The 2nd SPARC Japan Seminar 2009

"Sustainability of non-profit publishers – learning from OUP"

How Operations support OUP's business

This presentation looks further at some of the challenges faced by academic publishers worldwide, and reviews how the Operations functions can help assist the business in meeting these challenges. In a market where competitive advantage is increasingly conferred by scale, it is important to find ways to support the publishing programme which are cost efficient and competitive, but at the same time fully aligned with the academic mission of quality, dissemination, and support for the parent institution.

Pam Sutherland

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Let us begin by looking at some of the many challenges facing the academic publishing market. The most topical issue is the potential impact of the global economic downturn. The economic crisis has been felt particularly in the West, and especially in the US. The effects of the slump on the library and its finances are twofold. Firstly, state governments are finding large shortfalls in their budgets and are therefore making sweeping cuts to public universities and libraries, along with other government institutions and services. Secondly, universities themselves have seen their endowment investment income fall as interest rates drop. Here private universities are among the hardest hit. As academic publishers must produce content for a global market, the current recession gives an uncertain future for academic revenue. With significant library budgets which are flat or decreasing, only the highest caliber content can be sure of being retained in library subscription lists.

The business models for the sale of academic content have changed dramatically since the mid-1990s when content was first put online. First, academic publishers had to make additional investments in online environments with no additional compensating revenue. Then they had to provide a myriad of technological features such as e-mail alerting services, pay-per-view and supplementary data, allowing online content to be disseminated and understood in new ways. As Web 2.0 tools have developed, and user interaction with online content has increased, the entire process of academic research and publication has the potential to be transformed.
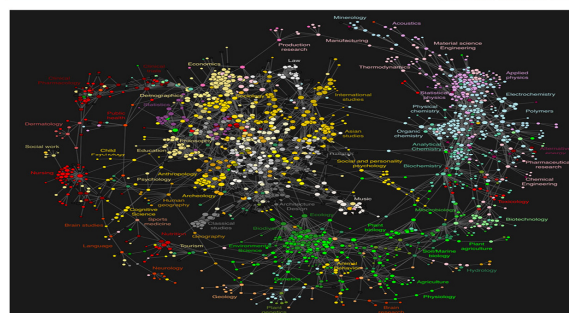
For example, this map of science produced by Los Alamos National Laboratory shows the virtual trails that scientists leave behind when they retrieve information from online services. Through the use of this data, models explaining the online behavior of researchers and how it relates to the emergence of scientific innovation can be seen, allowing us to investigate models of discovery in ways that have previously not been possible.

Innovative business models have also been developed by new competitors entering the market. New "author pays" business models have emerged in response to a situation in which the supply of published research material continues to grow while public budgets to purchase such research lags behind. The burden of payment for

publication costs is switched from the library to the research budget, while at the same time ensuring that published research is made freely available to consumers.
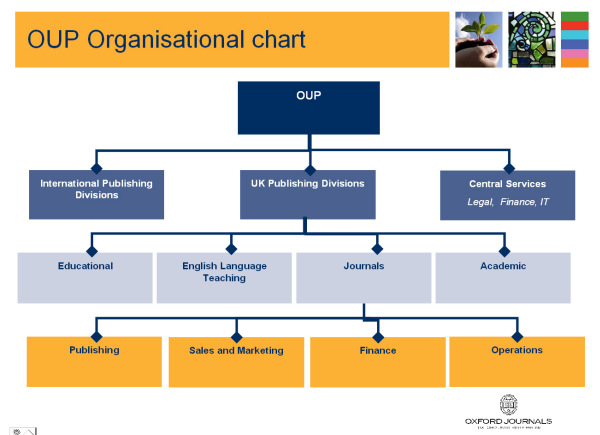
Another potential substitute for the academic subscription sale model is the creation of institutional and subject-based repositories which make academic content freely available. Whilst fitting well with the scholarly mission of the university press to maximize dissemination, the model does not resolve the issue of who is to pay for the costs of publication

Finally, university presses face numerous challenges associated with lack of scale. As an ever higher percentage of library budgets are spent on commercial publishers' "big deals," thus limiting any budget left over for subscriptions, university presses are faced with the need to secure consortia income without any accompanying scale of content. In order to be competitive, investments in new technology and skills must be made, but the scale of investment required goes beyond the abilities of most small academic publishers. More generally, because of their size most University Presses cannot access economies of scale available to their larger commercial rivals. This impacts their ability to reduce their cost base. A reduced cost structure would make it easier to make a profit, or at least be financially self sustaining. Alternatively, reduced costs could be used to reduce prices for academic content, or make more content freely available to those who need it.

