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Academic Publishing Is Not in Crisis — It's Just Changing

by **John Hussey** (Key Accounts Sales Manager, Ingram Content Group) <john.hussey@ingramcontent.com>

Everything changed in the fall of 2008, when I was a sales manager for the **University Press of Kentucky** and we had one of the most ambitious lists in our history. At my seasonal meeting at **Barnes & Noble**, I received "large" trade buys, for a university press, including more than 500 copies of several of our titles. Additionally, we had a regional coffee table trade book with amazing comparable sales figures, a $45 price tag, and a 10,000 unit print run.

By the end of October, though, I could see that dramatic change was underway. While our daily sales figures were strong, sell-through at major retailers and wholesalers was disastrous. I warned my staff that in January or February of 2009 most of the stock we had pushed out so heavily into the distribution channels would come flying back at us and we would have to bear the expense. Soon, it was evident — we weren't alone.

University presses, like every other book publisher, fell victim to the economic crash. At **Kentucky**, we quickly went into triage mode where we analyzed every facet of the business. The status quo was no longer accepted; rather, personnel had to defend decisions in a manner that made us better employees who were more aware of the business we were in. Thanks to strong management, **Kentucky** was able to redefine our business in months, instead of years.

But it wasn't just publishers who were forced to examine costs and practices. Federal, state, and municipal budgets were under intense scrutiny, and as a result money was cut that had previously been earmarked for acquisitions at public libraries. State universities had tough decisions to make as enrollment numbers dipped and funding decreased. Library budgets, unfortunately, were one of the places they could trim.

For university presses, this meant three simultaneous hits: their retail sales were down as a result of a sagging economy; their university subsidies were decreasing; and their most trusted revenue stream, libraries, weren't buying at the same rate. Ultimately, this was unsustainable.

Over the next few years, university presses devoted enormous resources to stabilize their businesses. With **Amazon's** Kindle emerging as the first legitimate eBook retailer and with the new iPad showing the potential of what enhanced content could look like, publishers had to revolutionize their internal workflow and develop new ways to distribute their books. From contracts and royalty structures to data management systems and book design, this was no small undertaking.

Additionally, an eBook market in the library space also began to take shape. Aggregators such as **ebrary**, **NetLibrary**, **MyiLibrary**, and **University Press Scholarship Online** were first to market. The University Press Content Consortium powered by **Project Muse** and **Books at JSTOR** were quick to follow. All of these platforms attempted to provide an economical solution for both the publishers and the libraries. With models such as demand-driven acquisition as an option, no longer would publishers have to print 10,000 units on comparable sales histories and libraries could analyze what should be bought according to actual usage.

One of the benefits of the economic collapse and the model interrogation for both libraries and university press publishers was a higher level of communication between these two siloed groups. Prior to 2008, university presses, especially within marketing and sales departments, generally didn't understand library purchasing and, to be quite frank, had no interest in learning about it. Sales managers took their approval plan numbers from **Blackwells**, **Coutts**, and **YBP** for granted. There was an assumption that putting stock in the hands of the approval teams was where their job ended.

After the collapse, however, a dialogue between the two parties became necessary. At a **Charleston Library Conference** roundtable in 2010, I was astonished at how poor the information exchange had been. For example, many of the acquisition librarians assumed that most university presses were selling 1,000 monographs (by then monograph sales for a medium-sized university press were in the 400-500 range, now down to 200-300), and many of the presses had never even seen the OASIS or GOBI library portals.

This digital interrogation wasn't just limited to eBooks. As the eBook market was providing an economic bubble to help curb expenses and increase margin, another technology began to explode. It was a new way of printing that would eliminate the need to overprint, ship to a warehouse, ship to a customer, and then ship back to a warehouse if the book didn't sell. This new solution to a gigantic economical publishing problem was POD.

Print-on-demand (POD) technology had existed since the late 1990s when **Lightning Source** first burst onto the scene, but only after the economic crash did its value proposition really make sense for university presses. Because POD didn't quite match its offset competition from a quality perspective, publishers often overlooked POD and continued with printing large quantities for better unit cost and better quality. However, as overprinting and obsolescence became a larger problem with publishers who hadn't adjusted their business models and sales expectations quickly enough, finance teams began cost-benefit analyses of what a shift to POD might mean for their companies.

