

o p e n a c c e s s

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## How to work from subscriptions agreements to OA business models

13<sup>th</sup> Berlin Open Access Conference  
Berlin, 21-22 March 2017

Kai Geschuhn, Max Planck Digital Library

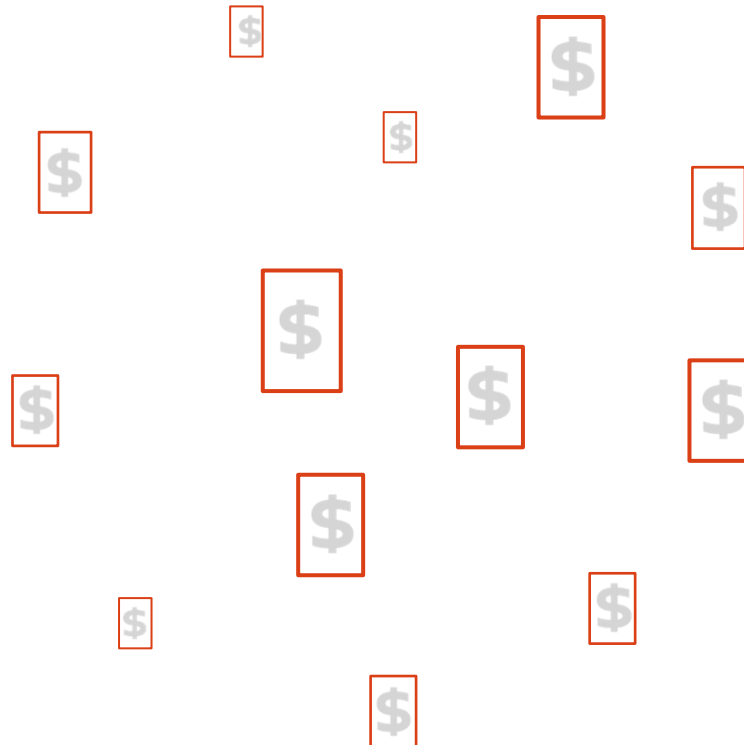
# Journal subscriptions in the electronic era: From individual titles to **package deals**



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## Subscribing to a journal

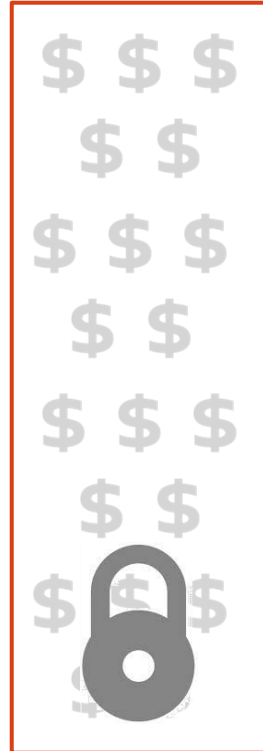
- Single title selection
- Individual pricing
- Journal level processing



# Journal subscriptions in the electronic era: From individual titles to **package deals**

## Big deal

- Bundling journals
- (Large) package deals with increased access
- Package level processing
- Individual title with ever less relevance

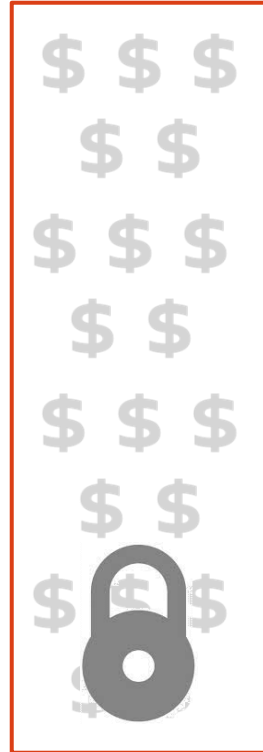


**Subscriptions**

# The standard hybrid model

## Institution

- Spending for reading
- Spending for publishing on top
- No integrated transaction



