

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

Cost of publishing an article	
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
- 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

NORA

Thank you!

Jan Erik Frantsvåg

jan.e.frantsvag@uit.no