

Library Consortia

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ABSTRACT

This paper is about the relationship between the benefits from library consortia and the expectations raised about those benefits. The conclusion reached is that consortia are bringing benefits to libraries, to librarians and to library users, although those benefits may not be exactly what were expected.

The motivation for the formation of library consortia throughout the world has been the need to cope with the rise in prices of scientific journals well above normal inflation. The rise in journal prices has been well documented by SPARC¹ and other organisations, and for many years the library community has been developing strategies to counter or to cope with these price rises. One of those strategies has been to use the collective purchasing power of a group of libraries to secure a lower price and/or more favourable licensing terms. High expectations have been expressed about the savings in library budgets, which may result from such a strategy, expectations which have not always been realised. The success of a library consortium has often been judged by its savings in expenditure

Because modern consortia are concerned with the purchase of electronic journals, we tend to measure their strength in terms of the financial benefits that they are able to achieve for their members. Financial benefits are important, but the strength of consortia brings different types of benefits and we should not ignore advantages that consortia bring which are not financial in nature. The mere fact of forming a consortium can create an internal strength and give libraries a higher political profile. Bulk purchase of electronic content can bring financial savings but equally important is the strength a consortium has in negotiating licence terms, in co-ordinating the supply and delivery of electronic content, and in resolving problems as they arise. Some potential benefits are not always realised, but enough benefit may be gained from the formation of consortia for users of libraries to receive a better level of service than if consortia did not exist.

LOCAL EXPECTATIONS AND BENEFITS

Individual librarians often feel powerless as they face up to the increasing cost and complexity of electronic information provision. What can one individual do? The answer is that they may be able to do very little on their own but in collaboration with others through a consortium they can achieve a great deal. The expectation may be that a consortium will take away from member libraries all the problems and all the difficult decisions. Nothing should be further

¹ Scholarly Publishing and Academic Resources Coalition, www.arl.org/sparc/

from the truth. The best type of consortium involves its members in solving the problems. A consortium should be a type of commune. Forming a consortium can provide individuals with a sense of belonging and a feeling of support as they face up to the challenges of electronic information provision. The formation of a consortium can have the same beneficial effect upon small *institutions*. It is not only individual librarians that can feel isolated and powerless. The organizations to which they belong are often agonising over information strategy and the best way of providing information to students within a restricted budget. Often small universities are only able to provide a limited range of journal titles. Belonging to a consortium can increase dramatically the number of titles available to students and staff of a small institution. This has to be managed in a way that does not cause the large institutions to feel that they are subsidising their smaller brethren, but if the consortium is constructed on a sound basis every member of the consortium can feel stronger than if the consortium did not exist. One practical expression of this strength comes through the help of a consortium in problem solving. If a dispute arises between a publisher and a library, the librarian can argue her or his case more effectively if a member of a consortium. The problem may well be affecting other libraries in the consortium, and time is saved by acting collectively. Likewise, an internal problem may arise, for example of a library has to cancel many journals because of a budget cut. This situation can be handled constructively through a consortium by looking at the holdings of all the libraries in the country or region. Technical problems also arise, such as system failure. Membership of a consortium often entitles users to go to another library when such a problem arises, and if no common access policy exists, a consortium provides a forum for the discussion of such issues.

Consortia have also used their strength to give coherence to the provision of electronic journals and books within a region or country. Collection development is a much more powerful tool if it is used through a consortium, which is able to cover some of the gaps in purchasing. Fragmentation of purchasing policy often leads to the same basic content being purchased by all libraries, with much valuable material not purchased. A consortium can plan collection development much more effectively. Everybody gains from access to more content. The benefits of common collection development are even greater if the route into the content is the same for all members of the consortium. The ATHENS authentication system developed by JISC in the UK has enabled staff and students of UK universities to use the same individual password to gain access to all content purchased through JISC. We still have several delivery services in the UK, such as ingenta or EduServ or the NESLI Managing Agent, but as far as possible we are trying to ensure that the user sees the DNER service as one service. This can only be done by using the strength of JISC as a national consortium.