Subscriptions



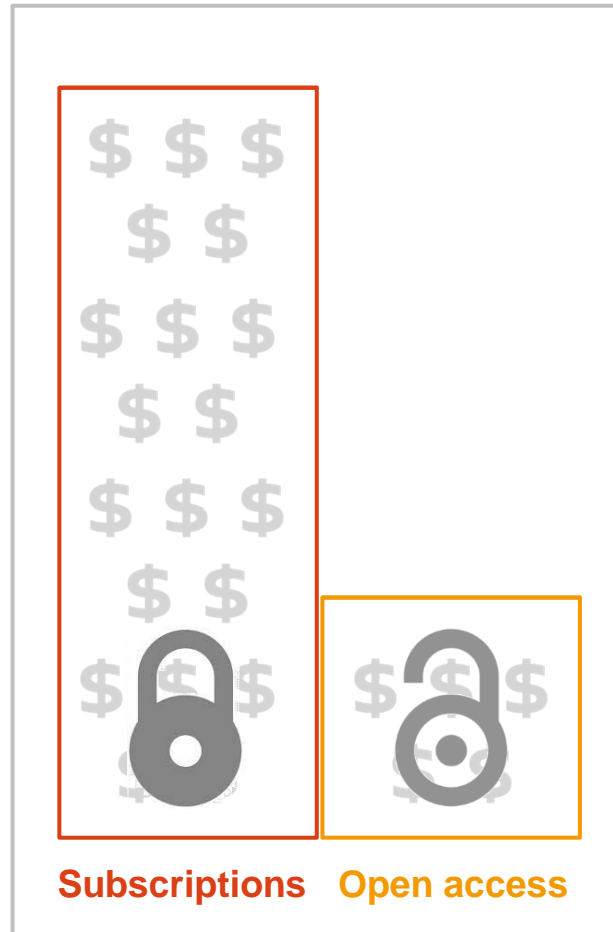
Open access

## Publisher

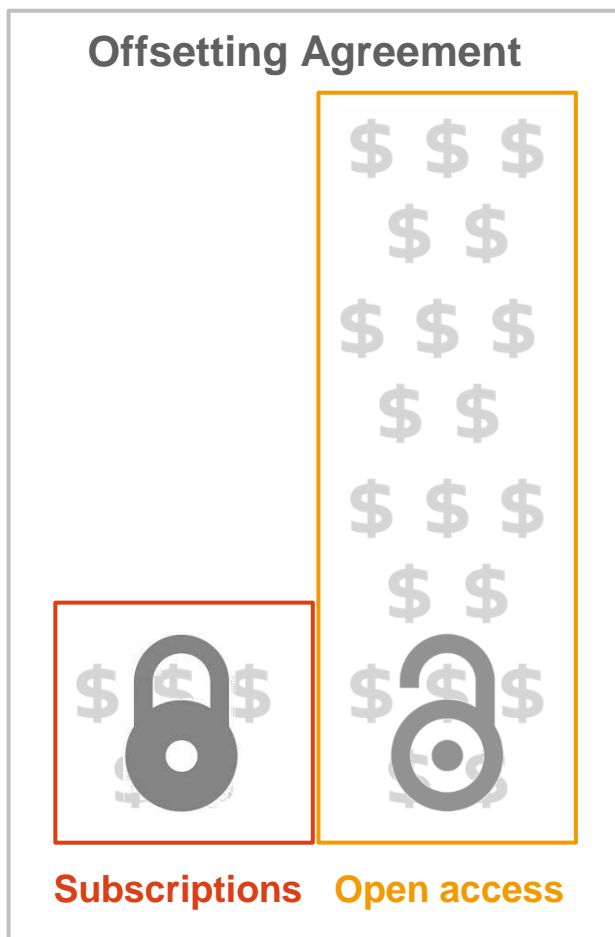
- Provides reading access
- Publishes individual papers open access

