

# CAMPUS-BASED PUBLISHING PARTNERSHIPS: A GUIDE TO CRITICAL ISSUES

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Any errors of fact or interpretation that remain are solely the responsibility of SPARC and the author.

## I. INTRODUCTION

### 1.1 Context

Digital information technologies and ubiquitous networking have introduced a fundamental conceptual shift in scholarly and scientific communication. This changing environment has led university libraries to redefine their roles, and the services they provide, to better serve the research and teaching needs of their institutions. As a result, many university libraries have broadened their missions to launch online publishing programs that explore new models for scholarly communication.<sup>1</sup>

The advent of digital publishing has also exerted pressure on university presses, traditionally the principal channels for campus-based publishing. As they have struggled in a difficult market, university presses have been criticized for failing to exploit the benefits of online publishing models. Yet such criticism often ignores the constraints under which the presses operate, including a financial model that typically requires them to recover almost 90% of their costs, and—more significantly—the expectations of their host institutions, indeed of the entire academy, that they continue to fulfill their traditional roles as publishers of original scholarly monographs.

As their roles continue to evolve, the boundaries separating the activities of the library and the press have become less distinct. It is not surprising then that the potential for libraries and university presses to cooperate in creating new digital publishing channels—aligned with the research and teaching missions of their host institutions and capable of contributing to a transinstitutional publishing system—is receiving increasing attention.

In June 2007, libraries and presses participated in a summit meeting to discuss how they might collaborate to forge new publishing structures that support existing and emerging forms of scholarly communication.<sup>2</sup> A month later, Ithaka released its report *University Publishing in a Digital Age*,<sup>3</sup> urging universities to develop comprehensive publishing strategies that combine the competencies and resources of relevant departments within the institution, including the library, the press, and the academic computing center.

In many institutions, the library and the press are taking the lead in developing collaborative publishing ventures intended to demonstrate the potential of integrated campus-based publishing strategies. However, despite their commitment to launching digital publishing partnerships, libraries and presses

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<sup>1</sup> See Smith (2008), Courant (2008), Wittenberg (2008), and Hahn (2008).

<sup>2</sup> “New Structures, New Texts: A Summit on the Library and the Press as Partners in the Enterprise of Scholarly Publishing,” June 5, 2007, convened by the California Digital Library, the University of California Press, the University of Michigan Libraries, and the University of Michigan Press.

<sup>3</sup> Brown, Griffiths, and Rascoff (2007).

confront issues that limit the progress of such partnerships and slow their evolution. These issues include:

- Establishing governance and administrative structures that integrate the core competencies and resources of libraries and presses, without disrupting the broader objectives of either;
- Identifying funding models that accommodate the disparate financial objectives, incentives, and missions of libraries and presses;
- Defining a partnership's objectives to align the vertical, institution-specific mission of the library with the horizontal, transinstitutional mission of the press;
- Determining what services a partnership should provide, based on the current and future scholarly communication and publishing needs of an institution's faculty and researchers; and
- Demonstrating the value of a collaboration to university administrators in order to secure resources and long-term support.

As the number of publishing initiatives based on library-press partnerships continues to grow, addressing the issues above becomes increasingly important to advance the exploration of campus-based publishing models. Library-press partnerships can give the academy greater control over the intellectual products that it creates. However, to realize this potential, these partnerships will need to evolve from informal working alliances to long-term, programmatic collaborations that involve high levels of interdependence and shared strategic vision.

Balancing the differences—operational, financial, and mission-related—between a press, a library, and other university units can make establishing an effective publishing partnership complex. However, constructively addressing these differences as part of a collaborative process will contribute significantly to the strength, creativity, and value of such partnerships. Collaborative partnerships that include a press and a library hold promise largely because the partners have differing and diverse perspectives on a common problem.<sup>4</sup>

For that reason, although this guide discusses campus-based publishing partnerships in general, it focuses on partnerships that include a press and a library. Other academic units—including academic computing, media centers, digital humanities and cultural heritage programs, and academic departments and research institutes—may play primary roles in partnerships or in partnership-sponsored projects.<sup>5</sup> Each of these units will have its own mission and operating strategy that it seeks to advance through its participation in an alliance, and each will have a funding model that it needs to accommodate. Therefore, while this guide discusses partnership issues as they apply specifically

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<sup>4</sup> On the value of such collaboration, see Section 3.1.

<sup>5</sup> See the initiatives described in Section 2, and Brantley (2008).

to presses and libraries, most of the discussion applies as well to other academic units that may participate in campus-based publishing partnerships.

## 1.2 About This Guide

SPARC intends this guide to help university library, press, and academic computing staff charged with establishing a partnership by providing practical guidance on defining and structuring a collaborative partnership. The guide also promotes establishing explicit objectives, both strategic and financial, as a basis for the partnership and for monitoring progress against those objectives.

This guide is motivated by two assumptions: 1) that a well-conceived publishing partnership can deliver real benefits to a library, a press, and their host institution; and 2) that a library-press partnership may not always provide the most effective response to a university publishing need. In the former case, this guide will help libraries and presses realize the full potential of collaboration; in the latter, it should save institutions time and resources that might otherwise be expended on ill-defined, if well-intentioned, attempts to partner.

To help institutions through the issues relevant to building sound and balanced partnerships, this guide has several components:

- A review of past and current library-press initiatives.

Although previous library-press partnerships have been many and varied, there has been no systematic review of these alliances or of the lessons learned from their experiences. To fill this gap, **Section 2** provides a typology of library-press partnerships and summary descriptions of current initiatives.

- A discussion of the potential benefits of library-press partnerships.

Libraries and presses can benefit from partnering in a variety of ways. **Section 3** describes the types of benefits collaborative partnerships might deliver, and discusses how those benefits might relate to each partner's operating strategy.

- An overview of the financial and organizational criteria for a successful partnership.

The different operating and funding models of libraries and university presses can complicate how partnerships between the organizations are conceived and structured. **Section 4** reviews the issues relevant to creating and sustaining sound partnerships, and explores possible performance metrics by which a publishing collaboration can demonstrate its value and ensure its ongoing sustainability.

- A review of practical issues.

**Section 5** discusses practical steps organizations need to take in order to launch and maintain a successful collaboration, including the importance of developing a strategy to guide the partnership and operating structures for partnerships.

For library-press collaborations to play a meaningful role in supporting campus-based publishing initiatives, they must represent genuine strategic partnerships. Such partnerships can be productive, lasting, and transformative. However, to succeed in the long-term, a partnership must effectively balance the interests of all the parties, and—even assuming an abundance of intramural collegiality—that balance requires considerable effort to establish and maintain. SPARC hopes that this guide will provide practical guidance to help libraries and presses achieve that balance and define robust partnerships capable of supporting innovative approaches to campus-based publishing.

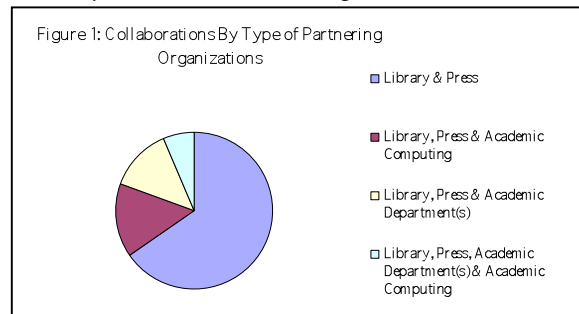


## II. OVERVIEW OF EXISTING COLLABORATIONS

Although the application of digital publishing technologies to scholarly communication has increased interest in the potential of library-press partnerships, libraries, presses, academic computing centers, and academic departments have long collaborated.<sup>6</sup> Reviewing existing and recent collaborations provides perspective on the types of projects undertaken and the manner in which such partnerships have been structured and funded. At the same time, some of these pioneering collaborations offer insight into the challenges and opportunities that confront libraries, presses, and other academic units as they assess possible collaborative projects.

An analysis of current and recent publishing collaborations,<sup>7</sup> undertaken in the winter of 2007/2008, identified ongoing initiatives at 26 institutions, comprising approximately 40 individual projects. As this guide focuses on issues that confront partnering organizations with disparate operating requirements, the analysis of existing initiatives concentrates on partnerships in which both a university press and a library participated. As a result, we have necessarily excluded many campus-based publishing projects that do not include both a press and a library as a participant, including a number of e-presses,<sup>8</sup> online journal platforms,<sup>9</sup> reprint programs,<sup>10</sup> online journal aggregations,<sup>11</sup> and online critical editions.<sup>12</sup> About two-thirds of existing library-press collaborations involve just a university press and a library, while the remaining third include other partners, including academic departments, academic computing centers, or scholarly societies (Figure 1).

To gain the fullest understanding of the types of projects being undertaken, we have defined “partnership” and



<sup>6</sup> This guide uses “university-based publishing partnerships” and “library-press partnerships” interchangeably as shorthand for collaborative activities that include the participation of libraries, presses, academic units, and/or academic computing or media departments. Similarly, this guide uses the terms “alliance,” “partnership,” and “collaboration” interchangeably, except where the specific context indicates otherwise.

<sup>7</sup> Collaborations were identified by online searching, queries to ARL, SPARC, and SPARC Europe library directors, and a review of the Web sites of AAUP-member university presses. The latter proved ineffective, as presses do not necessarily mention library partnerships on their Web sites.

<sup>8</sup> E.g., Athabasca University Press; Clemson University Digital Press; Linköping University Electronic Press, Sweden; Praxis (e)Press, University of British Columbia; Singapore E-press; University of Texas, Houston Electronic Press; Rice University Press; and the Australian university e-presses at ANU, Monash, Sydney, and UTSePress, etc.

<sup>9</sup> E.g., HighWire Press, Stanford University; the Scholarly Publishing Office, University of Michigan; Swinburne Online Journals, Australia.

<sup>10</sup> E.g., Parallel Press, University of Wisconsin; Newfound Press, University of Tennessee; University of Cincinnati Digital Press, etc.

<sup>11</sup> E.g., the History Cooperative, a partnership of a University Press, a nonprofit press, and scholarly societies.

<sup>12</sup> E.g., the Nines (*Networked Infrastructure for Nineteenth-century Electronic Scholarship*) projects.

“collaboration” broadly to include virtually any press, library, or academic computing center participation in a project.<sup>13</sup> As a result, some of the projects discussed below are primarily initiatives of either a library or a press, with relatively modest participation by the other organization. Other initiatives began as more or less equal collaborations but, over time, have come to be dominated by one of the partnering organizations. We discuss the extent and intensity of a partner’s participation in Sections 3.1 and 5.7, which describe behavioral aspects of collaboration and partnership structures, respectively.

To provide an overview of the various existing publishing collaborations involving both libraries and university presses, we describe the initiatives below from three perspectives: by initiative type, by funding or business model, and by the collaboration’s structure. The collaborative project typology, presented in Appendix A, provides an overview of the initiatives described below.

## 2.1 Types of Initiatives

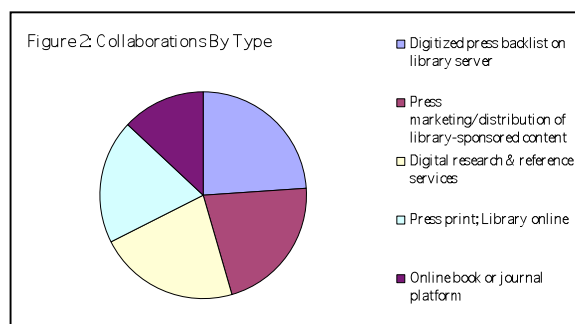
Current and previous publishing collaborations have been established with a variety of goals. Figure 2 summarizes, by broad category, the kinds of collaborations undertaken thus far. Although these projects do not exhaust the possible types of library-press collaborations, they do reflect actual experience to date.

In reviewing collaborations as they exist in practice, it is also important to note that the objectives motivating many of the partnerships are far broader than the immediate scope of a specific initiative. For example, many of the collaborations articulate their

missions or program objectives in terms of exploring alternative scholarly communication models and channels. Indeed, most of the collaborative projects described below were launched with the express intent of serving as experimental pilot projects. Whether broadly or narrowly defined, these existing collaborations afford a better understanding of the opportunities that such partnerships offer, as well as the practical challenges they face.

### *Backfile Digitization Projects*

Thus far, about one-fifth of the collaborations have involved digitizing a subset of a press’s backlist or out-of-print titles and making the texts available online via a library server. Further, a significant number of presses have indicated an intent to undertake such projects in the near future,<sup>14</sup> suggesting the potential for more collaborations of this type. Most of the existing projects provide access to out-of-



<sup>13</sup> Although about 11% of university presses report up through the library (see Brown, Griffiths, and Rascoff (2007)), such a reporting relationship, by itself, does not qualify as a collaboration for our purposes.

<sup>14</sup> See Brown, Griffiths, and Rascoff (2007), 67.

print or low-sales backlist titles, with the remainder focusing on titles in a specific subject area or in support of a specific program or initiative. Examples of the former include:

- University of Brussels (Digithèque des Editions de l'Université de Bruxelles);
- University of California (eScholarship Editions);
- Ohio State University (OSU Press Open Access Initiative);
- University of Pittsburgh (University of Pittsburgh Digital Editions);
- Purdue University (Online University Community Access to Press-controlled Titles);
- Rutgers University (New Jersey Books Online); and
- Texas Tech University (TTUP Backlist Titles Online).<sup>15</sup>

Subject-specific digital backlist programs include:

- Cornell University, Digital Commons@ILR;
- Cornell University, Race and Religion Web Portal;
- Georgetown University Roundtable on Languages and Linguistics (GURT), Digital Georgetown; and
- the American Indians of the Pacific Northwest Collection, University of Washington.

Several of the projects above, including Georgetown's GURT and Cornell's Race and Religion Portal, also include selected front list titles.

Some of the projects provide open access to some or all of the backlist titles, while others restrict access to members of the university's community.<sup>16</sup> All of the backfile digitization projects appear to have been subsidized by the library or the host institution, with no revenue-generating intent beyond potential print sales of included titles. In many cases, the library instigated the project and coordinated the digital conversion process, with the press providing rights clearance and permission to digitize the content.

Although the evidence is largely anecdotal, experience suggests that the free online provision of backlist books has little effect, positive or negative, on the print sales of the backlist titles.<sup>17</sup> For university press backlists, the extent to which this holds true may depend on the presentation and functionality of the digital edition, as well as the type of titles included. Where the risk of forgone revenue from backlist sales is negligible, such backfile digitization projects provide a press with a low risk way to work with the library. Limiting access to students and

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<sup>15</sup> URLs, and additional information, for the collaborations listed in the text is provided in Appendix A.

<sup>16</sup> For example, the DigitalCommons@ILR at Cornell University only provides public access to an abstract and the first 25 pages of text.

<sup>17</sup> See, for example, Jensen (2005); O'Reilly (2006); Anonymous (2006); and Ithaka (2005). An internal analysis by the University of California Press of the eScholarship Editions program indicates that the revenue loss from making backlist titles available online without charge has been minimal. Personal communication, Laura Cerruti, University of California Press, June 18, 2008.

faculty at the university lowers the press's risk even further, and creates a benefit specific to its host institution. Further, once standardized digital files have been created, it may be possible to use them to generate new revenue streams, such as print-on-demand sales and reprint services.<sup>18</sup>

#### *Library Online Provision of Press Print Titles & Supplements*

Another fifth of the library-press collaborations entail the library providing online access to versions of press print publications. Unlike the digital backlist projects described above, these initiatives provide online access to current titles and/or expand the coverage or functionality of the print volume. These initiatives fall into several broad types: expanded content, enhanced functionality, and print-online coproduction.

In several initiatives—including the University of Nebraska's *Journals of the Lewis and Clark Expedition Online* and Pennsylvania State University's *Times of Sorrow and Hope*—the library hosts an online version that augments the print volume with supplemental content, including primary source material, photographs, or audio and video files. Some of the print titles enhanced in this way represent projects that grew out of a library-based collection. For example, *Times of Sorrow and Hope* from the Pennsylvania State University Press, supplements the 150 photographs in the print edition with more than 6,000 online photographs from the library's collection.

Other projects also provide online features that extend and enhance the functionality of the print edition. Such projects include the University of California's digital critical edition of the writings of Mark Twain, The Willa Cather Archive at the University of Nebraska, and *Charles Baudelaire: Une Micro-Histoire*, from Vanderbilt University, which converted a cumbersome 1,000-page print edition into a searchable database.

Several projects—including *Penn State Romance Studies*, the *Global, Area, and International Archive* (GAIA) at the University of California, and Cornell University's *Signale: Modern German Letters and Thought*—publish online monographs, conference proceedings, or working paper series. The presses provide these peer reviewed series with editorial and production support, and also market print-on-demand or short-run digital printing (SRDP) editions of the online publications.

