**SLIDE 1 ‘Threats and opportunities - navigating in stormy waters’.**

**SLIDE 2**

1. **Introduction**
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3. **Title and article usage**
4. **Big Deals**
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11. **Introduction**

I’m pleased to be invited to speak at FIL again – I last did so in 2011 and I have recently returned as editor of ILDS so there is life in the old dog yet. In fact I was in Dublin on June 16 celebrating Bloomsday, the day on which James Joyce’s novel *Ulysses* takes place. And it also happened to be my 74th birthday which was a nice coincidence. The main character is Leopold Bloom - hence Bloomsday - and this difficult and lengthy novel has been famously described as “A man walks round Dublin. Not a lot happens.” I have read all 900 pages - and it certainly is difficult and indeed not a lot happens! Copyright law and technology means that you can download a copy for free from Project Gutenburg although I noticed a number of errors on the first page. Anyway enough of me and my literary travels.

I wouldn’t worry about taking notes. This presentation with references and slides will be available on the FIL web site. In fact one reference for an Outsell market research report is nearly worth its weight in gold – the 33 page report weighs about 160 grams and costs 5000 US dollars and the same weight in gold is 6000 US dollars– so a bargain really. However it does illustrate the importance of the academic publishing market that so much can be charged for a report. One report that you should read in order to understand the context within which we work is the recently published 4th edition of Ware and Mabe’s STM report which is freely available – and here is the front cover. **SLIDE 3**

I want to talk about the transformation that has occurred in our ILL working environment over the past 25 years - incidentally I will use ILL as shorthand wherever possible as nomenclature in our area is a nightmare. And lastly in this introduction - the sub title of my talk is ‘threats and opportunities’. I learnt whilst marketing services at the British Library that threats can nearly always be turned into opportunities and I hope that will become apparent as I address a number of issues that are affecting ILL. But first– some lessons from when I last spoke at FIL in Durham in 2011.

1. **Big Deals, Plan B and its lessons SLIDE 4**
* In 2010 UK Higher Education was facing negotiations with Elsevier and Wiley for a new five year deal for their journals and wanted to mount a serious campaign to back up their negotiators. Big Deals are expensive – research universities pay well over a million pounds for just Elsevier’s knowing that hundreds of the journals will never be used. I was asked to develop a credible alternative to the Big Deals known as Plan B. We held a workshop at the FIL conference in 2011 to explore how we could cope with very large increase in ILL as a result of withdrawal from the Big Deals. This plan would be implemented in the event of negotiations breaking down. In fact a satisfactory deal was concluded that saved H.E £20 million over the five years. – I should have asked for a % commission rather than a day rate. The details are covered in an article I wrote for ILDS in 2012
* There were a number of important lessons for ILL from Plan B.

***First*** and most important was the monopolistic power of the publishers – made stronger by the Springer-MacMillan merger this year. With Elsevier the two publishers alone now control 36% of the market and approaching 100% in certain disciplines.

Phil Sykes, university librarian at the University of Liverpool said: **SLIDE 5** “History suggests that mergers like this are bad news for universities, because they further increase the power of publishers in a market that already conspicuously lacks a competitive dynamic.” This very high concentration of publisher power makes it very difficult to negotiate good terms.

***Secondly***, Pricing which outrageously, is still based on the print only era, discourages withdrawal from Big Deals . Why is this so? Because prices are manipulated in such a way that subscribing to say 200 individual titles from Elsevier is dearer then subscribing to a Big Deal of 1000 titles. E- publishing is a lot cheaper than print publishing – after investment costs have been recovered. And societies and professional bodies explicitly use the surplus generated by these high journal prices to fund other activities. As Debby Shorley, Chief Librarian at Imperial College said – ***“Why should I pay for the activities of my users’ societies out of the inflated subscriptions from my limited library budget?”***

***Thirdly -*** I researched the impact of cancelling Big Deals and the extraordinary result was that when they were cancelled at various universities around the world there was very little if any impact on ILL. It would appear that users want instant access or nothing. A rather depressing conclusion about the quality and thoroughness of research. However therein lies **an opportunity**. What if, when a search fails, your user is prompted with a screen that asks if they want the article within – say two hours - direct to their inbox? The technology exists to do this and there is now no legal obstacle to doing it. I understand that Clio and Capita have just this facility. It is certainly something that you should push for if you don’t already have it.