**Distinct operating models:  
add-on component with extra costs (“double dipping”) and little incentive**

# The two operating models are combined ...



# Shifting costs

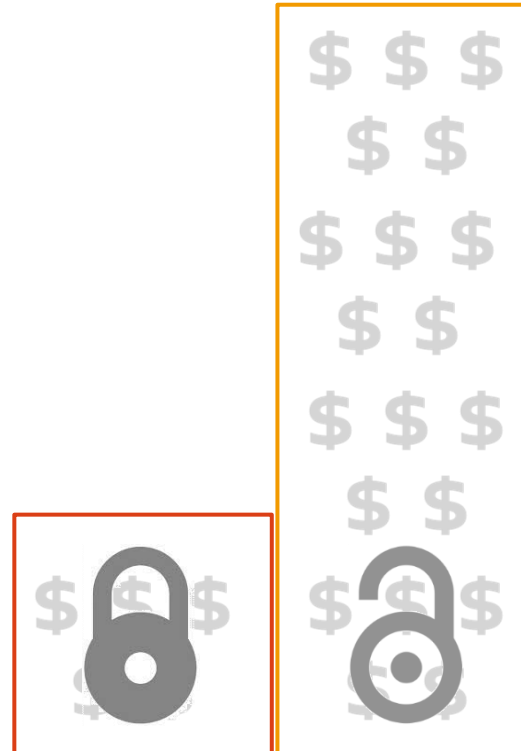


# Offsetting model at work

## Institution

- Spending largely for publishing instead of subscriptions
- Shift of expenses
- New workflows with OA relevance

## Offsetting Agreement



Subscriptions Open access

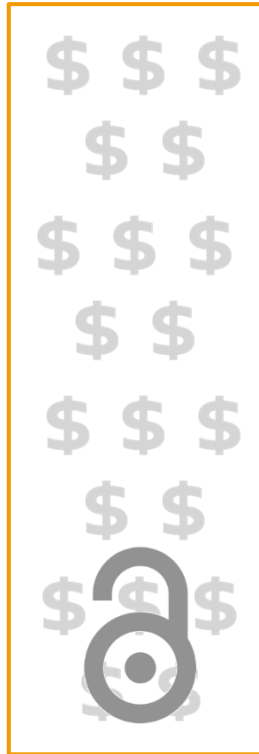
## Publisher

- Revenue stream not disrupted
- Publishes all articles from Institution in OA
- Continues to provide reading access

One comprehensive approach with incentives for institutions and publishers to shift costs and operating modes