Very often this feeling of strength within a consortium feeds through into greater political strength in the country or region in which the consortium is situated. Political authorities look to librarians to reduce costs and increase access to libraries through collaboration. Forming a consortium is perceived to be a good development and will earn praise from politicians. This helps to raise the profile for librarians and libraries and to give them a better image. We should not underestimate the influence of perception when it comes to deciding library grants. A library that is perceived to be co-operating will be looked upon more favourably than one, which is perceived to be inward looking in its attitude. This benefit in belonging to a consortium is reinforced if the consortium is part of the governmental structure in a country or region. Many consortia benefit from being based at a national library, which integrates the consortium into the political structure of the country. In the UK the JISC, the Joint

Information Systems Committee, although not part of the national library, is part of an even more important structure for universities that is the Funding Councils, which channel taxpayers' money from the UK Government to universities and colleges. An "entrée" into power structures in any country is certainly easier for a consortium of libraries than it is for one library acting alone. The key to the realisation of a consortium's expectations in this respect lies in aligning the goals and objectives of the consortium with the goals and objectives of the powers-that-be. Often the common goal will be greater access to information for the citizens of a country, and if a consortium can "deliver" greater access to information, expectations will be realised.

One of the most fascinating and potentially powerful developments in recent years has been the work of the Open Society Institute, funded by the Soros Foundation. OSI have contributed significantly to the international consortial movement and are bringing real benefits in access to information for citizens of the countries in membership of eIFL, the multi-national consortium founded by OSI. Each of the countries in membership of eIFL has preserved its own information-identity while gaining the benefits of collective action. The local consortia in eIFL face some of the greatest difficulties faced by any consortia in the world, and it is unlikely that they will fulfil all their expectations, but in their own situations they can make tremendous improvements in access to information. Each consortium in the world has to be judged by its opportunities as well as by its achievements.

EXPECTATIONS AND BENEFITS IN RELATIONSHIPS WITH PUBLISHERS

The most difficult expectation for consortia to manage has been the expectation of cost savings through collective purchase. A consortium of libraries does have greater power than one library acting alone in purchasing books and journals from publishers and other vendors. This point was evident in the days of paper publications, when a purchasing consortium would be able to make a deal with a bookseller or agent to supply a group of libraries with books or journals at a discounted price. For the bulk purchase of electronic publications a consortium is more likely to be negotiating with a publisher directly, with the agent's role normally being confined to subscription management or delivery of the content. It is clear that publishers benefit from dealing with a consortium, in that they save the cost of marketing to individual libraries, and their products are seen by users in more universities than if individual libraries purchased their own journals. It is in the provision of journal literature that these savings are most evident to a publisher, but publishers have not responded by passing on appropriate benefits to members of a consortium in terms of lower prices. The level of discount offered by most publishers to a consortium is low by comparison with the benefits to the publisher in selling to a consortium. Within NESLI we have found that better financial terms can often be obtained from the smaller publishers and we have had to be very firm in refusing to accept offers from the larger publishers, which we felt did not give our consortium sufficient advantage over purchasing by individual libraries. It has only been our willingness to walk away from a bad deal that has gained us any advantage.

It is clear that consortia of libraries in many cases have not been able to achieve the level of discount which subscription agents are able to achieve from publishers for handling their products, typically between 3% and 5% and sometimes as much as 10%. Occasionally a consortial discount from a large publisher will be of that order of magnitude for a long-term

deal but often only 1% or 2% for a one-year deal. We should not have to enter into long-term deals in order to achieve good consortial discounts. If we are to use the strength of consortia effectively we need to understand why the current pricing structure is not as favourable to consortia as it should be. I believe that the reason is partly one of history, in that publishers are accustomed to giving a discount to agents but not to libraries. It is also a question of whether the consortium is able to provide the services that an agent provides for a publisher, particularly in invoicing and subscription management. If we were to ask for the discount given to an agent to be transferred to a consortium we would need to provide the same services. Some consortia are organized to do this, others are not. Publishers say that they wish to deal direct with consortia, and there are advantages for consortia in dealing direct with publishers, but we need to devise new business models which relate the strength of consortia more closely to the price. In order to do this we need to break away from the bundling of print with electronic publications and from the link between current prices and past expenditure. We need better usage statistics to be able to negotiate on the basis of the value that dealing with a consortium gives to a publisher. In brief, it is not that consortia lack strength in dealing with publishers; it is that we are not using our strength effectively.

