



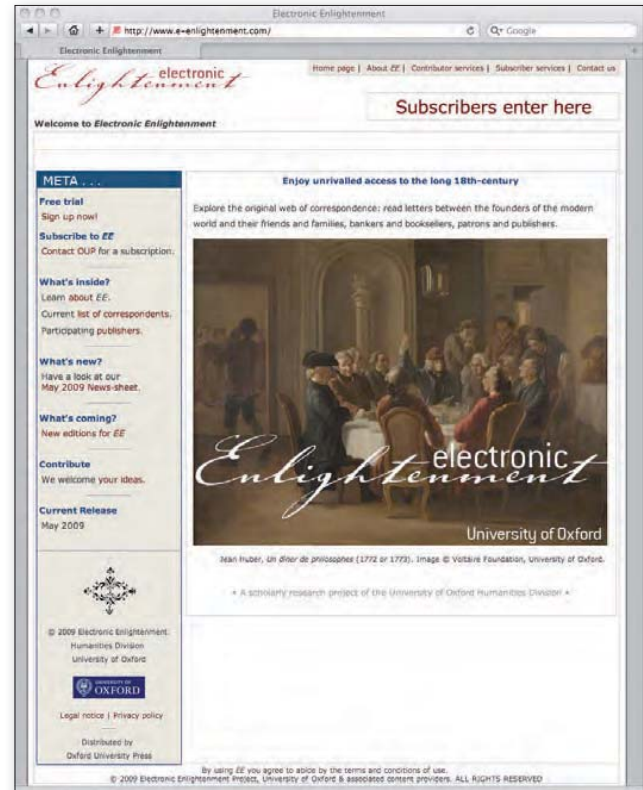
After several years of reliance upon foundation support, Oxford University's Electronic Enlightenment (EE) – a database containing the digitised correspondence of over 6,000 thinkers and writers from the long 18th century – needed to transition to an independently sustainable model. After hiring a business planning consultant to help them think through different options, the project leadership concluded that a sustainability model based on institutional subscriptions to the resource was the best fit for the project's needs. In addition to the revenue model, another important component of the sustainability plan was the establishment of a new set of institutional relationships, including the project's move from its prior home at the Voltaire Foundation to a new base at the Bodleian Library, and the development of a sales, marketing and delivery agreement with Oxford University Press. This case study will explore the factors that made EE well-suited for a subscription model, the reasoning behind the establishment of its new institutional relationships and the challenges surrounding the continued development of this unique resource.

## Introduction

The Electronic Enlightenment is a database that allows users to search and discover the digitised correspondence 'between the greatest thinkers and writers of the long 18th century (1688 to 1834) and their families and friends, bankers and booksellers, patrons and publishers' through rich interlinking and cross-searching.<sup>1</sup> The database includes over 53,000 letters in a variety of languages by over 6,000 different individuals. Content currently in the database is drawn from published documentary editions, and so includes almost 230,000 scholarly annotations explaining the context and significance of the material. The resource provides value to users not just through enabling them to search and locate digitised correspondence – something which is unique today, but which could be replicated through mass digitisation initiatives eventually – but also through giving users the ability to move among and between letters related to one another

<sup>1</sup> Oxford University Press, 'Electronic Enlightenment', [www.oup.com/online/ee](http://www.oup.com/online/ee)

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in a wide variety of ways. The project's goal was expressed by one of its early leaders, Robert Darnton: by 'digitising the correspondence of Voltaire, Rousseau, Franklin, and Jefferson – about 200 volumes in superb, scholarly editions – [the Electronic Enlightenment] will, in effect, recreate the transatlantic republic of letters from the eighteenth century'.<sup>2</sup>

The resource's origins go back to 1995. The director of the Electronic Enlightenment, Dr Robert McNamee, recalls sketching out the initial idea for the project with Darnton on the back of a napkin. He 'had heard about the web, and thought it would be a great fit',<sup>3</sup> McNamee said. The internet seemed to be the perfect match for digitised correspondence because of the similarities in their networked natures. In addition to being relatively short and easy to read on a computer screen, letters by definition refer and 'link' to ideas, people and places described in other letters;

<sup>2</sup> Robert Darnton, 'The Library in the New Age', *The New York Review of Books* 55, no. 10 (12 June 2008).