 ***Fourthly –*** the cumulative loss of access by cancelling Big Deal as years go by leads to a perceived unsustainable situation within 4-5 years. I say ‘perceived’ because if immediate or near immediate access to alternatives was available the problem may not be seen as being so great.

The harsh reality was that when the chips were down and it came to settle or fight – UK HE librarians settled albeit on better terms than would otherwise have been the case. The main reason being that turning the tap of to a virtually unlimited supply of articles was felt to be too risky. Librarians feel that they are trapped between the unlimited demand from users and the budgetary constraints under which they operate forcing them to commit to Big Deals. For the present we have to live with a deeply irrational business model –although of course from a publisher perspective it is very rational as it maximises their profits.

1. **Article and title usage** – I used to quip when giving presentations for BLDSC that most articles are read only by the author and their mother. This rather poor joke nonetheless does explain the rationale for ILL. New methods of counting usage at title level mean that accurate usage assessments can be made – although in Plan B we discovered that Elsevier designed its web site in such a way that it encourages double counting to the extent that routinely downloads are 40% higher than they are actually. A number of studies in the last few years have shown that title usage or downloads follow the Pareto rule, **SLIDE 6** a CIBER study demonstrated that “***25% of subscribed titles accounted for between 70 and 90% of use – depending on the institutions and subject***.” Unfortunately as yet there has been no research at article level but one would expect a similar distribution of usage – that is to say 80% of article use derives from 20% of articles published.

It is difficult to see how the current business model can continue for much longer and it is likely to be replaced by an article economy much as described by Rick Anderson to which I refer below.

1. **Open Access**

Open access has become a radical disruptor to our work and indeed everyone else’s in libraries. That disruption is bound to continue, grow more complex and radical. Open access publishing has put a spanner in many works and may lead to real reductions in prices as well as a disaggregation of the Big Deals. For our modelling in Plan B of the impact of open access on the withdrawal from Big Deals we assumed that 10% of unsatisfied demand would be met by finding freely available material on the web. However this was an underestimate then and is even more so now. Let me illustrate this with my experience of writing the quarterly Literature Review for *Interlending and Document Supply*. **SLIDE 7** Up to a few years ago I searched 120 LIS journals on the shelf at BLDSC and copied usually between 30 and 50 relevant articles, for reviewing. I also look at web sites and blogs. Now about 70% of what I need is freely available from my PC at home. The main blocks are Sage, Elsevier, Taylor and Francis but even with those publishers I can usually obtain an article direct from the author if it is not available from an institutional repository. Clearly this change will have a dramatic impact on ILL The origins of OA are contained in two impressive papers, one in 1995 by Andrew Odlysko and one in 1997 by Paul Ginsparg . Later when I was involved in a strategic review of document supply at the BL in 2000 we saw OA as having little current impact but likely to grow. A key driver being economic - dissatisfaction with commercial publishers (but also society publishers) charging prices well above inflation decade after decade – no other industry has managed that and attracted profits of around 25-35% except perhaps armaments and Apple– and it is also driven by an ethical argument that publicly funded research should be available to all at the lowest possible cost. After years of gradual growth OA has taken off explosively to the extent that a recent study showed that about 35% of the peer reviewed literature is freely available depending on the subject. (White, 2014) **SLIDES 8 and 9.**  In the UK this growth has been driven by the Finch report in 2007 and in the US by the simultaneous publication in 2013 of instructions from the Office of Science and Technology Policy and a Bill presented to both Houses The Fair Access to Science and Technology Research Act – its acronym is FASTR - but the Bill is ploughing through a system that makes the Houses of Parliament look like a fast track – so contrary to popular opinion Americans do do irony. Focus on the US is important as ILL provides a service based on global outputs and the US accounts for 26% of all published articles – nearly four times the UK output. Publishers responded to these initiatives by setting up CHORUS – The **C**learing**h**ouse for the **O**pen **R**esearch of the **U**nited **S**tates which is intended to retain control of the publishing process whilst at the same time giving assurances that it will manage the complex process of ensuring that articles become freely available at the appropriate time. The Association of Research Libraries has set up SHARES which is intended to be a response to CHORUS but has nowhere near its resources. Still the proof of the pudding is in the eating and currently only about 20,000 articles are freely accessible via CHORUS. There is a useful summary by Neil Jacobs of JISC of this very complex situation and its impact on the UK which I have referenced. The EU has also supported OA via the Horizon 2020 research programme which includes a mandate for articles to be deposited in repositories or to be made immediately OA if funds are available. These three initiatives all insist that publicly funded research be made either immediately OA or OA after a limited embargo period – as short as 6 months in some cases. This is quite simply transformative. So at a minute before midnight publishers, led by Elsevier, realised that their long held opposition to OA had been defeated and switched to supporting Gold Open Access - an entirely sensible decision from their point of view as they stand to gain another stream of revenue from the Article Processing Charges paid by authors to have their articles appear immediately open access. These charges or APCs are not trivial and typically range from £1000 up to £4000 per article and even more in some cases. Lorraine Estelle from JISC has recently written that **SLIDE 11** “***In one recent year, one institution we spoke to spent more than £28,000 in subscriptions with just one publisher, and also published 12 journal articles with the same company. Those 12 APCs amounted to an extra £21,000 paid by the university – a 71 per cent increase in charges from that publisher***.” I commented on this in my Literature Review in the last issue of ILDS – **SLIDE 12** “***These 12 articles are free immediately for everyone in the world but that one university has to pay the price - its equivalent to about 3000 electronic ILLs from the British Library – just a thought***”. The effect ofGold OA is limited by the cost which means that it will be felt more in STM than in H and SS and the UK only generates about 7% of all articles published. Until other countries catch up the financial burden carried by the UK will be disproportionate – we pay but others don’t. ILL librarians need to be aware of the Gold OA impact – every publisher has a different approach and experience shows that users increasingly settle for second best if what they want isn’t immediately and easily available – it is up to you to ensure that OA material is identified before an ILL is requested..

