

ISSUE BRIEF

Red Light, Green Light

Aligning the Library to Support Licensing

August 16, 2017

Roger C. Schonfeld



ITHAKA S+R



Ithaka S+R provides research and strategic guidance to help the academic and cultural communities serve the public good and navigate economic, demographic, and technological change. Ithaka S+R is part of ITHAKA, a not-for-profit organization that works to advance and preserve knowledge and to improve teaching and learning through the use of digital technologies. Artstor, JSTOR, and Portico are also part of ITHAKA.

Copyright 2017 ITHAKA. This work is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License. To view a copy of the license, please see <http://creativecommons.org/licenses/by-nc/4.0/>.

ITHAKA is interested in disseminating this brief as widely as possible. Please contact us with any questions about using the report: research@ithaka.org.

There is widespread frustration within the academic library community with the seemingly uncontrollable price increases of e-resources, especially of licensed bundles of scholarly journals. The scholarly communications movement has vastly expanded academic and indeed public access to scholarly content. Yet prices for certain scholarly resources continue to outpace budget increases, and librarians do not feel in control of budgets and pricing. What if libraries found ways to bring together the whole library behind the objective of stabilizing or reducing what they pay?¹

What if libraries found ways to bring together the whole library behind the objective of stabilizing or reducing what they pay?

In this piece, I propose that the academic library engage more robustly to take back control of its collections budget. I do not evaluate, and certainly do not critique, existing negotiating models. Fundamentally, I propose that libraries find ways to act with single purpose to strengthen their negotiating position. This proposal has not been “road-tested” at any institution of which I am aware. As written, it is organized around what a library might do, but readers may also find opportunities for groups of libraries to engage with some of these approaches through consortia and systems. It is my hope to contribute to ongoing conversations about how best to strengthen the library’s negotiating hand.

Progress to Date

As e-resources have grown in importance, the library community has taken a variety of steps to improve its options and negotiating position. It is now common to negotiate collectively through consortia, in an effort among libraries to join together to maximize their buying power and strengthen their negotiating position. Since libraries have been largely unwilling or unable to walk away from negotiations with their largest content providers and cancel the bundled resources they offer, collective negotiations have

¹ For extensive and insightful comments that helped me to flesh out a more preliminary set of ideas into this issue brief, I thank Rick Anderson, Bruce Heterick, Denise Koufogiannakis, Kimberly Lutz, and John Ulmschneider. Their help is all the more greatly appreciated because each takes a somewhat different perspective from my own. While their contributions have strengthened the piece significantly, I take full responsibility for the views presented.

probably had only limited impact. In an effort to rationalize its licensing model and reduce expenditures, at least one library this year found itself filing a lawsuit against a major publisher.²

There is little evidence that open access has led to reduced licensing expenditures, and it has almost certainly led to a boom, at least in the short term, in content revenues for some of the largest publishers.

For many, of course, open access is seen as the best solution to ever-rising prices. Libraries have invested boldly in open access solutions, creating institutional repositories to support green models, funding the article processing charges to support gold models, and even starting new subsidized open access publishing initiatives. Funding agencies, through mandates, funding, and content dissemination platforms of their own, have pushed hard for open access as well. But the implications of all this activity on publishers is unclear. Publishers appear to have largely co-opted open access, at least for the moment, offering gold and hybrid journals that charge article processing fees (APCs) that are further adding to their bottom lines. There is little evidence that open access has led to reduced licensing expenditures, and it has almost certainly led to a boom, at least in the short term, in content revenues for some of the largest publishers.³

At the same time, some of the most sophisticated commercial publishers have themselves (or in one case through a sibling enterprise) identified new ways to profit further in the emerging ecosystem.⁴ Today, more funds than ever before are flowing from the global higher education system to commercial publishers, no longer through library

² Carl Straumsheim, "LSU Sues Elsevier," Inside Higher Ed, May 3, 2017, <https://www.insidehighered.com/news/2017/05/03/louisiana-state-takes-disagreement-elsevier-court>.

³ In fact, there is a strong argument to be made that the collective action problem facing libraries as they consider the challenges of licensed e-resources may also apply to open access. For more on this line of reasoning, see John Wenzler, "Scholarly Communication and the Dilemma of Collective Action: Why Academic Journals Cost Too Much," *College & Research Libraries*, 78.2 (2017), <https://doi.org/10.5860/crl.78.2.16581>.

