technology investments.

I could go on — customer service, for example. (Please don't groan.) We have five special task forces looking at that right now and as they are filled with competent people and well-motivated (i.e., the directive to get things right came from the very top), it will get done. Yes, I would like to hear any customer service concerns from librarians (k.hunter@elsevier.com), but this is not keeping me awake. I do believe in the power of miracles.

That is the beauty of being in Strategy rather than Operations: I have the option (and responsibility) to look at the big picture and pretend for a moment that the day-to-day problems will be handled. So think with me on big picture items as well, so we have new challenges to look forward to a year from now. 🍄

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course reserve system with **Docutek** and the relatively new “**Ask A Librarian**” online reference service has helped us open new avenues for reaching our users. We are trying to entice potential users to the library by enhancing our popular periodical browse area, establishing a Browsing Collection for books of popular interests, initiating a library book club, and maintaining an Art Corner for the display of local artwork. The Public Services Department is getting more involved in information literacy and has compiled several subject modules. In conjunction with the information literacy modules, the Library Director has requested that Deans and Department Heads allow librarians to come into their classrooms to teach course related bibliographic instruction.

We have also created a library committee that specifically deals with library public relations. Our librarians feel that the best way to combat the persistence of perception that our collection has insufficient resources is to take every opportunity to emphasize our capabilities. The perception of inadequate resources was not born in a day and it will not go away quickly. However, if we proactively seek means and methods for keeping our patrons informed about our services and the collection, the perception will gradually vanish. 🍄

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Main Conference

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2005	2 November	3-5 November
2006	8 November	9-11 November
2007	7 November	8-10 November
2008	5 November	6-8 November
2009	4 November	5-7 November
2010	3 November	4-6 November