<sup>3</sup> Unless otherwise noted, all quotations from staff members and other individuals knowledgeable or associated with the Electronic Enlightenment are drawn from interviews conducted as part of this case study between December 2008 and February 2009. A full list of interviewees is included in Appendix A.

'we thought if it all got digitised properly...the links [between the documents] would be the ones made by the people themselves'.

Development of the Electronic Enlightenment (EE) began as a research project at Oxford University's Voltaire Foundation, with the initial goal of providing digital access to critical editions of the letters of Voltaire, Rousseau and others published by the Voltaire Foundation. Over time, the project grew to include the papers of thinkers and writers from across the 18th century. The project's initial funding came from a series of grants from the Andrew W. Mellon Foundation. Between 2001 and 2008, the Foundation awarded eight grants totalling \$2,742,100 to support the ongoing maintenance and development of the resource. As is the case with many grant-funded projects, philanthropic funding to support ongoing costs could not continue indefinitely; EE needed to establish an independent sustainability plan to support the ongoing costs of maintaining and developing the resource. With the help of a business consultant with expertise in scholarly publishing, the project leaders developed a plan that they hope will leave them well positioned for sustainability into the future.

## Sustainability model

### Goals and strategy

The Electronic Enlightenment had long planned to transition from a grant-funded project to an independently sustainable research project. The Mellon Foundation made it clear that this would be necessary as early as the second and third project planning and research grants, and in the fifth grant the Foundation supported the project's hiring of a business planning consultant, Judy Luther, to help them think through the ongoing costs they would need to cover (including staff, digitisation, technology, licensing fees to publishers and institutional overheads), to evaluate different revenue-generating options and to develop budget projections for the first few years. EE's sustainability goal is to generate enough revenue to support the continued development of content and tools for the resource; the project is in the early stages of using a subscription model to achieve this.

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### Costs

Electronic Enlightenment's annual operating budget is approximately £220,000, before variable expenses such as data capture.<sup>4</sup> Staff is the project's major expenditure, totalling approximately 60% of the total budget. McNamee, the head of

the project, works for EE four days a week; one day a week he continues to do consulting work for the Voltaire Foundation. The correspondence editor works four days a week, and the project's technical editor works two days a week. They soon plan to hire a full-time project manager. In addition, the project benefits from the contributed time of individuals from the Bodleian Library, including Richard Ovenden, keeper of the Special Collections and associate director of the Bodleian Library, but this occurs in a collegial context and so is not built into the project's budget. The project contributes £7,700 to the Bodleian Library to cover overhead expenses associated with office space and utilities. Other costs, including accounting and administration, total around £21,000.<sup>5</sup>

There are a variety of costs associated with content creation. After signing licensing agreements with publishers, project staff must track down and purchase volumes to be digitised; many of these are available only through auction, and can create significant expense. Digitisation and data-capture work is not done in-house; instead, the books are scanned by a supplier in the UK, and the PDFs are converted into XML by a contractor in India, in close consultation with the EE team. Fees for this outsourced work are variable, based on the amount of content added in a year, but average around £45,000 annually.

*In addition to these fixed costs, the project has variable costs dependent on revenue.*

Technology is another source of expense for the project. EE pays approximately £4,000 a year to a commercial vendor specified by Oxford University Press (OUP) for data hosting, which includes electricity, bandwidth, air conditioning, security, rack rental and back-up, and £11,000 a year for 24-hour live monitoring, support and maintenance for the servers. The project keeps software costs low by using open-source solutions when possible. Because of its association with Oxford, the project is able to license proprietary software at educational rates: it pays approximately £150 a year for its text editor, and £750 a year for FileMaker Pro.

In addition to these fixed costs, the project has variable costs dependent on revenue. OUP retains 30% of sales revenue for providing sales and marketing services, access control through their authentication system and technical support for users. Since publishers still hold copyrights for much of the content in Electronic Enlightenment, the project must also return royalty fees to rights holders; McNamee estimates these will total around 15% of revenue.