# Working through the offsetting model

Publication Fee



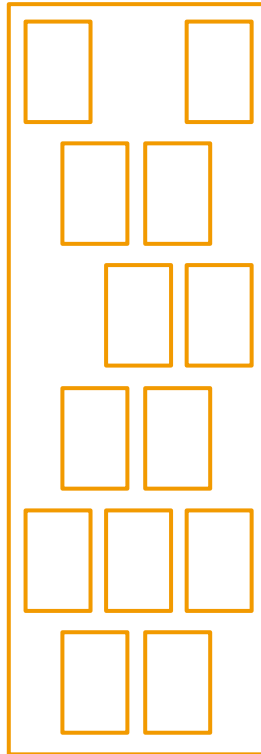
Reading Fee





# Working through the offsetting model

Publication Fee

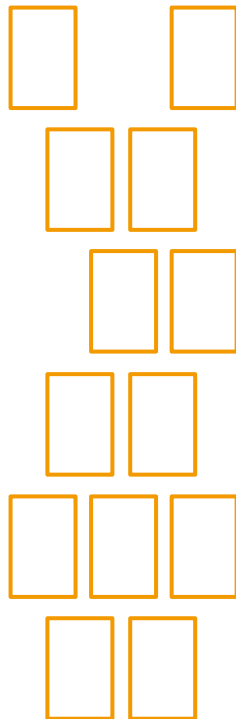


Reading Fee

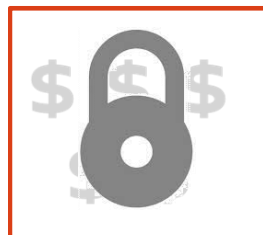


# Step 1: Unbundling the article output

Publication Fee



Reading Fee



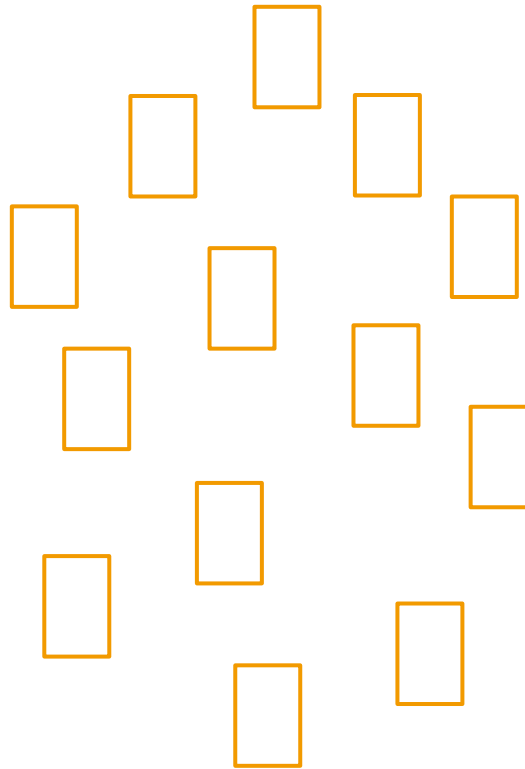
## Opening up

- Organize payment according to publishing output without guaranteed fee or capped articles
- Move from lump sum approach to individual invoicing
- Terminate the fixation of the big package deal
- Establish principle of “pay as you publish”
- Essential step towards an open publication market, which must be based on individually customized invoices per publication

# Step 1: Unbundling the article output

Publication Fee

Reading Fee

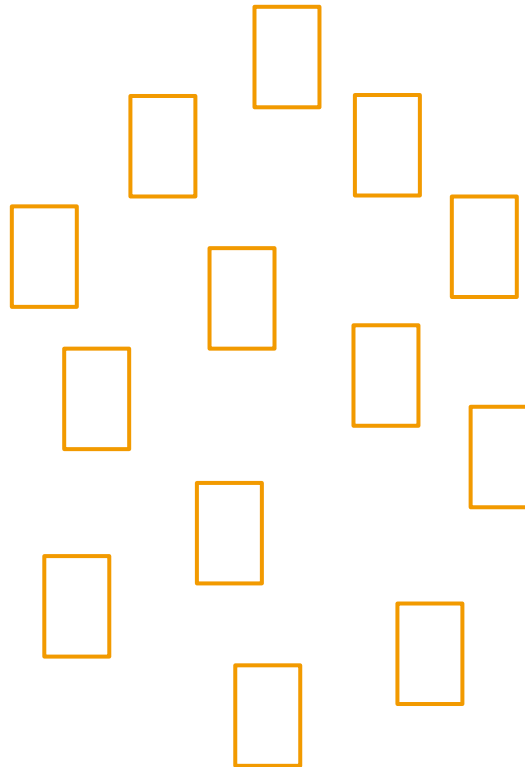


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## Step 2: Fading out the reading fee

Publication Fee



Reading Fee

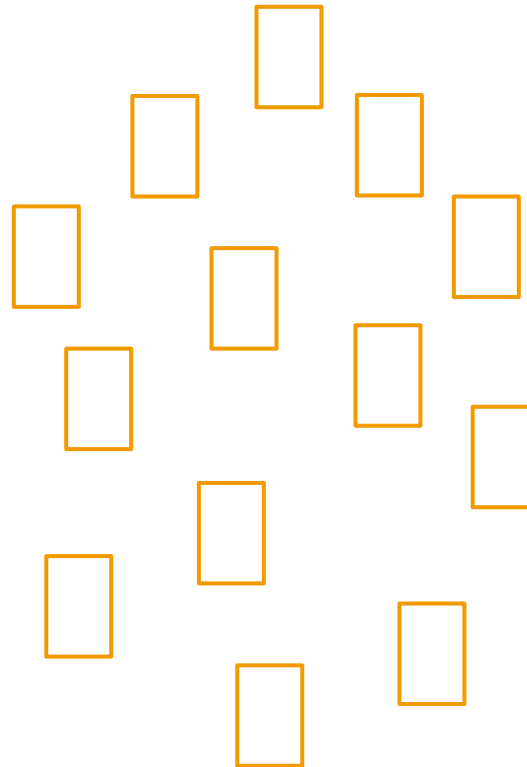


### Diminish & remove legacy

- Fade out read-access cost component
- Reading fee is an atavism in an OA business model and needs to be removed as an residual element of the past
- Inevitable target line: zero (to be reached as quickly as possible)
- Hence it is best not to start with such a cost component in an offsetting model