Besides the types of projects described above, Purdue University Press publishes five open access journals—*CLCWeb: Comparative Literature and Culture*, *First Opinions—Second Reactions*, *The Interdisciplinary Journal of Problem-based Learning*, *The Journal of Problem Solving*, and *The Journal of Terrestrial Observation*—with support from the library, which hosts the journals online as part of its digital repository. Additionally, the University of Amsterdam Press markets and distributes print-on-demand versions of University of Amsterdam

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<sup>18</sup> See, for example, the Humanities Ebook project reprint service (<http://www.humanitiesebook.org/pod.html>). Personal communication, Maria Bonn, June 20, 2008.

PhD dissertations, which are available free online via the university's institutional repository.

All of these projects, save the Purdue University open-access journals, seek to combine library or institutional subsidies with earned revenue. The subsidy and revenue components for most of the projects operate in parallel, with the subsidy underwriting free online availability and with sales of the print edition generating earned revenue sufficient to cover the print production and sales costs. For some of the projects—including *Penn State Romance Studies* and GAIA<sup>19</sup>—the presses also incur some editorial and/or production costs. Again, evolving experience with the effect of online availability on print sales suggests that the potential upside to this approach might offset the potential risk.

#### *Press Distribution of Library-sponsored Content*

In another fifth of the collaborations, the press provides marketing and print distribution services for content created, sponsored, or controlled by the library. These initiatives include conventional distribution arrangements, such as the Louisiana State University Press's distribution of print and CD-ROM titles created by divisions of the LSU Libraries,<sup>20</sup> the University of Southern Illinois Press's publication of *The Papers of Ulysses S. Grant*, and the University of Arkansas Press's distribution of the publications of the Butler Center.

In some cases, the press works with the library to mine the library's collection. One such initiative is the Fontanus Monograph Series (and the annual journal *Fontanus*), published by the McGill-Queen's University Press, that explores the collections of the McGill University libraries, museums, and archives, including diaries and manuscript collections. Similar, albeit more limited, projects include *Country Music Sources: A Biblio-Discography of Commercially Recorded Traditional Music* from the University of North Carolina and *Under Stately Oaks: A Pictorial History of LSU* from the LSU Press.

A third type of distribution arrangement involves reprint series, where the press markets and sells titles mined from the library's holdings. These reprint series typically focus on regional materials or other special collections in the library's holdings. While some libraries work independently with Amazon's BookSurge,<sup>21</sup> or develop their own imprints for such print-on-demand programs,<sup>22</sup> others have partnered with their institution's press, often under a new imprint. The Fontanus Monograph Series from the McGill-Queen's University Press, Penn State University's Metalmark Books, and the Butler Center publications of the University of Arkansas provide examples of such partnerships.<sup>23</sup>

<sup>19</sup> See the case study of GAIA in Section 6.

<sup>20</sup> For example, *Historical Collections of Louisiana*, *Louisiana Voices*, and *A Lifetime's Devotion: Photographs of Andrew Lytle*.

<sup>21</sup> BookSurge partners include Cornell University, Emory University, the University of Maine, the University of Michigan, Cincinnati Public Library, and the Toronto Public Library.

<sup>22</sup> For example, the University of Tennessee Library's Newfound Press and the University of Wisconsin's Parallel Press.

<sup>23</sup> The library may also reach an *ad hoc* agreement with its press to provide marketing support for the library's reprint series. The Cornell University Library has used this approach for its reprint program. Personal communication, Terry Ehling, June 18, 2008.

### *Digital Research & Reference Services*

Collaborations that create digital research or reference services represent another fifth of the existing collaborations. About half of such services are subscription based, while the other half are universally available without restrictions.

Most of these digital services represent thematic collections that bring together primary and secondary literature. These include *Columbia International Affairs Online* (CIAO) and *Columbia Earthscape: An Online Resource on the Global Environment* from the Center for Digital Research at Columbia University;<sup>24</sup> two multi-part series from the University of Virginia's Rotunda, *American Founding Era* and *Nineteenth-Century Literature and Culture*;<sup>25</sup> *The Lexicon of Early Modern English* from the University of Toronto; *The Middle English Compendium* from the University of Michigan; the *Bible in Dutch Culture Project* from the University of Amsterdam; and the University of North Carolina's *Encyclopedia of North Carolina*.

### *Online Publishing Platforms*

Libraries and presses at several institutions have partnered to provide digital publishing platforms—in a couple of instances, with support for a print edition—for journals or books. These initiatives include *Érudit*—a collaboration of the Universities of Laval, Montreal, and Quebec—which supports the digital production of both books and journals. *Érudit* provides digital publishing services for approximately 40 Canadian and French publishers, covering a wide range of disciplines in the human, social, and natural sciences.

Two other prominent online journal publishing platforms are Johns Hopkins University's *Project Muse* and *Project Euclid*, now a partnership of the Cornell University Libraries and the Duke University Press. Both *Muse*, which provides access to 250 journals in the humanities and social sciences from over 40 publishers, and *Euclid*, which provides an online platform for 52 mathematics journals from some 30 publishers, also offer marketing and sales services to participating publishers.

Digitalculturebooks, a new imprint of the University of Michigan Press and the Scholarly Publishing Office of the University of Michigan Library, has published seven digital titles on the social, cultural, and political impact of new media. The library and press at the University of Pittsburgh have announced plans to partner to publish online journals, under both subscription and open-access models, currently published within academic departments.

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<sup>24</sup> CIAO and *Columbia Earthscape* were initiatives of the Electronic Publishing Initiative at Columbia (EPIC), which has been absorbed into the CDRS. The CDRS has announced plans to discontinue *Columbia Earthscape* effective June 2009 (see <http://www.earthscape.org>).

<sup>25</sup> A couple of early collaborative projects between the press and the library's Electronic Text Center at the University of Virginia, *Afro-American Sources in Virginia* and *Guide to African-American Documentary Resources in North Carolina*, provide manuscript and primary source indexes.

## 2.2 Funding or Business Model

Funding models for the collaborations include comprehensive development and operating subsidies (about 30% of the projects), mixed models that combine subsidies and earned revenue (almost 60%), and earned revenue models with no subsidy component (about 10%). Of the 90% of the projects that have received some level of subvention, approximately 60% received both development and ongoing operating subsidies, with the remaining 40% receiving support for initial development alone.

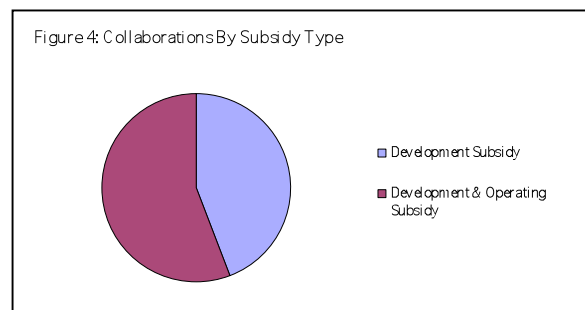
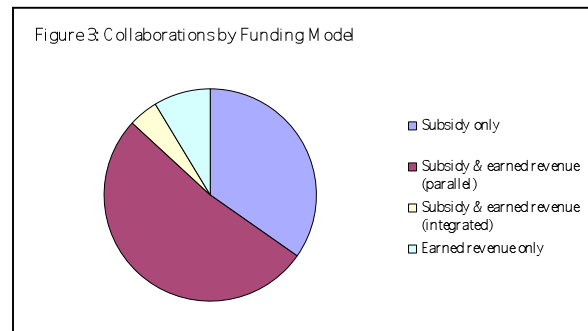
The funding models for partnerships can be characterized as either parallel or integrated. When the income models run in parallel, the press and the library each operates under its own funding model, with the press typically using an earned revenue approach and the library applying a standing budget or subsidy model. When the business models are integrated, the organizations share the financial risks and rewards of the project.

Two-thirds of the projects have an earned revenue component, most frequently implemented in parallel with an operating subsidy. For example, for projects where the library provides an expanded, freely available, online version of a print edition published by the press, or where the press markets content provided by the library, the online component is typically subsidized by the host institution or the library, with the print edition marketed and sold by the press under a conventional sales model.

About 15% of the collaborations appear to integrate earned revenue fully into their funding model, with all the partners in the collaboration receiving distributions from the revenue generated by the project. In several instances, this earned revenue supplements an operating subsidy (for example, *Érudit* and *Penn State Romance Studies*), and in others (for example, *CIAO*, *LEME*, the Fontanus Monograph Series, Metalmark Books, Project Euclid, and Project Muse), the collaboration generates sufficient earned revenue to be operationally self-sustaining.

Collating funding model and collaboration type, we find that:

- All of the digitized backlist projects are fully subsidized, typically by the participating library. In these instances, the



press contributes the content, while the library provides the labor and/or funding to undertake the digitization itself.

- All of the initiatives that entail the library providing online access to content distributed by the press in print combine subsidies with earned revenue. In virtually every case, the library and press income models operate in parallel, with the library's participation subsidized, and the press's participation covered by earned revenue.
- Most projects for which the press handles marketing and distribution of print content created or controlled by the library also operate under a parallel subsidy-earned revenue model.
- Half of the online research and reference services are sustained exclusively by subsidies and half are supported through a parallel subsidy-earned revenue approach.

Table 1 summarizes the distribution of collaborations by type and by funding model.

**Table 1: Collaborations by Type & Funding Model**

Funding Model	Collaboration Type					Totals
	Digitized Backlist	Press Print; Library Online	Press Distribution of Library Content	Digital Research & Reference Services	Online Book or Journal Platform	
Subsidy only	10	0	0	4	1	15
Subsidy & earned revenue (parallel)	0	8	8	6	2	24
Subsidy & earned revenue (integrated)	0	1	0	0	1	2
Earned revenue only	0	0	2	0	2	4
Totals	10	9	10	10	6	45

As the overview of current library-press collaborations above suggests, many of the initiatives represent stand-alone projects, while others represent exploratory pilots for long-term, programmatic publishing partnerships. In the sections that follow, this guide explores some of the strategic issues and practical operating concerns that libraries, presses, and other university units will confront in defining, launching, and sustaining partnerships capable of testing alternative publishing models.



### III. STRATEGIC OBJECTIVES FOR PRESSES & LIBRARIES

A mutuality of interests is critical to creating a strong alliance. In many cases, a library and a press will partner because each needs the other to advance its individual interests. If a partnership is not recognized as central to each partner's strategy, it will never gain the commitment and resources it needs to succeed. Thus, a partnership requires that each party has an explicit understanding of its own strategic objectives and of the practical activities required to achieve them. To this end, it makes sense to review some of the strategic benefits a publishing collaboration can offer to a press and to a library.

#### 3.1 The Value of Collaborating

In the current context of library-press alliances, the term “collaboration” is commonly used to refer to virtually any type of activity in which both a library and a press participate. However, an exploration of library-press partnerships can benefit from a more rigorous definition, drawn from research in organizational behavior, management studies, and political science. Studies in these fields describe collaboration as a process that incorporates the interrelated processes of resolving conflict and advancing a shared vision. Thus, Barbara Gray defines collaboration as “a process through which parties who see different aspects of a problem can constructively explore their differences and search for solutions that go beyond their own limited vision of what is possible.”<sup>26</sup> Obviously, this definition posits a potential for constructive problem solving that goes beyond simple resource sharing.

Although university libraries and presses are not in open conflict, their respective missions—one centered on the research and teaching needs of the host institution; the other on serving the academy as a whole—differ in significant ways. At the same time, libraries and presses share the ethos of the academy, recognize the need to address fundamental problems in the current system of scholarly publishing, and understand the interdependence of their organizations in achieving a solution.

Collaboration, unlike more passive working relationships, can transform a sometimes adversarial relationship into a shared exploration of alternative publishing models that allows libraries, presses, and other stakeholders to ensure that their interests are adequately represented. To advance their mutual interest in addressing problems with the current system, collaboration will require libraries and presses to coordinate their own interests and those of other stakeholders—most notably, their faculty and university administrations—and to act multilaterally, potentially ceding some operating autonomy. Still, libraries and presses share an institutional culture, and a commitment to facilitating the

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<sup>26</sup> Gray (1989), 5.

communication of scholarly and scientific research, that should make participation in a collaborative search for solutions appealing.

Following Gray and others,<sup>27</sup> we might define library-press collaboration as libraries and university presses working together to address mutually recognized problems or opportunities through cooperative effort, combined resources, and joint decision-making responsibility, with shared responsibility for, and/or ownership of, the resulting service. This definition is sufficiently broad to encompass both project-specific, low-intensity alliances and long-term, programmatic joint ventures that involve considerable interdependence.

### 3.2 General Benefits of Partnering

Several broad benefits will likely motivate many campus-based publishing partnerships. These include:

- Gaining access to resources that advance each organization's mission—

A partnership may seek to develop a digital publishing capacity that requires resources beyond those of either the press or the library individually.

Libraries and presses can realize synergies from partnerships that combine the organizations' complementary capabilities. A collaboration can combine competencies, technical expertise, and financial resources to provide services beyond the capabilities of the organizations acting independently.

- Realizing cost efficiencies via economies of scale or scope—

Partnerships can allow both libraries and presses to gain economies of scale by combining programs to serve their constituents' needs efficiently. The partners can realize economies of scale—in providing publishing services, acquiring content, preparing content for online and print editions, and providing online distribution—from volume increases in their operations.

In instances where the library has already launched its own publishing program, collaboration can help the organizations cut costs by eliminating duplicative processes and/or by increasing the efficiency of existing programs. Further, in tight budget environments, university administrators will want assurance that they are not funding multiple, overlapping publishing programs. A well-defined, coordinated partnership can demonstrate to administrators how it maximizes an institution's resource investment, without duplicating effort.

- Increasing each organization's ability to generate institutional support and funding—

In addition to combining expertise and resources, collaborations allow the partners to increase their visibility, effectiveness, and political position within their institution. Whether this visibility derives from an increased sphere of activity, or from improved credibility through cost savings, an enhanced

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<sup>27</sup> See Gray (1989), Austin (1999), Huxham (1996), 7-14, Linden (2002), and Guo and Acar (2005).

image within the institution can translate into greater funding that allows each partner to pursue its mission more effectively.

In addition to the broad benefits above, we can identify potential benefits of publishing collaborations that are particular to university presses and to academic libraries.<sup>28</sup> We describe some of those benefits below, recognizing that specific benefits will depend on the particular needs and circumstances of the partnering organizations and their host institution.

### 3.3 Benefits for Presses

For university presses, multiple economic, political, and social forces—within universities themselves and in the marketplace—have created an environment that should foster a desire to collaborate. Partnering with a library can give a press a means by which to respond to its changing operating environment. In a shifting environment, partnering can help a press:

- Respond to significant changes in market demand—

The decline in market demand for university press monographs has been well documented.<sup>29</sup> This decline has put considerable pressure on presses as they attempt to execute their traditional mission of publishing scholarship in the humanities and social sciences.

Although collaborative activity cannot reverse the decline in market demand for print monographs, it can allow presses to pursue digital publishing programs that focus on evolving research publication genres (such as online thematic research collections and digital critical editions) that would otherwise be beyond their resources. Partnerships can also provide access to new funding streams via the library, and other institutional partners, whose performance is evaluated based on the level of institutional service provided, rather than on market criteria.

- Manage changes in the conceptual base on which university presses have operated—

Ubiquitous networking and digital publishing technologies have disrupted and fundamentally changed the assumptions on which presses have traditionally operated. The expertise required in an exclusively print environment differs from that required for digital publication. This shifting conceptual base is especially critical for under-funded university presses, given the high cost of upgrading competencies to remain current and competitive. As most university presses lack the capital to develop extensive digital publishing programs, working with libraries and with academic computing centers provides an opportunity for presses to expand their digital publishing capacities.<sup>30</sup>

<sup>28</sup> On the benefits of nonprofit collaborations generally, see Austin (1999) and Arsenault (1998).

<sup>29</sup> See Greco and Wharton (2008).

<sup>30</sup> For example, a press may be able to share a library's digital infrastructure—including network resources, servers, security and backups, authentication systems, and the like—which would represent a considerable expense for the press to develop on its own.

- Pursue new publishing models, while continuing their existing print programs—

The difficulty of implementing new business models, while simultaneously maintaining an existing model, is a problem common to both commercial and nonprofit enterprises. Managing innovation within the constraints of an existing organization often requires new skill sets and leads to conflicts in the allocation of human and financial resources between existing and new activities.

Management studies suggest that organizations that have successfully explored innovation, while maintaining their current business, often start separate exploratory units distinct from the traditional business.<sup>31</sup> The most successful of these exploratory units maintain close links, at the management level, between the traditional and innovative lines of business.

