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WIN/WIN: GETTING THE DEAL YOU BOTH WANT!
The Story of a Consortial Buying Agreement

by Lisa N. Bowman and Peggy S. Cooper

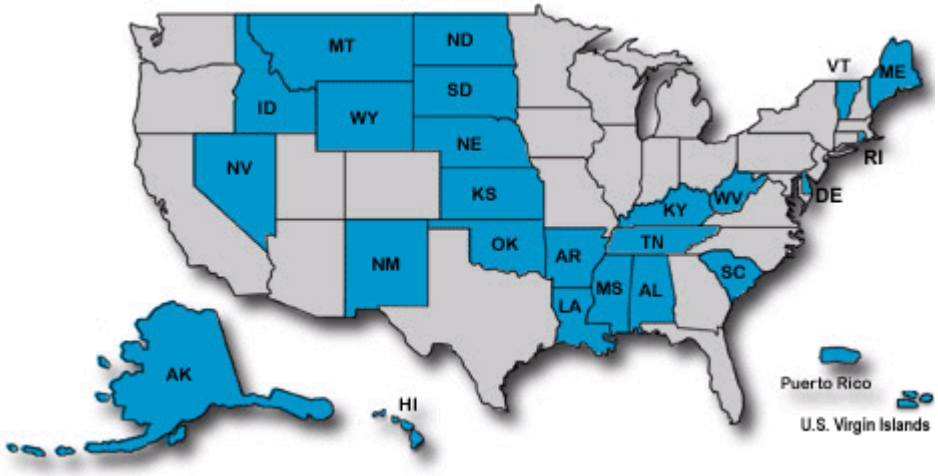
The following article was originally a presentation at the Collection Development Discussion Group meeting at ALA Midwinterconference in San Diego, January 10, 2004.

As libraries and publishers struggle to contend with rising serial costs, flat or reduced budgets, and increased demand for electronic access, it is critical that they become allies rather than adversaries. As allies they can work toward solutions that are a win/win, i.e. libraries and publishers each get the deal they want.

An example of a win/win was the recent EPSCoR/ESIG (see definitions, below) and Marcel Dekker, Inc. consortial agreement to provide access to the Dekker suite of journals for participating ESIG members. Through this agreement, libraries obtained access to the Marcel Dekker subscriptions for a minimal fee and Marcel Dekker ensured their subscription base. For libraries like Albertsons Library, at Boise State University, that subscribed to only one of the Dekker titles prior to this deal, their patrons gained access to over 80 new journals that the library was unable to purchase on an individual basis.

The story of this agreement is as follows: In February 2003, a request was posted on the EPSCoR/ESIG listserv asking for volunteers to represent ESIG libraries in a consortial agreement with Marcel Dekker, Inc.

EPSCoR, *Experimental Program to Stimulate Competitive Research, is a National Science Foundation program that focuses on those states that have historically received lesser amounts of Federal R&D funding and have demonstrated a commitment to develop their research bases and to improve the quality of science and engineering research conducted at their universities and colleges. The program currently operates in 23 states, including Idaho, and Puerto Rico.* http://www.ehr.nsf.gov/epscor/



ESIG members

ESIG, EPSCoR Science Information Group, was founded in June 2001, to provide a vehicle through which EPSCoR libraries can negotiate deals at excellent prices for electronic STM journal suites and/or STM databases. http://www.lib.montana.edu/~bmorton/esig/

For the purpose of this presentation, consortia can be either formal organizations with directors, governing boards, and membership requirements, or informal, self-organized ad hoc buying groups. It is important to note that consortia are in constant change and differ in their purposes and structures. Comparisons are, at best, elusive between consortia. What works for one consortia, for example ESIG, may not work or be appropriate for other consortia.

The first meeting between ESIG negotiators and Miriam Gilbert, Site License Specialist for Marcel Dekker, Inc., took place on April 2nd, 2003, when Miriam flew to Boise, Idaho. As part of the initial meeting Miriam made a presentation introducing Marcel Dekker, Inc. and provided a copy of the original ESIG/Dekker offer. The need for a package that benefited all ESIG members regardless of their size or current Dekker subscription level was discussed. We reviewed the proposal and made suggestions for changes.

On May 3rd, 2003, the revised Dekker proposal was sent to the ESIG listserv. There was limited interest in the initial proposal. The next month was spent working with Miriam to improve the proposal, which was revised and re-sent on May 30th, 2003. At that time a matrix of individual libraries' Dekker subscriptions was sent to interested institutions. The matrix gave them the information they needed to evaluate their current subscriptions and to determine the value of this offer for their library. We also brainstormed with Miriam about ways to improve the proposal and expanding the offer to other library consortiums such as GWLA (Greater Western Library Alliance) and PASCAL (Partnership Among South Carolina Academic Libraries). Within the next two weeks, thirteen libraries indicated their decision to participate in the ESIG/Dekker agreement. On June 17th, 2003, the final revisions of the proposal were resent to the ESIG listserv, a last call for participants. At that time negotiations were put on hold for eight weeks due to prior summer commitments.

After the two month hiatus a request was sent to the libraries that had expressed interest in the ESIG/Dekker offer, asking them to reconfirm their commitment. The initial review of the license began with the assistance of Chris Sugnet, Director, Collection Development & Management, University of Nevada, Las Vegas. The final license was mailed on October 2nd, 2003. At that time billing and contact information for the participating libraries was sent to Marcel Dekker, Inc. On October 24th, 2003, the license was signed and a week later access to the online journals became available.

Some of the attributes of the ESIG/Dekker deal are common to all consortial arrangements. Others were unique to that particular situation. In discussions following the completion of the project, the publisher's representative and the ESIG negotiators agreed on the following list of key components that made the process a win/win.