Oxford University Press has numerous discrete publishing offices globally, each of which acts as a publishing house and with its own operations function. Each office is

supported from the UK for legal, tax, and financial matters. Within the UK office, there are four publishing divisions: English Language Teaching, Educational, Academic, and Journals. Each division has its own organizational structure. For Journals, operations cover three main services: customer services, production and IT. These services are managed with the goal of being cost efficient, customer focused, and of the same high quality as Oxford Journals publishing.

Managing the operations function involves managing costs, processes, staff, suppliers, risks, environment, data, innovation and customers in order to ensure the best possible services that achieve overall objectives.

The operations function may be able to help with the various challenges facing university press publishers in a number of ways. Over the last few years, Operations at Oxford Journals has been successful in reducing its costs as a percentage of sales by 15%, largely due to the rationalization of relationships with suppliers and achieving greater economies of scale. The standardization of style, workflows and formats has allowed suppliers to provide more competitive prices, and has improved speed.

Automation and standardization has significantly reduced the time between acceptance and publication, increasing quality and eliminating human error. In attaining the ISO 9001:2008 certification for quality management, we are required to collect and analyse customer feedback on a systematic basis, and implement a continuous improvement programme to ensure that any negative feedback is used to prevent its recurrence.

The operations function can also support innovation, by providing support for new business models or for new product features. Operations are also instrumental in online experimentation. Technological development may offer a bewildering range of opportunities for development, but the coming of Web 2.0 means that many of these developments can be undertaken relatively inexpensively in a well structured, standards based platform. This will position the Publisher well to understand and adapt to the technological developments of the future. Undertaking smaller, cheaper experiments is more cost effective and can be less disastrous than costly investments in single publishing features or platforms.

Oxford Journals uses numerous standards in its online publication. Standards are economically sound investments regardless of the size of the publisher. They help content to be discovered, accessed, disseminated, integrated and repurposed.

The Oxford Journals website is a mixture of general pages built and maintained internally by Oxford Journals staff and content pages hosted by HighWire Press. HighWire Press is a content hosting platform and part of Stanford University; it hosts 71 of the top 200 most frequently cited

journals in science. This partnership is a key feature of the Oxford Journals strategy, giving its content a wide reach that was impossible to attain without collaboration. Oxford Journals actively helps HighWire in determining the future of the platform, and in return, their technological expertise as well as that of other publishers and societies hosting with them are received. Experiments carried out by each publisher or society are shared and discussed, giving the benefit of an evidence-based approach to technological development. The slide below shows some of the standard features available to all Oxford Journals. There is also a menu of more specific features available for particular disciplines or journals, and bespoke development can also be carried out where appropriate by Oxford Journals or HighWire staff for very specific needs.

HighWire is committed to keeping its platform at the leading edge of online content development, and Oxford Journals is currently transferring all of its content to the new HighWire 2.0 platform. This ensures that online offerings can keep up with rapidly changing technology, allowing Oxford Journals to be in a comfortable position to exploit opportunities for experimentation, branding and business model development for the future.

Profile

Pam Sutherland

Pam has worked in publishing for the last 20 years, where she has held positions in finance, project and programme management, IT, and operations. She has a degree in Politics, an Oxford MBA, and is a qualified Chartered Management Accountant. She has worked for Oxford Journals (a Division of Oxford University Press) for the last seven years, first as Head of Journals IT and then Journals IT Director. She is currently the Operations Director, responsible for Production, Customer Services and IT.