⁴ Roger C. Schonfeld, "When is a Publisher not a Publisher? Cobbling Together the Pieces to Build a Workflow Business," *Scholarly Kitchen*, February 9, 2017, <https://scholarlykitchen.sspnet.org/2017/02/09/cobbling-together-workflow-businesses/>.

subscriptions and licenses alone but increasingly also through funding agencies, university research offices, and other parties.

Perhaps library initiatives, including consortial negotiations and open access investments, have prevented prices from rising further than otherwise would have been the case. Now that public access is expanding dramatically through so-called academic social networks and new piracy initiatives,⁵ perhaps the playing field will tilt more steeply than it has to date. But certainly, at this point, open access has not eliminated the growing fees devoted to scholarly resources at the vast majority of academic libraries.

Cancellation Exercises

Nevertheless, the source of greatest negotiating leverage is through cancellations. The strongest negotiating position arises from being fully prepared to walk away from the negotiating table. But libraries are constrained in their negotiations. They purchase as agents on behalf of a university community that frequently demands access without having any incentive to care about pricing and other considerations. They often try to negotiate in groups through consortia or systems to aggregate their bargaining power, although this sometimes constrains them in other ways.⁶ The upshot is that in many cases libraries cannot just walk away from a negotiation. In recent years, libraries have been to a very significant extent unwilling or unable to cancel content resources. This creates a one-sided dynamic to libraries' disadvantage. But at least some libraries appear prepared to take a stronger position in this regard.

The fundamental problem has been bundling. As the largest content providers have merged, they have offered first journals and now other content types as well in ever larger bundles. First priced at a small increment from what had been a university's print spend, these bundles ensured that libraries licensed the full array of journals from a given provider. Although the model proved irresistible to so many academic libraries, it also made it far more difficult to cancel journals individually (which had once been the practice whenever budgets grew tight). Instead, libraries have found themselves

⁵ See for example David Matthews, "Do academic social networks share academics' interests?" *Times Higher Education*, <https://www.timeshighereducation.com/features/do-academic-social-networks-share-academics-interests> and Scott Jaschik, "Supporting Sci-Hub vs. Explaining Sci-Hub," *Inside Higher Ed*, August 8, 2016, <https://www.insidehighered.com/news/2016/08/08/letter-publishers-group-adds-debate-over-sci-hub-and-librarians-who-study-it>.

⁶ See for example the argument that "library AGENCY [that is, the ability to walk away] is far more important to deal-making than [consortial] SCALE," found in this presentation: Nat Gustafson-Sundell, "The Library & the Consortium: Don't Trade Away Library Agency Without Considering the Cost," Presented to Money & Power: ACRL/ NY Symposium, NYC, NY, slides available at http://cornerstone.lib.mnsu.edu/lib_services_fac_pubs/121/.

essentially unable to walk away from the largest bundles and instead have reduced their spending almost everywhere else first.

Libraries are constrained in their negotiations. They purchase as agents on behalf of a university community that frequently demands access without having any incentive to care about pricing and other considerations.

Over the past two years, the situation may have shifted somewhat. National consortia in Europe and beyond have seemed to take a harder line with some of the commercial science publishers, threatening to and in at least the case of Germany have actually allowed access to be disrupted nation-wide.⁷

Individual institutions have also cancelled specific content resources. SUNY Potsdam attracted attention several years ago for the strong approach—which included a robust campus communication component—that its library took. More recently, Université de Montréal, working in partnership with a professor from its information school, conducted analysis of value and was effective in communicating its approach across campus. While many institutions have been unwilling or unable to cancel content bundles, more examples of libraries doing so, generally as a result of financial exigencies such as the Canadian exchange rate crisis, are beginning to circulate.⁸

⁷ For example, the German national consortium announced in January 2017 that it could no longer provide access to Elsevier journals online: <https://www.sub.uni-goettingen.de/en/news/details/voraussichtlich-keine-volltexte-von-zeitschriften-des-elsevier-verlags-ab-dem-112017/>. For additional context, including additional universities proposing to join the cuts, see Diana Kwon, “Major German Universities Cancel Elsevier Contracts,” *The Scientist*, July 17, 2017, <http://www.the-scientist.com/?articles.view/articleNo/49906/title/Major-German-Universities-Cancel-Elsevier-Contracts/>.