### Revenues

Oxford University Press offers Electronic Enlightenment through institutional and annual subscriptions in the UK, the US and across the world. EE was a strong candidate for becoming a subscription product because of the uniqueness and depth of its content, and because new content and new functionality would be added to the resource over time. UK higher education institutions

<sup>4</sup> All financial data were either supplied by project leaders or drawn from external sources cited in the text. For further detail on the financial data presented in this report, please see Appendix B: Summary of costs.

<sup>5</sup> This figure includes funds to cover the partial time of Nicholas Cronk, director of the Voltaire Foundation and one of the principal investigators for the Electronic Enlightenment, until the end of the current Mellon grant.



benefit from consortial pricing through JISC Collections; for 2009, annual EE subscription fees for these institutions range from £2,550 for the largest institutions to £518 for the smallest, with prices set to increase approximately 5% a year for at least the first three years.<sup>6</sup> An individual subscription option also exists.

The subscription offer was launched in September 2008. Within three years, Electronic Enlightenment expects to attract between 250 and 300 subscribers. As of this writing, subscriptions have not yet become available for a full library budget and billing cycle, and many institutions are still engaged in evaluating the resource through a free trial, so it is difficult to predict how much revenue will be generated in the first year. However, those involved with the project are optimistic that they will meet their sales targets. As of the beginning of February 2009, 47 institutions had subscribed to the resource, including 32 in the United States and 15 in the rest of the world. An additional 175 institutions from the United States alone were participating in the free trial. These 47 subscribers place Electronic Enlightenment 'a little over halfway' towards their uptake goals for 2008–2009. Claire Dowbekin, senior marketing manager at Oxford University Press, stated that she has been 'very happy' with the early uptake of the subscription offer. 'There's still a ways to go,' McNamee said, but he feels optimistic that the project will meet its sales targets. Given the current economic climate, however, McNamee is 'realistic' about the fact that meeting these targets may be more challenging than anticipated, as library acquisitions budgets at many institutions are shrinking.

Grant funding may play a limited but important role in generating revenue for Electronic Enlightenment in coming years. The project will continue to apply for grants 'in closed-up projects', but not for operational expenses. For example, it might apply for grants to support the digitisation of specific bodies of content, like a collection of Locke letters, or the addition of functionality to process new types of content, like the Bodleian's collection of portraits – projects that will add to EE's infrastructure, but that have defined start and end points. A challenge with grant funding is that many foundations require content to be Open Access; in the future, EE plans to handle this requirement by

providing institutions that own the content with digital copies of content that EE has digitised with the support of grant funding. The contributing institution can then make that content freely available, and EE will preserve the added value of its search tools and aggregation.

### Outsourcing sales, marketing and delivery

An important component of the Electronic Enlightenment's subscription-based model is the outsourcing of marketing and sales to Oxford University Press. When still a part of the Voltaire Foundation, the project leadership considered conducting these activities in-house, but decided that they did not have the internal capacity to cultivate and manage so many customer relationships. 'We would have had to hire a half-dozen marketers,' McNamee said. They concluded that their resources would be best spent concentrating on the development of the content, while outsourcing sales to an entity with expertise in that area.

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After evaluating a number of potential partners including ProQuest, Gale and Alexander Street Press, Electronic Enlightenment concluded that Oxford University Press would be the best match for its needs. 'There's no other academic press near that size, with that global reach or with those established digital projects,' McNamee said. First, as the world's largest university press, OUP had a network of established sales relationships with most of Electronic Enlightenment's potential customers. In the first months after the product's release, for example, institutions had already subscribed from the US, UK, Italy, Spain, Germany, China, Australia and elsewhere; this global reach would be difficult for a project to achieve on its own. Second, the press already offered a number of digital resources and reference works – such as the Oxford Dictionary Online, Oxford Music Online and others – which gave them experience with the issues surrounding the marketing and sale of these types of products and the technical expertise to support them.<sup>7</sup> Third, OUP's not-for-profit, scholarly mission also felt like a good cultural fit for the Electronic Enlightenment. The fact that both OUP and Electronic Enlightenment are part of Oxford University

