



Sustainable Business Models for Open Access Services

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Knowledge Exchange

Open Repositories 14



Session outline

- Overview of the work (Neil)
- Four perspectives:
 - A service provider perspective (Saskia)
 - An infrastructure funder perspective (Neil)
 - University library perspective (Gernot)
 - An overview and provocation (Alma)
- Open discussion

Who is Knowledge Exchange?

Deutsche
Forschungsgemeinschaft
DFG



- German Research Foundation (DFG)
- Jisc (United Kingdom)
- Denmark's Electronic Research Library
- SURF (Netherlands)
- CSC – IT Center for Science (Finland)

Shared aim: **innovative use of ICT** to support Research and Education

Shared vision: ***“To make a layer of scholarly and scientific content openly available on the Internet”***

Sustainability of OA Services: rationale

- Scholarly communication is changing: new roles, new opportunities, new relationships, new business models
- Existing ecology / economy built up over decades: publisher platforms, A+I databases, serials agents, CrossRef, COUNTER...
- Many new services emerged as projects
 - Some might be needed for transition
 - Some might be needed long term



OpenDOAR

SHERPA
RoMEO



PKP
PUBLIC
KNOWLEDGE
PROJECT

DOAJ DIRECTORY OF
OPEN ACCESS
JOURNALS

- Project money, hidden subsidies, ad hoc governance, institutional dependencies, no strategic approach to coordination or sustainability

Sustainability of OA Services: overview

- Phase One: scoping and engagement (Alma Swan, Key Perspectives Ltd)
 - What are the critical services?
 - Are they needed for ever or for now?
 - How “at risk” are they?
- Phase Two: business models for collective provision of services (Raym Crow, SPARC)
 - How can collective action be made to support free-to-use services?
- Phase Three: tools for funders and service providers, and next steps (Alma Swan)
 - The sustainability index
 - Engagement with funders, others...



Sustainability of OA Services: findings #1

Action needed on:

1. embedding business development expertise into service development
2. consideration of how to move money around the system to enable Open Access to be achieved optimally;
3. governance and coordination of the infrastructural foundation of Open Access.

Sustainability of OA Services: findings #2

- Initiatives converting from direct subsidy support will often need a change of organizational mindset in order to transition successfully to a new funding model.
- There are two critical elements to designing an effective sustainability model for a free-to-the user infrastructure service:
 1. inducing potential participants to reveal their demand for the service, and
 2. getting organizations to contribute voluntarily to its provision.
- There are several approaches for generating sufficient support for a service:
 - **altruism or reciprocity** (the service is provided despite the costs of the service outweighing the economic benefits enjoyed by the provider)
 - **self-sufficient return** (a contributor gains a private benefit from providing the service that makes self-interested investment worthwhile)
 - **collective action** (groups act collectively to provide a service through voluntary contributions)
 - **cross-subsidies** (exclusive benefits to contributors generate income capable of cross subsidizing a service's provision).

Sustainability of OA Services: findings #3

- For individual services, the **Sustainability Index** – a diagnostic tool for services and their supporters:
 - Funding management skills
 - Business planning skills
 - Business operational management skills
 - Business development skills
 - Financial management skills
 - Technical development skills
 - Legal skills
 - Policy awareness
 - Governance system
 - Organisational structure and interdependencies
- For the ecology / economy as a whole:
 - What needs to be coordinated and what can be left to the “market”?
 - Roles of libraries, research funders, publishers, others?
 - International coordination of services? Of funders (including libraries)?

University Library

Partner in Science

**Sustainability Open Access Services,
the The case of a service provider:
Igitur Publishing**

June 4, 2014

Saskia Franken



Universiteit Utrecht



Utrecht Publishing & Archiving Services

- Launched in 2004
- Dedicated e-publishing department of the library
- Main function: to increase access to scholarly information
- Two services :
 1. Setting up Open Access journals
 2. Developing the Utrecht University repository



Igitur at the start: characterization

- small: little staff, no specialization
- few products, but lot of attention for each of them
- innovative and enthusiastic: lot of ideas, new initiatives, try-outs, pilots, projects
- making use of hr and financial departments of the library
- no business plan(ning) yet
- no contracts for customers yet
- technical development in house

Low sustainability, grade 1 But: who cares?



