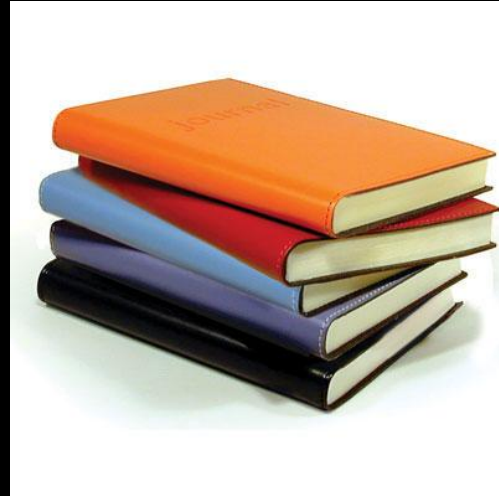


Consortia and Journal Package Renewal- the Death Knell of the "Big Package Deal"?



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Why a consortial survey?

Economic downturn was a major issue with consortia during last renewal cycle

Anecdotally, we saw what might be emerging trends in our big deal negotiations

Is this widespread? Are we alone? Does it affect different sized consortia?

How?

We designed a comparative survey submitted to members of library consortia

We selected a wide variety of consortia – small, large, public, academic, state-wide

We suspected smaller consortia losing bargaining power

Origin of Respondents

88.33% American

16.67% Other

Total Spend

Ranged from 218K- 95 Million

0- 2 million- 6 respondents

2.01 million- 5 million- 5 respondents

5.01 million- 10 million- 4 respondents

10.01 million- 20 million- 0

20.01 million- 50 million- 2

Over 50 million- 1

Number of Institutions

0-12 members- 5

26-50 members- 4

51-75 members- 5

76-100 members- 0

101-500 members- 3

>500 members- 3

Institutions include:

Academic- 84.6%, or 22

Public- 19.2 %, or 5

Private- 30.8%, or 8

Special- 34.6%, or 9

How many times did your consortium join a larger deal?

Previous Renewal Cycle

0-2	85.7%	12
3-5	14.3%	2
>5	0	0

Current Renewal Cycle

0-2	91.7%	11
3-5	14.3%	1
>5	0	0

How many of your deals allowed for shared access to journal titles for all members?

Previous Renewal Cycle

0-2	35.7%	5
3-5	28.6%	4
>5	35.7%	5

Current Renewal Cycle

0-2	50.0%	6
3-5	25.0%	3
>5	25.0%	3

Can you estimate in approximately what percent of your deals your consortium billed members directly, as opposed to having the company/subscription agent bill consortium members?

Previous Renewal Cycle

0%	13.3%	2
1-25%	6.7%	1
26-50%	13.3%	2
51-75%	20.0%	3
76-100%	46.7	7

Current Renewal Cycle

0%	18.2%	2
1-25%	0.0%	0
26-50%	9.1%	1
51-75%	27.3%	3
76-100%	45.5%	5

How did the majority of proposed contracts change in terms of cancellation allowances?

Previous Renewal Cycle

Increase in cancellation allowances	21.4%	3
Decrease in cancellation allowances	0.0%	0
No noticeable changes in cancellation allowances	78.6%	11

Current Renewal Cycle

Increase in cancellation allowances	0%	0
Decrease in cancellation allowances	0.0%	0
No noticeable changes in cancellation allowances	100.0%	10

If any vendors changed price caps, were the majority of these changes an increase or a reduction in price caps?

Previous Renewal Cycle

Increase in price caps	13.3%	2
Decrease in price caps	40.0%	6
No noticeable change in price caps	46.7%	7

Current Renewal Cycle

Increase in price caps	20.0%	2
Decrease in price caps	20.0%	2
No noticeable change in price caps	60.0%	6

Were there any changes in terms of proposed shared access of titles amongst participating institutions?

Previous Renewal Cycle

More vendors offered shared access when we did not have it previously	7.7%	1
More vendors proposed taking away shared access that we did previously have.	23.1%	3
No noticeable change in shared access.	69.2%	9

Current Renewal Cycle

More vendors offered shared access when we did not have it previously	9.1%	1
More vendors proposed taking away shared access that we did previously have.	18.2%	2
No noticeable change in shared access.	72.7%	8

How many times did individual consortium members strike their own deal with publishers rather than participating in consortial deals?

Previous Renewal Cycle

0-2	61.5%	8
3-5	23.1%	3
>5	15.4%	2

Current Renewal Cycle

0-2	72.7%	8
3-5	9.1%	1
>5	18.2%	2

How many times did individual consortium members strike their own deal with publishers rather than participating in consortial deals?

Previous Renewal Cycle

Increase in price caps	13.3%	2
Decrease in price caps	40.0%	6
No noticeable change in price caps	46.7%	7

Current Renewal Cycle

Increase in price caps	20.0%	2
Decrease in price caps	20.0%	2
No noticeable change in price caps	60.0%	6

How many new consortial deals did the consortium pick up?

Previous Renewal Cycle

0-2	73.3%	11
3-5	20.0%	3
>5	6.7	1

Current Renewal Cycle

0-2	61.5%	8
3-5	23.1%	2
>5	15.4	1

How many consortial deals did the consortium drop?

Previous Renewal Cycle

0-2	93.3%	14
3-5	6.7%	1
>5	0%	0

Current Renewal Cycle

0-2	90.9%	10
3-5	9.1%	1
>5	0.0	0

Did you use Shared E-Resource Understanding(SERU) License Agreements with any of your consortial deals?

