Open Access Journals
How could we finance them – and how do we?

Nordic Scientific and Scholarly journal publishing - interesting times

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Open Access means

- You don’t charge readers money for access to scientific content
- Someone else has to pay for something else
  - authors for publishing articles
  - institutions for having a journal
  - readers for supplementary services
  - etc.
A crash course in economics!

- Economics is not about profits but about allocation of resources.
- Costs are not (necessarily) invoices, costs are use of resources.
- All costs have to be covered somehow.
- You have to understand what your total cost are, who covers your costs, and why they are willing to, in order to know the economics of your journal.
- Your journal cannot survive if no-one sees a reason to cover your costs.
Business model

• A concept for analyzing the business of an economic venture
  – Your journal is an economic venture

• Important components for OA journals:
  – How do you produce your journal
  – Who are important stakeholders
  – Who cover costs, and what do they get in return
Your costs

- Identify what resources you use to produce your journal
  - Man hours
  - Technical infrastructure
  - Other resources
- Put a price on these resources
  - Don’t forget overhead!
- The sum is what must be financed
- Can any cost be reduced?
  - Must everything you do, be done?
  - Could you find cheaper labour to do it?
  - Could it be done more efficiently?
  - Could it be outsourced?
Your income – main categories

- Commercial income
  - Article processing charges
  - Advertising revenue
  - Sale of supplementary products

- Support (patronage)
  - Internal institutional support
    - Informed
    - Uninformed
  - External grants
  - Strategic partnership
Your choice?

• Different income streams should be combined
  – Journals dependent on a single source of financing are vulnerable

• Some income possibilities better suited to large than to small journals/publishers

• Most income possibilities also means added costs!
Commercial income

- Income directly proportional to some deliverable on your part
- Article processing charges: Number of articles processed
  - Current practice in some fields, unknown in others
  - Difficult to introduce until institutions establish APC-financing funds
Advertising income

- Dependent on the number of readers your website has, and on the type of advertising you offer
- Could be easy to establish and administer, could be costly
  - Various models
- Income potential varying widely from journal to journal!
- Some strategies could compromise editorial integrity!
Sale of supplementary products

- **Content-related. e.g.:**
  - High quality PDFs instead of low-quality or HTML
  - Additional information
  - Paper edition

- **Subject related merchandise**
  - Virtual store for some kind of related product
    - Could compromise editorial integrity!

- **Journal marketing merchandise**
  - T-shirts, coffee mugs, mouse mats etc.
    - Needs a substantial audience and enthusiasm
Support

- Is NOT usually given “for free”!
  - You have to provide some **value** for the supporters, to have them support you

- Should be a long-term relationship
  - Could be a sustainable form of financing
Internal institutional support

• Informed support
  – Accepting use of resources (time, facilities etc.) by editors
  – Allocating funds to pay for outside expenses
  – To support journals that
    • are of importance to a field of study or research that is central to the institution
    • are outlets for the production of students and researchers
    • give some prestige to the institution
    • help fulfil the dissemination obligations of the institution
  – Much used, and is a sustainable long-term financing solution for many journals, both OA and traditional

• Donation of free (unpaid) time and other resources from scientists and others
  – Very common source of funding for any kind of journal
Uninformed support

• When editors use (paid) time and resources without any informed acceptance from their institution
  – Not a sustainable long-term financing
    • But probably has some use …
  – If the journal has the right qualities, informed support could be negotiated
    • Provided you know your costs and sources of financing
External grants

- Given by institutions that have an interest in supporting research and/or scientific publication
  - In general, e.g. Research Councils
  - In specific fields, e.g. Cancer Research Funds
  - Application based
  - Usually short- or medium-term financing

- Could also be gifts (donations)
  - From interested persons or institutions
  - Mechanisms for receiving gifts can be implemented on a website
Strategic partnerships

- Long-term alliance with an institution or organization (scientific, professional)
  - with a strong interest in the journal’s field
  - with a large membership or following
- The journal could fill a number of roles
  - outlet for scientific production
  - outlet for institutional/organizational information
  - other readership services, including feedback from readers
- A sustainable long-term financing model
Actual sources of income

- Of 42 Nordic-Baltic respondents, 31 answered this question
  - Multiple answers were possible
  - An average of 1,55 answers per respondent
Non-sources

• No respondent used
  – Subscription to electronic edition
  – Sale of other information services

• Other (7 respondents)
  – Used by 4 that said they had no economy, so the question was meaningless
  – 1 said all was paid by society membership fee
  – 2 indicated minor income from other sources
Importance of various sources
Percentage of total financing

<table>
<thead>
<tr>
<th>Source</th>
<th>Number of journals</th>
<th>Low</th>
<th>Average</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription to paper edition</td>
<td>2</td>
<td>1</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>Sale of paper editions</td>
<td>5</td>
<td>1</td>
<td>24</td>
<td>100</td>
</tr>
<tr>
<td>Advertising income</td>
<td>2</td>
<td>4</td>
<td>47</td>
<td>90</td>
</tr>
<tr>
<td>Financial support (money) from a society co-operating with the journal</td>
<td>3</td>
<td>10</td>
<td>40</td>
<td>80</td>
</tr>
<tr>
<td>Financial support (money) from the hosting institution of the journal</td>
<td>16</td>
<td>10</td>
<td>79</td>
<td>100</td>
</tr>
<tr>
<td>Third party financial support</td>
<td>12</td>
<td>5</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
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- Only one journal has no financial support, and relies only on commercial income
- Conclusion: Financial support (internal or external) necessary
  - Covers nearly 80% of all costs
- Other sources supplementary
Cost of an article

- Very rough estimates
  - From 22 of the journals
  - Numbers in parenthesis suspect, actual "believable" number without parenthesis
- The average conforms to industry standards – but is higher
  - BMC standard APC is EUR 1035

<table>
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<th>Cost of publishing an article</th>
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<tbody>
<tr>
<td>Number of journals</td>
</tr>
<tr>
<td>Avg cost (EUR)</td>
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<tr>
<td>Low cost (EUR)</td>
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<tr>
<td>High cost (EUR)</td>
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But …

- Nordic OA publishers and journals are small (like in the rest of the world)
  - There is, probably, large economies of scale in journal publishing
  - meaning small is expensive
- The financing and costs of these OA journals probably mirrors those of traditional journals from the same institutions
Advice

- **Know your economy!**
  - Find out who you serve, with what – who are your customers and what are your value propositions?
  - Are there receivers of value that do not contribute to your financing?
  - What commercial sources of financing could you reasonably exploit?

- **Co-operate in order to exploit economies of scale**

- **If you don’t know where you are, how can you find your way to where you want to be?**
More info?

• Follow the NOAP wiki

• Reports will follow in ScieCom Info
  – http://www.sciecom.org/sciecominfo

• Contact us by e-mail
  – You’ll find contact info in the NOAP wiki
Thank you!

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