

October 14, 2015

UNC E-Journal Efficiencies Working Group Assessment of Improvements in 2014

Background for this document:

In early 2012, UNC General Administration and the NC Office of State Budget and Management hired an outside consultant (Dan Costello) to identify potential collaborative efficiencies of six program areas within the UNC System, one being e-journal acquisitions. The consultant worked with UNC Libraries to gather and analyze the system's e-journal cost and usage data for the calendar years 2009-11. His final report recommended that the UNC Libraries develop and implement a five year plan to improve the cost/benefit ratio of our e-journal subscriptions system-wide. ULAC responded by appointing the E-Journal Efficiencies Working Group. The Working Group developed a multi-pronged strategy (see Appendix 1), including five annual assessments to ensure that the strategies produce positive results. This document is the third such annual report, focusing on 2014.

Analysis:

The Working Group collaborated with all 17 UNC System libraries to gather, validate, and normalize 2014 usage and price data for seven large academic journal publishers – Cambridge University Press, Elsevier, Oxford University Press, SAGE, Springer, Taylor & Francis, and Wiley. Compared to 2013, the 2014 UNC System-wide data show that:

- Our aggregate total cost rose by 3.2%, from \$17.5 to \$18.1 million
- Our aggregate total usage rose 9.3%, from 5.4 to 5.9 million
- Our aggregate average cost-per-use (CPU) fell, declining 5.6% from \$3.22 to \$3.04
- The aggregate total number of titles used at least ten times rose 4.2%, from 35,272 to 36,771

Compared to the first year of UNC System-wide data collection (2009), the 2014 data indicate that:

- Our aggregate total cost rose by 19.6% over the 5 year span, from \$15.1 to \$18.1 million
- Our aggregate total usage rose 58.6%, from 3.7 to 5.9 million
- Our aggregate average cost-per-use (CPU) fell, declining 24.6% from \$4.04 to \$3.04
- The aggregate total number of titles used at least ten times rose 33.6%, from 27,523 to 36,771

By most quantitative measures, the UNC System has improved the cost/benefit ratio of its e-journal expenditures in 2014. Our spending increase of 3.2% was less than the average 2014 national journal

inflation rate of 6% overall and 5.19% for publisher packages¹. Our usage surged by nearly 10%, resulting in a CPU decrease of nearly 6%. Unfortunately, significant 2013/14 budget cuts at many institutions forced cancellations, resulting in an overall 2.3% decrease in the number of major publisher journals available to our faculty, students, and the people of North Carolina

Two major factors contributed to the overall positive results for 2014. First, the Carolina Consortium five year deals for Elsevier, Springer, and Wiley were up for renewal for the period beginning January 2014. Working together across the system and with other institutions state-wide, UNC schools were able to negotiate significant reductions in the inflation rate for 2014-18 for each of these deals. Because these three publishers account for a large percentage of system expenditures on major publisher e-journals, the cumulative system-wide savings from the reduction in inflationary increase will exceed one million dollars over the five year license terms.

The second major factor contributing to our collective success in 2014 is the thoughtful, collaborative, and data-driven decision making processes that each of the seventeen UNC institutions have used to evaluate their e-journal subscriptions and make appropriate decisions to renew or cancel. Because our schools differ in curriculum, size, and research foci, the criteria and metrics for decision-making processes will, of course, differ somewhat from campus to campus. But we all share the same commitment to collaborative, data-driven decision making to ensure that we are spending our collections budgets as effectively as possible.

The Working Group acknowledges that our data analysis is based solely on quantitative cost and usage data and thus cannot present a complete picture of e-journal efficiency. For example, a purely quantitative analysis presents any high-cost, low-use journal as “inefficient.” But even a low-use title can have high impact, and its cancellation could result in difficulty recruiting or retaining faculty and graduate students, in the inability to bring in a large grant, or in damage to classroom instruction. Those negative impacts certainly would not be considered “efficiencies” on UNC campuses! It is unfortunate that we cannot more fully address title-by-title qualitative measures in this report, but it is not possible to do that adequately for 5+ million uses over tens of thousands of journal subscriptions at 17 different institutions.

Conclusion and Summary:

Our 2014 cost and usage data for the seven largest academic journal publishers show that the 17 UNC System libraries became more efficient with respect to e-journals. The Working Group will continue to seek additional efficiencies, with the caveat that at some point we face the likelihood of diminishing returns on our efforts.

¹ Bosch, Stephen, and Kittie Henderson. “Steps Down the Evolutionary Road: Periodicals Price Survey 2014”. *Library Journal*, April 11, 2014. <http://lj.libraryjournal.com/2014/04/publishing/steps-down-the-evolutionary-road-periodicals-price-survey-2014/>.

