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# Biz of Acq-How Do You Eat an Elephant? Or eContent and the Future of the Academic Book Vendor

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# Biz of Acq — How do you eat an elephant? or eContent and the Future of the Academic Book Vendor


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***Column Editor's Note:*** *The relationship between libraries and library vendors is highly symbiotic. As* ***Michael Zeoli*** *states in this thought-provoking article, "The vendor has built its place in the market, over time, by providing value-added services that neither the publisher nor the library would or could produce on their own." While libraries have been deeply engaged in discussion of what our role will be in the new information environment, there is a need for librarians to recognize that we are dependent on vendors and that vendors also face challenges and must evolve or become anachronisms and fail. We might both benefit from partnering together to shape our future, so I'm very pleased to have* ***Michael Zeoli****, Director, Global Consortia Sales,* ***YBP Library Services****, adding his perspective to our discussion and shaping our thinking about our future. —* ***MF***

***"The very character of the people seemed changed. There was a busy, bustling disputatious tone about it, instead of the accustomed phlegm and drowsy tranquility."*** **(Washington Irving**, *Rip Van Winkle*)

In the last decades of the twentieth century, the monograph book jobber "comprehended the fairest part" of the academic library world. The story of the rise of approval plans and the role of the monograph aggregator in academic libraries is well known by now.[1] Academic libraries have come to rely on approval book and notification plans to help keep abreast of scholarly publishing and on the vendor as a partner in building systems to manage complex workflows necessary to ingest the perpetual flow of content. The next chapter, however, will be different and the outcome is not at all clear. Our aim here is to lay out some of the most important changes and challenges facing the traditional academic book vendor.

What is it that keeps the vendor awake at night? Despite competing publicity making ambitious claims for this or that vendor, traditional competitors have not been the cause of insomnia in recent years. Reduced to simplest terms, three elements are to blame: technology, economics, and the Pareto principle.

### I. Technology

**Michael Hart** founded **Project Gutenberg** in 1971, just as approval book and notification plans began to take root as a primary distribution system for print monographs in many academic libraries in North America. The increasing availability and adoption of electronic content is transforming content consumption and significantly disrupting established distribution processes and channels, as it did with journals a decade ago.

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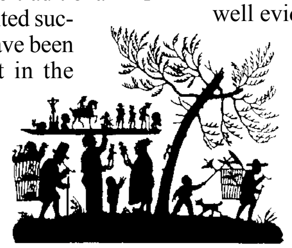
There are three essential pieces of technology necessary for the traditional print monograph vendor to fulfill its role in the print supply chain. The first is the platform by which content is made discoverable for selection and order (**GOBI** in the case of **YBP**, **Collection Manager** for **Blackwell**, **OASIS** for **Coutts**, **TSIII** for **Baker & Taylor**, etc.) and which supports reporting on library activity. Second is the technology supporting library technical services: the production and delivery of cataloguing records and various transaction data to libraries and to third parties such as **OCLC**. Third are the company content acquisition protocols and profiling technologies which ensure that the vendor meets library expectations in scouring the designated universe of content without lapse and delivers content appropriately. The process, put more concretely, requires the academic vendor to order copies of all titles in the approval plan universe (currently 60,000-75,000 per year) as they become available, profile and match them against many thousands of library profiles, and deliver books or electronic notifications along with all the specified technical services and financial data demanded by each library. Small and specialized libraries (e.g., business, law, health sciences) may collect 1,000 titles annually using these processes, while large libraries may acquire as many as 35,000 titles per year. Care must be taken to provide the desired edition, which requires elaborate webs of links and hierarchies of customer preferences, and to control duplication of titles and editions and formats.

Shifting our view away from supplying libraries with content, let's consider briefly the magnitude and complexity of the vendor-supported portion of the supply chain in relation to a publisher. Last year **YBP** profiled 92 new titles from *Rutgers University Press*. We shipped nearly 5,000 *RUP* titles to libraries automatically on approval plans, and sent over 31,000 electronic notification slips to subject librarians according to specific library profile instructions which resulted in an additional 3,800+ titles sold. Including sales by **YBP's** parent company, **Baker & Taylor**, the total number of books sold was nearly 16,000. Multiply these numbers by approximately 1,400 publishers and 10,000 approval book and notification slip plans. This does not take into account continuations and firm order services covering content from tens of thousands more publishers.