Previous Renewal Cycle

Yes	20.0%	3
No	80.0%	12

Current Renewal Cycle

Yes	18.2%	2
No	80.0%	9

Have you noticed an increase or a decrease in the number of publishers that require a base spend rather than a subscription list?

Increase	28.6%	4
Decrease	0.0%	0
No change noticed	71.4%	10

Please describe any changes, if any, you have observed in the way FTE is calculated by publishers during the most current renewal cycle

“None -- but we don't let the publisher dictate how our FTE is calculated.”

“We provide official FTE figures to vendors - if they try to use figures culled from individual institutional websites, these FTEs are rejected by us. To date, no vendor has refused to use the official FTEs, once they became aware that these exist.”

“We did notice at least one database vendor offering fewer price tiers which resulted in higher prices for some of our libraries.”

“Many of them are now looking at both FTE and Carnegie Research Tiers. They'll charge whichever is higher. So for instance one of our institutions only has <4000 but since they are considered RU/VH-they get charged the same amount as a member who has 60,000+ “

“More than ever FTE is including faculty along with students.”

“Our consortium has always calculated FTE as 100% of FT and 1/3 of PT enrollment based on data reported to the state Commission of Higher Ed. Vendors have always accepted our data.”

With the majority of your contracts, the general length of the contract period between last renewal and current renewal cycle has:

Increased	28.6%	4
Decreased	7.1%	1
No change observed	64.3%	9

Please describe any other changes you have observed during this current renewal cycle.

“We don't "observe" changes we negotiate them.”

“More titles made available this year.”

“Awareness by vendors of importance of COUNTER compliance and report availability ; importance of post-cancellation rights (in perpetuity, if at all possible) ; willingness to move from 1-year to 3-year deals (on the part of both vendors and institutions) ; some willingness to slice the total FTE to accommodate institutions (i.e. use only SSH FTEs rather than institutional FTEs for a clearly SSH-oriented resource)...”

“By the way, I didn't understand what you meant by "shared access" to titles. For me, each institution has its own subscription and does not share access to titles with the other participants in an agreement. Perhaps this is semantics on my part, but I chose not to answer those questions because it's not clear to me what the term means for you.”

Please describe any other changes you have observed during this current renewal cycle, continued...

The Georgia State suit has allowed vendors to refuse to allow e-reserves and course packs in new agreements. The emergence of online programs for some of our libraries has also blurred the line between not-for-profit and for-profit programs.

“Outside of OUP and Annual Reviews-not willing to give any kind of break to institutions who have seen 50%+ drop in budget. Most publishers feel that this will be over by 2010/2011 fiscal year while most of our members are looking at 2012/2013 as the absolute earliest things may even out.”

“I also have heard the same from every single publisher we work with "our material is too important to XXXX discipline(s). We know you can't cancel us due to accreditation." [Didn't work by the way, one publisher while still renewing \$14 million with us, lost over \$ 4 million in cancellations for ex.)”

“Over the last year, contracts and pricing have become much more rigid and uniform amongst consortia.”

“Willingness on the part of some vendors to keep renewal pricing flat or assess lower than normal increases due to a state budget crisis of epic proportions. Then there's Wiley...”

Observations:

- Size of annual spend ranged from 218,000 to 95 million. Natural points for small, medium and large consortia were 0-5 mil, 5-10 mil, and over 10 mil.
- Range of member numbers: 4-2400.
- Type of libraries not useful as point of comparison because almost all consortia (84.6%) included academic. 30.8% included Private, 19.2 % included Public and 34.6% included Special.
- In previous renewal cycles, there were more times when the consortium joined a larger consortial deal.
- It appears that currently, there is a slight trend towards losing shared access to journal titles.
- This renewal cycle, there was a very slight trend towards consortia billing members directly. We were surprised, because we thought perhaps consortia were low on funds to prepay and were concerned about slow payback from members. In general, more consortia do pay vendors and invoice members.

Observations

- Cancellations allowances increased slightly (21.4%) during previous renewal, but no change observed this round.
- During previous renewal, 40% of consortia reported a decrease in price caps. This round, only 20% noticed, and 20% reported an increase, as opposed to only 13.3% noticing increase last round.
- Very slight decline in number of deals picked up.
- No variance in number of deals dropped.
- 2 consortia reported using SERU both times.
- Increase in number of publishers that require a base spend rather than a subscription list. – 28.6% increase, 0% decrease. Definite trend.
- 28.6% of respondents reported increased length of contract period between last and current renewal cycles. Only 7.1% reported decreased.

Differences between large and small consortia?

- **In general, seems that larger consortia tend to have more shared access deals.**
- **Also, larger consortia tend to be more apt to pay vendor directly and collect funds directly from members.**
- **Data slightly suggests that larger consortia are not tending to pick up new deals.**
- **Larger consortia are noticing an increase in the number of publishers that require a base spend rather than a subscription list.**
- **The general length of the contract period between previous and current renewal cycle increased more for smaller consortia.**
- **The differences between responses from large and small consortia, other than with base spend, were not as significant as we thought they might be.**

Conclusions

Some trends observed in publisher business practices.

Trends most likely driven by economic downturn, especially insistence on maintaining base spend.

Consortia can think of these changes as an opportunity to renegotiate for better terms, even if these deals don't allow for cost savings.

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