As publishers continued to work on their publishing programs at a high level, university administrators and state governments began some evaluations of their own. For universities, this often meant a change in internal structure in terms of who university presses should report to, or who would control their subsidies. Within a few years, presses such as **Arizona**, **Indiana**, **Georgia**, and **Kentucky** were either folded into the library or saw the library control their funding. Claiming there were synergies within these two generally distinct operating units, administrators attempted to both maximize efficiency and reduce costs. As a result, publishers and librarians, who for years didn't co-mingle, were now sharing office spaces.

One of the unfortunate by-products of the economic crash was an overall increase in prices for monographs. When publishers began looking at internal profit/loss statements, the obvious choice to help offset the decrease in copies sold was to raise prices by $5 or $10 per book. Some of these decisions, as well as increased prices across major textbook and journal publishers, caused state governments to take note. Large states with major budgetary problems stemming from the crash asserted there was a crisis at hand: book costs were out of control for their college students.

What for decades was a relatively stable and rather staid industry faced a convergence of events. Simultaneously, university presses had to account for decreased net sales, an eBook technological shift, a change in printing technology, a reduction in subsidies, a movement toward library-university press partnerships, and a mandate from state governments to make books more affordable. Articles in the press, as they seem to do every year or two, announced forthcoming doom for academic publishing.

Unequivocally, however, university presses have responded to these challenges.

Rather than relying on pre-2008 publishing models, university presses continue to experiment as a means to respond to all of the various economic factors facing them. This year, for example, the **University of North Carolina** Press launched a series of open access monographs, which exist for free in digital form and for a small cost in a POD print format. As a way to foster a closer relationship with its library, the **University Press of Kentucky** made its entire out-of-print library available in a digital repository for free. In Florida, The **University Press of Florida** helps offset high costs for its college students with its open access textbook program, Orange Grove. The **University of California Press** has a position open for a marketing manager whose responsibility is to help lead an open access initiative, and even the largest university presses, such as **Princeton**, have experimented with one-off OA projects.

There's no going back to the days of large seasonal buys at **Barnes & Noble** and standing

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The Ant, the University Press, and the Librarian. Reflections on the Evolution of Scholarly Communication

by **Patrick H. Alexander** (Director, The Pennsylvania State University Press) <pha3@psu.edu>

The **Pennsylvania State University** established a press-library collaboration in 2005. In due course, under the auspices of a newly created Office of Digital Scholarly Publishing, it successfully launched an Open Access monograph series, collaborated on several library book-publishing projects, a journal archive, a reprint series from the libraries' special collections, and another monograph/database project. I arrived in 2007, when things were just beginning to take shape. We were probably not unlike many press-library relationships that were being formed, doing our best to "make our way in the world today." It wasn't perfect, but it was decidedly a step in the right direction.

One aspect of the partnership became clear early: Our respective, different cultures did not always make communication or working together intuitive or straightforward. In an ***Against the Grain*** article that appeared in an issue co-edited with my friend and former colleague at the **Pennsylvania State University Libraries**, now the executive director of the **HathiTrust**, **Michael Furlough**,[1] I wrote about those different cultures. I reflected on a university press's "assets" in the press-library relationship. I proposed that presses were "assets," and I discussed these, not in contrast to the liabilities of a library or vice versa, but in terms of how presses and libraries differ culturally. I was spinning the differences between presses and libraries using the language of finance, but, in reality, I was obliquely pointing out that businesswise we were from two different planets, even if located on the same campus.

Over time my take on the cultural differences in the ***ATG*** article was reinforced, and I pointed to those differences whenever I talked about **Penn State's** press-library relationship. Three assets — more properly cultural differences — continue to hold import for me, and I suspect they could hold for other press-library relationships. Understanding and managing these cultural differences, as nearly as I can tell, continues to play an ongoing and determinative role in how presses and libraries will or will not work together. With a little elaboration, I review them below.