<sup>6</sup> JISC, 'JISC Collections – Electronic Enlightenment', [www.jisc-collections.ac.uk/catalogue/ee#cost](http://www.jisc-collections.ac.uk/catalogue/ee#cost)

<sup>7</sup> Another benefit of contracting with OUP is that this relationship facilitated the development of cross-linking capability with other Oxford digital resources such as the Oxford English Dictionary Online, Grove Music and Art, the Oxford Dictionary of National Biography, the Encyclopedia of the Enlightenment and others. These links could have been built even if EE had gone with a different publisher – in fact, EE is currently in negotiations with Cambridge University Press and Taylor and Francis to develop cross-links with other projects – but the close relationship with OUP made this easier.





was also a major advantage, as this option would enable them to 'keep the work and the income within the university'.<sup>8</sup>

Typically, OUP develops its Oxford Online products in-house; Electronic Enlightenment is the only digital project for which the press acts as a marketing and sales agent. Several factors led to their interest in EE when approached about it by project leaders. Dowbekin said that the press felt it was an innovative project that fit in well with the press's areas of disciplinary strength. 'It covers content in so many different areas that OUP publishes – history and literature for example – so EE can sit in lots of different catalogues.' In addition, the project fit well with the press's scholarly mission, and felt like a good match because of the Oxford connection. Although the press has no editorial control over the content in EE, they feel confident of the high scholarly standards of the work, both because it has been developed by Oxford scholars and because much of the content has already been published by other presses.

As the exclusive marketing, sales and distribution agent for Electronic Enlightenment, OUP's responsibilities include promoting and selling the product, taking care of customer

set-up for free trials and online accounts and providing first-line support for customer queries. Despite being the only digital product OUP distributes on behalf of another organisation, 'from a sales and marketing viewpoint, we treat it just like one of our own,' Dowbekin said. EE's marketing managers developed promotional material following similar formats and templates to those used for other products; the only difference is that, in this case, all the promotional copy must be run by McNamee and Ovenden for approval. Electronic Enlightenment is sold by the sales team of online product specialists responsible for selling OUP's line of digital resources in regional and institutional territories.<sup>9</sup> 'When a member of the sales team is talking to someone about Oxford Scholarship Online, there's no reason why they shouldn't also be talking about Electronic Enlightenment,' Dowbekin said. 'We wanted the sales team to just think of it as another product they could sell.'

Early results suggest that marketing efforts that are more customised might be necessary to maximise uptake of EE, however. OUP's other digital products are all reference works; Electronic Enlightenment is different in that it includes

<sup>8</sup> The fact that both the press and Electronic Enlightenment are part of the same legal entity, Oxford University, did cause some complications in establishing the terms of the relationship, as the units could not formally contract with each other. With some effort, the parties were able to develop a Memorandum of Understanding that met their needs.

<sup>9</sup> The department has been increasing the number of staff in the past few years, but they did not have to take on anybody new just for this project – their sales team is regional and focused on electronic products, so this became simply another item on their lists. In this way, the Electronic Enlightenment obtains access to 'fractional people' who are experts in sales and marketing, something that would be difficult to achieve if this work was all performed in-house.

primary-source material, so strategies that are successful for reference products might not apply. 'With something like EE, we're discovering it's not that easy to sell on the phone' or with traditional marketing materials, McNamee said. Librarians have a clear understanding of what electronic dictionaries and encyclopaedias look like, so the sales pitch for a product like the Oxford English Dictionary Online is relatively straightforward. More personal advocacy may be required to explain and demonstrate what a digital resource of correspondence can do. In addition, although the fact that Electronic Enlightenment includes content touching a wide range of disciplines – philosophy, history, literature, political science and more – is one of the strengths of the product, this breadth also creates some challenges in marketing it to libraries, because recommendations about digital product purchases are often made by discipline-specific librarians who might not focus on the cross-disciplinary value of the resource.

Electronic Enlightenment is responding to this challenge in a variety of ways. In addition to working closely with the OUP team to refine the marketing approach, McNamee travels extensively to conferences and campuses to act as an advocate for the project. He is developing targeted promotional materials highlighting the unique features of EE and will co-sponsor a variety of public events at places such as the New York Public Library to promote the resource. Although these strategies could help increase the number of subscribers, they also require greater levels of marketing-related time and resources from project leadership than were anticipated when the agreement with OUP was penned.