Igitur growing

- more journals, lot of projects
- more professionalization (marketing!)
- outsourcing (typesetting, infrastructure: use of OJS)
- journals needed money, subsidies stopped > contracts for customers
- businessplan

Sustainability also grew, grade 2/3. But: still low. Slightly worrying.



Igitur after 2010

- 20 journals, only a few cost-covering
- too many different projects, lack of focus
- heavy workload, lack of capacity
- (too) difficult questions, lack of specialized publishing expertise

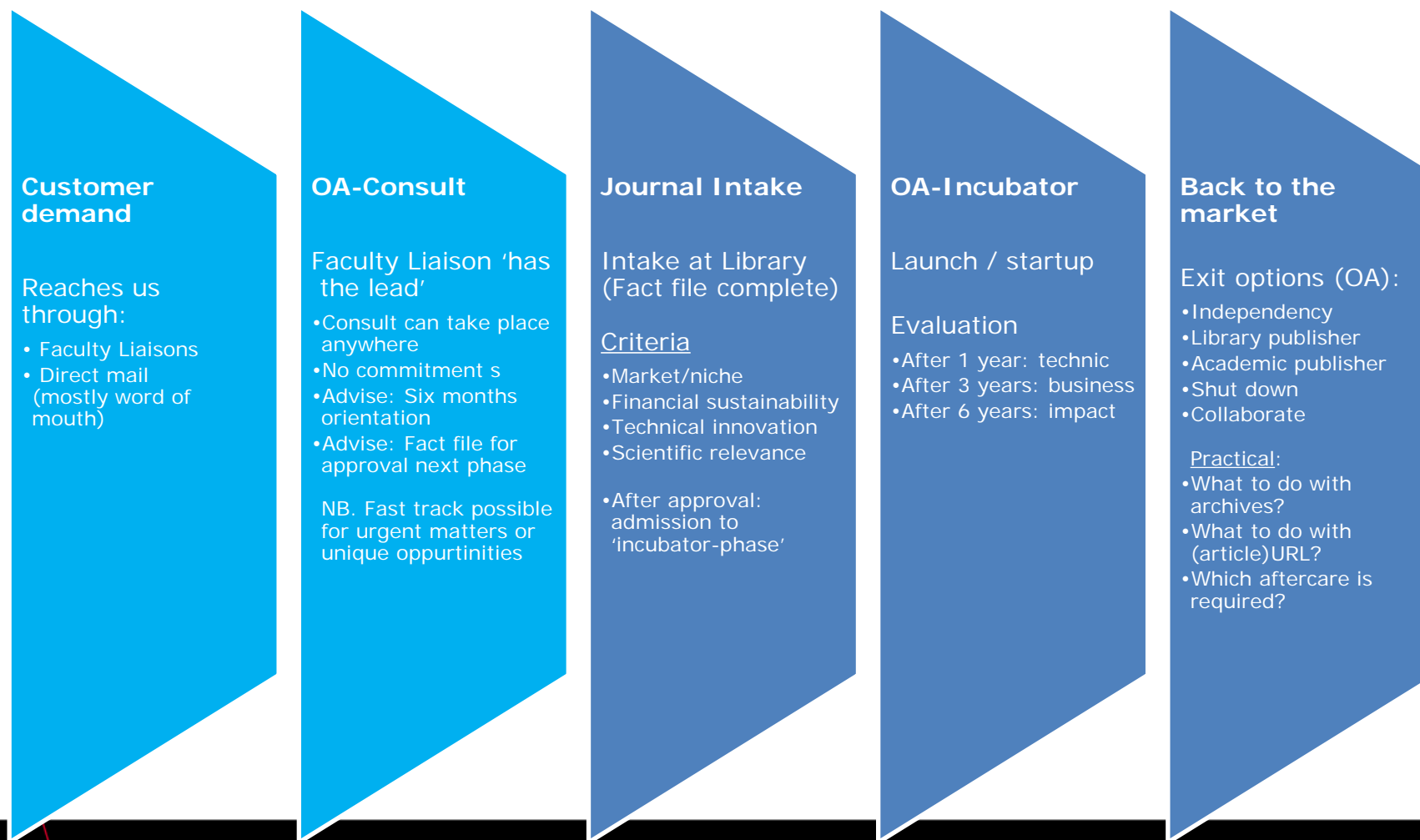
URGENCY!