Librarians have been more successful in using their strength to secure good licensing terms. We had the big advantage that publishers had not worked out the licensing terms they were looking for before we drafted the licensing terms that we wanted to see adopted. When negotiating on price we were entering a pricing structure already established, with established relationships between publishers and agents, and we have found it difficult to secure major changes. On licensing, however, by and large we were in the game first. Consortia have played a major role in this development. Individual libraries have benefited greatly from the advice available to them through consortia. When we are faced with a legal document that is long and difficult to read, we need advice, and consortia have often had access to legal advice on licences drafted by publishers and in drafting their own model licences. Consortia have been able to use the strength of their size to ask for good licensing terms to be implemented by publishers. Although I know that there are other good licences, I must cite our work in the UK as an example of what can be achieved by a consortium. There are still difficult areas, such as the choice of governing law, but at a strategic level consortia have had a major impact upon the development of licences.

One of the most powerful criticisms of consortia is that they have helped to entrench the position of the major publishers in the scholarly communication process. This criticism has been expressed in an article by Ken Frazier². His criticism of the “Big Deal” is that “it bundles the strongest with the weakest publisher titles, the essential with the non-essential” so that “the library cannot continue to receive the titles it most needs unless it continues to subscribe to the full package”. This increases the power of the major publishers over prices and licensing terms. There is some truth in this criticism. Because consortia have tried to provide access to large numbers of journal titles, *ergo* they have negotiated with the big players for large packages. Library users have used the titles to which they have had access through consortia, *ergo* the titles published by the big players have acquired more importance, they have been cited more frequently, and libraries have been pressed not to cancel them. This creates a self-perpetuating group of “must-have” titles from the major publishers. All the blame for this cycle cannot be placed at the door of library consortia (universities and their

² “The Librarians' Dilemma: Contemplating the Costs of the "Big Deal" Kenneth Frazier (D-Lib Magazine March 2001 Volume 7 Number 3) www.dlib.org/dlib/march01/frazier/03frazier.html.

academic staff must bear their share of the blame) but it is fair criticism of consortia that they have done little to break the power of the major commercial publishers and may well have entrenched that power more deeply.

EXPECTATIONS AND BENEFITS FROM NESLI

In the UK some regional or other consortia have investigated the purchase of electronic journals, and a few purchases have been made, but most have decided that JISC, the Joint Information Systems Committee, is the best organization to do this for libraries in the UK. The JISC is funded by the four Higher Education Funding Councils in the UK to manage the national academic network and provides to universities and colleges a considerable number of the information services on that network. The many activities of the JISC are described on the web site, www.jisc.ac.uk. This paper will concentrate upon NESLI, the National Electronic Site Licence Initiative, which is the responsibility of the JISC Journals Working Group. NESLI has been operational since 1988 and is about to embark upon a new phase in its development. A small grant was given by the JISC to the NESLI Managing Agent to set up the service but one important feature of the NESLI financial model was that the service had to be self-financing. As a result of the political decision that NESLI should not be a subsidised service, the financial model had to allow individual institutions the choice to opt in or out of any particular deal. NESLI is a national initiative, but individual universities and colleges in the United Kingdom cherish their autonomy. They want to be free to purchase the journals they need for their own research and teaching programmes. This is a very understandable wish, and there is great variety in the UK system, with each university having a different balance between teaching and research and some universities deciding not to include certain subjects in their programmes. The London School of Economics, for example, only teaches social sciences and would not want to be forced to purchase medical journals. This situation creates a difficulty for NESLI. We cannot know for certain how many libraries will agree to subscribe to a NESLI deal at the time that the negotiations begin with the publisher, and therefore we cannot bargain as effectively as we could if we knew that we could offer the publisher a definite number of subscriptions. I shall not pretend that this situation is ideal, but it is a situation we have to live with given our political environment, and good deals for UK libraries have resulted despite the uncertainty about the number of libraries buying-in.