### Finding an appropriate institutional home

After finding a sales and marketing agent, an important component of the Electronic Enlightenment's sustainability plan was finding a new institutional home. The Voltaire Foundation – a unit within the Humanities Division of Oxford University with the core mission to edit and publish definitive scholarly editions of the works of Voltaire and other French Enlightenment figures – is focused heavily on the research and editing of these print-based critical editions. It had been a logical base of operations when the project was in early research stages focused largely on the digitisation of Voltaire Foundation content, but as the Electronic Enlightenment project expanded in scope, McNamee began to think about moving the project to a division of the university with more resources and experience in supporting large-scale digital projects.

Oxford University's Bodleian Library quickly emerged as the most promising candidate. McNamee felt that a library would be an ideal host for a 'scholarly technology' project, because 'librarians are used to dealing with information and technology, and feel they belong together'. (He contrasted this with other areas of academia, in which 'too many people see the editor and the techie as being in distinct worlds. If you think that, you're not going to build this thing!') The Bodleian Library had experimented with a variety of digitisation initiatives in the past, and so might be more receptive to thinking about EE's potential. McNamee felt that associating the Electronic Enlightenment with the Bodleian Library would help attract more content to the project. EE would have easier access to Oxford's own collections, and the library's excellent reputation would provide an incentive for other publishers to contribute their scholarly editions to the database – an incentive that might help overcome concerns another publisher might have about contributing their content to a resource sold by a competing press. In addition, the library could provide robust administrative support, and it has a high

profile within the university, which may be valuable as the project looks for ways to expand.

McNamee made 'a sales pitch' to the leadership of the Bodleian Library about why they might be interested in adopting the project. A few reasons were particularly convincing. According to Ovenden, the project fits very well with the library's mission to support Oxford faculty, to promote scholarship, and to make valuable resources accessible to their community. Also, the project provided valuable infrastructure that the library thought it might be able to leverage to help bring together a variety of its own internal digitisation efforts.

The fact that the project had already hired OUP to act as its sales and marketing agent may have helped instil confidence that the project would be able to generate revenue to support itself. This was important, because although the library was interested in adopting Electronic Enlightenment, leadership was concerned about the expense of the move. Although EE's business plan suggested that revenues would cover the project's costs within three years, 'it was important that the library didn't make a loss' during the intervening years, according to Ovenden. To bridge this gap, a \$100,800 grant from the Mellon Foundation was secured to support the 'embedding' of Electronic Enlightenment in the library during the first year, covering the estimated deficit that it will incur until subscription revenues have reached a sustainable level.

Even if Electronic Enlightenment were to fail to generate enough revenue to cover its costs in three years, McNamee feels that the library and the university would find ways to continue to support it. In part, this is because Electronic Enlightenment's infrastructure will be leveraged to support a variety of other initiatives at the Bodleian Library; if EE can function as a 'node' for digital projects at the library, the institution will have more of an investment in its ultimate sustainability. Also, McNamee says that EE is 'an integral part of the University of Oxford', and a 'flagship' library project, giving him confidence that the institution will find ways to bridge any gap that may remain after the embedding grant runs out.

## Key factors influencing the success of the sustainability model

### Content development strategy

Thus far, most of the primary-source content included in Electronic Enlightenment has been drawn from scholarly editions of letters and papers published by university presses and societies such as the Voltaire Foundation. These publishers license their content to EE in exchange for a small revenue share, based roughly on the number of editions and volumes they contribute and on the number of subscribers to the resource. Many of these licences were signed several years ago, but McNamee said that even more recently he has seen little resistance from publishers to contributing their content. He feels that publishers see it as prestigious to have their content included in EE and associated with the Bodleian Library. Also, it is unlikely that publishers would be able to develop a competing resource independently; the costs of development were so high that they 'could only have been funded by someone like Mellon,' McNamee said, and the volume of proprietary metadata the project has created would be difficult to replicate.

