

# Open Access Journals

How could we finance them – and how do we?

Nordic Scientific and Scholarly journal publishing -  
interesting times

Uppsala, November 25th 2009

Jan Erik Frantsovåg, The University Library of Tromsø

# 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

Previous toll access	Subscription electronic edition	Subscription paper edition	Sale paper editions	Sale of other information services	Advertising	Author charges	Financial support from a society	Third party support	Financial support from the hosting institution	Other
No		2	3		2	1	3	9	14	5
Yes			2					3	2	2
Total		2	5		2	1	3	12	16	7

- 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

	Number of journals	Low	Average	High
Subscription to paper edition	2	1	15	30
Sale of paper editions	5	1	24	100
Advertising income	2	4	47	90
Financial support (money) from a society co-operating with the journal	3	10	40	80
Financial support (money) from the hosting institution of the journal	16	10	79	100
Third party financial support	12	5	75	100

- 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

<b>Cost of publishing an article</b>	
Number of journals	22
Avg cost (EUR)	1499
Low cost (EUR)	(15) 200
High cost (EUR)	(10000) 6730

## 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
  - [http://www.ub.uit.no/wiki/noap/index.php/Main\\_Page](http://www.ub.uit.no/wiki/noap/index.php/Main_Page)
- 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!

Jan Erik Frantsvåg

[jan.e.frantsvag@uit.no](mailto:jan.e.frantsvag@uit.no)