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Publication Fee



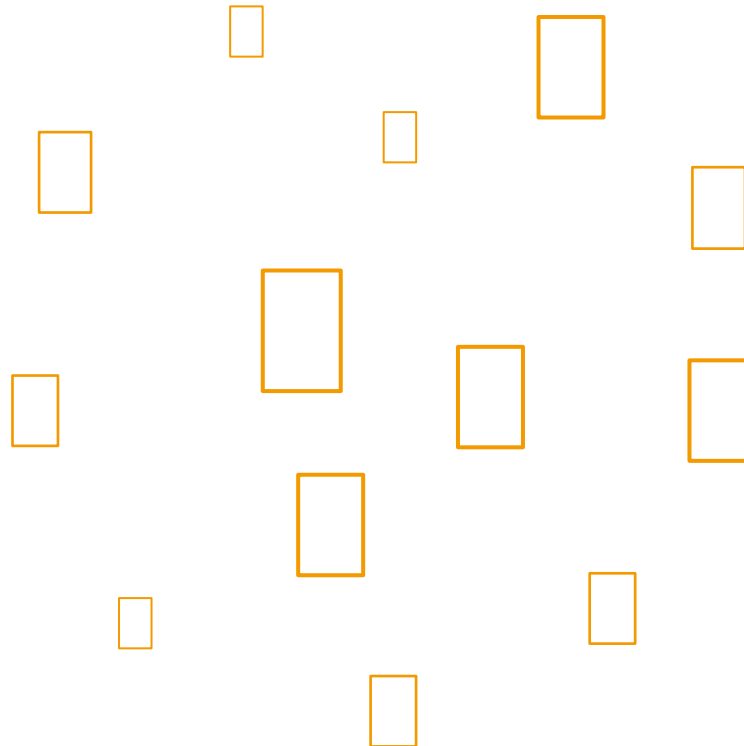
Reading Fee

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## Step 3: Establish differentiated APC pricing

Publication Fee



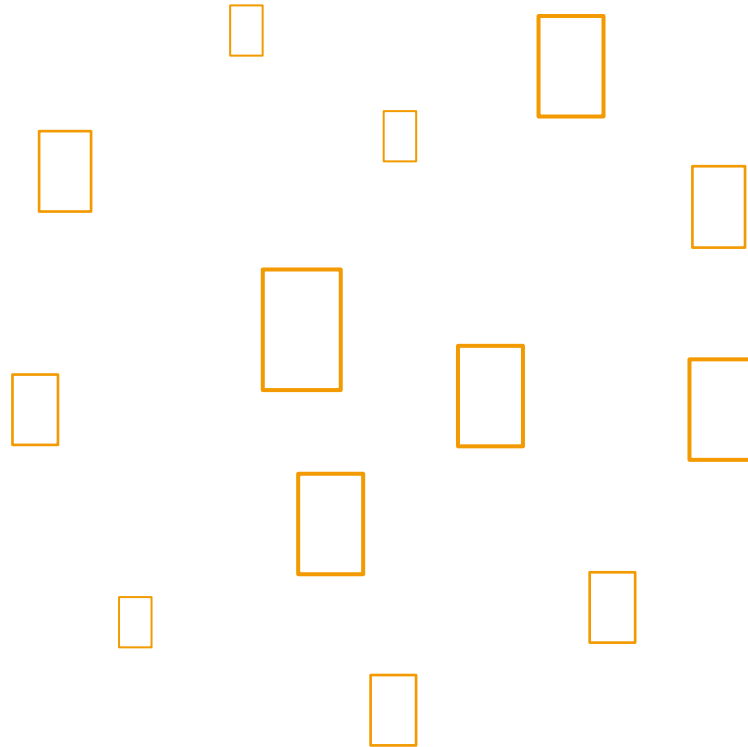
Reading Fee

### Create market conditions

- Depart from “one price fits all” publisher price policy as it has been typical for many hybrid offerings so far
- An individual APC level for each journal is needed
- An OA market system must be based on differentiated pricing (i.e. a stratification of APCs)
- The artificially set hybrid APC price points must be subjected to competition in order to arrive at an harmonized overall OA market