NESLI is a service that is important to UK universities and has a high political profile. Many people are watching to see whether NESLI is a success, and there are people who expect us to fail as well as those who expect us to succeed. The JISC is aware of these high expectations and attaches great importance to the role of the Journals Working Group (formerly known as the NESLI Steering Group), which consists of about ten people like myself representing UK universities. The NESLI Steering Group designed the service and arranged for the selection of the Managing Agent through the tendering process. Having set up the service, the original thought was that the Group would have done most of its work and could stay in the background. Our experience, however, has been that the Group has become more important rather than less important as time has gone by. I would certainly recommend any consortium to have a steering group that can meet regularly and take an active part in decision-making. It is important that all policy decisions are taken by such a steering group. All members of our Journals Working Group have full-time occupations and work for NESLI on a voluntary basis, but several of us spend a considerable amount of time on NESLI matters, usually by e-

mail. This work has been essential to ensure the success of NESLI, even though most of the administrative work has been carried out by the Managing Agent.

Let me now describe how the NESLI deals have been negotiated and agreed or rejected. The choice of the publishers with which the Managing Agent negotiates has been determined partly by the Managing Agent, partly by requests from libraries and partly by approaches from publishers themselves. These multiple entry routes into the negotiating process mean that at any one time the Managing Agent may be conducting negotiations with a large number of publishers. However, one of the changes we are introducing as a result of our experience is to concentrate only on around twenty publishers to be chosen by the Journals Working Group on the basis of benefit to the community. Some negotiations in the first phase of NESLI have not produced good benefits, either because of a low take-up of the offer or because the negotiations have been very difficult to conclude, and we shall be concentrating upon high take-up, straightforward deals which produce good discounts. Because negotiation is very time-consuming, we shall be concentrating our resources where they produce the greatest benefit. Publishers have used many different business models in their negotiations, so on some occasions it has been difficult to assess the benefits of the deal to the academic community. For example it is NESLI policy to look first for electronic subscriptions, but many publishers have wished to negotiate on the basis of electronic plus print subscriptions. Some electronic plus print offers have been reasonable, others have not, and often several months have elapsed before the Managing Agent has felt that the offer is suitable to be offered to the NESLI Steering Group. The role of the Journals Working Group at this point has been to make our own assessment of the deal that has been negotiated by the Managing Agent. We decide whether the offer is good enough to be sent out to the libraries for consideration. In order to help us in this decision the Managing Agent provides us with certain key pieces of information. One of the questions we ask is whether the publisher is willing to agree to the NESLI Licence we have drafted, because the NESLI Licence protects the most important rights libraries wish to preserve in relation to fair use. Most publishers have been willing to use the NESLI Licence but occasionally a publisher will ask for changes to the Licence, and then the Journals Working Group has to decide whether it is worth sacrificing a point in order to purchase the journals from that publisher. Nothing in this world is perfect, and you will understand that in reaching a decision the Group has to look at the proposed deal as a whole, weighing the good points and the bad points. Several deals proposed by publishers have been rejected by the Group, others have been sent back to the Managing Agent for re-negotiation on specific points, some have been agreed for forwarding to libraries reluctantly, others have been endorsed enthusiastically. When the Group has agreed to release an offer reluctantly it has been on the basis that an important group of journals is involved, and while the Group is not entirely happy with the offer, it has felt that this is the best offer the Managing Agent has been able to negotiate for those journals, and therefore the libraries themselves must decide whether they wish to proceed with a bad offer for an important group of journals.