⁸ The SUNY Potsdam case is well documented by library director Jenica Rogers in her “Walking away from the American Chemical Society,” <http://www.attemptingelegance.com/?p=1765>. For more information about the Canadian cuts and the Montreal case specifically, see Kyle Siler, “Cuts to Journal Subscriptions an Opportunity, Not a Crisis,” *University Affairs*, January 5, 2016, <http://www.universityaffairs.ca/opinion/in-my-opinion/cuts-to-journal-subscriptions-an-opportunity-not-a-crisis/> and Gavia Libraria (the Library Loon), “Learning from the Université de Montréal,” May 8, 2017, <https://gavialib.com/2017/05/learning-from-the-universite-de-montreal/>.

Regularizing this Work

There is much we can learn from Germany, Potsdam, and Montreal. But notwithstanding the comparative success it has experienced, a cancellation exercise borne of a budget crisis is a one-time activity rather than ongoing regularized work. In order to take back control of collections budgets, more libraries must find ways to regularize this kind of exercise and make it a core priority of the academic library even during comparatively flush budgetary years.⁹

One challenge is conducting the assessments. Another is communicating them clearly so that all library employees and the university more broadly can utilize this assessment.

Categorizing Resources

Many libraries will argue that they already communicate “problem vendors” unambiguously. And to be sure, there are aspects of scholarly communications programs charged with this very work. But libraries also lean heavily towards treating all vendors and all products the same following the completion of a negotiation and the execution of a license. Whether libraries are happy with the outcome of the negotiation or frustrated by the price or terms imposed, they generally embrace all licensed resources equally. If libraries are going to transform the pricing paradigm, they might start by being clear about which resources are the true problems.

Suppose each library were to tier its licensed e-resources using a traffic-light metaphor:

- Green: Those resources that are reasonably priced and generate a great deal of value to the user community relative to their price.
- Yellow: Those resources that generate a more modest degree of value relative to their price and/or may not be seen as entirely reasonably priced.
- Red: Those resources that generate a poor degree of value relative to their price and/or that are priced in ways that are problematic for the library.

This would not be an easy exercise to take on, since a library would have to consider systematically how it defines value. This is all too unusual, given the differences in usage

⁹ One reader of a draft of this piece mentioned that they “found it hard to make the leap to think that [faculty members] would care outside of such a forced decision making process” such as those brought on by budget cuts. Cuts make it possible to get something started, perhaps, but if the work is not regularized thereafter we run the risk of having an equally substantial challenge again a few years hence.

profiles across different fields (humanities vs STEM materials for example) and different content types (books vs journals, publications vs audiovisual and archival collections, etc.). Readers who cannot imagine such a categorization of resources adopted by their libraries might ask themselves whether that is an indication of just how little systematic effort has been devoted to assessing value, notwithstanding the widely accepted view that certain key content providers do not provide enough of it.¹⁰

Whatever criteria are used, they should be established so that there is no minimum number of resources that must fall into the “red” category. Instead, ideally, there would be only a small number of resources in that category and, if they were to improve their prices or practices, they could be re-categorized. Put another way, libraries should avoid grading these resources on a curve, at least initially.

The purpose of the categorization is to enable the whole library, and indeed the whole university, to work in alignment to transform the price paradigm. Rather than reluctantly licensing the “red” resources and then trying to avoid dealing with them until the next renewal cycle, libraries can focus ongoing attention on a small group of resources that are assessed to be truly problematic. Licensing and scholarly communications officers may take the lead, but they cannot be expected to do all the work themselves. As is suggested below, a categorization enables the whole library to align on the problematic resources and regularize efforts to address them.

These efforts to align the library, and regularize the work of assessing its vendors, may be recommended for many if not all libraries. But, different libraries can then apply this categorization differently. Some libraries may find it desirable to take a fairly aggressive approach. Others will have to manage risks and recognize tradeoffs. In increasing order of aggressiveness, the following several sections propose approaches that libraries can consider to redefine their relationship with the “red” resources and their providers.

Transparency

First, the creation and promulgation of this categorization is an opportunity to bring greater transparency and buy-in to licensing. At its heart, this is about regularizing these assessments and providing an opportunity for the whole library and the whole campus to take note of them.

¹⁰ In addition to the Université de Montréal example described above, California Digital Library and others have attempted to provide fairly systematic assessments of resource value.

The licensing unit, perhaps working closely with the assessment unit, would create a periodically updated categorization of resources. The methodology would be updated as needed. The full list of categorized resources would be made available publicly alongside the methodology for its creation.