UNC-Ejournal Efficiencies Working Group 2015 membership:

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Appendix 1

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Approved by ULAC June 10, 2013

FIVE-YEAR PLAN TO IMPROVE COST/BENEFIT RATIO OF SYSTEM E-JOURNAL PURCHASES – COLLABORATIVE E-JOURNAL EFFICIENCY WORKING GROUP RECOMMENDATION TO ULAC

Charge to the Working Group, from Oct 26, 2012 memo from ULAC to UNC GA

“Using data gathered prior to the official launch of any yet-to-be developed plan on July 1, 2013, the working group will recommend a plan, or model, for improving the cost/benefit ratio of system e-journal purchasing. As indicated in the report, the plan “may include coordinated action by a number of schools, individual actions by each institution, and other permutations.” In other words, it could describe a flexible model and approach to secure better value with regard to e-journal access. The plan will articulate factors derived from the data analyses that seem most productive of enhanced access and value across all UNC libraries. The initial plan will consider all 13 publishers listed in the report, but will focus particularly on the four “higher-risk” publishers that were identified (viz., Elsevier, Wiley-Blackwell, Taylor & Francis, and Oxford University Press).”

Collaborative E-Journal Efficiency Working Group Recommendations

I. BACKGROUND

The journal inflation pressures described in the August 2012 *OSBM Collaborative Efficiency Review* are certainly not new to libraries. Academic journal inflation has outstripped the Consumer Price Index (CPI) for several decades, while the CPI has generally outpaced library budget increases. Many libraries have been forced to reduce book expenditures or curtail services in other areas in order to fund annual journal price increases. Continuing reallocation from other funds is clearly unsustainable in the long-term, but the most obvious solution -- large scale journal cancellations -- could cause incalculable damage to our universities. If we cancel essential core journals in order to save library dollars, we could be costing our institutions far more than we save in terms of damage to our teaching mission, to our ability to attract and retain faculty, and to our faculty’s ability to conduct research and bring in grant funding. The adoption of a balanced, holistic strategy that improves our overall cost/benefit ratio through increased access, increased usage, and judicious cancellations of lesser-used materials is a better approach to improving e-journal efficiency. The *OSBM Collaborative Efficiency Review* correctly states that, in terms of e-journals spending, the UNC System’s efficiency already significantly exceeds

the national average. Nevertheless, the UNC system libraries are fully committed to seeking additional efficiencies, and are therefore adopting the following five-year plan to improve the cost/benefit ratio of our e-journal purchases.

II. EFFICIENCY INITIATIVES

1. The Collaborative E-Journal Efficiency Working Group (WG) will author and share a “best practices” document on promoting and increasing usage of e-journals. When usage increases faster than cost, the cost-per-use declines and we achieve greater efficiencies.
2. The WG will recommend that UNC System libraries work with the Carolina Consortium, the Triangle Research Libraries Network (TRLN), and other consortia to get more favorable terms whenever Big Deals are renegotiated. Generally speaking, the greater the buying power, the stronger the negotiating position. By joining a group, individual institutions can often leverage their negotiating power.
3. The WG will provide data to the system schools that will enable each institution to compare and analyze license terms, pricing, and usage across the system. If one school is getting a stronger return-on-investment (as measured, for example, by cost-per-use) from a certain publisher, other system schools could assess the reasons for this difference and then attempt to close the gap. In most cases, such attempts would take the form of negotiating with the publisher to attain the more favorable license and/or pricing terms of the school with a stronger return-on-investment.
4. The WG will compare the cost/benefit of access models for individual publishers. For example, various UNC schools receive Elsevier journals through the College Edition, the Freedom Collection, and direct subscriptions. One of these models may be more cost-effective than the others. Alternatively, one model may be better for schools that are a certain size or that fit a certain research profile. The comparison of cost/benefit models will help enable the system schools to identify and pursue the access models that will maximize efficiency.
5. Utilizing cost, usage, and other data points, the WG will identify outlying schools within a specific publisher deal and provide them with alternative scenarios that may enable each school to increase efficiency. For example, if most schools are paying \$5/article within a Big Deal, but one school is paying substantially more per article, then that school could benefit from this information. An alternative scenario for a high cost-per-use school might be switching from a Big Deal to some combination of subject collections and/or individual subscriptions, depending on the publisher. In these cases, the WG could provide a model that would project \$X savings, Y loss of titles, and Z loss of usage.

III. ASSESSING OUR EFFICIENCIES

An accurate assessment of improvement in e-journal cost/benefit cannot be derived from any single metric. Improvement may be reflected by a combination of many factors, including (but not limited to):

- Lower overall costs
- Lower cost increases
- Lower cost-per-use
- Greater number of highly used titles (HUTs)
- Greater overall usage
- Positive multi-year trend data
- Greater number of journals available to students and faculty
- Strong performance when benchmarked against national averages
- Improved license terms (for example, better ILL terms or enhanced ability to use articles in course packs can reduce institutional costs within the system)
- Greater support for student and faculty research, and their success in obtaining external funding for research
- Improved ability to attract and retain faculty
- Enhanced support for the instructional mission of the institution.

For the five-year study period – January 2012 to December 2016 – the WG will produce an annual assessment of e-journal efficiency based on a variety of these factors. To achieve this, the WG will work with system schools each year to compile and normalize data and add it to the repository housed at UNCG. The WG will then closely examine the data. Areas of significant improvement will be identified, considered as potential models for improvement in other areas, and reported to GA. Where the data appears weaker, the WG will alert the affected school(s) and suggest potential remedies. Of course, each school retains the authority to make its own decisions about its own e-journal subscriptions.