Initial content-development priorities focused on the correspondence of the Enlightenment's big names, such as Voltaire, John Locke, Adam Smith and others. Additional content selections were influenced by a combination of factors – adding historical and scholarly value, maximising the interconnections within the resource and expanding the geographic reach of (and the market for) the content. For example, EE sought to include the correspondence of Americans such as Benjamin Franklin not only because of their historical importance, but also because they would make the resource more appealing to US libraries.

Electronic Enlightenment plans to continue adding correspondence from important individuals, but 'over the next couple of years we will get most of the famous [people] in,' McNamee said. In order to continue expanding the resource, the project plans to include more content obtained directly from special collections. Unlike the content currently in the database, however, documents of this type will not come complete with the high-quality scholarly annotations that contribute to EE's value. Project leaders have begun to think about ways to leverage community contributions to create this important layer of scholarly commentary. Although plans are still in early phases, they are thinking about ways for scholars to 'publish' new primary-source materials and associated annotations in the database, or to engage in collective annotation and tagging in a siloed area of the site; material judged to meet the project's scholarly standards could then be admitted to the larger database.

### Meeting the needs of users

As with all products offered through an institutional subscription, the Electronic Enlightenment has to respond to the needs of the scholars and students who constitute the project's user community, and to the needs of the librarians who make purchase decisions for their institutions. McNamee said that the needs of end-users have always been a central focus of the Electronic Enlightenment project. Now that EE is offered through subscription, Oxford University Press provides front-line user support as part of their sales and marketing agreement. The press handles issues related to access and technical support directly, and aggregates other content- and design-centred comments to pass on to the project periodically. In the first months since the product's launch, a significant amount of user feedback has related to requests for additional metadata or search fields, which the project then builds into its normal development cycle. Based on user feedback, the project is also investing in a major redesign of their webpage and interface, to create a sleeker, more user-friendly design that will make it easier for first-time users to find their way around the content.

In addition to responding to the needs of the scholars who are the end-users of the product, both by incorporating their feedback and by planning to develop ways for scholars to contribute to the content of the resource more directly, EE has taken steps to meet the needs of the library community that constitutes the bulk of the market for its institutional subscriptions. Before the subscription product was launched, and based on a recommendation from OUP, EE built in metrics so that librarians could evaluate the usage of the content. In the next months, EE plans to start updating the resource with new content monthly, rather than biannually. More frequent updates will not only provide more opportunities to reach out to the user community, but may also help cement the value of EE as a dynamic and evolving resource worth recurring expense.

### Governance and organisation

Now that the project is based at Oxford's Bodleian Library, McNamee reports to Ovenden on issues relating to the project's budget and its relationship to other areas of the university. The project also recently established an academic advisory board including noted scholars from Oxford, Cambridge and the University of London to provide input on content-related issues surrounding the development of the resource. For most decisions, however, responsibility falls to McNamee. This structure allows the project to make decisions and reprioritise quickly, while maintaining regular periodic oversight related to the direction and stability of the resource. The dedication of the core Electronic Enlightenment team is important to the project's ability to develop a resource on a limited budget. The members of the team are stretched to the limits of their current capacity; 'there are a lot of nights and weekends' to meet deadlines, McNamee said.

*McNamee feels that blending business experience with scholarly expertise is important for similar digital projects.*

In addition to a doctorate in English Language and Literature, McNamee has a background in business, science and technology, which he feels has been a particular asset to him in developing Electronic Enlightenment from a grant-funded digitisation project into a digital resource that will be sustainable and valuable to the community. This experience helped emphasise the importance of pragmatism, long-term planning and continued innovation; he said he 'always saw that this needed to be viewed in terms of the users...and where they would want [the resource] to be ten years from now'. McNamee feels that blending business experience with scholarly expertise is important for similar digital projects. 'I would never agree to have a business person [with no scholarly background] in charge of something, but there should be a partnership,' he said.

### Benefits and challenges

Electronic Enlightenment is managing its transition from a grant-funded project to a subscription-supported resource by maintaining a pragmatic focus on the value it provides to users, and by leveraging relationships with other units at Oxford. It is too early to determine how much revenue Electronic Enlightenment will ultimately generate from its subscriptions, and therefore to know whether this model will enable independent sustainability. Early participation in free trials and uptake of subscriptions suggests, however, that there is significant library interest in the product. If sales targets are met, subscription revenue – possibly augmented by some grant funding and light institutional support – should provide the product with a steady, recurring revenue stream that will continue to support its very lean staffing model.

