



The Shape of Things to Come: The role of RLUK

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Who we are

RLUK's vision is that the UK should
have the best research library support
in the world

Agents for Change

Our environment is being impacted by a number of public policy drivers;

- The economy
- The 'knowledge economy' (e.g. the Lisbon agenda)
- Accountability and assessment – 'value for money'
- E-Science / E-Research - multi-discipline, international
- Concerns regarding access to data and Public Sector Information
- Freedom of Information Culture
- Social agent – the 'Facebook Generation'

RLUK - Strategic Themes

- Developing the research library workforce
- Building the new research information infrastructure
- Resource discovery and delivery
- Digitisation
- Demonstrating value
- Increasing our effectiveness

Developing research library workforce

- Mentoring programme in place, with events planned for summer and at RLUK Conference in November
- Offer preservation training in partnership with the BL through the Preservation Learning Programme
- Work underway to review the roles and skill-sets of 'Subject Librarians'

Subject Librarians

- Report expected by end of year
- Recommendations from yesterday's breakout:
 - RLUK should convene high-level group to implement report's findings
 - Provide practical advice and support - facilitating networks
 - Training to equip staff for their new roles
 - Develop framework to show value of subject librarians

Research Information Infrastructure

- Academic Libraries of the Future
- Advocacy role for RLUK in support of scholarly communications, including:
 - reasonable journal pricing
 - open access - RLUK is part of the Open Access Implementation Group

Resource Discovery and Delivery

- A new approach to metadata - make data more open to make it more valuable
- Develop the JISC/RLUK Research Discovery vision:

UK students and research will have easy, flexible access to content and services through a collaborative, aggregated and integrated resource discovery and delivery framework which is comprehensive, open and sustainable.

<http://rdtf.jiscinvolve.org/wp/implementation-plan/>

UK Research Reserve (UKRR)

- Fully up and running - a great example of a shared service
- Aiming to release up to 100 km of shelf space by end 2013 by coordinated de-duplication
- Apparently seen as an exemplar by HEFCE
- Should it be extended beyond HE and to non-journal material?
- Gives us faith in the effectiveness of shared services
- But such services require initial investment to allow us to realise long-term savings. In the current economic

Digitisation

- Revue digitisation strategy and develop new business models
- Identify gaps in the market and undertake prioritisation survey of unique and unusual collections
- Support RLUK members to bid successfully in collaboration
- Interesting interface between digitisation

The Tyrannosaurus in the Room

- Back to Money
 - Shared services
 - Shared cataloguing - group Chair by Paul Ayris, UCL
 - Demonstrating Value
 - Journal pricing

Everybody's Hurting

- Fall in value of Sterling has impacted UK Libraries
- Library purchasing power reduced by 16% in 2008-2009, leaving shortfall of up to £400,000 for some RLUK members
- Even optimistic estimates of income from students shows teaching income flat over the next few years (after an initial dip).
- STEM research funding flat - real-term cuts
- Implications will be felt in the library for years to

Everybody's Hurting

- Not just the UK:
 - ARL survey of members in 2009 showed 40% had already experienced cuts
 - 82% expected cuts for 2009-2010
 - 50% expected reductions of 5-10%, but
 - 5% expected budget cuts of greater than 10%
 - <http://www.arl.org/sparc/bm~doc/ala09lowry.pdf>
- Scotland seeing increases, but below inflation rate
- There are no short-term rays of hope for the sector

... or Almost Everybody!

Reed Elsevier 2010 Interim Results

• For Elsevier (Science & Technology and Health Sciences combined) in first six months of 2010 relative to 2009:

- Revenue: +4% (+2% at constant currencies)
- Profits: +7% (+4%)
- Adjusted operating margin: 33.4% (from 32.3%)

• **“Overall revenue growth is expected to continue albeit lower than in the prior year as academic budget constraints remain.”**

... or Almost Everybody!