This list would be shared proactively with every content provider. Content providers informed of where they fall in this categorization should be encouraged to take specific steps to move from red to yellow, and from yellow to green. For some providers, this alone could be sufficient to motivate some action. For others, it would serve as fair warning.

It would also be used for communications with campus stakeholders, including the provost, budget office, faculty advisory committee, and deans and department chairs. Rather than developed and used just during the unpleasantness of a resource cancellation exercise, this kind of categorization would be used to support the regular work of the library. It would be used as a way to show the library's careful and creative stewardship of institutional resources carefully and to build support for some of the other tactics described below.

Finally, and perhaps most significantly, the list would be issued by the library director as an organizational document to all library employees. All would be encouraged to consider that the “red” resources and their providers should not be supported with advisory committee memberships, endorsements, or other kinds of engagement. Instead, the library would seek to unite to provide incentives for the “red” resource providers to reconsider their approach.

Promotion

One of the most important challenges the library faces is serving as the purchasing agent for end-users who are largely removed from having to consider the budget tradeoffs associated with their resource priorities. In part to address this dynamic, the library may wish to promote resources differentially in an effort to reduce the usage of the “red” resources. While the library may feel an obligation to continue providing the resource for its community, at least for the near-term, it is under no obligation to encourage its use. If

a university community can systematically reduce its use of “red” resources, then the library will be strengthened in its ability to cancel them eventually.¹¹

Many readers will take issue with differentially promoting some resources over others. But libraries do this every day—just not systematically and in alignment. For example, libraries configure discovery services and link resolvers in ways that preference some resources over others. And, in formulating the library’s homepage, subject guides, and other webpages, some resources receive more prominent attention than others. The library’s instructional program also focuses on some resources more than others. All these emphases, however, happen without any effort to build alignment across them.

Many readers will take issue with differentially promoting
some resources over others. But libraries do this every
day—just not systematically and in alignment.

There are a number of ways the library could try to bring alignment by promoting “green” resources and steering its community away from “red” ones. One portion of this may be about resource discovery:

- During instruction sessions, librarians should refrain from using or teaching “red” resources
- “Red” resources should only rarely be listed on library information pages, and then with a clear recommendation of preferred alternatives.
- “Red” resources could be prioritized last in link resolvers and discovery services and excluded from the direct linking features of discovery services.
- A user trying to use a “red” resource could be sent to an interstitial page including the information about the price and value of the resource with a note discouraging its use. And perhaps this page could list other resources a user could consider instead
- “Red” resources could be suppressed from the library discovery service and/or link resolver altogether.

¹¹ While drafting this paper, I was inspired to read this call: “Let’s consider where we might use interface roadblocks to benefit the overall user community.” Adrienne Lai, “Uneasy Interfaces or: How I’m Trying to Stop Worrying and Love User Obstacles,” <http://eduiconf.org/2017/uneasy-interfaces/>.

Another portion of this may be about publishing:

- Authors could be exhorted to submit their work and provide peer review and editorial services only to “green” providers whenever possible and never to “red” ones.¹²
- The library could agree to fund APCs only for articles submitted to journals provided by a “green” resource provider.

Other ideas will arise as well. The whole library can contribute to this set of activities, since each unit—from instruction and reference to technology and user experience—can find ways to redirect users and usage away from “red” resources. The purpose of this set of activities is to take steps short of cancelling “red” resources while reducing their usage so as to position the library more favorably in a future negotiation with the content providers—or to make them easier to cancel in the future.

Further Licensing

“Red” resource providers may try to sell additional content or services to libraries and their parent universities. This should be resisted.

Many libraries might wish to have a clear policy never to license further content from “red” resource providers. Others might want to avoid licensing many if not all new products from them. For example, when an ancillary service, such as a discovery service or a citation index, is offered temporarily “for free” as part of a negotiating process, libraries would decline to accept the opportunity for them and their user communities to become more dependent on the provider.¹³

When mergers and acquisitions take place, libraries should be especially vigilant. Perhaps the last major content recombination of licensed content providers was the merger of Springer and Nature. One source of corporate value is to increase the size of the bundles being offered to libraries, often with at least near-term preferential pricing to drive libraries to accept the combined bundles. Libraries should refuse these combined bundles for “red” resources.

¹² There are a variety of opportunities to engage with authors as libraries reconfigure their service offers. Today, for example, some library services engage scholars to help them publish their work to achieve greatest impact and/or avoid deceptive publishers. They could add the categorization as part of their efforts to educate and support authors.