So: reinventing the wheel

- end of dedicated unit Igitur
- repository services became part of regular library services
- publishing services developed a new businessmodel, so that publishing service will become more sustainable



OA-Incubator model



First results of the new model

- More in touch with library strenghts: OA network, online visibility, focus on advice and support
- No more competition with commercial standards which we can't / won't meet
- Clear financial policy towards customers, more cost-covering (library stays responsible for overhead costs, as a part of its OA advocacy tasks)

So: new course in publishing seems to be more sustainable



Sustainability index

- Useful tool for service-providers!
- Gives insight where you are in the process of developing OA services and raises early awareness of the sustainability-issue.



An infrastructure provider / funder perspective

- Funders of research, and of infrastructure, are never global. At best they are regional (eg EC), usually they are national or consortium
 - But scholarly communications is intrinsically global, and so its services are global (cf CrossRef)
- Sometimes we don't know something will become a service until people start using it as one.
 - There has to be room for innovation, and therefore “graceful failure”
 - But there has to be somewhere to take global services when it becomes clear they are meeting demand
- Coordination is difficult for national bodies
 - Different rules on funding, different funding cycles and instruments, different constituents...
- Coordination might be easier between services
 - combining their functionality, to present infrastructure / funders with consolidated offers, based on use cases they care about

University Library Perspective

Supporters of Open Access

- Repositories
- Publish Open Access Journals
- Publish research findings
- Manage academic profiles
- Promote Open Access

**What services are required for a working
Open Access infrastructure?**

Phase 1 report

Institutional Repositories

- **Software for running an institutional repository**
 - Reliable for future
 - New versions, update, etc.
- **New, changing requirements**
 - Usage statistics/Altmetrics
 - Research data
- **Technical challenges**
 - Interoperability (e.g. OpenAire)
 - Research infrastructure (e.g. ORCID)
- **Business Plans for different stages**
 - Build repository
 - Maintenance repository

Open Access Services

Need of free to use services

- E.g. Sherpa/Romeo, DOAJ

Need to guarantee these services in future

Possibilities to support OA infrastructure

- **Membership**
 - E.g. COAR, DOAJ
- **Collective funding models**
 - E.g. arXiv, SCOAP³
- **Sponsorship**
- **Payment for additional values**

Projects

- **Starting point**
 - Funders (grants)
 - Run-time: some years
- **How to continue after the funding ends?**
 - Core Service, no further innovations (i.e. Funding)
 - Operating costs
 - Maintenance
 - No business professionals
- **Learning from best practice examples**
 - E.g. BASE, EZB

Need Business plan from the beginning

Sustainability Index

Sustaining an Open Access scholarly communication system: what should be done?

Alma Swan

Search or Browse for Repositories

A functional repository network

- Institutional and subject repositories

OpenDOAR Charts - Worldwide

Click on a thumbnail image to display the full-size chart and its key.

- Look-up tools that support this

- Technical development

Repositories by Continent

Repository Organisations by Continent

Repositories by Country

Reposit



Open Access publishing system (Gold OA)