These systems, designed around the print monograph and academic libraries, are complex to build, expensive to maintain, and constantly under development. Enter the electronic book…

eContent consumption requires entirely different mechanisms and imposes fundamental shifts in supply chain relationships. The traditional print vendor platform is essentially a content acquisition tool. For the traditional book vendor, the primary relationship has been with the library, and specifically with acquisitions, technical services, and collection development staff. Print vendor online functionality is designed with a narrow portion of library staff in mind which generally does not include public services or electronic resources staff. **GOBI**, **YBP's** online interface, measures facts and figures around library collecting and purchasing. **GOBI** averages more than 4,000 logins worldwide per day. By comparison, the eBook aggregator platform is primarily a content hosting database. The eBook aggregator designs functionality and reporting based primarily around the content *consumer* (e.g., usage statistics, bookshelves, printing, and copying). A single small college in Ohio will see hundreds of page views of ebrary content per day while large libraries are seeing thousands. When approval vendors first appeared, the ability to deliver print books within several months was considered good service. Today, the demand is for simple, clear, effective, and rapid access to content. In an important sense, the emphasis in the user community at least has shifted from *content* to *access*.

Electronic content will send most of the old print vendor support systems to the virtual scrap heap (a fate shared to varying degrees with publisher and library systems). While efforts by vendors to hammer eBooks into traditional print workflows have met with limited success, acquisition and use models have been exploring new avenues inherent in the *electronicness* of content. All of the major print and eBook aggregators are working with publishers and libraries to develop new access models involving various hybrid mixes of patron-driven selection for both print and eBooks, short-term loans, leasing, as well as integrated print and eBook approval book and notification plans. Integral to the new content acquisition and collection — or *access* — models are requirements for new value-added services.



So where to from here? Will remaining relevant depend on developing proprietary systems and technology or on integrating services with new technology companies? And from an economic perspective, is the sale of content alone, whether in print or electronic formats, sufficient to support vendor development of new technology?

## II. Economics

The economic environment has been bad for a decade, and institutional restructuring has included dramatic reductions in library staff as well as materials budgets. While vendors have seen growth in technical services support and even in the use of approval plans, the budget cuts have affected vendors — and publishers — proportionally. But if the story of economic challenges to the traditional print vendor ended simply with budget cuts in the library market, then times could still be described as "drowsy" rather than "disputatious."

Vendors have argued endlessly in closed board rooms over the merits of developing a proprietary eContent platform. Most traditional print vendors have also invested in concrete efforts (**Coutts/MyiLibrary**, **Blackwell/Echo**, **B&T/ED**). Publishers and libraries have engaged in the same discussions and efforts. With the rapid growth of electronic content, the largest publishers have invested in digital hosting and delivery platforms enabling them to reestablish direct relationships with academic libraries. The university presses (ironically the very group of presses with which **Yankee Book Peddler** started its business in the 1970s) are developing a new eContent initiative and expect to rebuild direct business relationships with academic libraries. The libraries have been able to take advantage of tremendous discounts from these publishers and generally benefit from less DRM than required of an eBook aggregator platform. In addition, academic library consortia are becoming more active not simply as the old-fashioned "buying clubs," but as organizations pursuing complex cooperative collection development strategies and, what's more, content production, hosting, and sharing. Decades of supply chain history and relationships are being undone. The business of the aggregator depends on economies of scale — to the publisher and to the library. Technology and economics, driving towards "simple, clear, effective, and rapid access to content," have posed a direct challenge to the role of the vendor. This has had a serious impact on the bottom line of vendors as has been well evidenced in the past year.

These shifts strike at the foundation of existing vendor-publisher relations as well as at vendor-library relations. While no one can fault the publishers or the libraries (after all, times are tough and business is business), it is worth considering long-term implications. The vendor has built its place in the market, over time, by providing value-added services that neither the publisher nor the library would or could produce on their own. Virtually all of these services were created in *partnership* with publishers and libraries. A path forward as an integrated print and electronic content provider, with a new suite of access models, depends, as before, on partnership. Will the loss of a significant portion of sales to publisher-direct deals for three or four or five top scholarly publishers across a significant number of customers seriously restrict investment in new development? And how will the loss of revenue affect the ability of vendors to continue to support discounts expected by libraries as well as technical services and delivery costs?

Publishers, publisher consortia, libraries, and library consortia, as well as vendors, are at a point where choices need to be made regarding the relative merits of *going it alone* versus *partnership*. Given the shifts in relationships already discussed, there are many new acquaintances to be made and trusts to be built. Not to underestimate the difficulty, but developing integrative technologies is not, in fact, a new approach when one considers that vendors have done this already with every major **ILS** and **OCLC**, as well as with individual libraries. There is less history along these lines with publishers. While possessing an eContent database or platform may provide an organization with some measure

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of control over content, the scale and complexities of the supply chain are often underestimated. Just as a market grew for the server and database industry, there will soon be a viable market for eContent platform providers which will reduce costs and facilitate standardization. Integration of technologies with a variety of partners leverages many more resources and allows each partner to focus on its strengths. In the case of the vendor, these may be collection development expertise, profiling and content discovery methodologies and technologies, metadata, and technical services support, as well as old-fashioned customer service.