For several reasons, the resource seems well suited to a sustainability model based on institutional subscriptions. Electronic Enlightenment contains a tremendous volume of unique primary-source content (much of it still in copyright), with

search and linking functionality that cannot be easily replicated by competitors or by mass digitisation initiatives. Unlike some other projects focused on niche content of interest to a relatively small group of scholars, EE's content is accessible to users of different ages and backgrounds (including some individuals and secondary school students), and relevant to a wide variety of disciplines, making it more attractive for libraries interested in investing in resources that will benefit many on their campus.

Although the resource's origins are as a not-for-profit research project, the OUP subscription offer raises user expectations for quality to levels comparable to those typical of commercially developed products. The choice of the subscription model also means that Electronic Enlightenment has to meet expectations that the resource will continue to grow in terms of both content and functionality. Frequent and regular updates help justify the recurring expense to libraries, who may be more accustomed to investing in primary-source content – print-based scholarly editions or digital resources like Early English Books Online (EEBO) – on a one-time-purchase basis.

A culture of continued innovation has helped Electronic Enlightenment develop beyond a straightforward digitisation project into a resource that offers additional value for the user. Moving forward, this may help ensure that the project keeps abreast of new developments in technology and help focus the team's limited resources on key tasks. The latter element seems particularly important, since EE operates with a tiny staff. Although a team of this size has been sufficient to meet the project's needs so far, it is worth considering the fact that in the future, increased expectations about content and functionality may require the project to add more internal capacity, thus increasing its costs.

By outsourcing sales and marketing to Oxford University Press, the Electronic Enlightenment is able to tap into a large outreach network much more easily and efficiently than it would be able to do had it tried to sell subscriptions in-house. The project benefits not only from OUP's expertise in marketing digital products, but also from its established relationships with librarians, who may be more inclined to purchase additional content from OUP than they would be to set up a new sales channel for a one-off resource. Personal outreach by project leadership is still necessary, however, to promote the resource to libraries, so the real costs of marketing and outreach are currently higher than the 30% of revenue that EE pays OUP.

The Electronic Enlightenment seems uniquely positioned for success because of its strong institutional relationships. The project is fortunate in that it is based at the same university as the world's largest university press, which happened to offer a line of digital resources for which the product was a good match. Similarly, it benefits from its position as a project of Oxford's Bodleian Library, as that institution's strong reputation helps EE attract content to the resource and raises the project's profile within the university. In addition, the project's relationship with the Andrew W. Mellon Foundation at a time when the foundation was investing heavily in digitisation projects provided the funding that enabled EE to develop to the size where OUP might be interested in a sales and distribution relationship. Although the ultimate results of the revenue model are still unknown, it is clear that without these three relationships, Electronic Enlightenment would have had an even more challenging time developing a sustainability plan. It also seems important that the project started thinking about sustainability planning early, as the existence of a robust business plan contributed to EE's ability to establish these institutional relationships and to receive additional grants.

## Broader implications for other projects

*Institutional subscriptions can provide a steady revenue stream for some projects, but the model also raises expectations for quality and growth.* Electronic Enlightenment seems well suited to an institutional subscription model because of the unique value of its content to a wide range of academic disciplines, and because it plans to continue adding to and developing the resource over time. These features help make the case to librarians for committing to annual expenditures on the resource. Projects considering implementing a similar model need to evaluate carefully whether their resource is of sufficient scale to attract library attention, and whether they are similarly able to commit to the continual reinvestment in the resource that a subscription model requires.

*Outsourcing sales, marketing and distribution to a third-party publisher can be an efficient and effective way to promote a resource to a broader audience.* By outsourcing sales and marketing to Oxford University Press, Electronic Enlightenment has been able to reach many more potential customers than it would be able to do independently, and has avoided having to develop and implement expensive systems to support billing and access. Developing a partnership with a scholarly publisher might be an attractive solution for other projects with valuable, marketable content. Such an arrangement allows the project team to focus on developing the resource, while leveraging an established outreach network. However, projects need to be sure that the publisher is willing to invest in crafting a message well-suited to the resource, and they need to recognise that even after outsourcing sales and marketing, they may still have to spend additional time on direct outreach and promotion to users. It is also worth noting that there are relatively few presses and publishers with experience in the sales and marketing of subscription-based digital resources, particularly with primary-source content.