¹³ Some readers of this draft assured me that no responsible library would ever take “free” giveaways from a problematic vendor.

In addition to taking these steps to guard against new or enlarged products from “red” providers, libraries would advocate with their consortium or system to respect their provider preferences.

It may not be feasible to cancel current subscriptions but there is no reason to become more reliant on a provider that is categorized as “red.”

Today, these issues extend beyond the library as scientific publishers are becoming research workflow providers and aggregators are becoming library service providers. We are in the midst of a rash of mergers and acquisitions, which increasingly target private companies providing workflow, compliance, and showcasing tools and, most recently, scholarly communications systems. Libraries face a number of key strategic and leadership questions for scholarly communications as platforms face acquisitions.¹⁴ In other cases, these workflow, showcasing, and compliance tools are sold by publishers not to the library but to other offices of the university. So, library directors may wish to work with other parts of the university, such as the office of information technology or the university research office, to ensure that “red” providers are not selling new products into the university. If a provider is on the “red” list, libraries should take every step possible to ensure that other campus units take this into account when they consider a new service offering. Indeed, the university should ultimately be united on the “red” list.

Portfolio

Finally, the library may wish to adjust how it allocates its materials budget. Many librarians suspect that their libraries put a growing share of their materials budget to “red” resources from year to year (even though the lack of such a categorization makes it impossible to know for certain). Certainly, most libraries’ objective is in fact to reduce the share of their allocation to resources that are unfavorably priced or that provide relatively low value.

Most libraries have only rarely rethought their budget structure, but it should be reviewed periodically. For example, almost all libraries make a distinction between materials and other budgets, with the former mostly funding acquisitions and licensing and the latter typically devoted overwhelmingly to staff compensation. There are several reasons for this distinction, one of which is that library leaders have sometimes negotiated with provosts and budget offices for different protections and inflation rates

¹⁴ Roger C. Schonfeld, “Reflections on “Elsevier Acquires bepress”: Implications for Library Leaders,” Ithaka S+R, August 7, 2017, <http://www.sr.ithaka.org/blog/reflections-on-elsevier-acquires-bepress/>.

for each. Materials budgets were once allocated by field or department, but there has been a trend towards centralizing them as such a high share of expenditures go towards multidisciplinary licensed content bundles. What is counted inside the materials budget varies from library to library, and sometimes may include a variety of functions and systems related to collections.

Another approach would be to allocate the materials budget according to the traffic light categories. They would take a sort of “cap and trade” approach to budgeting, allocating a specific and fixed portion of the materials budget to “red” resources. Doing so would be the outcome of intensive conversation with campus stakeholders. This would allow a library to make a form of Ulysses pact, “tying itself to the mast” to prevent it from taking the easy approach of putting ever greater resources into the products with the most problematic pricing models and value equations. In such a model, the library would be indifferent as to how funds were allocated within this “red” category and could fairly publicly encourage the “red” resource providers to battle among themselves for this fixed pot of money.

This approach would have to be carefully negotiated with campus stakeholders given the risk that one or more “red” resources would need to be cancelled in the next budget cycle. The advantage of taking this type of approach is to provide a framework for decision-making that can be agreed upon in advance by all campus stakeholders.

More ambitiously than keeping the budget allocation to “red” resources unchanged, the library might commit to reducing that allocation, either in absolute or relative terms, over time. This step, if feasible, would throttle down the commitment of university resources to “red” providers rather than simply capping it at a present undesirable level.

Strategy

Licensed collections have come to be at the heart of the services provided by almost every academic library. Drawing unambiguous distinctions between those that are appreciated and to be welcomed, against those that are problematic and to be resisted, can support a more aggressive set of advocacy and other practices to control prices paid and manage the collections budget. I make no claim here that these practices will be some kind of panacea for libraries, but regularizing this work and aligning the whole library behind it must surely be key success factors. There is more to be done to bend the price curve.

As the costs of content dissemination have fallen so dramatically, information industries from music to journalism have been transformed. For academic libraries, this means

they will continue to pivot beyond an emphasis on local collections towards increasingly distinctive collections and services in support of teaching, learning, and research. They cannot succeed in doing so unless they find ways to reduce the proportion of resources directed to licensing and supporting general collections. Controlling the collections budget is therefore a key strategic priority for the academic library.