Taking this approach, a press might form a separate unit to partner with the library in support of a press strategy that accommodates both print and digital media.<sup>32</sup> Such a partnership can present a practical way for a press to explore new services and business models, while at the same time generating revenue in mature, traditional press activities. This approach would also allow the press to manage the impact of its collaborative activities on the press's brand.

- Demonstrate greater value to its host institution—

In addition to the market pressures from declining sales, many university presses face a perennial review of the subsidy they receive from their host institution. Although this subsidy only represents an average of about 10% across all university presses, the chronic competition for funding between mission-oriented programs within an institution will put press subsidies under mounting pressure.<sup>33</sup>

As the financial pressure on university presses increases, the strategic importance of partnering with libraries, and other university units will increase. As noted above, savings-oriented alliances can improve the image of the partnering organizations with an institution's administration. At the same time, there are political benefits to be gained by aligning the press's activity more closely with the strategic objectives of the host institution.<sup>34</sup>

While conceptually obvious, aligning a press's activity with the research and teaching objectives of its host institution can be practically difficult. Although many presses already publish regional titles or series that feature their institutions' research strengths, emphasizing such an alignment by

<sup>31</sup> For an overview, see O'Reilly (2004) and Govindarajan and Trimble (2005). See also Christensen (2003).

<sup>32</sup> The exact nature of such a unit will likely depend on the size and structure of the press.

<sup>33</sup> Brown, Griffiths, and Rascoff (2007), 53 and Givler (2004).

<sup>34</sup> Over 95% of press directors surveyed by Ithaka indicated that they aspire to align their editorial programs very closely (27%) or somewhat (69%) with their host institution's academic strengths. Brown, Griffiths, and Rascoff (2007), 49.

developing new publishing programs will typically entail risk and experimentation.

Further, presses often have difficulty demonstrating the value that they currently contribute to their host institutions. Many institutions regard their presses as financial liabilities despite many presses recovering over 90% of their operating costs from earned revenue.<sup>35</sup> A partnership with the library can provide a press with a visible demonstration of its alignment with, and value to, its host institution.<sup>36</sup>

- Gain access to capital and resources for developing new services—

A lack of capital makes it difficult for presses to invest in new digital services, and narrow operating margins reduce their ability to tolerate risk in exploring new programs. Focusing a collaboration's activities on publishing services that serve the research and teaching needs of the host institution may qualify those activities for subsidies, either via the library or directly from the host institution, that might not be available to the press acting on its own. As described in Section 4, depending on the financial structure of the collaboration, these subsidies can substitute, at least in part, for earned revenue through sales.

The benefits and incentives outlined above are not mutually exclusive. In most cases, a press's impetus for partnering with the library will derive from a combination of these motivations.

### 3.4 Benefits for Libraries

Academic libraries have their own motivations for partnering with their institutions' presses, computing centers, and academic units. These include:

- Provide academy-friendly online publishing channels that serve faculty needs—

Many libraries recognize that digital publishing technologies afford an opportunity to provide the institution's faculty and researchers with innovative publishing options. As a result, many libraries have developed—or are in the process of developing—digital publishing platforms, typically to support affordable or open access publishing of journals and monographs. At the same time, libraries increasingly understand that digital publishing services provide only one component of the services required by academic authors and researchers.<sup>37</sup>

To serve the needs of faculty, given the intrinsic link between scholarly publication and the tenure and promotion process, campus-based publishing collaborations must provide both broad dissemination and qualitative evaluations of the research they publish. Partnering with the university's

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<sup>35</sup> See Armato (2004) and Givler (2004).

<sup>36</sup> The development of explicit metrics to help a partnership demonstrate its value to an institution is discussed in Section 5.6.

<sup>37</sup> See Hahn (2008).

press, which has traditionally provided this validation, can allow the library to offer publishing services that serve the expressed needs of the institution's faculty and demonstrate the value of the channel for the purposes of tenure and promotion. Further, academic departments, which have responsibility for setting academic standards and conducting faculty evaluation, can also play a central role in such partnerships.<sup>38</sup>

- Increase access to, and help sustain, special collections and cultural heritage initiatives—

University libraries have made substantial investments in digitizing special collections and in developing online cultural heritage initiatives. These initiatives typically sustain themselves through a combination of private foundation grants, public grants, institutional subsidies and in-kind contributions, member fees, corporate support, and earned revenue.<sup>39</sup>

Many special collections and cultural heritage initiatives generate revenue from online subscriptions, licenses, and print publication sales. Although this earned revenue typically contributes a relatively minor share of their income, some initiatives seek to expand revenue-generating publishing programs to supplement grant income.<sup>40</sup> To this end, some libraries have partnered with their press to increase the visibility and use of these collections, and to generate income to help sustain them.<sup>41</sup>

- Provide curriculum support for the host institution—

Supporting the research and teaching needs of faculty and students is central to the mission of academic libraries, and several existing collaborations support curriculum-oriented initiatives at the host institution. These initiatives include the Cornell University Race and Religion Web Portal, the Cornell University Digital Commons@ILR, and the Georgetown University Round Table on Languages.

In these initiatives, the library works with one or more academic departments to provide access to a variety of relevant online resources to support the research and teaching agenda of the academic program. For its part, the press provides digitized backlist titles relevant to the initiative. As the library typically bears the expense of digitizing the titles, and as access is limited to the sponsoring institution's community, such initiatives allow the press to provide direct support for the research and teaching needs of its host institution while incurring little risk.

- Incubate transformative publishing models—

Many of the current library-press collaborations identify the exploration of innovative publishing business models as a primary objective of the

<sup>38</sup> See, for example, the case study of the University of California's GAIA program in Section 6.

<sup>39</sup> Zorich (2003), 14-20.

<sup>40</sup> Zorich (2003), 18.

<sup>41</sup> Examples of this approach—including The Journals of Lewis and Clark Expedition Online; The Mark Twain Project; The Papers of Ulysses S. Grant; The Willa Cather Archive; and library reprint series—are described in Section 2.1.

partnership. Given their expenditure-based funding models, few academic libraries have an existing competence in developing or administering business models that have a significant revenue-generating component.<sup>42</sup> Partnering with a press can afford the library access to expertise and operational support in developing and managing earned revenue models.<sup>43</sup> Further, the press brings a market discipline that can help ensure that a partnership develops services designed to address the needs of its constituencies.

### **3.5 Monitoring & Balancing Benefits**

In practice, both the library and the press will need to determine the value of a partnership in the context of their own specific mission and strategic objectives. The sustainability of the collaboration will ultimately rest on the value that it creates for each partner and for the host institution. Therefore, the value that the collaboration intends to create needs to be explicitly identified and thoroughly assessed.

The partners also need to be explicit about their individual expectations and goals for an alliance. These objectives will often be multidimensional, and include both quantifiable financial benefits and qualitative mission-driven social benefits. At the same time, each partner needs to monitor the relationship to ensure that it remains equitably balanced. For individual projects, a temporary resource or benefit imbalance might not be a problem. However, if the partnership overall lacks balance, the commitment of the less engaged partner may not be adequate to sustain the alliance.<sup>44</sup>

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<sup>42</sup> See the case study on Project Euclid in Section 6.

<sup>43</sup> Section 4 explores the practical implications of implementing a business model and financial structure that serves the needs of all the partnering organizations.

<sup>44</sup> See Austin (1999), 114.

## IV. FUNDING MODELS & FINANCIAL STRUCTURES

### 4.1 Importance of Sustainability Planning

Many existing campus-based publishing collaborations pay less direct attention to sustainability planning and financial structures than to the design and technical implementation of the collaborative projects themselves. Such a focus is understandable, as working through these sustainability issues requires that a collaboration's partners reconcile significant operational and cultural differences. However, as libraries and presses move beyond narrowly defined, low-risk projects to undertake more ambitious long-term publishing programs, resolving these differences becomes increasingly critical to success.

This section describes the organizational context in which most collaborations will operate, including:

- the disparate funding models of the library and the press, and why they must be reconciled to support significant, long-term collaboration;
- the potential benefits of earned revenue for fulfilling a collaboration's mission; and
- the utility of business principles—irrespective of funding model—for managing a collaboration.

Section 5 discusses practical issues relevant to structuring and managing a library-press publishing collaboration, including:

- setting financial performance expectations (whether subsidized deficit, cost recovery, or net surplus seeking);
- tracking costs and allocating resources; and
- choosing between multiple projects.

Together these sections provide an overview of the financial and business issues many libraries and presses face in collaborating and offer practical insight on how a collaboration might be structured and managed.

### 4.2 Reconciling Financial Models

Many current publishing partnerships are of limited scope and duration. For a collaboration with relatively modest goals, a temporary diversion of staff time and/or a limited capital outlay may provide sufficient resources for its projects. However, such an *ad hoc* approach will often be ill-suited for sustaining more ambitious, long-term collaborative programs.

Libraries and university presses share much in common: both operate on a nonprofit model and each seeks, in its own way, to fulfill a mission that serves the needs of its host institution. However, there are real differences in the operating structures and strategies of libraries and presses, and these must be reconciled to



allow a library-press partnership to realize its full potential. If these differences are not explicitly recognized and accommodated, the library may not consider its mission objectives to be adequately served and the press may not be able to commit significant resources to a long-term collaborative publishing program. In such cases, collaborative activity would lack the full commitment of both partners, and as a result, the scale, scope, and duration of collaborative projects would be limited.

University presses are sometimes characterized as resistant to change or unsupportive of new models that might support scholarly communication in a networked, digital publishing environment.<sup>45</sup> Indeed, some university presses may view the range of potential business models narrowly, focusing on established market models, even when those models are beginning to fail. However, considering the limited resources, slim margins, and cost-recovery expectations under which presses must typically operate, this conservatism is scarcely surprising.

If a university press were to be fully subsidized by its host institution—a remote contingency under the prevailing model, in which relatively little of the press’s activity directly benefits the host institution—then it might operate under the same funding model as the library. Unless such an improbable transformation takes place, practical reality dictates that a partnership establish a financial structure that reconciles the disparate funding models under which each partner operates.

Libraries and academic computing centers are funded by institutional standing budgets, while university presses generate most or all of their operating budgets through earned revenue from market activities. A typical breakdown of an institutional library’s funding sources would include about 75-85% from university appropriations and about 5-15% from designated funds, with the balance coming from sponsored programs and endowments.<sup>46</sup> In terms of expense categories, approximately 45% of a university library’s budget will typically cover staff costs and 40% will go towards materials acquisitions, with other operating expenses representing 15% of the budget.<sup>47</sup>

On average, university presses operate on a combination of earned income (80-90%) and institutional subsidies (5-15%), supplemented by title subsidies and endowment income (5%).<sup>48</sup> As presses depend on earned revenue for 80-90% of their operating budgets, they must manage their publishing activities overall to balance mission fulfillment and revenue generation. Some press projects will balance both the press’s mission and revenue objectives, while other projects may cross-subsidize mission-worthy publications that are incapable of covering their own costs. Whatever the mix, overall, the press must manage its publishing

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<sup>45</sup> See Brown, Griffiths, and Rascoff (2007), esp. 13ff. and Greco and Wharton (2008).

<sup>46</sup> Sewell (2001).

<sup>47</sup> Kyrillidou and Young (2008), 9. For non-university libraries, staff costs represent about 50% of total costs, with operating expenses and library materials accounting for 40% and 10% of costs, respectively.

<sup>48</sup> See Armato (2004), Givler (2004), and Brown, Griffiths, and Rascoff (2007), 53.

portfolio to cover both direct and indirect costs to remain operationally self-sustaining.

Recognizing the requirements of the press's funding model will allow a collaboration to channel subsidies and/or create hybrid revenue-subsidy models that permit the press to participate fully in a collaboration. For presses and libraries to collaborate successfully requires a funding model and financial structure that allows the press to participate without diverting resources from other mission-critical publishing programs. If a collaboration fails to accommodate the requirements imposed by the press's financial model, then participation in the collaboration would require the press to divert resources from other subsidized mission-critical publishing activities, which may be highly valued by the host institution and its faculty.

#### *4.2.1 Partnership Funding Models*

The need for a shared financial understanding remains, irrespective of the source of a partnership's income. A partnership's strategic objectives, and the types of projects that it intends to undertake as a result, will affect whether subsidies, earned revenue, or a combination of the two provides a viable business model for its projects.

If the partnership emphasizes open-access models, or provides products or services that cannot capture sufficient value on the open market, then the potential for generating self-sustaining revenue from those activities may be limited. Even where its activities are capable of generating earned revenue, a market approach might compromise the collaboration's mission and objectives by limiting its target audiences' access to the products or services it offers.

If a partnership were to secure a subsidy sufficient to fund all of the activities necessary to achieve its mission, then there would be no need for it to use revenue-generating models. However, there may be instances where partners want to pursue activities for which a) adequate subsidies are not available and/or b) an earned revenue model provides a viable source of income.

#### *4.2.2 The Role of Earned Revenue*

Ideally, a campus-based publishing venture would receive subsidies from its host institution commensurate with the full mission value it delivers. In practice, this will seldom be the case. Competition for scarce institutional resources, coupled with the problems inherent in demonstrating and quantifying the mission value delivered by its activities, may leave a partnership inadequately subsidized to fully achieve its objectives. In such situations, a collaboration may elect to generate earned revenue by imposing fees for some or all of its products and services.

Although university presses work under a market model, they operate differently than commercial entities. While commercial publishers maximize profits, university presses seek to maximize mission attainment, publishing as much high-quality content as their resources allow. However, mission maximization is subject to financial constraints. By exploiting market opportunities to generate

income, a publishing partnership can relax the financial constraint and thus fuel greater levels of mission attainment. In this way, a partnership may be able to pursue more activities that fulfill its mission with a combination of subsidy and earned revenue than by subsidy alone. As long as the income-generating activities are well aligned with the partnership's mission—and revenue generation serves as a means to an end, rather than an end in itself—the market activity may contribute positively to achieving the mission. In such cases, the surplus generated can be applied to support publishing programs that do not generate revenue, and that might otherwise not be possible.<sup>49</sup>

A partnership can subsidize financially unprofitable projects from the revenue contributed by projects that generate a surplus and/or from income from institutional subsidies and other sources. If all the partnership's projects were to generate positive financial contributions, there would be no need for cross-subsidies. However, for many partnerships, some projects will require cross-subsidies from projects with positive contributions.

In terms of program investment decisions, the marginal cost of increasing the publishing program should equal the marginal mission attainment per dollar spent plus the marginal revenue generated.<sup>50</sup> A publishing project with a positive financial contribution—the difference between what the project generates and the direct costs it incurs—provides funds available for cross-subsidizing publishing activities that support the program's mission, but that are not financially self-sustaining. Although this approach does not avoid the problems inherent in assigning a financial value to mission attainment, it does provide a financial framework in which the projected returns can be assessed.<sup>51</sup>

### 4.3 The Utility of Business Principles

The aggressive market practices of some commercial publishers have tainted the perception of market-based publishing models for many in the academy; indeed, such excesses will sometimes provide the impetus for library participation in online publishing collaborations. However, business processes and market models do have relevance and utility for campus-based publishing partnerships. Regardless of whether it uses a subsidy or earned revenue model, a collaboration can benefit from the market orientation that a press brings to the partnership. It will be important for library partners in collaborations to examine where resistance to market forces and business principles represent a genuine value conflict, as opposed to cultural stereotyping.<sup>52</sup>

Here the distinction between competition and profit as motivators for campus-based market activities is instructive. Campus-based publishing collaborations need to couple the feedback mechanisms and performance stimulants of market

<sup>49</sup> For example, edited volumes in support of interdisciplinary and multidisciplinary fields and first books, which are central to the mission of a university, but which rarely recover their costs. See also Zemsky, Wegner and Massy (2005), 58-65.

<sup>50</sup> This describes the conceptual framework for making resource allocation decisions. Practical aspects of determining and demonstrating non-financial value are discussed in Section 5.6 and in Appendix B: Social Valuation Approaches.

<sup>51</sup> See generally Weisbrod (1998) and Zemsky, Wegner and Massy (2005).

<sup>52</sup> See Austin (2000), 53.

participation with the value-driven goal of mission attainment. As Bok and others have observed, market forces compel nonprofit entities to assess both what they do and how well they do it.<sup>53</sup> Markets provide incentives to respond to demand and to improve operating efficiency and productivity. All things being equal, cost savings from increased efficiency fund cross-subsidies for non-revenue generating projects with high mission value and allow an initiative to charge less for its services than profit-maximizing ventures. The pressures of market competition on revenue contribution—which funds mission attainment—should prompt productivity improvements, including gains in efficiency that the collaboration would not have undertaken had it been insulated from competition.