Likewise Green open access will also have an impact and indeed is already doing so – in the UK there are currently 95 mandates issued by funding bodies and universities that ensure that authors do increasingly deposit – so for example the White Rose consortium of Leeds, York and Sheffield now has 18,100 deposits that have attracted 3.5 million downloads. 65% are immediately open access and 81% of deposits are full text articles. However because each university is autonomous no two systems are the same so coordinating across all 180 or so universities is a nightmare and indeed the Open Mirror project concluded that the task of integrating the streams was simply too complex at the present time. CORE does appear to be attempting this task and its web site states **SLIDE 13** ***“The mission of CORE (COnnecting REpositories) is to aggregate all open access research outputs from repositories and journals worldwide and make them available to the public”*** It’s ambitious and its web site states that it currently has indexed nearly 25 million articles. Green OA is a major threat to publishers which explains their commitment to Gold. A Taylor and Francis study of acquisitions librarians suggested that an embargo of six months would likely lead to cancellation of journals and even a break up of Big Deals and thus a likely increase in ILL.

However Open Access is also threat to ILL but finding stuff isn’t that simple as the experience with Open Mirror and CORE has shown. A competent ILLer will be experienced at finding stuff that their user can’t - thus saving on ILL requests. Tina Baich gives one good example of checking for freely available material in her article in a recent issue of ILDS. The volume of this stuff is growing fast and becoming more complex to find at the same time. **Opportunity! -** Here indeed is an expanded role for ILL staff that reduces costs and satisfies the needs of their library’s users both quickly and economically.

1. **Patron Driven Acquisition**

**How many of you work in libraries where patron driven acquisition is used for e books?** About 4-600 institutions worldwide use it. There are many studies and most are strongly in favour of it as an essential and valuable complement to librarian driven acquisition. All studies that I have seen point to higher usage of PDA material than when material is librarian acquired – and I refer to them in my Literature Reviews. PDA is mainly confined to e books but I have found one US study of printed books in which PDA was implemented after four requests and concludes that it is successful. So is PDA a threat to ILL staff? Well here is someone writing on their experience of introducing PDA – again from the US - **SLIDE 14** ***“ Launching patron driven acquisition through interlibrary loan requires extensive planning, interdepartmental cooperation and enough forethought to make the program stick”.*** (Schmidt, ILDS 40.4. 2012).**.**  Rick Anderson, Chief Librarian at the University of Utah is a prolific and thoughtful writer and has this to say about the PDA of serials – **SLIDE 15 I**ts rather a long quote but it does go to the heart of what is possible today – and not from someone who is wedded to ILL. *“****Q[uestion]: PDA always seems to be about books. Doesn’t the same principle apply to journals? A[nswer]: Absolutely. The journal subscription is a fundamentally irrational way to buy access to articles; it’s a way of buying lots of content you don’t need in order to ensure access to some content that you do need (while excluding other big batches of content, which may also contain articles you need). PDA principles apply to journal content at the article level: ideally, libraries should expose huge and comprehensive ‘collections’ of un-acquired journal articles to their patrons, and buy only those that their patrons actually download. A certain number of paid downloads should result in permanent site-wide access (on the assumption that multiple uses of a single article demonstrates broad need on that campus). The details of such an arrangement would have to be a matter of negotiation with the publisher; the most important detail, obviously, will be price per article”***