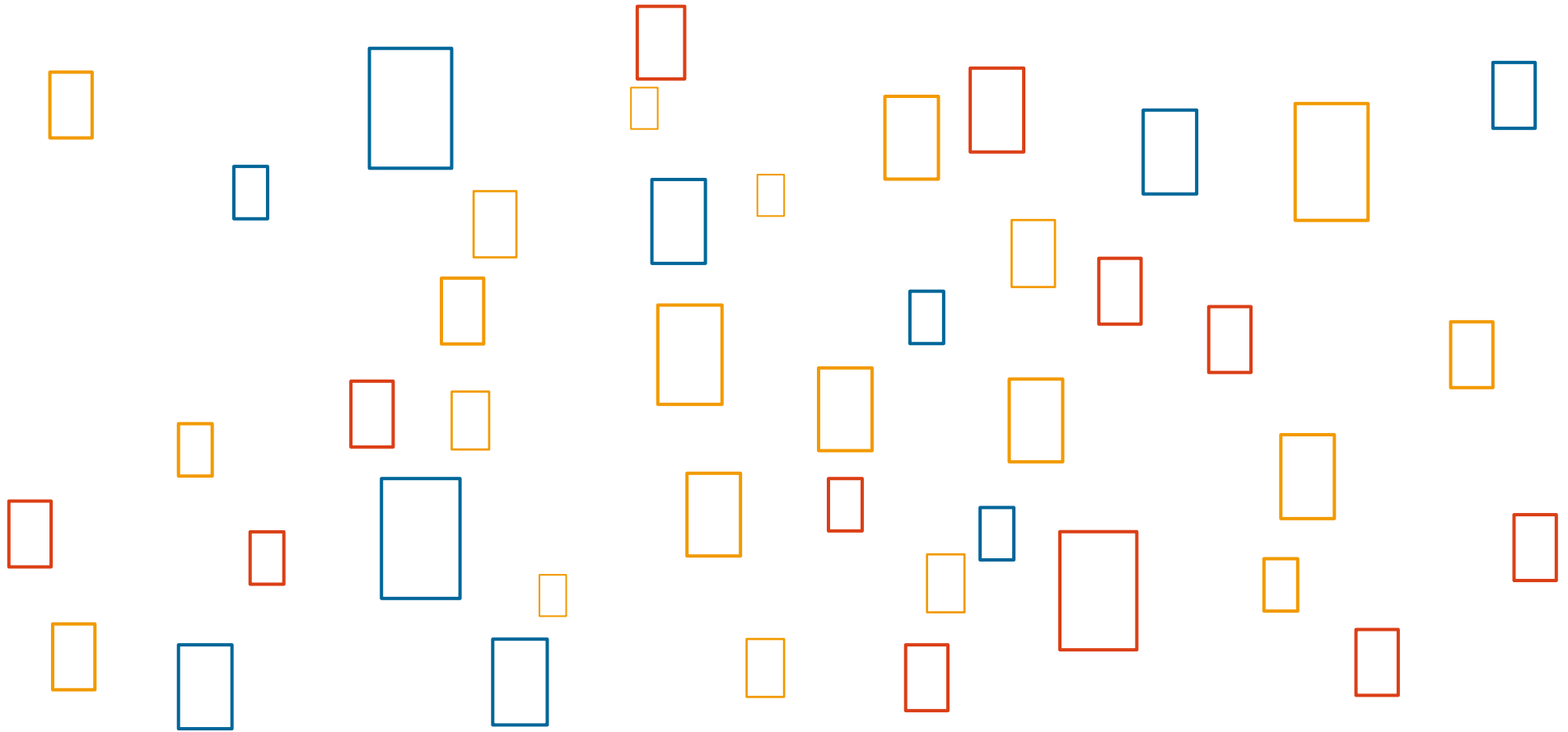
# Vision for a comprehensive Open Access world

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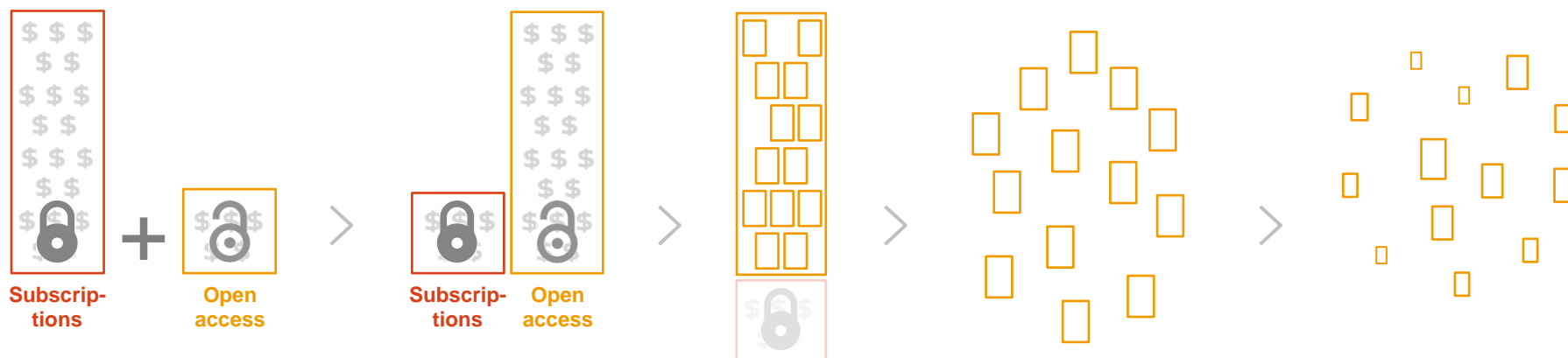
# Vision for a comprehensive Open Access world



