How to work from subscriptions agreements to OA business models

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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
The standard hybrid model

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

**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 Agreement

Subscriptions  Open access
Offsetting model at work

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

**Offsetting Agreement**

**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

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
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Step 2: Fading out the 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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Step 3: Establish differentiated APC pricing

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
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

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

**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
Practical support

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 21st century.