The Big Deal in the economic downturn: disaster or opportunity?

Short term gain vs. long term pain: the true cost of cutting back on intermediary services

Ian Middleton
Vice President and European General Manager
• Some observations from the touchline

Does the agent care?
• What is happening in the market
• Options for the big deal
• What opportunities exist for the “agent”
Some observations from the touch line

1. Was it expected that the Big deal would consume all the budget?

Many report big deals consume 75%+
Some observations from the touch line

2. What consequence to the small/mid size publishers, the single journals, book etc

If no longer visible, do they still exist or have value?
3. Has the big deal challenged the traditional publishing model status quo?  

Has it breathed life & energy into OA?
Some observations from the touch line

4. Is it speeding the demise of print and the growth of the elibrary? Did it take from Humanities and give to STM?
5. Has the big deal inhibited the exploitation of the opportunities of the e-world?

Has it been flexible enough or is it trapped within the mindset and orientation of the print world?
Some observations from the touch line

6. Has the Big Deal distorted the publishing world & forced/created publisher mergers?

Big deal = Security of revenue & market share growth?
Some observations from the touch line

7. What effect does the emphasis on unit price rather than total cost of acquisition have on the decision-making process?

Does it falsely encourage disintermediation of agents to save cost?
Hidden costs

- Package price
- Negotiation
- License knowledgebase
- Tracking
- Database populating
- Usage consolidation
- Payment
Some observations from the touch line

8. Are price & cost are the sole measurement?

What of value, benefit & impact?
Some observations from the touch line

9. Has the experience been a win-win dream shattered? Or a needed evolutionary step
10. Has the recession changed things?

Or

accelerated existing trends and attitudes?
Some observations from the touchline

- **Does the agent care?**
  - What is happening in the market
  - Options for the big deal
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The New-Gen Intermediary

- Traditional Subscription Management
- Content Aggregation
- e-Resources Access & Management Services
- Services for Publishers

Consultative Partner
Some observations from the touchline
Does the agent care?

• What is happening in the market
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Possibly a little optimistic

The financial outlook total budget Q17 Future budget
CIBER Charleston Information Observatory 2009 (n=466 academic libraries, percentages within reg

Where do you anticipate your library budget will be in two years’ time, compared with today [do not allow for inflation]
Key theme: Libraries are going to cut what users want most.

Balancing the budget
Q28 Making cutbacks
CIBER Charleston Information Observatory 2009 (n=376 academic libraries worldwide)
Can we really expect libraries to get more funding in the short/medium term?

Balancing the budget Q30 Seeking additional funding
CIBER Charleston Information Observatory 2009 (n=358 academic libraries worldwide)

- A bigger share of the institutional cake: 48.6%
- Introducing or increasing charges: 9.0%
- Looking for external funding: 42.4%
Key themes – “e-only” & outsourcing

CIBER Charleston Information Observatory 2009 (n=358 academic libraries worldwide)

Balancing the budget
Q32 Doing things differently

Accelerating the shift to e-only
Directing users to free electronic resources
Outsourcing services or infrastructure

55.9 34.6 9.5
Key theme - demonstrate better value & ROI
Key theme - doing things differently

Balancing the budget Q34 Overview
CIBER Charleston Information Observatory 2009 (n=362 academic libraries worldwide)

- Making cutbacks: 20.8%
- Greater library co-operation: 26.3%
- Seeking additional funding: 20.6%
- Doing things differently: 32.3%
The message we get from these survey’s

Budget in decline

Move to “e” only  Need to outsource  Need to prove value & show positive ROI  Do things differently

With Big deals taking 70%+
Then Big deals must change?
ASA and its agent partners support

Some observations from the touchline
Does the agent care?
• What is happening in the market
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The message from the libraries seem clear

- pricing models,
- one size fits all,
- inflexible,
- limited cancellation options,
- 3 year deals,
- lack of clarity,
- title changes ....
Bespoke deal to emerge?
Some observations from the touchline
Does the agent care?
• What is happening in the market
• Options for the big deal
• **What opportunities exist for the “agent”**
Innovation is to see what everybody sees, to think what someone thinks, and to do what no one does.

Patricio Montesinos
Managing the bespoke deal – taking the pain out of complexity

• Evaluation tools
  – Product comparisons
  – Financial, collection development and serials management reports
  – Overlap analysis

• Knowledge of publisher business models and local markets

• Negotiation support
  – Preferential access rights and favorable terms & conditions
  – Must-have content for the users
Outsourcing – reducing total cost not just headline price

- Single point of contact and local expert & language support
- Back office – consolidation and management (ordering, title-level invoicing, payment)
- E-package renewals – speedy ordering & payment. License adherence
- Registration and activation
- Automation and integration with existing systems
Support the library & publisher to prove value & show positive ROI

- Consolidated reports (overview of total subscription purchases, control of orders, duplications, publishers’ registration policy, titles in publisher packages, etc)
- Auto populating data in ERM systems
- Usage consolidation / collection development reporting
Enabling discovery and access – by maximizing exposure, usage and value

- A-to-Z lists
- Link Resolver
- Federated search
- Discovery services
Expected Results – Discovery Services

Starting point of the research – user behavior
Expected Results – Discovery Services

Increase usage and maximize ROI

Sample of Summon statistics (beta testers)
• Academic Search Premier usage gone up (from 08 to 09) by 40%!
Opportunities to support our library and publisher partners - Short gain & long term solutions

Consultative Services
- Dedicated consultants & service representatives
- Evaluation processes
- Customized solutions
- Industry leadership & advocacy

Quality Content
- Databases
- E-packages
- E-journals
- E-books
- Print Serials
- Books

Subscription & E-resource Management
- Select
- Acquire
- Integrate
- Administer
- Evaluate
- Renew

Access & Integration
- Search & Access
  - Link
  - Automate
  - Integrate

Integration
Join us at
**EBSCO Information Day**
March 25th – The British Library

Hear the results of the ASA survey sent to libraries on the evolution of the library, the sharing of experiences on budget cut backs and in managing of e-resource in libraries within the UK.

Sarah Durrant, ASA

More info at mailuk@ebsco.com

Thank You - Questions