John Wiley & Sons 2009 Results

• For Scientific, Technical, Medical, and Scholarly (STMS) - which includes Blackwells - relative to 2008:

- Revenue: +9% (-1% at constant currencies)
- Profits: +14% (+4%)
- Contribution margin: 41.2% (from 39.4%)

• (But to show that they are feeling the pain, the compensation package for Wiley's CEO fell from over \$9million in 2008 to only just over \$7million in 2009!)

Business Unusual

Oddities of the journals business:

- Payment in advance - 6-18 month interest-free loan to publishers
- Payment in publishers' choice of currency, not currency of customer
- No guarantee of volume of material purchased
- No guarantee of quality of material purchased (normally 'peer' reviewed' but there are no peer review standards)
- Little correlation between price and quality (however you define it)
- Limited flexibility in big deals

Business Unusual

- Many of these features are not those that the customer would choose
- This is indicative of a basically dysfunctional market:
 - Inelastic - customers respond weakly to price changes (both positive and negative)
 - Non-substitutable
 - Monopolistic
- “The market under consideration is very far away from the ‘ideal perfectly competitive private market’ that has been celebrated ever since Adam Smith (1776)”

A Plea for Clemency

In 2009 ICOLC issued a **Statement on the Global Economic Crisis and its Impact on Consortial Licenses**

Principle 1: **Flexible** pricing that offers customers real options, including the ability to reduce expenditures without disproportionate loss of content, will be the most successful.

Principle 2: It is in the best interest of both publishers and consortia to seek creative solutions that allow licenses to remain as intact as possible, without major content or access reductions.

With these two principles in mind, we suggest the following approaches:

- Purchasers will **trade features for price**; that is, we can do without costly new interfaces and features.
- Putting price first will help all parties, because budget pressures will drive decisions in a way never seen before. **Real price reductions will be welcomed** and can help to sustain relationships through the hard times.
- **Tailoring content to need** and pricing accordingly can be very helpful.
- Multi-year contracts will be possible only with clear opt-out and/or reduction clauses.

A Solution?

"The only way for universities to save money is to make people redundant"

Graham Taylor, Publishers Association

<http://www.timeshighereducation.co.uk/story.asp?storycode=41410>

The Only Way?

- HE spends ~£190m per year on journals and databases
- Roughly 10% of total QR funding
- Each 1% price rise costs us £1.9m
- How do we find those multiples of £1.9m?
 - Cut services (opening hours?)
 - Cut monograph purchasing (even further)
 - Cut non-big-deal journals - often smaller, society journals
- Don't we have a professional obligation to reduce price rises?

Market Forces

- Can the sector leverage its market power to improve terms and conditions from publishers?
- We send JISC Collections to the negotiation table with limited ammunition
- Ultimately, the strongest (and possibly only) weapon we have is the refusal to sign contracts that do not give us the terms and conditions that we want
- New negotiations with the two largest NESLI publishers are about to start (with whom RLUK members spend almost 50% of journals budgets)
- RLUK has resolved that we will instruct JISC Collections to achieve deals in which price decreases are commensurate with decreases in our budgets

The Bottom Line

We do not have the money to sign deals where prices rise and budgets fall

Market Forces

- Clearly require support of administrators and faculty in our institutions:
 - Engagement with the Russell Group
 - Development of advocacy pack for libraries to give to researchers and administrators
- A communications strategy is being put in place
- Action that has been successful elsewhere (University of California System, Los Alamos, Max Planck) has worked only because the entire institution has been behind any negotiating position

Means and Ends

- Reducing journal prices is NOT an end in itself
- We wish to achieve it so that we can:
 - Protect our services
 - Protect and develop our collections
 - Innovate, so as to...
 - Develop services that meet the needs of 21st century scholars and students

Next Steps

- RLUK will review its strategy - currently 2008-2011
- Bi-focal vision:
 - Short-terms problems
 - But more importantly, long-term opportunities
- Welcome input from the membership and beyond

**“Now is not the time to hunker
down”**

Sir Drummond Bone (01/11/10)

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