- Communication, communication, communication;
- Face-to-face initial meeting with publisher and ESIG representatives;
- No hidden agenda, all emails and communications copied to all parties;
- Team approach;
- Trust – honesty;
- Investment, time and money invested on both sides;
- Publisher's understanding & flexibility in licensing;
- Appreciation – both sides appreciated the efforts of the other to make this deal happen; and
- ESIG has a common goal/purpose, providing greater access to STM information; there was no debate among libraries about the need of this information.

The success of the ESIG/Marcel Dekker deal was in part due to the publisher representative and the negotiators being committed to open communication, trust, and the understanding of what both sides needed in order for the deal to be successful. The relationship that developed during the negotiation process emphasized the importance of alliances between libraries and publishers. Both sides believed that the initial face-to-face meeting between the publisher's representative and the library negotiators was the most important factor in the success of this project.

At the conclusion of the ESIG/Dekker agreement, we began to speculate about the uniqueness of our experience. Did other consortia and publishers complete purchasing agreements in a similar manner? What was the average timeframe for the completion of a consortia agreement? Are most publishers willing to work with consortia, formal and/or ad hoc groups? It was decided to survey publishers about their work with consortia. We were particularly interested in learning about the flexibility of licensing, the time line for a typical consortial negotiation, the future of

consortia/publisher agreements, and what steps libraries and publishers can take to ensure future win/wins. To expedite sending and receiving information, an online survey was created using Microsoft FrontPage. The survey and a brief introduction explaining the purpose and use of the information were emailed to twenty-six publishers in early December 2003. 46% of publishers responded and the results were imported into a Microsoft Access database to assist with analysis. The survey questions and a summary of the publishers' responses are provided.

Survey Results

How many different consortia is your company working with at this time?

83% of publishers are currently working with 26 or more consortia

How many new consortia have you worked with in the past 12 months?

All publishers surveyed are currently working with consortia.

Their answers ranged between 4-30.

Is your company willing to work with ad hoc consortia?

Yes = 10 No = 2

If the answer to the above is yes, has there been an increase in the type of ad hoc arrangements?

Yes = 9 No = 2

How would you describe your companies licensing?

a. Not flexible? 2 (17%)

b. Somewhat flexible? 6 (50%)

c. Very flexible? 4 (33%)

Has your company ever been unable to complete a consortial negotiation due to licensing issues?

Yes = 2 No = 10

If yes, please describe the problem

- Intellectual property unprotected

- Consortia wanting to count multiple schools as a single institution.

What is the average time frame to complete a consortial purchase?

Majority of the publishers said 3-6 months.

What is the average time to complete a deal?

a. Faster than in previous years? 4 (33%)

b. Longer than in previous years? 3 (25%)

c. The same amount? 4 (33%)

Blank answer = 1 (8%)

What makes a consortial purchase a WIN for your company?

- Increase customer base
- Ability to work with multiple libraries simultaneously
- Ease of Administration (one invoice)
- To have our content used at universities
- Customer satisfaction

What steps can publishers take to insure a Win/Win?

- Provide fair and consistent pricing
- Keep consortia informed
- Simplify license terms, develop pricing models that fit customers' needs
- Great customer service
- Work with consortia coordinators in tandem
- Provide training

What steps can Libraries take?

- Understand the needs of their members
- Meet with membership early enough to make the renewal process easier

- Be clear what they want to license

- Know what funds are available to proceed quickly

- Consortia managers should act as marketers

- Keep door to communications OPEN

- Know publishers are aware they are here because of the library!

- Eliminate licensing criteria that is outdated or more liberal than publishers can allow by law, and be willing to work toward creative solutions

- Be open minded

- Communicate regularly

- Lobby university administration for greater share of grant funds

- Standardization and consistency

Do you see your company work consortia in the future:

a. Continue expanding? (12 = 100%)

b. Maintaining the same level of business

c. Declining

Additional publisher comments:

- Working with consortia has been incredibly beneficial for us as a publisher and for the library. Consortia leaders are great at keeping the information flowing.
- There is a difference between consortia that go through a bidding process and those that offer discount arrangements to members for individual purchase.

The ESIG/Dekker project may not have been unique in the history of consortial agreements; however, it did provide us with a great deal of information about consortial work. We also gained insight into an area of the consortial world that had previously received little of our attention, the needs of the publisher. Our experiences with ESIG negotiations and the publisher survey results lead us to conclude that consortial arrangements will continue to be an important part of the way libraries and publishers do business. Changes in these types of arrangements will be for the most part positive for both libraries and publishers. Libraries will increase the use of ad hoc consortia as well as formal consortia to create alliances that maximize their buying power. Publishers/consortia negotiations will be completed in a more rapidly due in part to the standardization of licenses. As allies, libraries and publishers will continue to improve and

maintain open communication. That communication will be an essential part of future consortial work and an essential factor in achieving a win/win: getting the deal you both want!

Post Script

To make use of our newfound knowledge and skills, we agreed to represent ESIG in a second negotiation, this time with the Institute of Physics. We had decided that the most important factor in the success of the ESIG/Dekker deal was an initial face-to-face meeting between publisher representatives and consortial negotiators. We used the same approach for this new project, meeting with representatives of IOP. We were able to get acquainted, offer suggestions, and give both sides the opportunity to establish some initial guidelines. The arrangements for participating ESIG libraries to purchase the Recent and Historical Archives of the Institute of Physics were finished in about one half the time it took to complete the Marcel Dekker deal, less than four months. There's nothing like building on your successes.