Thus, while complete reliance on the market and earned revenue would expose a collaboration to forces that may not align well with its mission and values, ignoring the market sacrifices the discipline that market participation requires. Stated negatively, insulation from market forces can reduce the mission relevance and financial value of a partnership's output, lower its operating efficiency, and result in the suboptimal use of resources.

The issue in applying business principles and practices is not that a partnership should alter its mission—in terms of what it publishes or the constituencies it serves—in order to generate a surplus. Rather, that in serving its mission, the collaboration operates as efficiently and cost effectively as possible given the resources available. This will allow the partnership to better serve the needs of its constituencies by funding activities with high mission value, but low market value.

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<sup>53</sup> See Bok (2003), 20ff and 159ff. On the relevance of business practices and market models for nonprofits and the academy, see Phills (2005) and Zemsky, Wegner and Massy (2005), 58ff. and Austin (2000), 53f.

## V. PRACTICAL PARTNERSHIP ISSUES

### 5.1 Introduction

The preceding sections provide context to help libraries and presses better understand the mission and operating requirements of their potential partners in a publishing alliance. Libraries, presses, and academic units exhibit different organizational cultures, professional competencies, governance structures and decision-making processes, performance criteria, and regard for market forces and business principles. Understanding these differences can help each partner anticipate the needs of the other and forestall the difficulties that frequently complicate partnerships between organizations with disparate funding models, mission objectives, and target audiences.

Having discussed some of the broader issues that affect how presses, libraries, academic units, and technology departments might approach a publishing collaboration, we will review below some of the practical issues that potential partners must address in defining and structuring such a partnership.<sup>54</sup> These issues include:

- Whether each organization is prepared to collaborate—  
Before entering a partnership, each organization needs to assess its readiness to commit adequate resources to the alliance—especially in terms of staff who understand the partnership’s objectives—and its commitment to working collaboratively to achieve shared goals.
- What strengths each organization brings to the partnership—  
Potential partners need to assess the specific strengths—including functional expertise, market access, technological capacity, and access to funding—that each organization might bring to the alliance, and the relative importance of these capabilities to the long-term success of the partnership.
- How the partnership defines its strategy and the type of publishing services that it wants to offer—  
As Section 2 suggests, publishing collaborations can be defined to include a broad range of service or product offerings. The scope of activities that any given partnership might undertake should be driven by the strategic objectives of each partner, taking into account the needs of their specific audiences and the particular capabilities of the partnership. These considerations need to be taken together in order to identify the most compelling opportunities.

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<sup>54</sup> For a general discussion of issues that nonprofit organizations need to consider in collaborating, see Arsenault (1998) and Austin (2000), 15ff.

- The objectives and performance criteria for the partnership—

The partners in a publishing collaboration need to define shared objectives and explicit performance criteria for the partnership that accommodate the differing missions and funding models under which each organization typically operates. Articulating shared objectives helps ensure that the partnership's activities support the discrete strategies of each partnering organization. Defining explicit performance criteria allows each organization to gauge the partnership's success in achieving its strategy and helps attract and justify funding for the partnership's activities.

- How the partners structure and manage their alliance—

Partners with ambitious objectives and a long-term agenda will require a high degree of mutual accountability. This accountability can be enforced by a sound governance and management structure and by explicit performance targets, with routine assessment of the collaboration's progress against them. Therefore, partnering organizations must structure the governance and operation of a collaboration to achieve the organizations' objectives and sustain the alliance. There are a variety of possible partnership structures, and the organizations should understand the implications of each variety in order to select an appropriate operating structure.

## 5.2 Assessing Partner Strengths & Core Competencies

The interdependence of academic institutions, their libraries, university presses, and faculties, makes it difficult for any one unit to act unilaterally to address structural problems in scholarly publishing. As noted in Section 3, libraries and presses have complementary skills, and by combining core competencies, each organization can apply its distinctive capabilities to generate benefits for the partnership.

Reviewing each partner's competencies can provide a practical basis for exploring how the organizations might work together. Areas that partners might explore include:

- *Funding*—The partners may bring alternative funding sources—including institutional subsidies, external governmental or philanthropic funding, or earned revenue capabilities—to an alliance. In some instances, one party will wield greater influence within the institution, which might translate into greater leverage for institutional funding.
- *Content acquisition*—Presses have established mechanisms for identifying and acquiring content for publication; libraries understand the needs of their institutions' faculty and students and have experience mining their own special collections; and faculty create content, both as primary research and as creative combinations of secondary sources designed to support research and teaching. Any or all of these might provide content for a campus-based publishing partnership.

- *Editorial management*—The editorial and peer-review processes of university presses carry the prestige and certification valued by the authors and researchers who comprise the primary constituencies for campus-based publishing initiatives. Departments and other academic units within an institution can also sponsor and certify—sometimes through formal peer review; sometimes simply by association—the quality of the research published by their faculty. Collaborations that publish original research may apply either or both of these quality certification processes.
- *Production and distribution*—Presses have established processes for producing and distributing research publications in print and, in some cases, digital formats. Some libraries and academic computing centers have developed online publishing systems and hosting platforms, sometimes as a component of an institutional repository. And both presses and libraries increasingly complement traditional print and online dissemination with print-on-demand capabilities and digital archiving and preservation solutions.<sup>55</sup> Partnering organizations may be able to realize scale economies in both developing and operating these production and distribution channels.
- *Business management*—Presses are market-facing enterprises with experience assessing demand for potential services and with expertise in operational management, including licensing, fulfillment, and financial control for revenue-generating services. Library digital publishing programs and IT departments bring expertise in defining and managing technology development projects. These capabilities can be combined to create a product development process for a partnership’s online publishing program.
- *Marketing, outreach, and sales*—Presses operate revenue-generating marketing and sales programs to global markets outside their host institutions, while libraries communicate with faculty—as authors, researchers, and teachers—within the institution. Together the audiences and messages of each organization can complement one another.

To help partnering units conceptualize how they might work together, table 5-1 summarizes competencies that libraries, presses, academic units, and IT departments might bring to a publishing collaboration. The table describes existing competencies likely to be available from each type of organization. As such, it is not an exhaustive catalog of all the capabilities that one partner or another might bring to an alliance. Some large research institutions have created units that support digital publishing—for example, Michigan’s Scholarly Publishing Office, the California Digital Library, and Columbia’s Center for Digital Research and Scholarship—that share characteristics of libraries, presses, and IT departments. However, it would defeat the purpose of the table to treat them as typical of all libraries.

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<sup>55</sup> Libraries and IT departments may develop such capabilities in-house, while presses often rely on third-party services, such as LOCKSS and Portico.

**Table 5-1: Campus-based Publishing Core Competency Table**

Function	Press	Library	Academic Units	Academic Computing
Funding	<ul style="list-style-type: none"> <li>Earned revenue</li> <li>Retained surplus</li> <li>Institutional subsidy</li> </ul>	<ul style="list-style-type: none"> <li>Development/fundraising capacity</li> <li>Standing budget resources (aligned w/institutional needs)</li> <li>Access to external funding</li> <li>Institutional political influence</li> </ul>	<ul style="list-style-type: none"> <li>Access to external development funding</li> <li>In-kind administrative &amp; casual labor support</li> </ul>	<ul style="list-style-type: none"> <li>Standing budget resources</li> </ul>
Content Acquisition	<ul style="list-style-type: none"> <li>Acquisition &amp; editorial selection</li> <li>Brand &amp; prestige</li> <li>Relationships w/faculty &amp; external authors</li> <li>Relationships w/societies</li> <li>Author marketing</li> </ul>	<ul style="list-style-type: none"> <li>Mining of library collections</li> <li>Relationships w/faculty &amp; researchers within institution via subject specialists</li> <li>Understanding of curriculum needs</li> </ul>	<ul style="list-style-type: none"> <li>Content creation</li> </ul>	
Editorial	<ul style="list-style-type: none"> <li>Vetting &amp; peer review</li> <li>Substantive editing</li> <li>Editorial services management</li> </ul>	<ul style="list-style-type: none"> <li>Digital library creation</li> <li>Metadata creation</li> <li>Access to grad student labor</li> </ul>	<ul style="list-style-type: none"> <li>Vetting &amp; peer review</li> <li>Access to grad student labor</li> </ul>	<ul style="list-style-type: none"> <li>Codes of practice governing online publishing</li> <li>Editorial management systems support</li> </ul>
IP/Rights Management	<ul style="list-style-type: none"> <li>Publication permissions &amp; rights management</li> <li>IP management</li> <li>Author rights</li> </ul>	<ul style="list-style-type: none"> <li>Author rights education</li> <li>IP management (retrospective)</li> </ul>	<ul style="list-style-type: none"> <li>Rights holders/grantors</li> </ul>	
Pre-press/Production	<ul style="list-style-type: none"> <li>Print production management</li> </ul>	<ul style="list-style-type: none"> <li>Digital conversion</li> <li>Digital formatting &amp; tagging</li> </ul>		
Distribution	<ul style="list-style-type: none"> <li>Print distribution systems &amp; inventory management</li> <li>Online &amp; print fulfillment management</li> <li>Online hosting (gated)</li> <li>Monitoring subscriber usage (e.g., via COUNTER)</li> <li>Print-on-demand services</li> </ul>	<ul style="list-style-type: none"> <li>Online hosting (ungated &amp; gated)</li> <li>Monitoring use metrics</li> <li>Print-on-demand services</li> <li>Capacity to develop large-scale digital projects</li> <li>Online interface design/testing</li> <li>Acquisition expertise applied to print distribution</li> </ul>	<ul style="list-style-type: none"> <li>Online hosting (ungated; impermanent)</li> </ul>	<ul style="list-style-type: none"> <li>Online hosting (ungated &amp; gated)</li> <li>Online service design &amp; development</li> </ul>
(Business) Management	<ul style="list-style-type: none"> <li>Financial accounting &amp; control</li> <li>P&amp;L management</li> <li>Fulfillment management (subscription &amp; monograph)</li> <li>E-commerce capacity</li> <li>Contractual expertise</li> </ul>	<ul style="list-style-type: none"> <li>Technical project management</li> <li>Measuring per-capita service provision</li> <li>Management for publishing cost centers</li> <li>Contractual expertise</li> </ul>		<ul style="list-style-type: none"> <li>Technical project management</li> </ul>
Marketing & Sales (Awareness & Visibility)	<ul style="list-style-type: none"> <li>Access to markets outside university</li> <li>Determine market demand</li> <li>Pricing/value management</li> <li>Marketing</li> <li>Sales management (institutional &amp; consumer)</li> <li>Advertising &amp; sponsorship sales</li> </ul>	<ul style="list-style-type: none"> <li>Access to markets inside university</li> <li>Author rights &amp; IP awareness</li> <li>Publishing issue faculty awareness &amp; outreach programs</li> <li>Online content visibility &amp; access</li> <li>Understand information use for research &amp; teaching</li> </ul>	<ul style="list-style-type: none"> <li>Networking with discipline/field</li> </ul>	
Archiving & Preservation	<ul style="list-style-type: none"> <li>Post-cancellation access (e.g., via LOCKSS)</li> <li>Digital preservation (e.g., via Portico)</li> </ul>	<ul style="list-style-type: none"> <li>Storage &amp; preservation (digital &amp; print)</li> </ul>		



### 5.3 Feasibility Analysis & Business Planning

Every partnership, even for experimental or exploratory projects, should be defined and supported by a feasibility analysis or sustainability plan that describes the partnership's objectives, mode of operation, and funding model. Although the time and resources dedicated to developing such plans and analyses should be commensurate with an initiative's anticipated resource investment and risk, even modest-resource and low-risk projects merit an explicit articulation of their expected outcomes. Undertaking a project with no framework for evaluating whether or how it has succeeded will weaken a partnership's ability to learn from experience, decreasing its chances for success in future projects that may require more resources and entail greater risk.

Depending on the type of partnership and the nature of the project, planning for a publishing partnership may involve elements of both strategic planning and sustainability planning. A strategic plan establishes the overall objectives of the partnership, and defines the logic that makes the partnership economically viable, whether through subsidies or fees. Sustainability or business planning translates the logic of the partnership's strategy into a practical operating plan. Although the scope and detail of the sustainability plan will depend on the type of project and the nature of a particular partnership, the plan should always justify the need for the proposed project, estimate the audience to be served by it, and provide a financial feasibility analysis. This feasibility analysis should include cost and (if relevant) revenue projections, as well as performance metrics to assess whether the partnership is achieving its objectives.

As guides to business planning for nonprofit organizations already exist,<sup>56</sup> we focus below on those elements of strategic and business planning especially relevant to campus-based publishing partnerships.

### 5.4 Developing a Partnership Strategy

Although the broad benefits of a publishing collaboration may be readily apparent to the partnering organizations, they should still establish clear and explicit objectives for the partnership. Any vagueness in the partnership's objectives will increase the difficulty the partners will face in developing a coherent strategy and complicate subsequent steps in implementing an operating plan. The more ambitious a partnership's mission, the more important it will be to establish explicit, shared objectives.

#### 5.4.1 Strategic Alignment

For a campus-based publishing partnership, there are two aspects to strategy: 1) the alignment of the partnership's objectives with the discrete strategies of the partnering organizations and 2) the strategy of the partnership itself.

A partnership must advance each organization's individual strategy. Participating in a publishing partnership will often compete with existing priorities and

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<sup>56</sup> See Campbell and Haley (2006), Colby and Rubin (2003), and Bishoff and Allen (2004).

resource requirements within the participating organizations. Each partner, therefore, should explicitly identify the value of the collaboration in the context of its overall strategy and mission objectives. An alliance that is peripheral to an organization's strategy will not—indeed, should not—receive extensive resources or commitment from the organization. The importance of this strategic alignment increases in proportion with the scale and scope of the alliance and of the resources required.

Evaluating strategic alignment requires that each partner has an explicit understanding of its own strategic objectives and of the activities required to achieve them. If an organization has not articulated its own strategy with sufficient clarity, it will be impossible for it to assess the strategic value of a partnership against the value of the organization's other activities. Further, this strategic assessment provides an opportunity for each partner—the press, in particular—to adjust its strategies in response to internal pressures and/or external environmental factors. Examples of the former include institutional policy initiatives, including open access and repository participation mandates, while examples of the latter include digital publishing technologies and the resulting changes in market demand.

As well as aligning with the mission and strategy of each partnering organization, an alliance launched to establish an ongoing publishing program requires an operating strategy of its own. In defining the partnership's own strategic objectives, one logical approach is for the partners to frame the scope of the partnership's strategy in the context of their host institution's strategic plan. Aligning the collaboration with the institution's explicitly articulated strategy will help demonstrate its value to the institution and justify the allocation of resources necessary to sustain the collaboration. An institution's strategy may announce an intention to serve particular fields or disciplines or, especially in the case of public institutions, the needs of a specific state or region.

For example, the University of California has identified broad areas of emphasis for research and teaching, as well as the objective to coordinate and leverage program resources across its multiple campuses.<sup>57</sup> The collaboration between the University of California Press and the eScholarship program of the California Digital Library has used the UC system's strategy to help define the partnership's objectives and field of activity.<sup>58</sup>

#### *5.4.2 Partnership Purpose Statement*

Developing a joint purpose statement provides a logical way for participating organizations to start to define their alliance. Such a purpose statement should answer the following questions:

- What are the organizations trying to achieve—singly and together—through the partnership?

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<sup>57</sup> University of California (2006).

<sup>58</sup> Candee and Withey (2007) and Mitchell (2008).

- What demonstrated need will the partnership serve that is not currently being adequately addressed by existing services and providers?
- Who will be willing to pay for the services to be provided—for example, individual users, libraries through fees, the host institution via subsidies, external funders?
- What benefits, if any, will the partnership deliver to the host institution?
- What internal or external audiences, markets, or constituencies will the partnership serve? And will the organizations try to reach the audiences together, or will they complement each other (for example, the library serving internal audiences and the press serving external markets)?
- What resources, skill sets, and competencies does each organization bring to the partnership, and how do the resources and competencies of the organizations complement each other?
- What specific benefits, both quantifiable and qualitative, will each partner enjoy? For the library these benefits may be measured in terms of mission fulfillment and improved service reach to its constituencies within the host institution. For a press, they may be measured primarily in terms of financial return or cost efficiencies, albeit evaluated in the context of the press's mission.
- Are the expected benefits balanced between the partners? For individual projects, a temporary resource and/or benefit imbalance may not prove a problem. However, if the entire collaboration is unbalanced, the commitment of the less engaged partner might not be adequate to sustain the partnership.

Again, as the sustainability of the collaboration will ultimately rest on the value that it creates for each partner and (in many cases) for the host institution, it is important that each participating unit explicitly articulates—for itself and for its partners—the strategic objectives and benefits it expects to receive.