**What we hope to achieve with one publisher  
must be accomplished with many, if not all publishers**



# The transformation road via offsetting summarized



## Phase 1

### How to get in

- Combine subscriptions with OA
- Combine entitlements and shift costs
- Establish OA processes & workflows

## Phase 2

### How to get out

- Unbundle the individual publications
- Fade out the reading fee
- Establish differentiated APC pricing

**Offsetting is a model dedicated to the transformation; it cannot be a new standard routine. Offsetting has two distinct phases; together they pave the way to an OA market situation.**



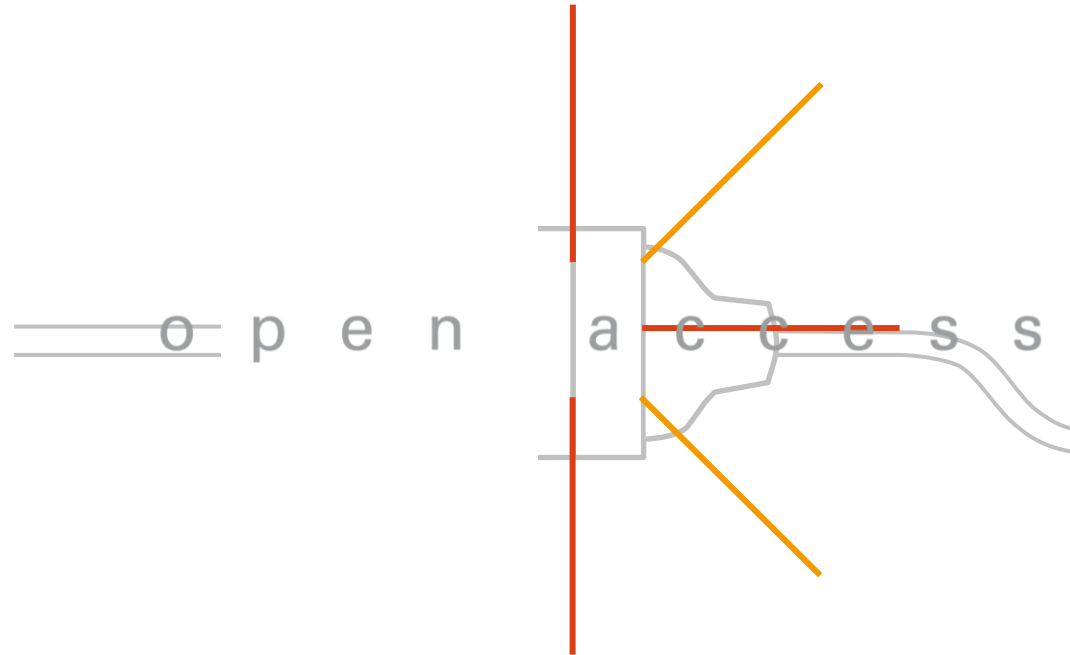
<http://esac-initiative.org/offsetting/>

- Agreement matrix
- Joint Understanding of Offsetting (March 2016)
- Customer Recommendations for Article Workflows and Services (March 2017)

# Rethink negotiation

- Have a clear understanding of the necessary mechanics
- Rethink traditional negotiating strategies
- Allow for failure, prepare for failure

As a last resort: All subscriptions must be stopped!



We need to discontinue the subscription system and to **find new ways to finance the publishing services** that are wanted and needed in the 21<sup>st</sup> century