Although presses range widely in terms of size, audience, and mission — **University of Chicago Press** is not like the **University of Oklahoma Press**, and **University of Michigan Press** is not like **Kent State University Press** — most generally face outward to scholarly associations, researchers, and society writ large, rather than inward toward their campuses. Libraries, however, typically look inward, locally, toward their faculty and students. Understandably, that means libraries, comparatively, have enviable influence and power inside the university. They have solid networks and access to campus resources. They have the ear of the provost, may have contact with the president, and have a deep institutional history. Plus, people — donors — give libraries money. In contrast presses construct networks with societies, researchers, institutes, and authors, often in subject areas only loosely connected with the university. Consequently, presses historically built few if any powerful allies inside the university. Moreover, presses only rarely receive significant capital support. Once a press was moved under a library, for good or for ill, it quickly learned what a difference a library could make vis à vis recognition and access on one's own campus. For the first time, a few presses found institutional support and political cover in their relationship with the library.

Presses operate on the basis of a (theoretically) revenue-generating, cost-recovery market model; libraries operate on a subsidized, expenditure-based budget. As I have said often, libraries are given a pot of money out of which they must control their expenditures and operate successfully. Presses, in contrast, are given a largely empty pot (an average allocation applied to operating expenses is 8%–13%[2]) and are told to fill it with money. While neither is easy, those two approaches to managing finances are wildly different. Understanding existentially the difference between the two approaches is nearly impossible for either side and is the source for ongoing misunderstanding.

A third difference is linked both to the inward/outward and to the difference in how finances operate. On the one hand, libraries are service-oriented; their "performance" does not depend on generating revenue to pay for costs. Although they obviously need money to offer services, the work that libraries do does not itself typically generate that revenue. Presses, on the other hand, are product-driven, and they are product-driven precisely because their product's sales performance determines their financial outcome. They're not spending from a pot of money, but are trying to fill that pot. But presses do more than cover operating costs when they sell a book or article. They are also generating a positive return (Tenure and Promotion) for their authors, societies, universities, and other partners, and they squirrel away money for the future. Libraries acquire their enormous clout and influence on campus precisely because they are so good at serving the campus community with the resources they receive. A library accomplishes its mission by serving its campus. Presses, however, facing outward and being output- or product-driven, are not a service culture (though they serve their university in other ways, e.g., in representing the university). This crucial distinction dictates that libraries say yes far more than they say no. Presses are exactly the opposite. Presses say no far more than they say yes. Presses simply cannot afford to say yes to every local or external publishing opportunity, even when their mission begs for them to do so, because measured use of resources is directly tied to their ability to meet their goal of output (=revenue). And their survival depends on achieving their goal.

What has transpired since the first ***Against the Grain*** article appeared? Are there any lessons to be learned about how presses and libraries can better cooperate, collaborate, and survive? Evidence from the **AAUP** report on press-library collaborations and from the Library Publishing Coalition[3] confirms that library-press collaborations are on the rise and here to stay. It seems fairly certain, too, that "best practices" continue to be in relatively short supply. There are as many models in the relationship as there are presses and libraries. The differences, for example, among **Penn State**, **Michigan**, **Indiana**, and **Temple**, are legion. Press-library partnerships remain in ferment, and no single template for how these partnerships work exists.

Over time, both presses and libraries have evolved. Cultural differences shaped that evolution, motivating presses and libraries to adapt. Some early players, like **California Digital Library**, which is specifically designed to "support the **University of California** community's pursuit of scholarship"[4] have an established reputation and a decidedly local focus. Others, like **MPublishing**, serve a broader community, including outside the campus.[5] Despite initiatives like the 2012 **Amherst Col-**

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orders at library wholesalers. The concept of plugging books into a traditional profit-and-loss spreadsheet to find the correct margin is as antiquated as printing for two years of inventory. The future isn't completely figured out for any university press. The format, distribution method, and business model will evolve, and each publisher will strive for the proper balance among brand, efficiency, and external pressures. One thing does remains certain, however. As long as tenure exists and the monograph remains the most important criterion for promotion, university presses, as the gatekeepers of knowledge, will remain essential. I feel confident, having been there, that they will respond to any challenge, foreseen or unforeseen.