*Demonstrating value can help forge stronger relationships with partner organisations.* The Electronic Enlightenment was able to establish strong relationships with other university entities, like the Bodleian Library and Oxford University Press, in part because it was able to make a clear case for the value it could contribute to the other organisations. This value has both financial components, as demonstrated by the business plan, and mission-related components, such as advancing the institution's scholarly goals, or providing valuable infrastructure for future initiatives. By developing a similarly robust understanding of both the quantitative and qualitative benefits of a resource, other project leaders may be able to make a more convincing case for developing close relationships with other entities at and beyond their institutions.

## Appendix A: Interviewees

**Claire Dowbekin**, Senior Marketing Manager, Oxford University Press, 5 December 2008

**Robert McNamee**, Director, Electronic Enlightenment, University of Oxford, 5 December 2008 and 19 February 2009

**Richard Ovenden**, Keeper of the Special Collections and Associate Director, Bodleian Library, University of Oxford, 5 December 2008



## Appendix B: Summary of costs\*

### Electronic Enlightenment

Cost Category	Budgeted Costs			In-kind/volunteer contributions	
	Description	FTE	Approx. cost		
<b>Personnel</b>			Included in budget?		
Management	Project director; EE soon plans to hire an FTE project manager	0.8	yes		
Content selection & editorial	Correspondence editor	0.8	yes		
Technology & programming	Technical editor	0.4	yes		
Other				Input/feedback from Bodleian Library staff	
<b>Total personnel costs</b>		2.0		<b>60% of budget</b>	
<b>Non-personnel costs</b>			Included in budget?		
Overhead	To Bodleian Library, to cover expenses associated with rent and utilities		yes	£7,700	
Administration costs	Accounting, etc.		yes	£21,000	
Hosting & technology infrastructure	Data hosting, live monitoring and software		yes	£15,900	
Digitisation and data capture	Scanning done by vendor in UK, XML markup done by vendor in India (costs are variable depending on volume of content)		yes	£45,000 on average	
Marketing and sales**	Returned to OUP for sales, marketing and front-line user support		yes	30% of revenue	Additional staff time from project leader
Royalty fees**	Returned to publishers for use of content in copyright		yes	15% of revenue	
<b>Total non-personnel costs</b>	<b>(Not including marketing and sales or royalty fees)</b>			<b>40% of budget</b>	
<b>Total costs</b>	<b>(Not including marketing and sales or royalty fees)</b>			<b>£220,000</b>	

\* Because EE only began offering a subscription service in mid-2008, no revenue data was available at the time of this writing.

\*\*Marketing and sales costs and royalty fees are based on a percentage of annual revenue, and thus are variable from year to year. As EE's subscription offering is too new to predict annual revenue, these important expenditures are not included in this chart.

#### Explanatory note

The information presented in this table is intended as a broad picture of revenues and costs associated with the project, not as a detailed financial report. The financial data, which are presented in the currency in which the project reported the information, were compiled as part of the interview process with project leaders and staff, and in some cases were supplemented with publicly available documents, such as annual reports. Project leaders were asked to review the information prior to publication. The column labelled 'Included in budget?' indicates whether or not the organisation includes that category of cost in its own definition of its budget. In many cases, the information was difficult for project leaders to provide because their institution does not record information in these categories, or because the project was combined with other projects in a larger department or unit. As a result, many of the figures are rounded or best estimates. Some leaders preferred not to offer figures at all, but suggested percentages instead. Frequently, certain types of costs are provided as in-kind contributions by the host institution. Although we did not attempt to place a value on these contributions, we felt it was important to highlight the significant role they play in many projects. Because of the variability in the way each institution estimated the various categories of revenues and costs, the information presented in the table is of limited value for detailed cross-project comparisons.