#### 5.4.3 *The Importance of Strategy*

Publishing partnerships often frame their objectives in broad mission statements. To appreciate the importance of developing an explicit strategy for a publishing partnership, it is important to understand the difference between a publishing partnership's strategy and its mission.

Many campus-based publishing initiatives see themselves as pilot projects contributing to a broader exploration of innovative digital publishing channels and new business models. For example, the University of Michigan's digitalculturebooks has stated a goal to “develop a model for press/library collaboration at Michigan and elsewhere” and to “encourage and participate in a national dialogue about the future of scholarly communication.”<sup>59</sup> Similarly, the Romance Studies initiative at Penn State states its intention to address critical

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<sup>59</sup> <http://www.digitalculture.org/about.html>.

problems facing scholarly communication in the humanities and to: “1) Publish scholarship of the highest quality. 2) Support academic fields that have limited publication outlets. 3) Experiment with business and access models that will provide sustainable support for scholarly monograph publishing and increase engagement with research publications.”<sup>60</sup> Such statements serve an important role in communicating the purpose and importance of the initiatives to other stakeholders, including faculty and university administrators, and their credibility lies in their capturing the scope and significance of the problem the partnership seeks to address.

At the same time, a publishing partnership needs to translate its broad mission into a specific, quantifiable operating strategy. Strategy describes what the partnership is actually going to do to achieve the vision captured in its mission statement, and it must be detailed enough to allow the partners to monitor and assess its performance and impact.<sup>61</sup>

Strategy is also about economic viability. A campus-based publishing initiative will often compete for funding and resources both within its host institution, as well as with other publishing channels in the broader market. Strategy translates the partnership’s mission into a coherent, actionable plan to sustain the partnership financially. By describing how the services it intends to offer will address the needs of an identifiable audience, and by identifying who will be willing to pay for the services—whether a host institution via subsidies, or users through fees—the strategy maps how the partnership will compete for the resources it requires to sustain itself and realize its mission.

#### 5.4.4 Elements of Strategy

In defining its strategy, a publishing partnership needs to address three principal elements:<sup>62</sup>

- The scope of the partnership’s activities and its intended impact: this includes the range of services that the partnership will offer, the constituencies it intends to serve, and the types of activities it will undertake.
- The unique value that the partnership will deliver to its clients and markets relative to available alternatives: this unique value proposition, or competitive advantage, is the partnership’s *raison d’être*. While a partnership’s scope defines the services it intends to provide and the audiences or markets it intends to serve, it does not explain why those markets will prefer the partnership’s publishing services over those provided by other organizations—both nonprofit and commercial. The partnership must be able to deliver a service that appeals to an identifiable market, and for which someone is willing to pay, whether through funding subsidies or fees.<sup>63</sup>

<sup>60</sup> <http://dpubs.libraries.psu.edu/publication/psu.rs/about.html>.

<sup>61</sup> For a comprehensive and compelling explanation of the importance of strategy for nonprofit organizations, see Phills (2005); also see Porter (1996) and Rangan (2004).

<sup>62</sup> See Phills (2005), esp. pp. 48-70.

<sup>63</sup> Phills, p.64. On the fundamentals of competitive advantage, see Porter (1985).

For a campus-based publishing collaboration, this unique value will often derive from the partnership being able to translate institutional subsidies into low- or no-fee services that provide a cost advantage relative to competing services. An initiative can justify such institutional subsidies to the extent that it serves the specific needs of the host institution's research and teaching objectives.

A campus-based publishing partnership can also differentiate itself from alternative services by positioning itself to its target audiences, especially within its host institution, as a preferred and trusted provider. Although it will seldom be a sufficient competitive advantage in itself, campus-based publishing collaborations need to develop and exploit this positional advantage.

- The interrelated set of activities that the partnership will undertake to create and sustain a publishing program that serves its markets or constituencies (including university administrators) better than available alternatives. Strategy thus provides a coherent framework for guiding the partnership's routine activities and for allocating resources across activities.

For the strategy to guide successfully all the collective effort and decisions of the partnership, it must be clear, well understood, and accepted by all the partners. A well-communicated strategy will allow all of the participants to make informed decisions about staff and other resource allocations in the context of the partnership's overall objectives.<sup>64</sup>

## 5.5 Practical Financial Issues

As discussed in Section 4, funding for a campus-based publishing collaboration might include subsidies, earned revenue, or both. Earned revenue will sometimes allow a collaboration to expand its activities, and achieve greater success fulfilling its mission, than might be possible were the partnership operating under subsidies alone. Such an approach requires a careful balance between the partnership's mission objectives and its need for funds to fulfill that mission. In assessing whether to include earned revenue as part of its income mix, a partnership needs to determine whether charging fees might compromise the collaboration's mission objectives by excluding some of the target beneficiaries for the services or otherwise undermining its mission.<sup>65</sup>

### 5.5.1 *Parallel & Integrated Business Models*

Whether funded by earned income, subsidies, or a combination of the two, there are several ways in which a partnership might handle multiple income streams. Existing collaborations implement their business models in two principal ways: in parallel, with each partner operating under its own funding model, or integrated, with both partners participating in a unified model.

<sup>64</sup> See Colby and Rubin (2003) and Porter (1996).

<sup>65</sup> See generally Zemsky, Wegner and Massy (2005) and Foster and Bradach (2005).

At this relatively early stage in the development of library-press collaborations, the library and the press often implement parallel business models. In a parallel approach, the partners in a collaboration each operate under their own funding model—with the library subsidizing its participation and the press applying a revenue-generating market model. This approach allows each partner to evaluate its participation in the partnership using the same financial approach with which it manages its other activities.

Most of the existing library-press collaborations that include an earned revenue element operate under such a parallel arrangement, and it is probably the easiest approach for a collaboration to adopt. The prevalence of collaborative projects using parallel funding models suggests that such an approach has not been a practical barrier for narrowly-defined, one-off projects. As long as each partner is satisfied with a project's mission value relative to cost—as perceived independently by each organization—the project can be justified.

However, the approach imposes some limitations. As each partner operates independently of the other financially, the overall value of a collaboration project—blending mission value and financial return—might be difficult to determine. Further, without a shared return metric, it may prove difficult for a partnership to assess the relative merits of projects when selecting from among multiple possibilities. As each partner may well apply disparate criteria in evaluating the potential appeal of projects, it could be difficult to reconcile these in a unified decision process.

In an integrated or unified approach, the partners in the collaboration share ownership of the resulting product or service. The motivation of each organization need be no different than under a parallel approach—the press and the library can base their participation in a project on the projected return measured in financial and/or mission-fulfillment terms. However, in an integrated model, both partners share in any financial return, although the distribution of any surplus would not necessarily be equal. The disposition of any surplus might also vary by partner: the library might reinvest its share of any surplus income to the collaboration, while the press might apply any surplus (after covering overhead) to its operating budget. (For an example of an integrated model, see the LEME case study in Section 6.)

### *5.5.2 Establishing Financial Objectives*

Presses already make publishing decisions that balance mission attainment and financial considerations, and they must achieve a similar balance for collaborative projects. In section 3, we explore how presses might evaluate the strategic mission value of a collaborative project. Below we discuss how a press might articulate its financial requirements, to the library and to other partners, assuming that a proposed collaborative project is of equal mission value as current press activities.

Working on a standing budget, a library does not need to generate income to cover its overhead costs or to provide a cushion against operating shortfalls. Although the library's allocation of resources to a partnership will be trading off

the potential benefits of other activities for those of the partnership, such trade-offs will be justified as long as the collaboration's benefits contribute to the library achieving its mission to an extent equal to, or greater than, those of the forgone activities.

For university presses, however, the investment decision and cost allocation will typically be more complicated. Presses are funded primarily by earned income, with surplus-generating activities cross-subsidizing others that incur a loss. However, in the aggregate, the press will be engaged in projects that generate revenue sufficient to cover direct costs and contribute to covering the press's indirect (overhead) expenses. Whether funded by a subsidy or earned revenue, the same constraint will apply to a partnership with the library. As its institutional subsidy is effectively fixed,<sup>66</sup> the press will need to generate a financial return sufficient to cover the direct and indirect costs associated with the new collaborative activity.

For a collaboration project to be as attractive to a press as an alternative activity of *equivalent mission value*, it will need to contribute as much financially, on average, as other press projects. This will be the case whether the collaboration project is funded via subsidy or earned revenue. This additional financial hurdle for the press can be represented as its opportunity cost; that is, the cost to the press of forgoing an alternative investment.

Although opportunity costs are not represented in financial statements, they can help quantify and communicate a press's financial hurdle to its partners. As library-press collaborations will often be staff intensive, a press might define its per-FTE opportunity cost as the average net surplus per staff member. The surplus would be determined after taking into account all earned revenues and subsidies that the press receives. A press can determine its average per-FTE opportunity cost by dividing its net surplus by the number of relevant press employees. Table 5-2 illustrates such a simple opportunity cost calculation.

**Table 5-2: Example Opportunity Cost Calculation**

Item	Total
Press Income (Earned revenue & subsidy)	\$ 6,000,000
Operating Costs	\$ 5,750,000
Surplus	\$ 250,000
Press Employees	25
Revenue per Employee	\$ 240,000
Opportunity Cost/Surplus per Employee	\$ 10,000

<sup>66</sup> In the event of budget overruns, only about 26% of university presses receive additional subsidies from their institution. For about 28% of the presses any additional subsidy would represent a loan from the institution requiring repayment. See Brown, Griffiths, and Rascoff (2007), 55.

Again, this approach assumes that the press's current publishing activities reflect an appropriate balance of mission fulfillment and financial return, and that this balance will be the same for the collaborative activity. Further, the value of this approach lies largely in its utility for communicating a press's financial requirements to its partners. For its own internal purposes, a press's financial accounting and portfolio management will be far more sophisticated than the simple opportunity cost model described above.

A simple average opportunity cost per FTE may be sufficient if a collaboration project requires participation from multiple press staff resources, including management, administration, editorial, and production staff. If a consortium project requires the commitment of specific types of staff resources, the press might refine its opportunity cost calculation by determining the average surplus for a particular type of staff position. In practical terms, this may only prove practicable for press operations that maintain separate financial accounting for discrete press activities (for example, book publishing and journal publishing). Where feasible, however, this approach can provide a more accurate estimate of the press's opportunity costs.

Table 5-3 illustrates how this approach might work for a press with separate book and journal publishing operations.

**Table 5-3: Example Opportunity Cost Calculation, By Staff Type**

Item	Books	Journals	Total
Press Income (Earned revenue & subsidy)	\$ 3,000,000	\$ 3,000,000	\$ 6,000,000
Operating Costs	\$ 3,000,000	\$ 2,750,000	\$ 5,750,000
Surplus	\$ -	\$ 250,000	\$ 250,000
Press Employees	15	10	25
Revenue per Employee	\$ 200,000	\$ 300,000	\$ 240,000
Opportunity Cost/Surplus per Employee	\$ -	\$ 25,000	\$ 10,000

In the above example, committing a staff member engaged in journal publishing to a collaborative project would represent a higher opportunity cost hurdle than would a staff member dedicated to book publishing. In the latter case, assuming that the book program runs on a breakeven basis, such press staff could participate in a collaborative project—without weakening the press's financial position—as long as a project's return to the press is greater than zero (that is, the project at least breaks even). Committing journal staff to a project would incur a higher opportunity cost, and require a higher net return to the press.

The effectiveness of such an approach depends on the quality of the financial data available. The more accurate a press's cost allocations and financial tracking by activity, the more meaningful will be the opportunity cost calculations.



### 5.5.3 Financial Targets

If the collaboration's financial model includes earned revenue, it will need to generate a modest operating surplus in order to sustain itself. This will be true even if the partnership intends to operate on a cost-recovery basis. In practice, on a year-to-year basis, a cost recovery approach will translate into a deficit (requiring a subsidy) in years when the operation experiences a shortfall, or a positive return when it generates a surplus.

If the collaboration's host institution commits explicitly to making up any operating deficit, then the collaboration may not need to include an operating margin in its financial projections. Lacking such a commitment, however, the collaboration will need to build a modest operating margin into its financial projections to ensure that it has adequate funding in the event of a shortfall.<sup>67</sup>

## 5.6 Measuring Performance & Demonstrating Value

### 5.6.1 Allocating Resources & Tracking Costs

A partnership will achieve its goals by allocating resources effectively to implement its strategy. Invariably, a partnership will need to make choices about how best to allocate its resources across a set of competing priorities. Without a detailed and accurate understanding of its costs, the collaboration will have no empirical basis for making these critical resource allocation decisions. Therefore, it is important to capture true and full cost data to support the partnership's allocation of resources to the programs and services that have the greatest impact on achieving its mission.

As staff costs will often represent a partnership's largest expense category, they must be tracked by program and activity to allow an accurate understanding of its costs. Tracking staff time, and other direct and allocated indirect costs, may represent a cultural change for the partners in a campus-based collaboration, but it is essential to ensuring an effective allocation of resources.<sup>68</sup> An accurate understanding of its costs allows a partnership to:

- Determine which of its programs generate a surplus and which require a subsidy—This will drive informed decisions about whether the collaboration is allocating resources effectively to advance its mission and achieve its objectives.
- Justify a subsidy from its host institution—In the competition for institutional subsidies, a compelling case for subvention will include a detailed documentation of the collaboration's costs and cost per outcome. Detailed cost data should give the collaboration an advantage over other programs lacking such documentation.

<sup>67</sup> The margin required will depend on the specific situation of each collaboration, especially its confidence in its income and cost projections.

<sup>68</sup> On the importance of cost tracking for nonprofit organizations, see Colby and Rubin (2003).

- Establish appropriate cost recovery fees—A partnership that seeks to generate earned revenue to support its mission can use cost data to set service fees that adequately cover its costs.

While allocating overhead costs is not an exact science, carefully considered allocations allow a meaningful comparison of individual projects and allow a partnership's managers to assess how the allocation of resources supports the initiative's mission objectives.

### 5.6.2 *Project Portfolio Management*

Given limited resources, a partnership will need to evaluate the relative appeal, including the financial cost and the strategic centrality, of competing collaborative projects. If earned revenue is part of its funding model, a partnership might apply a net present value (NPV) approach to assess the relative financial attractiveness of projects.<sup>69</sup> Assuming the mission value of the projects to be roughly equal, a partnership would invest in the revenue-generating projects with the highest NPV. Again, as long as alternative projects are equally relevant to achieving the partnership's mission, determining a project's NPV (or a similar financial measure of return) provides a sound basis for selecting between alternative revenue-generating projects.<sup>70</sup>

The collaboration can chart its portfolio of programs and services on a simple matrix that reflects the extent to which each program contributes to the collaboration's mission and financial objectives.<sup>71</sup>

### 5.6.3 *The Importance of Demonstrating Value*

Unlike for-profit enterprises, for which operating income and margin are the principal indicators of value, the value of a campus-based publishing collaboration—as well as the funding sources combining to sustain it—will be multidimensional. A partnership may offer products or services that deliver:

- Local value, which justifies a local subsidy—  
Delivering value to the host institution allows a partnership to justify a local subsidy. Demonstrating value on a local level requires a partnership to respond to the strategic priorities, operating expectations, and performance criteria established by the host institution.  
  
A campus-based publishing partnership may adopt the social valuation techniques used by libraries, cultural heritage institutions, and other nonprofit organizations to calculate and communicate their value and productivity in quantifiable terms.<sup>72</sup> Appendix B provides an overview of

<sup>69</sup> Net present value (NPV) allows a press to evaluate the long-term financial return of a project by taking into account the time value of money. The net present value of a project is its present (discounted) cash flow—that is, the project's income adjusted for the cost of capital, including opportunity costs, etc.—less the present value of project costs. The discount rate should represent an estimate of the press's cost of capital for similar projects.

<sup>70</sup> NPV only evaluates the financial component of a project's return, including any local- or social-value components to which the collaboration might be able to assign a financial value. It does not take into account mission or social value that has not been monetized.

<sup>71</sup> For a description of one such framework, see Colby and Rubin, 10ff.

<sup>72</sup> For a good introduction to library economic valuation, see Imholz and Arns (2007).

valuation approaches that can be applied to initiatives for which the local value of the investment are not adequately reflected in a straight financial analysis of income and expenditures.

- Social value, which may generate a non-local subsidy—

In addition to the value a partnership might create for the host institution—in terms of mission fulfillment, reduced costs, and institutionally-focused publishing services—it may also generate benefits for other academic institutions and for society. However, such value will seldom be precisely quantifiable, and—unless the value can be demonstrated to a funding agency that supports the creation of a broader social good—will not typically provide an important element for the partnership’s economic basis.