**Opportunity! –**  A well thought out PDA programme both for books and serials will reduce ILL as well as providing a better service to users but ILL should be an integral part of the process.

**6. Renting**

Then we have renting – **Who uses either DeepDyve or ReadCube?** Both are services that offer limited access to articles at a lower price than an ILL. Deepdyve was and maybe still is aimed at independent researchers but is increasingly being used by institutions as a cheap alternative to subscriptions or indeed ILL. It offer users unlimited access to millions of articles for $40 (£26 in real money) a month. For which you can read as many articles as you like and print up to 20 pages per month. You can also download PDFs for 20% off and it offers free access for five minutes. ReadCube has a number of more sophisticated features and is being used in a number of libraries – including the ubiquitous University of Utah. But again integrating such a service into a library’s portfolio requires much careful thought.

**7. ILL trends globally.** Much of what I have just said **explains** why the ILL for articles in the UK has declined from its peak in about 2000. But it has also declined in Europe. Even the US has plateaued and is declining slowly. The decline is less so for books and other returnables. China looks like the UK in the 1970s – relatively low ILL, poor service, under investment. Russia like the UK in the 1960s – for Latin America I can find only scanty information but there is an article in the next issue of ILDS that shines some light on this vast continent. The principal reasons for this decline are well known – massive investment by publishers in electronic delivery and aggregation has led to a culture of immediate and ‘free’ access (I say ‘free’ in inverted commas because of course only free to the end user not to the library) to much of the world’s peer reviewed articles. But this has precipitated the so called serials crisis whereby libraries cannot afford to buy all that they want and at the same time are forced to buy stuff they don’t want. In turn this has driven the open access movement which until recently threatened to overturn the cosy model that publishers have developed. However publishers were thrown a lifeline by the UK’s Finch Report and now are back at the trough with a vengeance with APCs generating another very nice revenue stream. The downward trend appears to be slowing down; but will only be reversed if libraries can find better ways of providing speedier and simpler ways to access materials not available in their libraries. This is possible - the recent changes in UK copyright law now mean no more print scan and deliver which should help speed as well as costs. It’s easier than ever for users to obtain material but paradoxically also more difficulty as channels and choices multiply – this provides an opportunity for ILL staff to use their hard earned skills as a central part of the information delivery process within their libraries.

**8. Opportunities.** I’d like to summarise the opportunities that I noted above and add one more. **SLIDE 16**

* one/two click ILL requesting
* filtering OA material out of ILL requests
* ILL involvement in new services for example PDA and renting
* AND pressing for free ILL– universities are now more competitive and student fees of about £9k a year raise expectations. Post grads use ILL more and are charged between £5 and 30K. The real costs of ILL for most articles are low, certainly compared to the costs of APCs! Users can justifiably argue that they are paying high fees and shouldn’t have to pay more just because the library cannot provide want they need. And if the library replies that it will be swamped by requests – just look at the evidence of when Big Deals are cancelled when the impact was close to zero.

**9. Conclusion**

I hope that I have demonstrated that whilst there are threats for ILL staff there are also opportunities. I will end on a rather conservative note – that even with all the changes taking place there remains a vast amount of material out there that is not available to users – either because it is behind expensive pay walls or because it has not been digitised - the latter including many current H and SS journals; Grey Literature – theses, reports etc and back runs of many - perhaps most - journals and don’t forget the 150 million books that have ever been published only about a third of which have been digitised. So there is still plenty out there to be found for users.

**10. References**

**SLIDE 16** And here are some references – best to read my literature reviews in ILDS if you want to find out about issues affecting ILL. It’s not that they are brilliant but I’m not aware of any other regular and current resource.

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**SLIDE 17 -** Contact me!