Comparative cost structures of print versus electronic content represent another challenge currently. The majority of academic libraries use *paper-preferred* approval plans, meaning that when a paperback and cloth-bound edition of a title are available simultaneously, the library will acquire the paperback. The library will receive whatever discount has been agreed to. Most eContent sources do not currently offer any discounts on individual titles, and further, the cost of the eBook is generally based on the cost of the cloth-bound edition (and is occasionally more). This means that the $35 paperback from **Palgrave Macmillan** may cost $90 as an eBook and possibly 50% more if simultaneous use is desired. As libraries shift to ePreferred content acquisition, costs will not be sustainable. It is still early, and new models are already emerging designed to help contain costs. What seems clear, however, is that economics will continue to shift emphasis from content *ownership* to *access*. And this will have profound effects on how publishers and vendors are compensated.

### III. The Pareto Principle

The Pareto principle, or the 80-20 rule, has particular importance to the vendor's stability as a business. While it is a core value at **YBP** that each library receive equal treatment, it should be noted that 80% of our business comes from fewer than 20% of our customers. It is equally important to consider that more than 80% of our sales come from fewer than 20% of publishers. But the Pareto principle also provides a basis for interesting questions. Few of our customers are able to acquire even 20% of the titles we profile annually. What does this mean for usage of the 80% of profiled content not acquired? The Pareto principle also applies to print usage in libraries — it has been widely reported that as much as 80% of the monographic collection may never circulate. Is this owing to a lack of discoverabilty, lack of access, or just lack of interest? If this content were discoverable and accessible electronically, would it be used more? What implications does this have for collection development? For the viability of the library as a resource?

Technology and economics are making anew the entire equation of production and delivery, as well as consumption of content. **Alberto Manguel** wrote in *The Library at Night*[2] that if the Library of Alexandria reflected man's ambition to omniscience, then the Web reflected his ambition to omnipresence. He intended something different from my use here, but it struck me as apt for a time in which information is growing exponentially and libraries have long since had to abandon the mission of collecting all relevant content for current and future patrons. Given the reality of budgets and the easy reach of new technologies, making content 'omnipresent' may define the new mission of vendors.

We in the industry are eternally — and perhaps unrealistically — optimistic. So how do you eat an elephant? We expect it will take a lot of friends with spoons ready and long memories, but even then, the elephant may have the last word.

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***Michael Zeoli** has worked in various roles at **YBP** for 14 years, with a 3-year hiatus working with electronic content development and sales at **ebrary**.*

**Endnotes**

1. See **Robert F. Nardini**, Approval Plans, in *Encyclopedia of Library and Information Science*, V.1, pp. 131-138, ed. **Miriam A. Drake**, **Marcel Dekker**, 2003.
2. **Yale University Press**, 2006. p.322.

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# From the University Presses — Toward a Modest Agenda: Academic Library and University Press Collaborations

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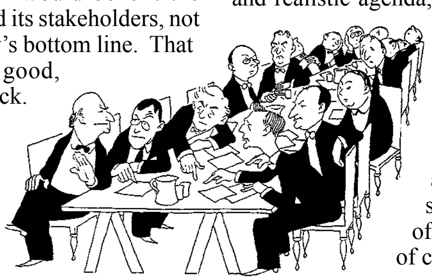
It is tempting for academic librarians and university presses to dream grand dreams as they envision their particular roles in the future of scholarly communication. And as we dream these dreams we sense that the forces of history, aided by astonishing technological lurches, seem to draw us closer and closer, year by year. There is an aura of inevitability — that we should be more closely aligned, that we should partner, that we can identify and avoid redundant activities, that some form of functional integration would benefit the academic community and its stakeholders, not to mention the university's bottom line. That evolution is right and good, and there is no turning back. Library-press initiatives at universities such as **California**, **Florida**, **Georgetown**, **Indiana**, **MIT**, **Michigan**, **Penn State**, and **Pittsburgh**, among many others, are gaining momentum and the potential reach of that momentum is astonishing.[1] Scholarly communication will be the better for it.



But when academic libraries and university presses *do* collaborate, when they actually work together at various points along the publishing spectrum to produce and disseminate scholarship, grand dreams are not always useful: in fact, they can be disruptive and downright destructive. What *is* useful is a modest and realistic agenda, one that recognizes our common motivations and allegiances and commitments but also our economic and organizational and cultural differences. Deliberate, careful, incremental steps, not dramatic leaps of faith, are our best chance of cooperation and progress.

In that spirit I would like to offer four considerations for academic libraries and university presses as they engage one another and anticipate their future. I base these considerations on two sets of experiences. One is personal and local: For several years I have worked productively with the university librarian and members of the staff at **Georgetown University**. Another set of experiences, more recently, involves a small group of **Association of American University Press (AAUP)** directors and **ARL** librarians that is actively communicating and identifying mutual interests. I will say more about those conversations below.

The first consideration is the most important: **persons precede institutions**. By that I mean that any genuine collaboration is ultimately based on relationships between individuals, not organizations. We have a bad habit of generalizing about academic libraries

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