- Market value, which captures revenue from market activities—

In instances where a publishing partnership delivers products or services to markets able and willing to pay for them, those activities may generate revenue to help sustain the partnership. Determining value in a market context is relatively straightforward: for practical purposes, the revenue a service generates will reflect the service’s perceived value in the market.

Campus-based publishing partnerships must develop metrics for demonstrating and communicating the blend of economic and social value that they create. Even when this value is not precisely quantifiable in financial terms, establishing explicit, measurable objectives will provide an important basis for demonstrating the partnership’s mission value to the host institution and for providing for the initiative’s operational stability.

#### *5.6.4 Developing Metrics*

Various stakeholders pursue various types of returns, and it is important to understand how local and external funding sources define the types and forms of returns they seek. The point is not to monetize every activity and benefit: the goal is to describe explicitly how an initiative aligns with the priorities of the host institution and to demonstrate its value relative to the investment required to support it.<sup>73</sup>

There is no single method for creating a set of metrics against which to assess the performance of the intangible, non-financial components of a partnership’s local or social value proposition. In the absence of an established approach, a partnership must ensure that its performance indicators are accepted as legitimate and meaningful to the stakeholders funding the initiative.

While the value of a publishing initiative may be self-evident to its sponsors, a partnership cannot assume that its value is equally apparent to the markets or institutions that it expects to fund its operations. Systematically identifying the

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<sup>73</sup> The nature of the performance metrics, as well as extent of subsidy, may be a function of whether the university has a strategic publishing objective. According to Shulenburger (2007), the majority of research universities do not have such a plan.

benefits and intended beneficiaries of a publishing partnership's activities provides a logical basis for demonstrating the value of the activities.

At the very least, a partnership will need to determine the potential size of the audience(s) for its products or services. This information is critical whether the service delivers local value to the host institution, generalized social value beyond the institution, market value, or some combination of the three. The greater the understanding of the target audience, the more accurate the adoption rate and usage projections for the service, which underlie the partnership's justifications for local or social subsidies and/or its revenue projections for its services.

Depending on the type of publishing services provided, a breakdown of the audiences served by a campus-based publishing partnership will often include some or all of the following:

- Faculty and students, at the host institution and beyond, as researchers;
- Faculty and students, at the host institution and beyond, as authors;
- The host institution, or a sponsoring academic or research unit (including schools, departments, research centers, labs, museums, etc.);
- Proxies for individual faculty and students, including academic departments, research centers, and libraries; and
- Proxies for research areas and disciplines, including scholarly and scientific societies, academic institutions (typically via their libraries), government granting agencies, and philanthropic foundations.

Tables 5-4 and 5-5 provide generalized examples of how benefits, beneficiaries, and value indicators and metrics might be mapped for a new publishing channel and for an online research or reference service, respectively.

The benefits delivered by a publishing initiative will often include some or all of the following:

- Providing access to a new or expanded channel for publishing research;
- Lowering the cost of access to research and/or increasing the reach of the research;
- Increasing the visibility, and enhancing the reputation, of faculty, their host institutions, and sponsoring academic units;
- Creating and maintaining an institutional environment that helps the university attract and retain high-quality faculty and students;
- Strengthening programs in specified fields and disciplines at the host institution;
- Supporting interdisciplinary and multidisciplinary research at the host institution;

**Table 5-4: Example Benefit-Value Indicator Map for a New Publishing Channel**

Service	Benefit	Beneficiaries	Indicators/Metrics
<b>Providing a publishing channel for faculty/student research</b>	Support faculty and administration in tenure and promotion processes	<ul style="list-style-type: none"> <li>Local faculty as authors</li> <li>Host institution</li> </ul>	<ul style="list-style-type: none"> <li>Size of faculty population served</li> <li>Books, articles published via channel</li> <li>Works published via channel cited in T&amp;P applications</li> </ul>
	Increase channels for publishing original research	<ul style="list-style-type: none"> <li>Local faculty as authors</li> <li>Local students as authors</li> <li>Local proxies for researchers (academic departments, research centers, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Size of faculty/student populations served</li> <li>Books, articles published via channel (indicating output)</li> <li>Online local usage statistics (indicating visibility and potential impact)</li> </ul>
		<ul style="list-style-type: none"> <li>Researchers outside host institution</li> </ul>	<ul style="list-style-type: none"> <li>Size of market(s) served</li> <li>Sales volume (indicating use/reach of content)</li> <li>Online usage statistics (indicating use/reach of content)</li> </ul>
	Increase visibility of faculty research and of their home departments and research units	<ul style="list-style-type: none"> <li>Faculty as authors</li> <li>Host institution</li> <li>Academic departments and research units</li> </ul>	<ul style="list-style-type: none"> <li>Online usage statistics</li> <li>Collateral online traffic driven by content use</li> </ul>
	Attract and retain faculty and students	<ul style="list-style-type: none"> <li>Academic departments and research units</li> </ul>	<ul style="list-style-type: none"> <li>Reputation and brand indicators (e.g., enrollment increases, ability to attract external funding, faculty satisfaction)</li> </ul>
	Lower cost of access to content	<ul style="list-style-type: none"> <li>Faculty as researchers</li> <li>Students as researchers</li> <li>Libraries</li> </ul>	<ul style="list-style-type: none"> <li>Average price per volume (cost relative to alternatives)</li> <li>Online usage statistics (cost per access)</li> </ul>
	Contribute to the strategic priorities of host institution (e.g., supports interdisciplinary research)	<ul style="list-style-type: none"> <li>Host institution</li> <li>Sponsoring academic units</li> </ul>	<ul style="list-style-type: none"> <li>Size of populations served</li> <li>Use and visibility metrics (online use, sales volume, etc.) for strategically important fields or programs</li> </ul>

- Supporting the publication component of the research cycle;
- Reaching out to the local community in which the host institution operates, including support for state-wide programs and initiatives; and
- Creating and leveraging operating efficiencies between institutional units and programs.

As some of the indicators in the exhibits suggest, the performance or value metrics required will often affect the design and implementation of the monitoring system; or, less happily, the inherent limitations of the monitoring data will sometimes affect the utility of the indicator. For example, to demonstrate local usage by the host institution's community requires Web usage data that identifies local users. A high volume of use by undifferentiated outside users may reflect the broader social value delivered by the service, and may appeal

to non-local funding sources willing to subsidize such access, but will often carry less weight in justifying a local subsidy for the service.

**Table 5-5: Example Benefit-Value Indicator Map for an Online Research or Reference Service**

Service	Benefits	Beneficiaries	Indicators/Metrics
Online research and reference services	Access to research, reference, and/or teaching resource for faculty and students	<ul style="list-style-type: none"> <li>Local researchers</li> <li>Local teachers and students</li> </ul>	<ul style="list-style-type: none"> <li>Size of population served</li> <li>Online usage statistics (indicating local use)</li> <li>Use in curriculum</li> </ul>
		<ul style="list-style-type: none"> <li>Researchers and students outside host institution</li> <li>Proxies for researchers (libraries, research centers)</li> </ul>	<ul style="list-style-type: none"> <li>Size of market served</li> <li>Online usage statistics (indicating overall use)</li> <li>Sales volume (indicating market demand)</li> </ul>
		<ul style="list-style-type: none"> <li>Organizations with mission-interest in subject area of service (including foundations)</li> </ul>	<ul style="list-style-type: none"> <li>Size of market served</li> <li>Online usage (indicating audience(s) served, by type, geography)</li> <li>Service content and functionality update frequency (indicating quality of service provided)</li> </ul>
	Increase visibility of sponsoring department or research unit	<ul style="list-style-type: none"> <li>Faculty as authors</li> <li>Host institution</li> <li>Academic departments and research units</li> </ul>	<ul style="list-style-type: none"> <li>Online usage statistics</li> <li>Collateral online traffic driven by content use</li> </ul>
	Support innovative research publishing genres	<ul style="list-style-type: none"> <li>Host institution, by aligning with mission</li> </ul>	<ul style="list-style-type: none"> <li>Identify support for specific institutional strategic objectives</li> </ul>

#### 5.6.6 Host Institution Reputation-building

College and university administrators recognize that an institution's long-term image and core mission represent its most critical and valuable intangible asset, and over the past decade, higher-education institutions have embraced the fundamental principles of brand management to differentiate and position themselves relative to comparable institutions.<sup>74</sup> As a result, contributing to an institution's reputation-management efforts can deliver a powerful benefit to a partnership's host.<sup>75</sup>

In this context, linking the activities and benefits of a publishing partnership to the strategic goals of the host institution will strengthen a partnership's justification for a local subsidy. This will be the case even when it is impossible or impracticable to develop precise financial metrics that demonstrate the initiative's value.

Reviewing the host institution's strategic plan will provide insight into the specific areas of emphasis at a particular institution. Some institutions have developed

<sup>74</sup> See Hemsley-Brown and Oplatka (2006) and Waeraas and Solbakk (2008).

<sup>75</sup> Branding higher education is not an exclusively North American exercise. Institutions in the U.K. and Western Europe also manage their institutional brands actively.

positioning statements designed to coordinate the institution's marketing communications. Such a positioning statement describes the attributes that are unique to the institution within its competitive set. Tying the benefits that a publishing initiative delivers to the institution's position statement or strategy can help highlight its alignment with the goals of the host institution.

Establishing performance metrics will provide a basis for seeking capital and other resources from the institution to support the collaboration, both for initial development and for ongoing institutional support. Without appropriate metrics capable of calculating the value created, the contribution of a campus-based publishing partnership will be undocumented and significantly undervalued, both within its host institutions and throughout the academy overall.<sup>76</sup>

### 5.7 Partnership Structures, Governance & Management

Some collaborations will succeed without the participants defining a formal partnership arrangement. In other cases, a more formal structure may be required to achieve the partnership goals and attract sufficient institutional resources.

Libraries, presses, and other university units already work together in a variety of ways, ranging from informal projects to more formally structured programs. Not surprisingly, given the experimental intent and project-specific orientation of many current university publishing initiatives, informal working alliances appear to be prevalent. As the objectives and scope of collaborations become more ambitious—requiring a significant commitment of resources and entailing greater risk—partnering organizations may elect to define explicit, even formal, operating agreements.

To provide a framework for this evolution, it will be useful to explore various types of partnerships, alliances, joint ventures, and collaborations. Identifying various partnership structures, and describing their characteristics, will provide libraries, presses, and other university departments perspective on how they might construct a practical working relationship and how that relationship might evolve. The way in which partnering organizations frame their relationship is not trivial, as a partnership's purpose will define its structure and its structure will affect the behavior of the partnership's participants.<sup>77</sup>

It requires time and effort to establish a governance and management structure that enforces a shared strategy, coordinates the partners' participation, and broadens the basis of partner decision-making beyond the concerns specific to each organization acting independently. In the long-term, however, an integrated

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<sup>76</sup> This lack of metrics for measuring the blended return on investment (or SROI) also underlies the difficulties presses face in securing funding from their institutions.

<sup>77</sup> See Arsenault (1998), 34. Arsenault, Austin (1999), and Gaa and Acar (2005) have formulated typologies for alliances and collaborations in the broad context of intra- and cross-sector partnerships. In terms of the typology of partnerships described below, "collaboration" (see Section 3.1) refers to the problem-solving processes by which an alliance's activities are framed and defined, rather than to the operating structure within which the activities are implemented. As such, collaboration represents a behavioral process that overlays the organizational and management structure. It defines the intensity, character, and intent of the interaction between the participants, rather than the organizational structures through which they interact.

governance structure may well allow an alliance to operate more efficiently and effectively than a more loosely organized approach.

Without a governance structure that integrates the decision-making of each partner, every decision about project selection, resource commitment, and other program directions must be reached through an independent evaluation by each partner, based on each partner's prevailing priorities. Although a partnership can operate in this way, such an approach will frequently require more time, negotiation, patience, and luck to succeed than a shared governance model that explicitly implements a shared strategy.

### 5.7.1 Partnership Typology

Existing working relationships for campus-based publishing partnerships represent a broad continuum of activities and practices that defy neat categorization. However, for convenience, we can identify several broad types of interorganizational approaches that could apply to such working relationships. These organizational structures can support partnerships formed between units at a single institution, as well as partnerships between groups at different institutions.

- *Information Exchange and Communication—*

Many university libraries and presses have long-standing, collegial relationships that promote communication and information sharing between the organizations. About 11% of presses now report to the library,<sup>78</sup> and at other institutions, the library director sits on the press's board and/or the press director participates on a library advisory committee.<sup>79</sup>

These communication channels are important in their own right, and often spark more formal and intensive working relationships between the library and the press. However, as they are ubiquitous and amorphous—and represent management communications between organizational peers, rather than the creation of discrete products or services—we have not described such relationships in detail here.

- *Informal Alliances—*

Many of the existing cooperative initiatives are informal, undocumented understandings between the library and press directors. As long as collaborative activities are opportunistic—with modest objectives and requiring little investment and risk—ad hoc organizational arrangements will often prove sufficient. Often, these alliances operate on a project-by-project basis; sometimes with an overarching strategic objective unifying the individual projects, sometimes without.

Such alliances often arise organically and—as they require low levels of resources and raise modest return expectations—entail little initial

<sup>78</sup> Brown, Griffiths, and Rascoff (2007), 48.

<sup>79</sup> About half of university presses report some type of active collaboration with their university's library. Brown, Griffiths, and Rascoff (2007), 50-51.



organizational effort. Although the approach will not typically suffice for long-term or high-resource projects, it can be expedient and well-suited to exploratory projects. Even such an informal alliance, however, needs to identify explicit objectives, and monitor its progress against them, in order to demonstrate the value of the alliance's activity and secure subsequent funding for larger scale initiatives.

- *Joint Ventures*

Joint ventures typically represent cooperative activity between organizations for a particular project or, more broadly, for a particular purpose. As such, they can include temporary partnerships convened for a specific project, or permanent partnerships intended to serve a long-term strategic objective.

All joint ventures are partnerships that involve shared decision-making, joint responsibility, and co-ownership. However, in practice, there are several varieties, and recognizing the differences will help organizations structure a partnership that best suits their specific needs.<sup>80</sup>

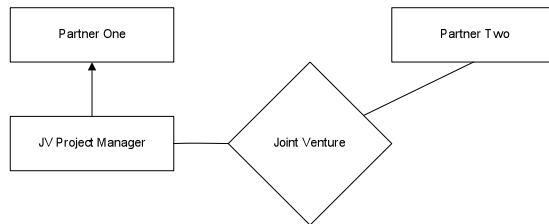
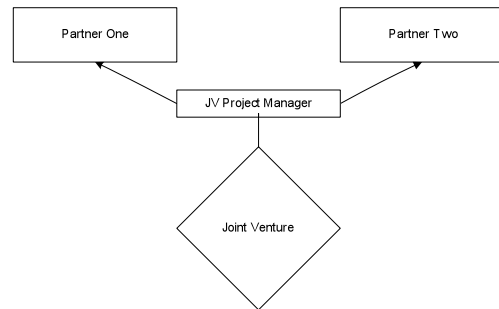
- *Asymmetrical (Dominant Partner) Joint Venture*—Although joint ventures involve shared management and decision-making, one of the participating organizations may play a dominant role, including taking the lead in organizing the partnership and contributing the majority of the resources.
- *Symmetrical (Shared Management) Joint Venture*—In a shared management arrangement, both organizations participate equally in the management of the joint venture. The resources contributed by each organization—in terms of capital and functional staff expertise—may not always be equal. However, over time or across projects, the investment and commitment of each organization will typically average out, and both organizations will share in the return from the venture.

Figure 5-1 provides a graphical depiction of the structures of dominant partner and shared management joint ventures. (The figure depicts ventures with two partners; however, the structures can accommodate three or more partners.)

As Figure 5-1 suggests, an asymmetrical joint venture, where the venture's manager reports to one of the partners, can be accommodated within existing organizational structures and, as a result, will typically require less effort to establish. A shared management structure may require a fuller definition of the partnership's governance.

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<sup>80</sup> In a formal contractual relationship between commercial firms or nonprofit entities, the type of partnership or joint venture established will have specific legal and tax ramifications. As few cooperative activities in a university setting will require incorporating a separate legal entity, our definitions here focus on the implications of each partnership type for organizational structure, decision-making, and the type of activity undertaken.

**Figure 5-1: Joint Venture Structures****Asymmetrical (Dominant Partner) Joint Venture****Symmetrical (Shared Management) Joint Venture**

- *Independent Management Structure*

Conceivably, a joint venture could evolve so that its management acts independently of the parent organizations. Although a new partnership might be set up as an independent operation from the outset, it would be more likely to result from a joint venture evolving to the point that it begins to function as an independent entity.