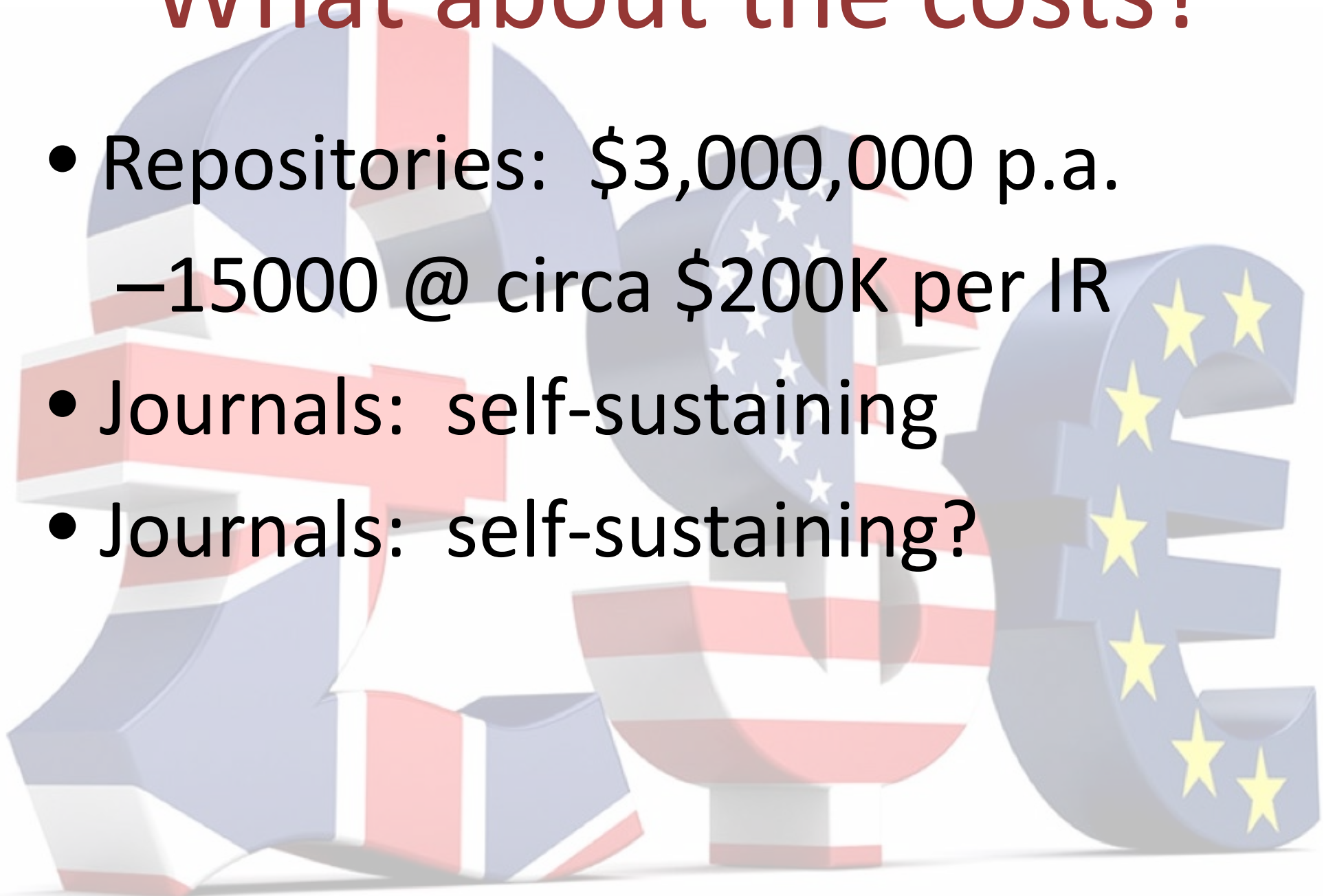
- Affordable OA publishing system (Gold OA)
- Look-up tools to support this
- Payment system(s) that make it feasible

And ...



What about the costs?

- Repositories: \$3,000,000 p.a.
 - 15000 @ circa \$200K per IR
- Journals: self-sustaining
- Journals: self-sustaining?



And the services needed?

- arXiv (2013-2017): \$826K per year
- DOAJ: about a quarter of that
- Some cost nothing: provided through voluntary labour
- Some have sponsorship or membership programmes (e.g. DOAJ and arXiv)
- Some run on recurrent project funding
- Let's say an average of \$200K each p.a.:
 - 100?: \$20 million p.a.
 - 500?: \$100 million p.a.

Can we afford that?