The result of this lengthy process of negotiation and consultation in the first phase of NESLI can be seen on the NESLI web site, www.nesli.ac.uk, where the successful deals are listed. We have three objectives: to provide libraries with better value for money, to increase access to journals and to promote the use of electronic journals. Occasionally a deal that does not appear to be a very good financial deal will be accepted by the Working Group because it takes forward our other objectives. Likewise, after an offer has been accepted by the Working Group, the acceptance of the deal by libraries will depend on many local factors. A library's

financial situation will undoubtedly be the most important factor but even a deal which does not bring much financial saving may be accepted if it brings other advantages, such as access to a wider range of journals. Because libraries are not forced to accept NESLI deals, market forces can work, enabling good deals to be accepted and bad deals to be rejected. We are still at a very early stage in this process and we are taking a long-term view. There are good deals already available through NESLI, and UK libraries are already saving money as a result of NESLI, but there are many more savings to be achieved. Likewise NESLI is already partially successful in increasing the use of the electronic versions of journals but the potential use is huge and the potential savings in moving away from paper journals are also huge.

Over the past year we have undertaken an evaluation of NESLI, to look at what has been achieved so far and what decisions need to be taken to improve the service. The conclusion is that NESLI is working well and producing good results for the users of libraries, but that there are certainly aspects of the service, which need to be re-considered. Although all types of libraries have experienced benefits from some NESLI deals, a clear message from the consultation with the academic community is that “one size does not fit all”, and those different forms of purchasing deals suit different libraries. Some libraries, for example, have been very happy with the “all-you-can-eat” deals because that type of deal offers them access to a wider range of titles than they could ever afford in print. Other libraries have asked for more selective purchase arrangements, such a subject cluster of titles from several publishers. For new deals we shall be looking for offers, which give libraries more choice.

The key factors for success demonstrated by the NESLI experience are support at a high level from funding authorities, clear definitions of the roles of the various parties, and good working relationships between the key players. In NESLI we do have the support of the funding authorities and there is a wish for NESLI to succeed. We also have a lot of support from the universities in the UK, although it is not surprising that we have our critics as well. NESLI is an ambitious programme with major objectives and we shall be fortunate if we achieve all that we wish to achieve. We have learned that clear definitions of the roles of the Managing Agent, the Journals Working Group and the individual universities are very important. We have also learned the importance of regular contact between all the key players. Regular e-mail discussion has been vital. The Journals Working Group has met with the Managing Agent face-to-face three times a year, but in between meetings there have been many telephone calls and e-mail messages. A programme like NESLI cannot be left to run itself. So, if you wish to set up a programme for the purchase of electronic journals in a consortium, be prepared for a great deal of work over several years. You will be lucky if you can achieve quick results, but our experience with NESLI is that there are good results to be achieved if you are patient, have a good group of people to work with, and take the right decisions.

IF ONLY THE WORLD WERE PERFECT!

Each of the strengths I have pointed to are real strengths, but we all know that weaknesses exist. Sometimes these weaknesses are the fault of the members of the consortia themselves. If you form a consortium, it has to be taken seriously, and there has to be some sacrifice of local interests for the common good. Political authorities often do not realise how much is already being achieved by librarians who co-operate through consortia, and our political

image is sometimes not as good as we would wish or deserve. Likewise publishers sometimes see consortia as a threat rather than seeing the benefits that working with a consortium can bring to them. Although the drafting of model licences is a strength, there are still too many variations to model licences, and invariably where a variation occurs it is not to the benefit of library users. If only all these problems were easy to solve!

Nevertheless, it would give a false impression to end this paper on a down-note. Membership of consortia is providing librarians with a better future than if consortia did not exist. By and large consortia are well-respected. Consortia are providing funding authorities with better value for money from library budgets. Consortia are gradually changing publishers' pricing and licensing policies. And the bottom-line test is that as a result of the way in which consortia are using their strength, users of libraries are receiving a better service than they would if consortia did not exist.