The types of partnerships above are neither entirely discrete nor mutually exclusive; in reality, the characteristics ascribed to each partnership type exist in a continuum. For a variety of strategic or practical reasons, a campus-based publishing alliance might integrate elements from various partnership types into a hybrid structure that crosses the simplified types described above. To assist partners in identifying an appropriate organizational structure, Table 5-6 maps key alliance characteristics to major partnership types.

**Table 5-6: Partnership Continuum & Partnership Characteristics by Type**

Alliance Characteristic	Partnership Type		
	Informal Alliance	Joint Venture	Integrated Management Structure
Strategic alignment	Peripheral issue	Aligned strategies	Shared strategy
Project type	Ad hoc, opportunistic	Project specific or programmatic	Ongoing program
Resource commitment	Low, short-term	Higher, long-term, explicit resource allocation	Constant, shared resources
Resource integration	Resource transfer	Resource transfer or joint value creation	Joint value creation
Management & governance	Low, informal	Higher, formal	Shared governance
Operating autonomy	Completely autonomous	Shared decision making	Integrated decision making
Staff interaction	Low interdependence & intensity	Higher interdependence & intensity	Dedicated staff
Partnership documentation	Little/no documentation	Explicit operating agreement	Explicit operating agreement
Financial structure	Parallel funding models	Parallel or integrated funding models	Integrated funding model
Risk capacity	Low risk projects	High risk projects	High risk projects

Understanding the multifaceted nature of partnership structures allows organizations to develop their own alliance systematically. A collaboration might progress through the various types of alliances serially, with the relationship evolving over time. Alternatively, organizations might develop a more formal or integrated collaboration from the outset.

### 5.7.2 Alliance Networks

Publishing alliances are not limited to partnerships between units at a single institution. As there are approximately 2,500 four-year colleges and universities in North America, and only about one hundred university presses, there may well be demand for cross-institutional partnerships.<sup>81</sup> Even at an institution that has its own press, a partnership with a press at another institution may sometimes provide a better strategic fit (see the Euclid case study in Section 6).

Further, publishing partnerships, at and between institutions, may coalesce to form a multi-institutional network of alliances across institutions.<sup>82</sup> There are several reasons why an alliance network might emerge from campus-based publishing partnerships:

- The sheer numerical imbalance between presses and universities, mentioned above, may lend itself to the creation of multi-institution publishing alliances. Institutions of varying types and sizes may come together to share resources and combine complementary competencies. As discussed in Section 3, because presses, libraries, and other university units serve similar audiences and strategic objectives, partnerships can allow specialists in libraries and in presses to cooperate and exploit new opportunities faster than each trying to acquire the skills and expertise of the other. An alliance network can expand the power of collaborations by utilizing expertise across multiple institutions.
- Many of the fundamental issues of scholarly and scientific publishing require transinstitutional solutions. Publication plays a critical role in tenure and promotion decisions, which operate at both a local and a national level. For most university presses, local authors only represent about 15% of their new title lists, and North American university presses already comprise an informal network serving an overarching need of the academy as a whole in terms of publishing scholarship and vetting scholars. A multiple-institution solution may prove critical to establishing the credibility of new publishing programs, as well as the legitimacy of emerging digital research publication genres.
- Campus-based publishing partnerships may join forces to gain scale economies not available at a single institution. Digital publishing platforms, and the importance of network effects for converging technical standards, will lend themselves to alliance networks.<sup>83</sup>

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<sup>81</sup> Many such cross-institutional partnerships already exist for both libraries and presses (for example, the University Press of New England).

<sup>82</sup> On alliance networks in general, see Gomes-Casseres (1994).

<sup>83</sup> See Brown, Griffiths, and Rascoff (2007).

- Alliance networks can also deliver scale benefits in terms of market visibility and awareness. As already noted, the scholarly legitimacy of some types of new publishing partnerships will depend, in part, on their not being perceived as an exclusively local solution.

Morphologically, alliance networks may follow a path similar to that for institution-level partnerships, building on existing relationships and increasing in formal structure as the alliance evolves and the potential benefits of participation attract new members. The governance of an alliance network could consist of a governing body composed of representatives from participating organizations, or it might function without joint management, maintaining a relationship with a lead organization.<sup>84</sup>

### 5.7.3 Documenting the Partnership

The partnership structures described above represent a continuum of possible arrangements. The degree of formality with which a partnership is established will depend, in part, on whether the partners are units of the same or separate institutions. For partnerships within an institution, the extent to which the working relationship is documented may depend on the resource commitment required, the institutional reporting structure of the participants, and the quality of any existing working relationship between the units.

Documentation of a relationship might include a charter or memorandum of understanding (MOU) between the partnering organizations that defines specific responsibilities, duties, and resource contributions, a management and financial framework, and terms for resolving differences and dissolving the partnership.<sup>85</sup> For units within an institution, although some of the partnership's documentation may assume quasi-legal form, the purpose is not to establish a legal contract between the parties. Rather, documenting the partnership's objectives, structure, and operating terms serves practical operating requirements: it establishes explicit criteria against which partnership decisions can be evaluated, and it communicates the partnership's objectives to the university administration, faculty, and other stakeholders. For partnerships across institutions, the documentation may assume the form of a legal contract, depending on the requirements of each institution.

At the same time, while a solid MOU will help get the venture launched, it is not the key to long-term success, as the nature of the partnership will inevitably evolve over time. The challenge in establishing a partnership is to ensure flexibility, maintain an appropriate balance of contributed resources, and provide clear leadership that remains focused on the partnership's key strategic objectives. Given the need for flexibility, partnering organizations may want to construct an MOU that accommodates the possibility that the balance of contribution and control may shift toward one partner.<sup>86</sup>

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<sup>84</sup> Gomes-Casseres (1994), 85.

<sup>85</sup> On developing a partnership charter, see Gage (2004), esp. pp.37ff.

<sup>86</sup> On alliances as living systems, see Kanter (1994).

## 5.8 Evaluating Staff/Organizational Readiness

As the above sections discuss, successful publishing partnerships require understanding and integration at various levels, including:

- *Strategic alignment*—which ensures that the leaders of all the partnering organizations share an understanding of the strategic objectives of the alliance and that they effectively communicate the role the alliance plays within their own organizations; and
- *Operational coordination*—which ensures that the staff assigned to implement partnership projects have timely access to the information, resources, and decision-making they require to accomplish their tasks.

Obviously, to achieve this level of coordination, the staffs of different organizations must be able to work together effectively.<sup>87</sup> Initially, only a few staff members from each organization may be committed to a partnership, with few or no staff dedicated full-time.<sup>88</sup> Unless the partnership establishes a strong cross-matrix staffing structure, staff member performance will be based on their primary responsibilities, which can lead to their neglecting duties relating to the partnership.<sup>89</sup>

Organizations that intend to establish a long-term strategic partnership, rather than pursue a series of one-off projects, may need to dedicate staff resources to the partnership. The staff commitment required from each partner to sustain the partnership will increase with the scope, scale, operational complexity, and strategic importance of the collaboration.

Frequent and candid communication to and between partnering staff is essential. It is critical that staff, advisory boards, and other internal constituencies understand the context for the organization's participation in the partnership, as well as its objectives. The partnership's objectives themselves should be stated in terms of specific expected outcomes, not broad mission objectives. Ambiguity in articulating the partnership's objectives will lead to staff confusion, ineffectiveness, and frustration. Communicating the strategy to the collaborating team members and other contributors will help ensure that the activities undertaken and the operating choices made align with and support the partnership's strategy.

The professional and interpersonal relationships between the staff charged with launching and managing the partnership also provide a critical foundation for operating the alliance successfully and for constructive collaboration. Sections 3 and 4 of this guide are intended to increase the appreciation of each type of organization for the operating realities of the other. Resorting to stereotypes to explain behavior—libraries always do this; presses always do that—undermines the incentive of staff to resolve differences through constructive engagement.<sup>90</sup>

<sup>87</sup> On managing collaboration relationships, see Austin (2000), 121-145.

<sup>88</sup> On library staffing for collaborative strategies and publishing programs, see Furlough (forthcoming) and Palmer (2008), 12ff.

<sup>89</sup> See Cooper (1993): 83-85.

<sup>90</sup> See Kanter (1994), 116-122.

The potential of a collaboration will not be realized until the staff implementing the partnership establish respect and trust. Strong interpersonal relationships will increase the willingness of staff to share information and resolve conflicts.

### 5.9 Project Development & Management

A publishing partnership that intends to create and support multiple online research or reference resources will benefit from implementing a formal project development and management process. Such a process will help the partnership identify and prioritize appropriate projects, allocate adequate development resources, create services that address the needs of their intended audiences, and maintain these services on an ongoing basis.

By implementing a systematic and explicit project development process, a partnership can:

- Ensure that its service development efforts are consistent with the partnership's mission and strategic objectives;
- Respond to user needs and satisfy market demand by matching service benefits to user requirements;
- Create a balanced portfolio of services; and
- Engage all the partners in a coherent, unified project development effort.

Together, the steps of a phased product development process help a partnership apply its resources appropriately, shorten project development cycle times, and reduce the total life cycle costs of projects.<sup>91</sup>

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<sup>91</sup> Partnerships that intend to develop and release multiple online services will benefit considerably from best practices in product development and management. On staged product development processes, see Cooper (1993), Cooper (1998), Cooper, Edgett and Kleinschmidt (1998), and Rosenau (1996). For an excellent introduction to new product market research techniques, see McQuarrie (1996).

## VI. CASE STUDIES

### **Case Study: Global, Area, and International Archive (GAIA) Publications, University of California**

The Global, Area, and International Archive (GAIA) provides a peer-reviewed publishing channel for small-market books in international and area studies, including first monographs and multiple-author editions. The initiative illustrates a publishing approach that supports both open-access digital versions and priced print editions, while distributing labor and financial risk equitably across the partners.

Launched in 2001 as an experimental collaboration under the name “UCIAS Digital Collection,” and relaunched in 2005 under the current name, GAIA is an initiative of the division of International and Area Studies, University of California, Berkeley (UCIAS), in partnership with the University of California Press, the eScholarship program of the California Digital Library (CDL), and dozens of internationally oriented research programs across the University of California system.<sup>92</sup> By publishing free digital versions of rigorously peer-reviewed publications in area and regional studies, GAIA aims “to encourage international intellectual exchange and to provide a viable model of distributed, peer-reviewed publication that responds to the increasing market pressures faced by traditional scholarly publishers.”<sup>93</sup>

GAIA publishes monographs, edited volumes, and peer-reviewed articles in global and international studies and all area studies. There is also a non-peer-reviewed component, the UCIAS Working Papers program, sponsored by international and area studies centers throughout the University of California system. The initiative’s original concept was that UCIAS research units would post working papers to the eScholarship online repository, with promising material subjected to peer review for possible print publication, either as individual articles or gathered into edited volumes. In practice, however, UCIAS found it difficult to move from working papers to peer-reviewed articles.

At the same time, UCIAS faculty indicated a need for a publishing channel for both specialized monographs and edited volumes. GAIA promotes interdisciplinary research of a type which lends itself to multiple-author volumes. Given the cost of publishing such edited volumes, university presses typically must limit the number they publish. As a result of this author demand, GAIA shifted to a book acquisition mode, focusing on monographs and edited volumes. Working papers continue to be sponsored by individual research units, who are free to post such materials to the eScholarship Repository.

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<sup>92</sup> This description is based on personal communications from Nathan MacBrien, GAIA Publications Director, and the GAIA Web site; see <http://repositories.cdlib.org/gaia/>.

<sup>93</sup> <http://repositories.cdlib.org/gaia/>.

While the working papers and peer-reviewed articles in the program all come from authors within the UC system, GAIA's book acquisitions program seeks projects from both inside and outside the University of California. GAIA keeps submissions open to those outside the UC system in order to maintain the quality, legitimacy, and reputation of the imprint. Approximately 60% of the submissions have come from outside the system, while 65% of the volumes published have come from within the University of California. The program publishes approximately 20% of the manuscripts submitted, a level of selectivity that reflects the acquisitions process and that is comparable to the selectivity of the University of California Press.

The GAIA monographs undergo peer review according to standards set by an interdisciplinary GAIA editorial board, which has been approved by the Editorial Board of the University of California Press, thus conferring the imprimatur of the University of California Press. GAIA books are published by the University of California Press in both open-access digital and fee-based paperback editions.

Technical support and Web hosting for the digital versions of the monographs and articles are provided as an in-kind contribution by eScholarship. In addition to the GAIA peer-reviewed publications, the eScholarship Repository also hosts the UCIAS Working Papers program.<sup>94</sup>

Each of the partners in the GAIA collaboration contributes resources proportionate to its mission:

eScholarship pays for hosting the titles on the repository, but does not play a role in the production or processing of the titles. The program thus provides a submission channel to the eScholarship repository, without incurring significant marketing or production support expenses.

GAIA's publications director, working under the Dean of International and Area Studies at Berkeley and in consultation with an advisory and editorial board, manages the acquisition and peer-review processes. GAIA is responsible for all pre-press work, including copyediting and page composition to a press-provided template. In addition to funding the publications director and his office expenses, UCIAS provides a small discretionary budget for typesetting, cover art permissions, and conference attendance. GAIA supplements this funding, where possible, with title subsidies from authors and partner units to cover copyediting and indexing. In the case of edited conference volumes, GAIA encourages research units to build publication funding into applications for conference grants.

The Press has complete control over book manufacturing and marketing, and assumes all of those costs. The Press markets the GAIA titles through catalogs, conferences, and review copies, and uploads the books to Amazon's BookSurge and "Search Inside" programs. Under the current model, the Press does not return any revenue to GAIA. However, the partners are considering a new model that would involve revenue sharing, with GAIA incurring some of the risk in the

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<sup>94</sup> See <http://repositories.cdlib.org/ucias/>.



form of a chargeback for manufacturing costs, and with the chargeback offset by any accrued royalties. This latter approach further balances the financial risk across the partners, and encourages GAIA to develop books that serve broader audiences. In either event, UCIAS's motivation for the program is the service mission of the division, not revenue generation.

GAIA provides a needed publishing channel for specialized monographs and multiple-author volumes in international area studies, and the program enhances the prestige of UCIAS and its constituent units, increasing their visibility both within and beyond the UC system. At the same time, the program provides a submission channel that builds participation in the eScholarship open access repository and expands the Press's capacity to support small-market monograph series. Each partner incurs risk and expense commensurate with the benefit realized by their participation in the program, and this balance increases the partnership's stability and encourages its potential expansion.

**Case Study: *Lexicons of Early Modern English*, University of Toronto**

*Lexicons of Early Modern English (LEME)* provides a historical database of glossaries, monolingual, bilingual, and polyglot dictionaries, lexical encyclopedias, and lexically-valuable treatises from the Early Modern English period, 1480--1702. *LEME* comprises over one-half a million word entries from 160 searchable lexicons.<sup>95</sup>

The project's development, headed by Ian Lancashire, professor of English at Toronto, began in 1990. The development was funded largely by the Social Sciences and Humanities Research Council of Canada and the Canada Foundation for Innovation, with additional in-kind support from the University of Toronto Libraries.

The University of Toronto makes *LEME* available under two access models: an open access version, intended for the public and for secondary schools, and a more fully featured, fee-based version, designed to serve the needs of researchers at colleges and universities.

The open access version of *LEME* supports simple searching of the lexical database and limited retrieval of sets of search results, but does not support advanced search and retrieval capabilities. The licensed, fee-based version of *LEME* offers a fully featured online research resource that supports advanced searching, including Boolean operators, proximity and fielded searching, and search restrictions by content type. The licensed version also includes an extensive bibliography of early works known to contain lexical information about English.

Since 2004, *LEME* has been published jointly by the University of Toronto Press and the University of Toronto Libraries. The Libraries house the project's laboratory and contribute computing infrastructure, online hosting, and technical support for the project, including the online user authentication component. Although the collaboration began on the book-side of the Press, the Press markets and licenses *LEME* to academic libraries through its journals division, which has more extensive experience with online services.

*LEME* is one of relatively few library-press collaborations in which the partners—including the project's editor, the Press, and the Library—share equally in the revenue generated by the fee-based licensing of the service. For academic libraries, *LEME* is priced comparably to similar online research and reference services (\$1,000 per year for institutions with more than 10,000 FTEs and \$750 per year for smaller institutions). Individual subscriptions are also available.

Each partner is responsible for the costs it incurs in supporting the service. Although editorial development work on the project has largely ended, the Libraries continue to incur ongoing hardware, software, and staff costs for maintaining *LEME*'s online platform. The Library applies its share of any licensing revenue to fund the project's ongoing operations.

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<sup>95</sup> This description is drawn from the *LEME* Web site (<http://leme.library.utoronto.ca/>) and personal communications from Sian Meikle of the University of Toronto Libraries and Anne Marie Corrigan of the University of Toronto Press.