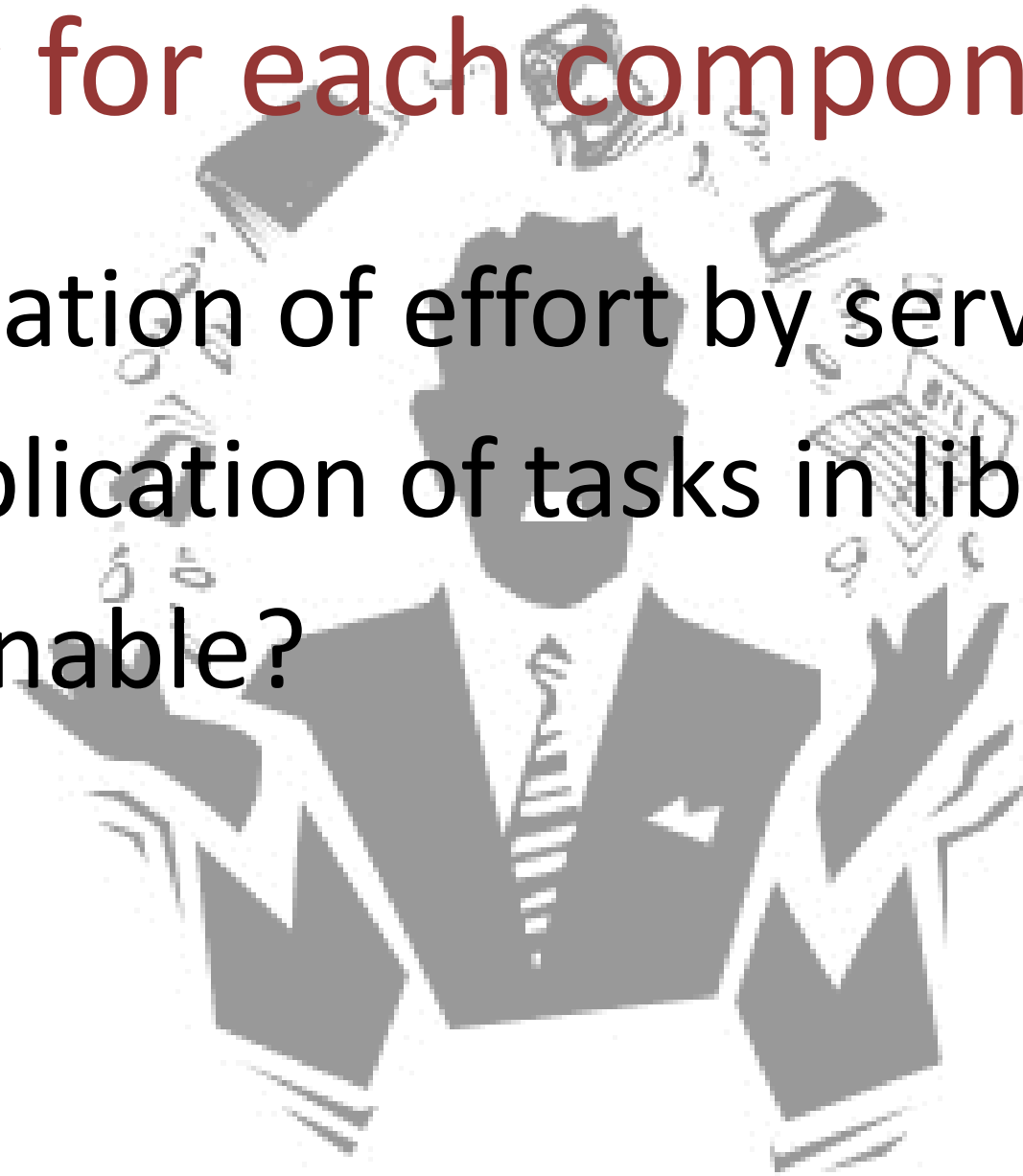
- Journal subscriptions: \$10 billion
 - Articles: 1.9m
 - Cost per article \$5081 (STM Report 2012)
- Pay-per-view
- Inter-library loan
- The \$5081 ...

How will we organise this?



Pay for each component?

- Duplication of effort by services
- Multiplication of tasks in libraries
- Sustainable?



Some other models?

- Pick key critical services and pledge to fund those?
- Group services along value chains and opt to support groups of choice?
- Encourage a competitive market that should foster service proliferation and minimise prices?
- What is the place of third parties (intermediaries)?
- Could we somehow organise centralised funding?

Organisation, governance

A golden balance scale is positioned in the background. The left pan is higher and contains three large, 3D golden dollar signs. The right pan is lower and contains four large, 3D golden dollar signs. The scale is slightly tilted to the right, indicating it is heavier on that side.

- How do we make things fair?
- How do we control costs (prices)
- How do we work out (and play out) a cost-sustainable future?
- Who controls things?
- How?
- How might a system be self-governing?
- How do we work out (and play out) a self-organising future?

A close-up photograph of a hand with red-painted fingernails holding a stack of Euro coins. The coins are of various denominations, including 1 Euro, 2 Euro, and 5 Euro. The background is a Euro banknote, with the word 'EURO' and the number '100' visible. The text 'Over to you...' is overlaid in red on the image.

Over to you...