For its part, the Press expects its share of the *LEME* revenue to cover the Press's direct costs for providing marketing, sales, and fulfillment support for the licensed service. Although the service's revenues do not cover the Press's fully-loaded costs for marketing the licensed version (taking into account overhead and other indirect costs), support for the project aligns with the Press's mission to disseminate research and enhance the reputation of the University of Toronto.

Licensed access to *LEME* was only introduced in 2007, and the nascent revenue stream for the service does not yet cover the ongoing operating costs of either partner. Although both the Libraries and the Press consider support for *LEME* to be consistent with their individual missions and strategies, they hope that licensing revenues will eventually prove sufficient to make *LEME* operationally self-sustaining, without the need for cash and in-kind subsidies. Achieving such a level of financial self-sufficiency may require the partners to increase the appeal of the licensed version of *LEME* relative to the open access version.

Because it incurs the cost for maintaining *LEME* online, the Libraries bear a greater share of the financial risk for the project. This distribution of risk reflects the Libraries' mission-driven objective of offering an open access version of *LEME* alongside the fee-based service. It also increases the project's appeal to the Press, which might otherwise have found it difficult to justify its participation given other worthy projects competing for its attention and resources. Implementing a financial arrangement that balances the project's financial risk in a manner appropriate to the missions and strategies of the partners provides *LEME* with a stable financial footing, capable of sustaining the project on an ongoing basis.

**Case Study: *Project Euclid*, Cornell University and Duke University Press**

Contributed by Terry Ehling, Director, Center for Innovative Publishing,  
Cornell University Library

Ten years ago the Cornell University Library, with the encouragement of the university's department of mathematics and statistics, undertook an initiative designed to provide small, independent mathematics journals with an online publishing option. The majority of noncommercial journals in mathematics had yet to establish a footprint on the Internet by 2000. By early in the decade, however, academic libraries were beginning to favor internet delivery over paper editions for most STM serials.

With Project Euclid, the Cornell University Libraries decided to become an active agent in this transition by offering small publishers of scholarly journals a model, a platform, and a cost structure that would encourage them to shift their attention and investment from print to electronic. With funding from the Andrew W. Mellon Foundation, Cornell developed an online publishing service designed to support the transition of small, non-commercial mathematics journals from paper to digital distribution. In May of 2003, Euclid launched with nineteen journals.

Over the next three years Project Euclid spent down its initial funding and by late 2005 had achieved a measure of financial stability: the number of partner journals had more than doubled, to forty-four; it had captured one hundred five institutional subscriptions; and it closed the fiscal year cash positive. But by 2006 it had become clear that its operating model was under stress. Gross revenues from subscriptions were increasing at significant rates, but so were expenses. Net income at the close of the fiscal year provided Euclid with a modest surplus, but not nearly enough to capitalize growth and remain competitive.

Acting on its own, Cornell found that it needed to replicate the operating structure of a small publishing house. Project Euclid's success was dependent on the library developing traditional but cost-efficient publishing functions—including acquisition, production, design, marketing and order fulfillment. It was, in effect, deploying a revenue-capture model within a cost-focused culture. Euclid's entrepreneurial status fostered interdependence with disparate units within the library and with a stable of ungovernable vendors and service providers outside the university. Project Euclid was able to weather the transition from the incubator to the marketplace by outsourcing its marketing program and repurposing library personnel hired and trained for more conventional job functions—for example, a department accountant assumed responsibility for subscription order fulfillment.

It was clear that a long-term strategy for Project Euclid needed to include a business partner who would share the library's principal goals for the venture, while meeting a growing desire on the part of the publishers for a deeper and more diverse portfolio of services. Duke University Press's relationship with Project Euclid reached back to the initiative's blueprint phase. Over a two-year

period beginning in mid-2000 Duke supported contract negotiations, T<sub>E</sub>X consulting, and marketing in support of Euclid's launch. Duke, as publisher of the *Duke Mathematical Journal*, was also one of Project Euclid's most significant content partners. As the relationship between Cornell and Duke matured, both parties agreed to explore the benefits and consequences of entering into a formal partnership for joint management of Project Euclid. Cornell and Duke were shepherded through the year-long negotiation process by SPARC, and a formal joint venture agreement was signed in March, 2008.

Duke's primary investment in Euclid is in human capital; it hired a dedicated project manager and quickly incorporated Euclid into its marketing, financial, and order fulfillment workflows—areas where Cornell was incurring the greatest resource deficits. The partners agreed to divide their management responsibilities along naturally occurring lines of specialization: the library would continue to support the technology infrastructure (architecture, code base, hardware, and network support) and provide archiving and preservation services.

While the Cornell-Duke partnership is still in its early stages, a number of early observations are worth noting:

- Supporting a revenue-generating publishing operation can stretch the resources of a library for which staff expertise lies elsewhere. For publishing initiatives such as Euclid, which provide services for publishers and audiences with no specific relationship to the participating library, partnering with a press familiar with serving such external constituencies can make considerable sense.
- Most library-publisher projects have involved both entities jointly incubating, implementing and then managing the initiative. But a “relay” model, where one party provides early-stage development and then the other assumes operational responsibility for a more mature product or service, might also be politically and economically desirable.
- While collaboration between a library and a press at the same institution seems logistically obvious and desirable, joint efforts involving libraries and presses that do not share the same genetic material can produce products and services that play to the unique strengths of each institution.

## Appendix A: Publishing Initiative Typology, Existing Library-Press Collaborations

Institution(s)	Collaboration	Partners	Category	Business Model	Integrated or Parallel Income Models	Subsidy Type
University of Amsterdam	The Bible and Dutch Culture	Library & Press	Digital research & reference products	Subsidy		Development & operating subsidy
	University of Amsterdam PhD Dissertations PoD	Library & Press	Press print; library online	Subsidy & earned revenue	Parallel	Development subsidy
University of Arkansas	Butler Center	Library & Press	Press marketing/distribution of library-sponsored content	Subsidy & earned revenue	Parallel	Development subsidy
University of Brussels	Digitihèque des Editions de l'Université de Bruxelles	Library & Press	Digitized press backlist on library server	Subsidy		Development & operating subsidy
University of California	eScholarship e-Editions	Library & Press	Digitized press backlist on library server	Subsidy		Development & operating subsidy
	GAIA	Library, Press & Academic Department(s)	Press print; library online	Subsidy & earned revenue	Parallel	Development & operating subsidy
	Mark Twain Project	Library, Press & Academic Department(s)	Press print; library online	Subsidy & earned revenue	Parallel	Development & operating subsidy
Columbia University	CIAO	Library, Press & Academic Computing	Digital research & reference products	Subsidy & earned revenue	Integrated	Development subsidy
	Gutenberg-e	Library & Press	Book platform	Subsidy & earned revenue	Parallel	Development & operating subsidy
Cornell University	Digital Commons@ILR	Library & Press	Digitized press backlist on library server	Subsidy		Development subsidy
	Race and Religion Web Portal Project	Library & Press	Digitized press backlist on library server	Subsidy		Development & operating subsidy
	Signale: Modern German Letters and Thought	Library & Press	Press print; library online	Subsidy & earned revenue		Development & operating subsidy
Cornell University Libraries, Duke University Press	Project Euclid	Library & Press	Journal platform	Earned revenue		Development subsidy

## Appendix A: Existing Library-Press Collaborations (continued)

Institution(s)	Collaboration	Partners	Category	Business Model	Integrated or Parallel Income Models	Subsidy Type
Georgetown University	Digital Georgetown	Library, Press, Academic Department(s) & Academic Computing				
	Georgetown University Round Table on Languages and Linguistics (GURT) Archive		Digitized press backlist on library server	Subsidy		Development & operating subsidy
Johns Hopkins University	Project Muse	Library & Press	Journal platform	Earned revenue		
Universities of Laval, Montreal & Quebec	ERUDIT	Library, Press & Academic Computing	Journal & book platform	Subsidy & earned revenue	Integrated	Development & operating subsidy
Louisiana State University	Historical Collections of Louisiana	Library & Press	Press marketing/distribution of library-sponsored content	Subsidy & earned revenue	Parallel	Development subsidy
	Louisiana Voices	Library & Press	Press marketing/distribution of library-sponsored content	Subsidy & earned revenue	Parallel	Development subsidy
	A Lifetime's Devotion	Library & Press	Press marketing/distribution of library-sponsored content	Subsidy & earned revenue	Parallel	Development subsidy
	Under Stately Oaks	Library & Press	Press marketing/distribution of library-sponsored content	Subsidy & earned revenue	Parallel	Development subsidy
McGill-Queen's University Press	Fontanus Monograph Series	Library & Press	Press marketing/distribution of library-sponsored content	Earned revenue		
University of Michigan	Digital Culture Books	Library & Press	Book platform	Subsidy		Development & operating subsidy
	Middle English Compendium	Library, Press & Academic Department(s)	Digital research & reference products	Subsidy	Integrated (originally fee-based; now open access)	Development & operating subsidy
University of Nebraska	Journals of the Lewis and Clark Expedition Online	Library, Press, Academic Department(s) & Academic Computing	Press print; library online	Subsidy & earned revenue	Parallel	Development & operating subsidy
	The Willa Cather Archive	Library, Press, Academic Department(s) & Academic Computing	Press print; library online	Subsidy & earned revenue	Parallel	Development & operating subsidy

## Appendix A: Existing Library-Press Collaborations (continued)

Institution(s)	Collaboration	Partners	Category	Business Model	Integrated or Parallel Income Models	Subsidy Type
University of North Carolina	The Long Civil Rights Movement	Library, Press & Academic Department(s)	Press marketing/distribution of library-sponsored content			Development subsidy
	Country Music Sources: A Bibliography of Commercially Recorded Traditional Music	Library & Press	Press marketing/distribution of library-sponsored content	Subsidy & earned revenue	Parallel	Development subsidy
	Encyclopedia of North Carolina	Library & Press	Digital research & reference products	Subsidy & earned revenue	Parallel	Development subsidy
Ohio State University	Ohio State University Press Open Access Initiative	Library & Press	Digitized press backlist on library server	Subsidy		Development & operating subsidy
Pennsylvania State University	Penn State Romance Studies	Library, Press & Academic Department(s)	Press print; library online	Subsidy & earned revenue	Integrated	Development subsidy
	Times of Sorrow and Hope: Documenting Everyday Life in Pennsylvania During the Great Depression and World War II	Library & Press	Press print; library online	Subsidy & earned revenue	Parallel	Development subsidy
	Metalmark Books	Library & Press	Press marketing/distribution of library-sponsored content	Earned revenue		
Purdue University	Online University Community Access to Press-controlled Titles	Library & Press	Digitized press backlist on library server	Subsidy		Development & operating subsidy
	CLCWeb: Comparative Literature & Culture	Library & Press	Open Access Journal	Subsidy		Development & operating subsidy
	First Opinions—Second Reactions	Library & Press	Open Access Journal	Subsidy		Development & operating subsidy
	The Journal of Terrestrial Observation	Library & Press	Open Access Journal	Subsidy		Development & operating subsidy
	The Interdisciplinary Journal of Problem-based Learning (IJPBL)	Library & Press	Open Access Journal	Subsidy		Development & operating subsidy
	The Journal of Problem Solving	Library & Press	Open Access Journal	Subsidy		Development & operating subsidy



## Appendix A: Existing Library-Press Collaborations (continued)

Institution(s)	Collaboration	Partners	Category	Business Model	Integrated or Parallel Income Models	Subsidy Type
University of Pittsburgh	University of Pittsburgh Press Digital Editions	Library & Press	Digitized press backlist on library server	Subsidy		Development & operating subsidy
	Online Journals	Library & Press	Journal Platform	Subsidy		Development & operating subsidy
Rutgers University	NJ Books Online	Library & Press	Digitized press backlist on library server	Subsidy		Development & operating subsidy
University of Southern Illinois	The Papers of Ulysses S. Grant	Library & Press	Press marketing/distribution of library-sponsored content	Subsidy & earned revenue	Parallel	Development & operating subsidy
Texas Tech University	TTUP Backlist Titles Online	Library & Press	Digitized press backlist on library server	Subsidy		Development & operating subsidy
University of Toronto	Lexicons of Early Modern English (LEME)	Library & Press	Digital research & reference products	Subsidy & earned revenue	Parallel	Development & operating subsidy
Vanderbilt University	Charles Baudelaire: Une Micro-Histoire	Library & Press	Press print; library online	Subsidy & earned revenue	Parallel	Development & operating subsidy
University of Virginia	American Founding Era	Library, Press & Academic Computing	Digital research & reference products	Subsidy & earned revenue	Parallel	Development subsidy
	Nineteenth-Century Literature and Culture	Library, Press & Academic Computing	Digital research & reference products	Subsidy & earned revenue	Parallel	Development subsidy
	"Clotel" by Wm Wells Brown; An Electronic Scholarly Edition	Library, Press & Academic Computing	Digital research & reference products	Subsidy & earned revenue	Parallel	Development subsidy
	Afro-American Sources in Virginia: A Guide to Manuscripts	Library, Press & Academic Computing	Digital research & reference products	Subsidy		Development & operating subsidy
	Guide to African-American Documentary Resources in North Carolina	Library, Press & Academic Computing	Digital research & reference products	Subsidy		Development & operating subsidy
University of Washington	American Indians of the Pacific Northwest Collection	Library & Press	Digitized press backlist on library server	Subsidy		Development & operating subsidy
University of Wisconsin	Planned backlist digitization	Library & Press	Digitized press backlist on library server	Subsidy		Development & operating subsidy

## Appendix B: Social Valuation Approaches

The valuation techniques summarized below can be used to evaluate initiatives where a financial analysis alone is insufficient to demonstrate the initiative's local or social effect. All of the approaches below require that a partnership collect and monitor performance data, and that the partnership bases its operating decisions on an analysis of such data. Although the methods provide frameworks for integrating internal performance metrics and external benchmarks, they are not substitutes for developing such metrics and benchmarks.

### *Cost-Benefit Analysis*

Cost-benefit analysis is a type of economic analysis in which the mission or social effects of an investment are expressed in financial terms and then weighed against the initiative's costs. The resulting financial analysis can be evaluated—and compared against competing investments—using several methods: 1) net present value (the cumulative value of all costs, revenues, and mission benefits, discounted to reflect the time value of money); 2) a cost-benefit ratio that divides the discounted value of income (including mission benefits) by the discounted value of costs; and 3) internal rate of return (IRR), the net value of the income (including mission benefits) expressed as an annual percentage return on the total investment cost.

The credibility of a cost benefit analysis depends on the use of appropriate and legitimate impact metrics to measure the financial effect of the positive mission effects. This requires a well-designed impact measurement, clarity regarding the perspective from which the benefits are being calculated (for example, the end user, the host institution, the partnering organizations), and a complete accounting of benefits and costs, both tangible and intangible.

### *Social Return on Investment*

Social Return on Investment (SROI) was developed by REDE, a nonprofit investment group that funds a portfolio of nonprofit ventures, to assign a financial value to the initiatives in its portfolio that comprise both social goals and market objectives.<sup>96</sup> The approach applies cost-benefit analysis, net present value, and other financial measurement methods to yield a “blended value” for a venture, taking into account social value as well as traditional financial measures.<sup>97</sup>

SROI documents the cost savings from public sector investments in determining an initiative's return on investment. SROI is useful for managing a portfolio of initiatives by gauging their relative performance.

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<sup>96</sup> Roberts Enterprise Development Fund (2001).

<sup>97</sup> The method is sometimes referred to as a double- or triple- bottom line approach. See Emerson and Bonini (2003) and Clark et al (2004).

*Balanced Scorecard*

The Balanced Scorecard approach, developed by Robert Kaplan and David Norton of Harvard Business School,<sup>98</sup> measures operational performance in terms of financial performance, client satisfaction, internal processes, and learning-and-growth outcomes. The Balanced Scorecard provides a framework for integrating the various metrics for each type of outcome. In terms of campus-based publishing partnerships, the Balanced Scorecard approach can be used to apply strategic performance measures focusing on client and stakeholder satisfaction, including authors, researchers, and the host institution.

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<sup>98</sup> Kaplan and Norton (1996) and Niven (2003).

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**About SPARC**

SPARC, the Scholarly Publishing and Academic Resources Coalition, is an international alliance of academic and research libraries working to correct imbalances in the scholarly publishing system. Developed by the Association of Research Libraries, SPARC has become a catalyst for change. Its pragmatic focus is to stimulate the emergence of new scholarly communication models that expand the dissemination of scholarly research and reduce financial pressures on libraries. Action by SPARC in collaboration with stakeholders – including authors, publishers, and libraries – builds on the unprecedented opportunities created by the networked digital environment to advance the conduct of scholarship.